INFLUENCE OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL CHANGE IN THE PETROLEUM INDUSTRY IN KENYA

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Influence of Strategic Leadership on Organizational Change in the Petroleum Industry in Kenya

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DECLARATION

This thesis is my original research work which has not been presented for a degree in any other University whatsoever.

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DEDICATION

This thesis is dedicated to all my family members for their selfless contribution towards setting a firm background for my education.

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ABBREVIATIONS AND ACRONYMS

AI	Amnesty International
ANOVA	Analysis of Variance
BCG	Boston Consulting Group
BP	British Petroleum
CEOs	Chief Executive Officer
CFA	Confirmatory Factor Analysis
EFA	Exploratory Factor Analysis
ERC	Energy Regulatory Commission
HCM	Human capital management
IBM	International Business Machine
IEA	International Energy Agency
KMO	Kaiser-Meyer-Olkin
KPRL	Kenya Petroleum Refinery Limited
LMX	Leader Member Exchange theory
MBO	Management by Objectives
NOCK	National Oil Corporation of Kenya
OMC	Oil marketing companies
OPEC	Organization of the Petroleum Exporting Countries

PIEA	Petroleum Institute of East Africa
SEM	Structural Equation Modelling
SPSS	Statistical Package for Social Science
U.K	United Kingdom
UAE	United Arab Emirate
UAE	United Arabs Emirates
VIF	Variance Inflation factors
WEO	World Energy Outlook

DEFINITION OF TERMS

Corporate Communication Is a process through which leaders motivate employees as well as engaged society in a proactive and positive way thus enabling adopts organization (Apostu, 2013).

Strategic Communication Refers to policy making and guidance for consistent information activity within an organization and between organizations (Schneider, 2014).

Human Capital Development Refers to the key element in improving firm's asset and employees in order to increase productivity as well as sustain competitive advantage (Dergisi, 2009; Ireland & Hitt, 2005).

Leadership Is the process of influencing leaders and followers to achieve organizational objectives through change (Lussier & Achua 2013). Leadership has further been defined as a process whereby an individual influences a group of individuals to achieve a common goal (Northouse's, 2007).

Organizational Change Is the process of reviewing and modifying the management structures and business process due to ever changing environment under which the companies operate in (Yang, 2009). This include streamlined cost structure, speed product development, technological uptake and aligned skills in an organization all of which is aimed at attaining organization goals, vision and mission as well as achieve some competitive advantage (Serfontein, 2009).

Strategic Control Is the process through which organization monitor their strategies they intend to adopted with the view of helping its internal environment to be matched with the existing external environment (Huettel, 2012).

Strategic Direction Is the process of directing and controlling the organization action that leads into achievement of the goal which may involve different degrees of changes hence they must set the activities and process to be followed across all levels (Serfontein, 2009).

Strategic Forecasting Is a technique of prediction that is based on the organization's capability to adapt to new situations. Forecasting is an explicit procedure for translating information about the environment and the organization's proposed strategy into statements about future results (Kash & Darling, 1998).

Strategic Leadership Is the ability to influence followers to voluntarily act and make decisions that enhance the long-term and short-term viability and stability of the organization Draft, (2011). Strategic leadership has further been defined as the ability to anticipate, envision, maintain flexibility and empower

	employees to create strategic change as necessary (Wendy, 2012; Akbari et al, 2013; Poursadegh et al, 2010; Serfonten, 2009; Amos, 2007; Hitt, Ireland & Hoskisson, 2005).
Strategic Planning	Is the process through which an organization defines its strategy, and make decisions on allocating its resources to pursue this strategy (Pearce & Robinson, 2011, Draft, 2011; Holloway, 2012).
Strategy	Is the process of determining the basic long term goals and objectives of an organization and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Strickland, Thompson & Gamble, 2010; Chandler, 2012).

ABSTRACT

The global economies heavily rely on oil and gas to fulfill majority of its energy demands. The Petroleum industry is considered to be one of the greatest and most powerful Industry in the global market with its operation covering every corner of the globe and with the world`s energy heavily dependent on oil or gas products. The oil and gas industry internationally experiences numerous strategic leadership challenges. Despite the challenges, the petroleum industry in Kenya has undergone rapid change processes that has enabled it adapt and respond to the uncertain and competitive global environment within the gas and oil sector. However, the oil industry in Kenya had been steered competitively hence becoming market leaders making headlines due to good institutional policies and an excellent legal framework that satisfies all actors in the socio-economic playground in Kenya while setting high standards as benchmarks for other petroleum companies in the sector. The petroleum industry is therefore an important one thus, the need to lay out the strategic plans to steer the process of exploration, production and transportation. These processes explain calls for strategic leadership to manage changes that are experienced by the organization in their bid to attain an ideal state in terms of performance. In view of the above, the objective of the study was to examine the influence of strategic leadership on organizational change in petroleum Industry. Specific objective of the study was to determine the influence of strategic direction on organizational change in the petroleum Industry, to find out the influence of strategic planning and forecasting on organizational change in the petroleum Industry, to examine the influence of human capital development on organizational change in the petroleum Industry, to determine the influence of corporate communication on organizational change in the petroleum Industry and to establish the influence of strategic controls on organizational change in the petroleum Industry in Kenya. The study was guided by strategic leadership theory, Upper echelon theory, the contingency theory, trait theory, the theory of management by objective as well as the system theory of management. The study adopted descriptive research design. Simple random sampling was used to select 47 CEOs and 187 directors which formed a total of 234 respondents for this study. Primary data was extracted via the use of questionnaires. The Data was organized in the form of frequency, percentages, mean and standard deviation while regression analyzed was used to test the hypothesis of the study. The findings of the study revealed that strategic controls, corporate communication, strategic direction, strategic forecasting and human capital development significantly influence strategic leadership on organizational change in Petroleum Industry in Kenya. The study recommends clearly stipulated policies which ensure that vision and goals of the petroleum company are optimally utilized in line with the available resource. There is need to provide elaborate strategic planning practice which is geared towards organizational change, the human resources competence should be continuously appraised with the view of ensuring and promoting organizational change due to heterogeneous skills alignment. Further, the management must ensure stakeholders on corporate communication so as to influence and persuade on the need to attain organizational change as well as adopting corporate communication and leadership strategies which creates an informed pool of stakeholders for the petroleum industry in Kenya. Finally, the petroleum Industry should have an independent department executing research and development programs which will give competitive advantage to the petroleum Industry in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic leadership has emerged as the most significant and widely used leadership approach and is seen as moving leadership away from a concern with the organizations` internal dynamics to an involvement with its strategic alignment in the external environment. The current intensity of competition in the contemporary market needs with the view of obtaining competitive gain has been Centre of organizational change for the modern business organizations. Firms have to struggle to survive lest they are pushed out of the business by increasing operating costs and rivalry in the market (Dubin & AL-rbabah, 2015). Business environment keeps on changing, increasing the responsibilities and accountability in order to satisfy their clients. With the free entry to the market, entrant firms continue to reduce the market share of the existing firms and subsequently forcing organizations to frequently review their plans and strategy of operation. These reviews and changes calls for a strong strategic leadership for speedy action that will see immediate results being delivered (Aslan, Diken & Sendogdu, 2011) since traditional leadership approaches are not enough to serve the rapid changes in the knowledge economy, Serfontein (2009).

Strategic leadership is said to be multifunctional ability that allows management of organizational processes which required leaders to ensure that organizational changes are continuously evaluated to dealt with change that seem to be increasing exponentially in the current globalized business environment (Jamal & Saif, 2011). According to research by

Finkelstein, Hambrick and Cannella (2009), profound that strategic leadership has the ability to anticipate, predict, sustain flexibility and invest others to create the much needed strategic changes. In most organizations, strategic leadership practices rests with CEOs, senior management, chairman of the board and board members Kimutai (2009). Despite the position and organization function, the strategic leaders bear a decision-making responsibility that cannot be delegated. It has also to be remembered that to achieve anything above average returns it demands strategic leaders who are capable of formulating and executing strategies accordingly. Further, Davis (2012) observed that for an organization to compete successful they have to uphold good corporate governance practices in their leadership.

Strategic leadership in strategic organizational change has become beneficial in the overall community of the organization which included providing the staff with direction which focuses on forming the basis for objectives enhancing strategies; inspiring positive emotions around the organization while ensuring unity of purpose and resolve divergent views among employees. Strategic leadership is the basic core of an organization that determines success or frustrations in it (Markovic, 2008). Strategic leadership has been involved the use of change strategy to manage workers in organization for purpose of achieving long term sustainability of the organization (Brent & Barbara, 2012). Strategy has the ability to encourage long term plan of action that has been laid down by a company in order to achieve competitive advantage, by meeting the market needs and the stakeholders' competition, through proper combination of resources (Johnson & Scholes, 2011).

Strategic leadership provides organizational leaders with the ability to create and reinvent reasons for the organizations continued existence in a turbulent business environment. This is in accordance with research by Kirmi and Minja (2010), which postulated that strategic leaders shape the formation of strategic intent and strategic mission and influences successful strategic actions for the formulation of strategies and implementation of strategies which yields to strategic competitiveness and above average returns. A number of scholars have observed substantial interest in strategic leadership, such as reflected in works by Bradley and Barrick (2008). Strategic leadership is important in all kinds of organizations of the twenty first century according to research by Hitt, Haynes and Serpa (2010) which argues that a number of strategic organizational leaders have failed to deal effectively with environmental turbulence. This conforms to Dyer, Gregersen and Christensen (2011) who argued that most firms hire strategic leaders who are able to use efficient mode of communication with the technological advancement for their execution abilities, not for their discovery skills and CEOs with the insight and commitment to cultivate organizational capabilities for invention are rare.

According to Center for Creative Leadership (2004) strategic leadership is all about transforming a firm via the vision and values, culture and environment, structure and systems and then through its strategy. Alternatively, strategic leadership is a process that engages the managers and executives for clarity of issue, stronger connections and expansion not a position. With the world becoming a small global village due to technology, leaders must be innovative in the ways they conduct their business. The ever-changing market under which the organization operates invites leaders to incessantly reassess and reevaluate how to implement their business model Abdow (2015). Research by Ruderman et al., (2010) has confirmed that strategic leadership is about transforming an organization through its vision and values, culture and climate, structure and systems as well as through its strategy.

Research by Kelly and Mark (2013), has shown that strategic leaders practice different styles of administration to develop vision for their organization that enables them remain competitive in a changing economic and technological climate. Strategic leaders therefore are able to use this vision to motivate employees and departments while fostering among them a sense of unity and direction, in order to implement change within their organization or streamline its processes. Research by Drath *et al.*, (2008), has therefore advance that there are three different organizational spheres from the bottom to the top of the organization which included the production domain which appears at the bottom of the organization, the organization domain in the middle levels and the systems domain at the top. The research has further concealed that strategic leaders are change leaders who deals with the idea that an organization must master the challenges of change while creating a satisfying, healthy, and effective workplace management for their employees in a given organization. Research by Jamal and Saif (2011), has argued that strategic leader deals with the processes of setting the direction and long term, objectives of the organizations and establish priorities in the constant changing economic landscape.

Research advance by (Abdow, 2015), has revealed that strategic leadership is very important in a demanding and challenging environment which is eagerly needed by organizations as it is capable of predicting the essential alterations and changes in the organization in advance and create required commitment and highly suitable atmosphere for workers and teams to understand and adopt these changes successfully. The research further argued that strategic leadership makes any organization capable of better responding to the future trends, technological changes, social and economic changes, and thus providing a competitor edge in this age of high and intense competitions. Change is a parameter through which an organization improves its performance which may lead to organization`s long term success and sustainability. In view of the above, environmental challenges are not only important but also a demand of time and strategic leadership plays a key role in promoting competencies and capabilities while addressing the issue of organizational change which in turn leads to long term success and sustainability.

1.1.1 Global perspective of Strategic Leadership

Internationally, the corporate environment is experiencing mega-trends in the level of complexity, dynamism and uncertainty that requires strategic leaders to plan in advance the best way to meet the companies' objectives. Research which was undertaken in South Africa by Serfontein (2009), who studied the influence of strategic leadership on the operational strategy and organizational performance, established that strategic leadership has potential to influence organizational change in organization. Strategic leadership was measured as one of the dimensions of strategic leadership action in organization while coherence and discipline of organization performance were measured as return on asset and earnings per share in a given period. The research has sampled one hundred and eighteen listed organization CEO`s and members of the executive team the results showed that a direct affirmative connotation between the strategic leadership, operational strategy variables and organizational performance procedures. This implied that strategic leadership is an extremely important element in business as it determines the future direction.

Globally, research has shown that leadership has remained as one of the most imperative driving forces in organizational change (Dimitrios, Sakas & Vlachos, 2013). Modern organization has recognized strategic leadership as one of the administrative structures which has been identified as one of the possible barriers for effective implementation of strategy in organizations. Subsequently, the concept of strategic leadership has been viewed as one of the most important key drivers of strategy execution in organizations (Barend, 2016). The identification, development, and use of organizational leadership in business have critically influenced organizational performance (Redmond, 2016). Strategic leadership is one of the managerial ability to empower others through anticipation, envisioning and maintaining flexibility to create strategic changes where necessary (Hoskisson, Hitt, Ireland and Harrison, 2012). Research by Dinwoodie, Quinn & McGuire (2014) has indicated that, through leadership strategy, the potential of individuals and groups is unleashed throughout an organization and assists an organization to achieve success. Strategic leaders integrate the vision, creativity and innovation necessary for long term success with the operational focus and understanding that preserves organizational stability. The Strategic Leader is able to bond or connect with the people around them and is results oriented, Mapetere, et al (2012).

Prominent scholars have confirmed that strategic leadership is one of the most critical leadership issues facing organizations in the twenty first century (Phipps & Burbach, 2010). Moreover, research has revealed that strategic leadership has the ability to influence the act of voluntary followership while make strategic decisions which enhances both long term and short term viability and stability of the organization Draft, (2011). Research by Brent and Barbara (2012), has further confirmed that the modern organizations are increasingly embracing strategic leadership as part of their management techniques. On the same note, Porter (2008), also confirmed that strategic leaders understand industrial structures that guides them to fulfill the strategic action, which may include the following but not limited to positioning the organization to cope better with competitive industrial forces, anticipating and exploiting shifts in the market forces which is shaping the balance of forces to create a new industry that is more favourable to the organizational strategies that exploit the best possibilities.

1.1.2 Regional perspective of strategic leadership

Research has revealed that strategic leadership has in recent past been recognized as one of the competitive markets forces that influence business environments which is characterized as been volatile, turbulent, uncertain, complex, and heterogeneous. The modern organizations have been implementing valuable competencies and strategic business capabilities in their business operations activities in order to boost long term business excellence while promoting competitive advantage so as to achieve excellence performance, promote corporate survival strategies with the view of enhancing organizational sustainability in the competitive business environment (Halawi, Aronson & McCarthy, 2015). Research has further recognized strategic leadership as of the key determinant driving force which explains organizations competitiveness in view of promoting profitability. Organizations with superior strategic leadership influence incline to achieve higher stable performance and increased organizational success in the commercial operations.

Modern organizations has identified strategic leadership as one of the key driver of organization’s success for strategy implementation in accordance with research by Hitt, Ireland and Hoskisson (2013), which has recognized strategic leadership as one of the central drivers for effective strategy implementation in which strategic leaders play important role in promoting competitive advantage of an organization over long term (Marriott, Du Plessis, Manichith and Sukumaran 2014). Research has shown that strategic leadership does not come easily in most modern business organizations. Statistics show that there are fewer than 10% of leader's which exhibits strategic skills a woefully inadequate number considering the demands on organizations today which revealed that strategic skills are not needed only at the times of growth. Research has further revealed that during tough times, when resources are tight, it is more important to ensure that those resources are absorbed in right areas. Strategic leadership therefore requires us to think, act strategically and influence others in a way that promotes everlasting success for the organization. Strategic planning process is only put in place a plan, therefore organizations requires actual strategies which lie in the hands of decisions made by leaders and choices of their people, Beatty (2010).

Research by Spender (2010), has advanced that strategic leadership which enhances organizations ability to anticipate, direct and sustain flexibility while empowering others in the organization to create strategic chance and a viable future for the organization. Strategic leadership philosophy has further advanced that, in setting directions for the organization, it increases the ability for organization to scan and cope with the critical sectors of their environment (Hambrick, 2011). Similarly, strategic leadership has been viewed as one of the competency that is capable for creating capabilities within an organisation through acquisition, recombination and renewal of these activities and resources (Eisenhardt et al., 2015). According to research by Spender, (2010), has established that strategic leadership provides the ability for organizations to anticipate, foresee and continue flexibility with the view of empowering others for the purpose of creating strategic avenue that promotes viable future of the organization. Research by Hambrick (2011), has further advanced that strategic leaders sets directions of the organization with view of increasing the ability of the organization to scan and cope with the critical environment factor that surrounds the business. Strategic leadership has been viewed as a competency that is capable of creating capabilities within an organisation by acquisition, recombination and renewal of these activities and resources (Eisenhardt et al., 2015).

1.1.3 Local regional perspective of strategic leadership

Locally, strategic leadership plays vital role for the organization in view of determining strategic direction of the organization while establishing strategic action that is believed to perform the most imperative role for effective strategy execution. Strategic leaders develop the necessary human capital while maintaining essential competencies which is vital to strategy execution. On the other hand, the strategic leadership action seen to play the least vital role in efficient strategic execution is the social capital (Kaplan and Norton, 2000). Strategic leadership therefore ought to have been developing mature system that would establish healthy interaction within the business environment. This is after the recognition that to succeed, the organization must serve customers better, create new advantages and survive in bitterly contested markets in the future. The pace of these changes is not slowing down and there are no indications that it will any time soon require people to apply focus and effort which brings about change as the marketplace becomes more sophisticated and demanding, organizations must constantly alter some aspect of their operation to remain competitive (Lindorff, 2009).

1.1.3.1 Global pperspective of Petroleum Industry

The global economies heavily rely on oil and gas to fulfill majority of its energy demands. The Petroleum industry is considered to be one of the greatest and most powerful Industry in the global market with its operation covering every corner of the globe and with the world`s energy heavily dependents on oil or gas products. The petroleum sector plays a significant role and has highly contributed to the current economic prosperity and for the exceptional economic and social development of the world Rajesh (2017). Economic indicators and statistics, both in the developing and developed nations, have over time shown that the global economy relies heavily on oil and gas to fulfill majority of its energy demands.

Research by the International Energy Agency (IEA) further predicts that global oil demand will hit 90 million barrels per day in 2020 (IEA, 2011). Moreover, research done by Brent & Barbara (2012) has shown that the continued increase in the world's energy demand is due to robust economic growth in China and India and an uncertain political climate in the Middle East. IEA (2011) confirmed that the petroleum industry is considered to be one of the largest and most powerful Industries in the global market with its operations covering every corner of the globe and with the world's energy heavily dependent of oil and gas products.

The business environment in the oil marketing industry has become competitive following increased changes that have been implemented in the past one decade (Arora, 2015). In addition, continued effects of globalization, information technology advancements and regulatory framework have changed the competitive levels in the industry. To manage an industry of such importance, there is need to lay out the strategic plans in regards to the whole process of exploration, production and transportation (Yang, 2009). These calls for strategic leadership that would help improve efficiency and effectiveness of operations in the various organizations involved.

1.1.3.2 Regional pperspective of ppetroleum iindustry

In Africa, the traditional cooking method and pot gives the analogy of the tripartite engagement necessary amongst the national government, the investor and the local community, in respect of a project in the extractive industry. Research studies and experiences has shown that unless there is a proper engagement and a wide consultation with all stakeholders, the discovery and exploitation of oil and minerals ends up being a curse rather than a blessing especially to the local community. This oil industry is strategic as the base of transportation and other essential activities of the economy of any country. As a result of these strategic issues, it is in the center of the international geopolitical and macroeconomic panorama and most of the governments maintain careful control of the evolution of the industry which directly achieves operations in the respective nations. The Organization of the Petroleum Exporting Countries (OPEC) controls major crude oil by setting production quotas. The values opportunities were added by dispensation and chemically changing the crude oil which has been regarded as refining. Important economic rewards can be gained with establishment of well integrated global oil supply chain.

Regionally, consumption of petroleum products has been estimated at 5% of the Petroleum product which currently makes up only 6% of the nation's energy supply, with biomass accounting for over 90%. The transport sector is the major consumer of petroleum which accounts for about 75% of the value of petroleum imports. Uganda currently imports all its petroleum requirements, with petroleum products constituting over 15% of the country's total import bill (Energy and Mineral Development, 2012). There has been steep growth in consumption of about 20% between 2005 and 2008 as a result of using diesel for thermal electricity generation. The Uganda`s petroleum import routed through Kenya using the port of Mombasa with the balance of 10% coming through Tanzania using the port of Dar es Salaam. "Like other countries in the region, Uganda incurs a high expenditure on petroleum products contributed by a long supply route over a distance of about 1200km from the coast, characterized by inadequate and inefficient infrastructure.

Research by East African Business Week (2011) has further indicated that Africa`s regional Government have actively promoted the country's petroleum potential, establishing regional economic blocks to oil companies for exploration purposes. Generally, Petroleum sector plays a significant role and has highly contributed to the current economic prosperity and for the exceptional economic and social development of the world (Rajesh, 2017). The petroleum industry is therefore an important and thus, the need to lay out the strategic plans to steer the process of exploration, production and transportation. These processes explain calls for strategic leadership to manage changes that are experienced by the organization in their bid to attain an ideal state in terms of performance.

1.1.3.3 Local perspective of petroleum Industry

Petroleum Industry in Kenya has been a prime mover in the development of the country both socially and economically. Despite the fact that Kenya imports most of its petroleum product requirements, there are four basins in charge of petroleum exploration, namely Lamu Basin, Anza Basin, Mandera and Tertiary Rift Basin. Oil and gas are the first petroleum products to be explored in 1956 during the colonial era, but gained a major breakthrough in March 2012 when the Ngamia 1 well was discovered in Turkana County by Ministry of Energy and Petroleum (R.O.K, 2015). By December 2015, 74 more wells had been drilled, twelve of them producing hydrocarbon. These discoveries have attracted 46 petroleum exploration blocks whereby 44 have been licensed and under the management of 23 international oil exploration companies.

The petroleum industrial activities are comprised of exploration, extraction, refinement, transportation and marketing of the petroleum product. According to the Kenyan regulations, Kenya Pipeline Company is responsible for the movement and storage of oil while the National Oil Corporation of Kenya (NOCK) engages the oil marketing companies for downstream, midstream and upstream of the petroleum products (Athmani, 2015). Research by Athmani (2015) established the existence of over 60 oil marketing companies (OMCs) in Kenya which are involved in oil transfer system cycles. In the cycle, OMCs are supposed to submit their requirements per product to the supply coordinator who combine all the national needs. These needs are then tendered by the ministry of energy at the third and the last week of every month. Successful bidders are then required to supply the products within 30-35 days after the tendering date (Athmani, 2015).

All petroleum exploration businesses are governed by Petroleum Act of Kenya, which also provides details on the way exploration and production should be handled. Further, under the Energy Act of 2006, the Energy Regulatory Commission (ERC) is charged with the mandate to regulate the petroleum and related products and all other forms of energy. There has been proposal to pass Petroleum Bill of 2015 which would provide a framework for contracting, exploration, development and production of petroleum resources for judicious revenue management of the resources that would pay attention to the concerns regarding the environment and local content.

As seen above petroleum industry is an important one and therefore, there is a need to lay out the strategic plans in regards to the whole process of exploration, production and transportation (Yang, *et al.,* 2011). These processes parse calls for strategic leadership that would help improve efficiency and effectiveness of operations in the various organizations involved. These form the basis why the researches wish to conduct a study to assess how the leadership has affected the changes being witnessed in many organizations.

1.1.4 Organizational change

Organizational change involves reviewing and modifying the management structures and business process due to ever changing environment under which the companies operate in (Yang, Zimmerman, & Jiang, 2011). These changes are experienced by firms in their bid to attain an ideal state in terms of performance. Research by Jamal and Saif (2011), has echoed that organizational change is the demand of time to remain successful in business. These changes are triggered by leaders in response to a crisis that is created by an increase in competing forces from within or outside organization. Research by Markovic (2008), has revealed that organizational change is one of the recent forces in times promoting the rapid continuous innovation in the vast pace of technology which is driving organizational change and processes. Changes in organization has involved numerous activities such as renewing organization direction, structure and capabilities in order to serve the continued needs of the market, organization and employees (Self & Schraeder, 2009).

Research by Arora, (2015), revealed that change is crucial for organizations in growing, highly competitive business environments. The business environment in the petroleum industry has become competitive following increased changes that have been implemented in the past decades. The base of globalization, the advancements of information technology and regulatory framework that has exerted competitive pressure in the petroleum industry in Kenya has forced to strategic change decisions with the aim of differentiating the sector from its competitors in a sustainable manner. The research has further pointed out that petroleum Industry in Kenya is constantly trying to develop appropriate response strategies to thrust it to attain its organizational goal and keep pace with these changes so as to remain competitive. Research by Cross (2015), has further argued that competition has been one of the environmental forces that influences business to exert pressure on firms to be proactive and formulate successful strategies that facilitate proactive response to perceived and actual changes in the competitive environment.

Failure by organizations to adapt and respond to the changes poses a greater risk than even managing changes in which by Makri and Scandura (2010), who pointed out that there are risks associated with losing market share to the competitors, jeopardizing shareholder support, losing employees and probably to some extent demise. For the increasingly turbulent and stiffness in a competitive environment, an organization needs to learn to manage change. In the process of managing changes, leaders must plan effectively and strike a balance between minimizing resistance from employees and the cost to the organization so as to maximize effective change efforts (Makri & Scandura, 2010). Research has further confirmed that strategic leadership management must therefore develop a mature system that would establish a healthy interaction with the environment.

This is after the recognition that to succeed, the organization must serve customers better, create new advantages and survive in bitterly contested markets in the future. The pace of changes is not slowing down and there is no indication that it will any time soon, this requires people to apply focus and effort which bring about change as the marketplace becomes more sophisticated and demanding, organizations must constantly alter some aspect of their operation to remain competitive (Lindorff, 2009).

1.2 Statement of the problem

A growing organization cannot exist free of changes. These changes are instigated by need to respond to current crisis conditions, ever-changing environment triggered by progressive manager. Subsequently, organizational changes bring about both challenges and opportunities. To manage these changes before, strategic leadership is required to manage organizational change if necessary (Abbas & Asghar, 2013). Strategic leadership foster change while creating an environment where change is the norm and stabilizes the organization to ensure changes are well implemented (Serfontein, 2009). This leadership brings on the table skills that would help competitively respond to the industrial forces, anticipating and exploiting shifts in the market forces.

Organizational changes bring about both challenges and growth opportunities. How to eliminate challenges and achieve growth through changes is the big question. To choose a given strategic leadership character from range of them is another. Further, the oil and gas industry bring again the global experiences of numerous strategic leadership challenges (Agha, *et al.*, 2012). Many of organizational changes continue to exacerbate the problem petroleum Industry in Kenya has undergone. According to Allio (2015) there are only a few firms that have remained dominant in this industry for decades such as Total, Vivo, Kenol

Kobil and NOCK. Despite their dominance and continued existence, they encounter cut throat competition from oil industry in the regional markets, competitive supply chain linkages, stringent government regulations and tax burden. In light of this therefore, the importance of strategic leadership cannot be over emphasized (Brent & Barbara, 2012) in managing organizational change.

Research by Apostu (2013), has advanced that there has been inadequate documentation in the field of strategic leadership on organizational change in the petroleum industry in Kenya. In addition, there has been a very little of the research done in the field of strategic leadership within the corporate sector (Phipps & Burbach, 2010). In Kenya, the concept of strategic leadership has been studied by many researchers including Bass (2012), however, there is no study that was done in relation to the influence of strategic leadership on organizational change specifically to petroleum industry in Kenya. Moreover, presence of weak strategic leadership contradicts the very relationship thus posing a major knowledge gap necessitating re-examination in which the study intended to fill. This study therefore sought to examine to the role played by strategic leadership on organizational change in the Kenyan petroleum context.

1.3 Objectives of the study

The objective of the study was to examine the influence of strategic leadership on organizational change in the petroleum Industry in Kenya.

1.3.1 Specific Objectives

The study specifically sought to examine the following objectives:

1. Determine the influence of strategic ddirection on organizational change in the petroleum Industry in Kenya.
2. Find out the influence on strategic forecasting and planning on organizational change in the petroleum Industry in Kenya.
3. Examine the influence of human capital development on organizational change in the petroleum Industry in Kenya.
4. Determine the influence of corporate communication on organizational change in the petroleum Industry in Kenya.
5. Establish the influence of strategic control on organizational change in the petroleum Industry in Kenya.

1.4 Research Hypotheses

The following hypotheses were tested:

1. H1: Strategic direction has significant influence on organizational change in the petroleum Industry in Kenya.
2. H1: Strategic forecasting and planning has significant influence on organizational change in the petroleum Industry in Kenya.
3. H1: Human capital development has significant influences on organizational change in the petroleum Industry in Kenya.
4. H1: Corporate communication has significant influence on organizational change in the petroleum Industry in Kenya.
5. H1: Strategic control has significant influence on organizational change in the petroleum Industry in Kenya.

1.5 Justification of the study

1.5.1 Strategic management leaders

The study made specific contributions to the strategic leadership body of knowledge in the Kenyan context strategic leaders are able to define the key moment for strategic change in organizations as well as developing strategic competences in their organizations. Strategic leaders are able to envision the strategic leap that an organization wants to make, while acting as passionate advocates for change. The study will make specific contributions to the strategic leadership body of knowledge in the Kenyan`s context by giving insights into how to create and maintain the strategic leadership necessary to keep their organizations on the leading edge.

15.2 Industry Stakeholders

The findings of this research is expected to provide useful to the stakeholders in the Petroleum Industry while evaluating the leadership and managerial skill and the extent to which strategic leadership influence organizational change process which revealed that the ability for an organization to adapt and change has become a central research issue focusing on the complexities of regulatory, political, technological and social changes.

1.5.3 Petroleum Companies

The Petroleum Industry in Kenya might use the recommendations of this study as a useful the information which might enhance the performance and the management of Petroleum Industry in Kenya. The result of the finding provides concrete knowledge of effective leaders' skills needed to build change into the organization's culture which allows them to be proactive and maintain a competitive advantage over the other players in the petroleum Industry in Kenya.

1.5.4. Academicians and Researchers

The study might increasingly provide the academics and searchers with useful information for future proper planning and decision making in the Petroleum industry in Kenya through the enhanced competencies that leaders have to identify the competence that they want to more fully develop and begin to try it step by step. In this regard, the study will provide further important insights to the scholars and researchers in the petroleum Industry on the influence of strategic leadership on organizational change in Kenya which provides opportunities for further research in the petroleum Industry.

The study might form a basis for further research on how to enhance the competence of not only petroleum products but other products and services. The finding of this may lead to the generation of new ideas for better and more efficient management of corporate petroleum companies and other organizations in Kenya as well as regionally and globally.

1.6 Scope of the Study

This study focused on the petroleum industry operating in Kenya for the last five year period licensed by the Energy Regulatory Commission with the view of examining the influences of strategic leadership on organizational change. The study established dimensions of strategic leadership which considered strategic direction, strategic planning and forecasting, human capital development, Corporate Communication and strategic controls as the subconstruct under the independent variable. There could be others, but the study concentrated on evaluating the influence of independent variable on organizational changes in the petroleum industry.

The study target population of this study was 530 top leaders in 106 Petroleum companies in Kenya with emphasis on the CEO`s and boards of Directors. They were chosen for the fact that they were charged with the responsibilities of determining strategic roles and organizational change strategies within the Petroleum industry in Kenya. Again, according to research by (Bass, 2012; Kelly & Mark, 2013), strategic leadership has been preserved for the top management such as CEO`s and directors. Strategic leadership is believed to be one of the most critical leadership issue facing organizations in the twenty first century (Phipps & Burbach, 2010). In conclusion, it was noted that strategic leadership has the ability to influence their followers to voluntarily action while making strategic decisions that develops both the long term and short term sustainability and stability of corporate business organization.

This study also covered the petroleum Industry found in Kenya, this is because petroleum Industry in Kenya have been faced several strategic challenges which includes throat cut competition from oil industry, competitive supply chain linkages, stringent government regulations and tax burden in which strategic leadership is believed brings on the table skills that would help competitively respond to the industrial forces, anticipating and exploiting shifts in the market forces. This research study covered for the period between January, 2016 to August, 2018.

1.7 Limitations of the Study

The organization`s confidentiality policy restricted of answering questionnaires from unauthorized respondents since it was considered to be against the organization confidentiality policy with a fear of exposing the organization confidential matters. The information sought by the study was regarded as being sensitive and could potentially reveal their strategies to competitor which restricted most of their staff to respond questionnaires since it was considered to be in contravention of the organization confidentiality policy. Such suspicion is usually associated with any kind of a research study. This was resolved by assuring the respondent that their response will be treated with utmost confidentiality and respect it deserves. The introduction letter obtained from the university to the industry helped to avoid suspicion and enabled the management of the industry to support the researcher with the necessary information sought by the study.

Other challenges included some of the respondents not filling or completing the questionnaire or some issues being misunderstood, inadequate responses to questions and unexpected occurrences like respondents proceeding on leave before completing the questionnaire. This was moderated through constant gentle reminder to the respondents during the period they were having the questionnaire. The introduction letter obtained from the university was presented to the organization management and this helped to avoid suspicion and enable the organization management to disclose much of the information sought by the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter has been divided into three sections, mainly, the theoretical framework, conceptual framework and empirical review of literature. The theoretical framework covered the key theories underpinning strategic leadership which has based on the research problem. Strategic leadership theory, Upper Echelon theory, Contingency theory, Trait theory, theory of management by objective and System theory of management were covered under theoretical framework section. Moreover, the conceptual framework section depicted the overall conceptual model for this study which determined the relationship between the dependent variable and independent variables. Finally, empirical literature were reviewed critically and analyzed recent research studies on the five components of Strategic leadership including; strategic direction, strategic planning and forecasting, Human capital development, corporate communication and strategic control which formed the specific objectives of this study.

2.2 Theoretical framework

In this section, six theories and two of model which consist of strategic leadership model and model of organizational change were discussed and articulated to the study objectives and variables that was strategic leadership theory, upper echelon theory, Contingency theory, theory of management by objective, system theory of management and the trait theory. Theories have established that leadership has evolved from great man and trait theories to contemporary leadership. Some of the Models of organizational change discussed included Lewin`s and Kotter’s of organizational change. Research by Hambrick

(2007), has examined the leadership theories which has been used to explain the connection between leaders and followers and the context in which the leadership is practiced. The early theories tend to focus on the characteristics and behaviours of successful leaders, whereas later theories considered the role of followers and the contextual nature of leadership (Vera & Crossan, 2004).

Great man theories suggest that leaders were exceptional people and were born with qualities to lead people who claimed that leaders were born and not made. Trait theories also argued that leaders have traits associated with them (Stogdill, 1948) as cited in Vera and Crossan (2004). However, behaviourist theories shifted from the assumptions of great man theories and trait theories, concentrating on what leaders actually do rather than on their qualities. For instance, different behaviour patterns can be categorized as styles of leadership.

2.2.1 Strategic Leadership theory

Strategic leadership theory was originally developed and expanded from Hambrick and Mason's (1984) upper echelons theory which was based on the leadership impact on organizational outcomes and performance (Vera & Crossan, 2004). According to the upper echelon theory by Hambrick and Mason (1984), top managers' preference and actions influence their strategic choices, direction and outcomes for the organization. The upper echelons theory states that organizational strategies and effectiveness are the reflections of the leaders' (top executives) values in the organization (Carpenter, Geletkanycz, & Sanders, 2004). Finkelstein and Hambrick (1996) extended the strategic leadership theory from the upper echelon theory with the aim of examining how top managers influence strategic decision-making. Therefore, this forms the basis for selecting strategic leadership theory for this study as it focuses on how the top leaders influence strategic decisions such as increasing effectiveness of humanitarian aid delivery services to their beneficiaries.

Boal and Hooijberg (2001) argued that while supervisory theories of leadership like path-goal, contingency, Leader Member Exchange theory (LMX) have focused on task and person oriented behaviours of leaders to explain the relationship between the leader and the subordinate, strategic leadership has come out to focus on the creation of meaning and purpose for the organization. A great deal of publications over the past 30 years has been devoted to the analysis and comparison of different leadership styles (Vera & Crossan, 2004). Much of this work has dealt with transactional, transformational and charismatic leadership whereas more recent work is beginning to address styles and approaches such as authentic, servant and responsible leadership. These efforts have provided a better understanding of how the influence of leadership styles is reflected on the individual, the team, and group performance outcomes. However, little of this research has been conducted in the context of strategic leadership theory in relation to the humanitarian context on how top executives influence delivery of humanitarian aid services to their constituencies (Phipps & Burbach, 2010). Further, Carter and Greer (2013) argued that instead, these studies focused on leadership styles of lower level managers and the impact of the leadership styles on the performance of team units within organization, contrary to the overall organizational performance.

Strategic leadership theory assumes that organizations performance and values are reflections and the efforts of their leaders (Finkelstein & Hambrick, 1996). For instance, the strategic choices top managers make will eventually affect the performance of the organization (Oppong, 2014). Besides, empirical studies suggested that top management teams influence organizational performance and effectiveness, and there is existence of strong relationship between the characteristics of the top management and organizational performance (Hambrick, & Mason, 1984; Carpenter, et al., 2004; Oppong, 2014).Therefore, the values, beliefs and the choices of leaders will affect the reflections of the leaders' (top executives) values in the organization (Carpenter, Geletkanycz, & Sanders, 2004). Finkelstein and Hambrick (1996) extended the strategic leadership theory from the upper echelon theory with the aim of examining how top managers influence strategic decision making within their organization. Therefore, this forms the basis for selecting strategic leadership theory for this study as it focuses on how the top leaders influence strategic decisions such as influence of strategic leadership on organizational change.

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Furthermore, the focus of strategic leadership theory is the overall impact of the top level leaders on organizational performance through their influence, strategy formulation and implementation in the context in which the organization operates. According to Phipps and Burbach (2010), the leader's vision, personality, influence and communication abilities are the most important tenets of strategic leadership theory. According to Yukl (2010), strategic leadership theory also explains how top executives influence competitive strategies, organizational structure, management models, overall organizational culture and team effectiveness through shared values and motivation. Studies based on strategic leadership theory addressed the relationship between the organization and the influence of the top level leaders on organizational performance. Regardless of the growing literature on strategic leadership in the corporate sector, only few studies have made an effort to study strategic leadership theory in the context of petroleum sector by examining the relationship between the strategic leader’s action and organizational change (Phipps & Burbach, 2010).

Strategic leadership theory is concerned with overall the leadership of the organization. However, it is argued that strategic leadership theory focuses not only on the top leader but top management, who have overall responsibility for the organization including the senior management teams (Boal & Hooijberg, 2001). The role of establishing a vision and setting broad objectives for the organization is taken up by the top-level leadership at the apex of the organization (DeChurch, Hiller, Murase, Doty, & Salas, 2010). This is supported by Hambrick (1989), who indicated that researchers often focus on studying the characteristics of individuals at the apex of the organization of what and how they do it.

The theory of strategic leadership also takes into consideration the important aspects of the environment on which the top executives operate and how this environmental context affects and influences their actions and decisions (Yukl, 2008). It also considers how groups of leaders within an organization share power, interact and influence each other to perform effectively (Makri & Scandura, 2010). Many situational leadership models may explain the dynamics of effective interpersonal or direct leadership, while strategic leadership models tackle how leaders create effective organization wide leadership (Zaccaro & Horn, 2003). However, Boal and Hooijberg (2000) indicated that researchers have not paid much attention to the environmental context of the organization that sets the settings, timing, and actions of the strategic leaders. Therefore, strategic leaders perform and act differently depending on the context of their environment so as to create effective organizations.

The strategic leadership theory seeks to provide a different perspective on strategic leadership requirements in today's dynamic environments (DeChurch, et al., 2010). Moreover, Boal and Hooijberg (2001) emphasized on change-oriented nature of strategic leadership that gives the leader the desire to lead and effectively perform against a turbulent environment. Therefore, there is a need for the strategic leader to conceptualize the capacity to learn and change against new challenges posed by the environment. The ultimate focus of the top leaders of an organization, who have substantive responsibility for making strategic decisions, is to understand how the top executives create an overall purpose and direction for the organization, which eventually guide strategy formulation and implementation (Makri & Scandura, 2010).

Strategic leadership is normally linked directly to the organizational performance and effectiveness. Besides, the relationship between successes of the organization, effectiveness and performance is linked to how top level leaders shape the organization culture, teams and various units within their organizations (DeChurch, et al., 2010). Strategic leadership theory focuses on the organization's structure, human and social capital and capabilities to meet real time opportunities and threats faced by the organization. Therefore, the theory seeks the top leader to conceptualize and play a more active role in developing ideas and vision of the overall organization, while middle and low level management implement the strategies, structures and processes of the organization envisioned by its top leaders (Boal & Schultz, 2007). According to Hernandez, Eberly, Avolio and Johnson (2011), the theory also considers the leader follower relationship and the context in which the follower and leader operate.

Literatures on the strategic leadership theory has drawn extensively from the transformational and charismatic leadership theories to examine the specific behaviours through which top executives can increase organizational performance and adaptation to the environment (Makri & Scandura, 2010). Transformational and charismatic leadership theorists have argued that the component of an effective and successful leader is the establishment of emotional connections with their followers (Bass & Avolio, 1994). Therefore, strategic leadership is not different and must be able to create and experience positive affection and influence followers in order to initiate change. It is through passion, positivity and sensations, that strategic leaders communicate their vision and goals to their followers so that they are more likely to work harder at meeting the goals and making the vision a success (Hernandez, et al., 2011). In general, Hernandez, et al. (2011) observed that strategic leadership theory has explored the traits, behaviours, and understandings of leadership mechanisms of the top executives while borrowing from other contemporary leadership styles like transformational, ethical, servant and charismatic leadership styles.

Strategic leadership theory explains that strategic leaders should be able to handle different activities and roles. Further, strategic leaders must be able to perform these tasks and roles using complementary leadership styles, personal characteristics and strategies to influence lower level managers and teams (Oppong, 2014). Moreover, strategic leaders are required to take roles such making strategic decisions, creating and communicating visions of the future; developing key competencies and capabilities; developing organizational structures, processes and controls; managing multiple constituencies; selecting and developing the next generation of leaders; sustaining an effective organizational culture; and the infusion of ethical value systems into the organization's culture (Boal & Hooijberg, 2000). In a nutshell, the central role of a strategic leader in the organization is to improve the capacity of the organization to learn from its past, adapt to its present, and create its future based on the environment and organizational capabilities. The complexity theory has considered the field of leadership complexity theory to be attractive to strategic leadership due to the fact that strategic leadership roles, practical organizational issues and management problems within competitive business environment while building and sustaining flexible and resilient organizations under complex and fast changing business environments (Boal, & Schultz, 2007).

2.2.2 Contingency theory

Fiedler (1967) developed a situational or contingency theory of leadership. Three imperative situational dimensions that have been identified are assumed to be influential on the effectiveness of the leader. Leader member relations: the degree of confidence the subordinates have in the leader. It also includes the loyalty which is normally shown to the leader and the leader’s attractiveness. Position power; this is the power inherent in the leadership position. It may comprise of rewards and punishments which are typically associated with the position, the leader’s formal authority that is based on ranking in managerial hierarchy and the support that the leader receives from supervisors together with the overall organizations. Donnelly, Gibson, and Ivancevich (1992) state that, after years of debate, studies found that most managers in today premise, a particular leadership style is effective in all situations. There has been believe that the managers behaving as a considerate leader, for example, cannot be assured of effective results in every situation.

Scholars such as Morgan (2007) opined that strategic leadership should be flexible to accommodate the changing needs of the customer. Strategic leadership should provide clear plan of action on the best procedure of strategy execution will take place in terms of duties and while establishing clear reporting relationship between strategic leaders and their employees. This theory is in line with the study of organizational behaviour which gives clear explanation on how contingent factors such as technology, culture and the external environment have influenced the design and the function of an organization. According to research by Vroom and Jago (1988), has postulated that organizational effectiveness is not necessarily dependent on the fit between the type of technology used, environmental instability, the size of the organization, the features of the structure and information system that they possess. Research by Hersey and Blanchard (1974), has posited that contingency theory gives a provision that effective leadership style in some situations may not be successful in others and there is no way of leading that is best

Research by Fiedler and Garcia (1987), has argued that success of a leader is a function of various contingencies that comes in the form of subordinate, task, and group variables. The effectiveness of any design that is given according to the leader's behaviour that is contingent based on the demands that have been imposed by the situation. Study by Fiedler and Garcia (1987), has further pointed out that if the leader doesn't adapt or change his style, he might never be productive at the higher levels of the organization. This is one of the most common problems in large organizations; where promotion of managers on the basis of current achievements without considering their capabilities for future achievements often lead to overall ineffectiveness of the organization.

2.2.3 Upper Echelon Theory

The central premise of upper echelons theory is that executive`s experiences, values, and personalities greatly influence their interpretations of the situations they face which in turn, affect their choices. The upper echelon theory was originally presented by Hambrick and Mason (1984), which laid several promising avenues for future upper echelons research (Boal & Hooijberg, 2001). Hambrick has expressed ambitious research agenda set out to provide a stronger argument for leadership in the strategic management literature which was labeled the "upper echelons" (Elenkov, Judge & Wright, 2005, Hambrick,2007). The Upper echelons perspective expanded understanding of strategic leadership which has been criticized for not directly studying actual strategic leadership behaviour. Instead, it used demographic proxies and inferred strategic leadership behaviours. The strategic leadership behaviours vary throughout the world which has remained unknown and relatively unexplored Elenkov *et al*., (2005).

The upper echelons theory has recognized that top managers matter significantly to organizational outcomes, and sometimes which likely to realize their original intentions and vice versa, the upper echelons perspective has provided sound theoretical and a number of empirical arguments for the central role of strategic leadership (Elenkov *et al.*, 2005; Kellett, Humphrey & Sleeth, 2006). The upper echelons and strategic leadership theories emphasized the interpersonal processes between leader and followers. The new leadership theories focus on charismatic, transformational and visionary leadership. Charismatic Theories of leadership emphasized personal identification of the followers with their leader. Charismatic leadership theories tend to focus on individual level outcomes such as effect, loyalty, identity, commitment, motivation and performance. Personal identification with the leader is the key variable in charismatic theories of leadership (Elenkov, *et al.*, 2005, Hambrick, 2007).

2.2.4 The Trait Theory

Trait theory represents the earliest works on leadership which tends to point that great men possess certain superior traits or qualities that make them different from others or their followers. This theory focused on the qualities which a leader must have and these includes; intelligence, sizable or of outstanding appearance, be of good judgment, have better initiative, must be honest, open minded, truthful and courageous and have ability to accept responsibility and that of his followers. However, despite the belief of the trait theorists, the conclusion drawn from understudying shows that there no evidence on the universal leadership traits existed.

Trait can be defined as any distinctive physical or psychological characteristics of an individual to which his behaviour can be attributed. Taking this definition as a point of departure, it becomes essentially difficult to find consistent traits that can be associated with leaders. Past studies have shown that successful leaders that ever lived never possess all those qualities as the trait theorist would want us to believe and yet, these leaders made an impact in global politics.

The traits theory postulates that personal characteristics such as personality traits, cognitive and interpersonal skills which determines an individual's potential for leadership roles (Furnham, 2005). According to the traits theory, leadership is something intrinsic to the individual. According Kelly and Mark (2013), the nature is more important than nurture; that is to say, an individual's predisposition to leadership (his or her nature) has a greater influence than the context. Trait theory has therefore suggested that the characteristics or the personality of a person may make them an effective leader. The past academics who have studied this theory believe that potential leaders can be spotted by studying the personality traits of the individual and matching them to the characteristics of actual leaders. Trait theory was almost abandoned by leadership practitioners as leadership research evolved, but in the past few years, there has been a renewed interest and more research related to trait theory.

2.2.5 Theory of management by objective

The theory of Management by objectives (MBO) was developed by Peter Drucker1954, in his book "The Practice of Management." in a practical way (Mulder, 2014). Setting challenging but attainable objectives promotes motivation and empowerment of employees. By increasing commitment, managers are given the opportunity to focus on new ideas and innovation that contribute to the development and objectives of organizations. This approach was further developed by many management theoreticians, among them Douglas McGregor, George, Odiorne, and John Humble. Management by Objectives (MBO) is a performance management approach in which a balance is sought between the objectives of employees and the objectives of an organization. The essence of Ducker's basic principle management by objectives is to determine joint objectives and to provide feedback on the results. Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members.

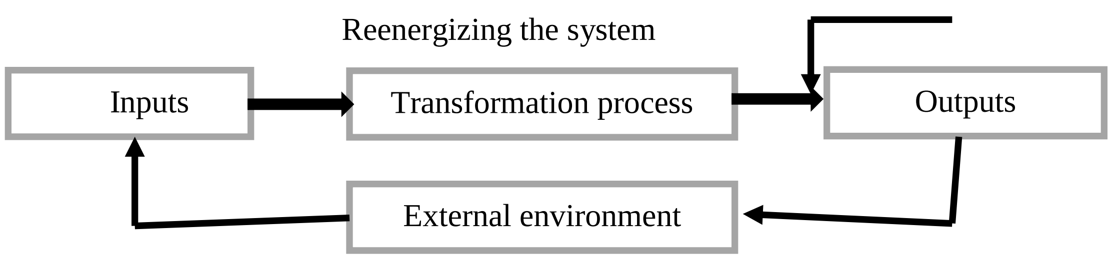
Research by Faizah (2012), revealed that the most important tool the manager has in setting and achieving forward-looking goals is people, and to achieve results with this tool the manager must: first, be able to instill in the workers a sense of vital commitment and desire to contribute to organizational goals; second, control and coordinate the efforts of the workers toward goal accomplishment; and, last, help his or her subordinates to grow in ability so that they can make greater contributions. According to Todor, (2011) Management by objective is a management philosophy which in the last fifty years since the term Management by Objectives (MBO) was introduced, numerous methods, models and theories surfaced. The first segment of the paper addresses issues regarding the organizational objectives, more specifically the importance of the objectives as a basis upon which the organization is established, the possible approaches of leading a tourism organization, and how the organization should be managed by these approaches. The principal characteristic of management is to direct the leading toward achieving the predetermined objectives. The second segment of the paper discusses the MBO process, its advantages and disadvantages. The practical implementation of the MBO is also elaborated. Before the organization is established, the organizational objectives are usually in only one direction, mainly focusing on the profit side of the business.

According to Brim, (2012) MBO principals contained many precursors to the basic building blocks used by current project management tenants. some of the basic principles of Management by objectives includes, establish a set of top level strategic goals, create a cascade of organizational goals that are supported by lower level definitive objectives and action plans, develop an organizational role and mission statement, as well as specific objectives and action plans for each member, often in a manner that involved participative decision making, establish key results and/or performance standards for each objective and periodically assessment of the status or outcome of the goals.

2.2.6 The Systems Theory of Management

Systems theory is one of the most prominent and dominant theories in management today which treats an organization as either an open or closed system. An open system consists of three essential elements. An organization receives resources such as equipment, natural resources, and the work of employees, referred to as inputs. The inputs are transformed, called throughputs, and then yield products or services called outputs. Outputs are released into the environment. Research revealed that closed system is not affected by its environment for instance. For example, a chuck of iron ore is not substantially affected by its environment. An open system is a system that is affected by its environment. A simple example is a living organism, such as an animal. Most theorists treat an organization as an open system. Research by Chikere (2015) argued that systems theory focuses on the relations between the parts of the organization rather than reducing an entity into its parts or elements. The research further reveals that organization is considered as a system which has integrated parts that must be coordinated for efficiency and effectiveness. In relation to this, system has therefore been defined by Flood and Jackson (1991), as a complex and highly interlinked network of parts exhibiting synergistic properties the whole is greater than the sum of its parts. A system is a set of distinct parts that from a complex whole.

Research revealed that in the present day organization is confronted with the tasks of adopting specific style of management in its day to day operational decision making (chikere,2015). Research by Glinow at el, (2003), postulated that in today's organizational, management systems consist of many internal subsystems that need to be continually aligned with each other. He further argued that as organizations grow, they develop more and more complex subsystems which must be coordinated with each other in the process of transforming inputs to outputs. According to research by (Weihrich et al, 2008), it postulates that every organization does not exist in a vacuum, it is therefore dependent on its external and internal environment which is a part of larger system thus belongs to the economic system and the society. Organization receives inputs, transforms them and exports the outputs to the environment as shown in the basic input-output model as shown below



Source: Weihrich, et al (2008)

Figure 2. 1: Input – Output Mode

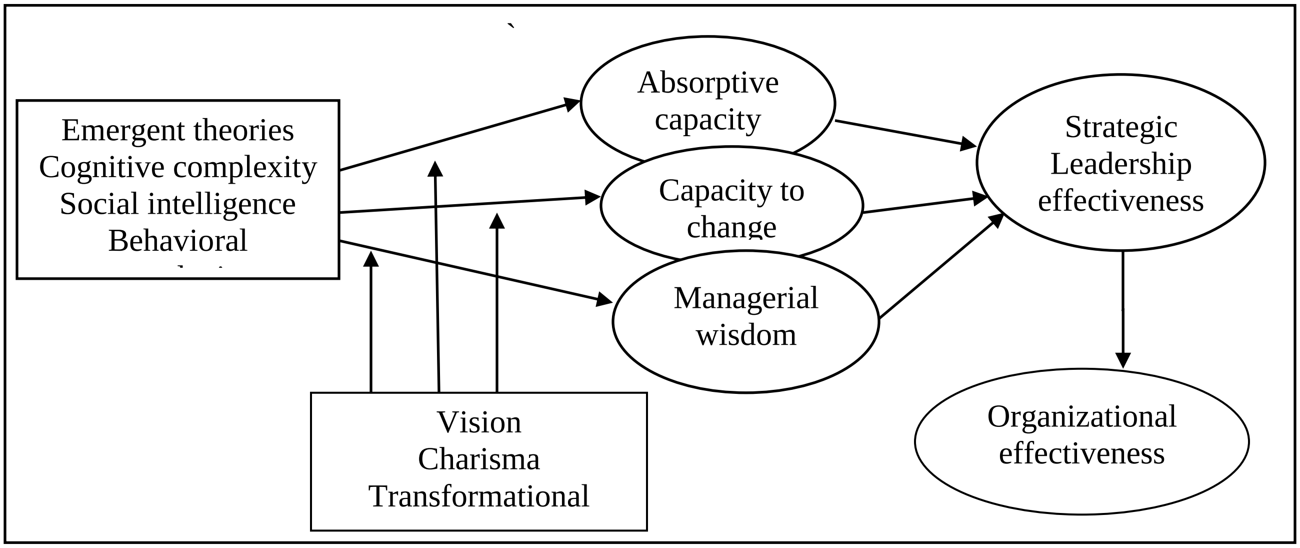
In a research by chikere (2015), argued that systems theory involves a highly empirical and investigative form of management science which clarifies the role of complex organizations in modern society and predicts that the complexity of organizations in future as well as the role of management will probably continue to increase as long as the efficiency enhancing potential of complexity can continue to outweigh its inevitably increased transaction costs. The researcher believed that systems theory of management in modern day organizations absolutely fosters additional management knowledge to the business world thereby increasing the survivability and profitability ratios of these organizations.

Strategic Leadership Models

There are numerous strategic leadership models that are based on the overall strategic leadership theory. Each model has a certain number of elements addressing strategic leadership in the context in which the model was hypothesized and developed. For example, various authors and researchers have come up with a number of components, characteristics or elements of strategic leadership. For example, Hernandez, et al., (2011), specified that strategic visioning for the organization and creating effective teams are strong abilities of strategic leadership that influence long term viability of the organization and financial stability. Strategic leadership is characterized by the ability to anticipate, envision, mobilize resources, maintain flexibility, think strategically and work with others (Pazireh, Akhlagh, & Akbari, 2014). Therefore, Boal and Hooijberg’s strategic leadership model and Ireland and Hitt’s strategic leadership model are used in this study.

Boal and Hooijberg's Strategic Leadership Model

Tropicales and Guzman (2014) argued that strategic leadership theory developed by Boal and Hooijberg (2011) has strong principles that are relevant in the complex environment to which organizations must adapt or perish. The authors further indicated that successful leaders need to have transformational, authentic characteristics of a leadership. The authors also revised and adopted Boal and Hooijberg's strategic leadership model as shown in figure 2.2



Source: Tropicales & Guzman (2014)

Figure 2. 2: Boa and Hooijberg's Integrative Model of Strategic Leadership

The Boal and Hooijberg's integrative model of strategic leadership presumes that strategic leadership should have both visionary leadership and managerial leadership, and that strategic leadership synergistically combines the two. Visionary leaders have a leadership style based on oral communication with employees. Long term vision and strategic goals are the key pillars in determining the strategic direction of the organization. In addition, the purpose and vision of the strategic leader should align the actions of people across the whole organization (Pazireh, et al., 2014).

Boal and Hooijberg (2001) strategic leadership model indicated that cognitive complexity, behavioral complexity, social intelligence and absorptive capacity, capacity to change and managerial wisdoms are the driving force of strategic leadership. In addition, the authors incorporated vision, charisma and transformational leadership functions as moderating variables of the relationship absorptive capacity, capacity to change and managerial wisdoms and other variables such as cognitive complexity, social intelligence, behavioral complexity of the leader (Tropicales & Guzman, 2014).

This study borrows a number of strategic leadership elements from the Boal and Hooijberg strategic leadership model. For instance, the behavioral complexity of the leader relates to how top leaders adapt to changing structural processes of the external environment and within the organization (Kellett, Humphrey & Sleeth, 2006). Therefore, the model encourages managers to have the capacity to change. Besides, the use of vision, charisma, and transformational leadership styles by the strategic leader can be emulated by followers. Finally, the model recognizes the leader's ability to establish clear expectations, provide feedback, and recognize and reward appropriate behavior within teams to foster organizational effectiveness (Harvey, Martinko & Gardner, 2006).

Ireland and Hitt's Strategic Leadership Model

According to Ireland and Hitt (2005), developing human capital in reference to knowledge and skills, commitment, effectiveness of the organization's workforce is one of the most important aspects for all organizations. The authors developed a strategic leadership model based on six characteristics of 21st century strategic leadership. The authors argued that achieving and sustaining a competitive edge is critically dependent on employees. In fact, creating the willingness, supportiveness and empowerment within the organizational teams is a critical role of a strategic leader. Strategic leaders should be able to see organizational employees as a critical resource and core competencies that drive the organization effectively. Research by Ireland and Hitt (2005) has suggested a six key effective strategic leadership practice model that claims that strategic leadership can be effective in the 21st century organization.

According to the authors, determining the strategic direction of an organization involves developing a long-term vision. An organization's long-term vision generally looks at least five to ten years into the future. In addition, vision is a critical element for anyone in a leadership position because it is closely aligned with future-directed goals (Orndoff, 2002). Meanwhile, core competencies relate to functional capabilities of an organization. Therefore, a strategic leader makes decisions intended to help his/her organization develop, maintain, strengthen, leverage and exploit core competencies. From the above model, this study critically borrows so as to understand what strategic leaders actually do in order to produce a strategy-focused organization. In other words, outstanding strategic leaders are those executives who display key behaviours that enable the organizations to effectively execute their strategy. Therefore, this model informs this study on the importance of strategic leadership in creating effective teams through human capital development, employing and maintaining core competencies of the organization such as Corporate Communication and sustaining effective organizational culture and flexibility.

Models of organizational change

Research by Gilley (2009) has revealed that models of change attempt to help leaders and managers understand change and guide their organizations through the process. The literature reveals numerous models designed to clarify phases of change, individual acceptance rates, and steps for implementation.

Lewins Model

This change management model was created in the 1950s by psychologist Kurt Lewin. Lewin noted that majority of people tend to prefer and operate within certain zones of safety. Lewins model is characterized by three major steps of implementing change which include 1) Unfreezing the present- This involves diagnosing the need for change in an organization. 2) The second step involves moving from the present by introducing intervention. This is where the parties involved stop using the old and the ordinary methods in running the organization and starts using the new changed techniques. 3) Refreezing- This is the final stage of action as seen in the Lewins Model and it involves final evaluation and stabilizing of the change process. This is where the organization community is now convinced that the direction the leadership took is the best and the results may even be felt (Pryor *et al*, 2008).

While this change management model remains widely used today, it takes time to implement. Of course, since it is easy to use, most companies tend to prefer this model to enact major changes. There are many change management models, however, most companies choose at least one of the following three models to operate under which includes Lewin’s Change Management Model, McKinsey 7-S Model and Kotter’s 8 Step Change Mode.

Kotter’s Model

This model was developed by Kotter from the Kotter’s 8 step model of change mode which guides organizations to undertake the desired change step by step process. This model supports strategic leadership and strategic management process through changing vision and mission of an organization; it is possible to change the vision of the organization. Kotter’s eight model of change included; creating a sense of urgency, proper handling of the resistant groups, creating a plan of action, proper communication of change to the organization followed by the relevant training which supports the new idea. In the short terms, the management should rewards those who embraced the change while evaluating and implementing the expected changes and demonstrating the relationship between new behaviors and organizational change success by reinforcing permanent change (Pryor et al, 2008). Kotter`s Models of 1996 and Ulrich model of 1998 have emphasized the importance of leadership and vision, forming guiding coalitions, communicating, motivating and empowering others, and anchoring new approaches in the firm's culture (see Table 2.1).

Table 2. 1: Change Models

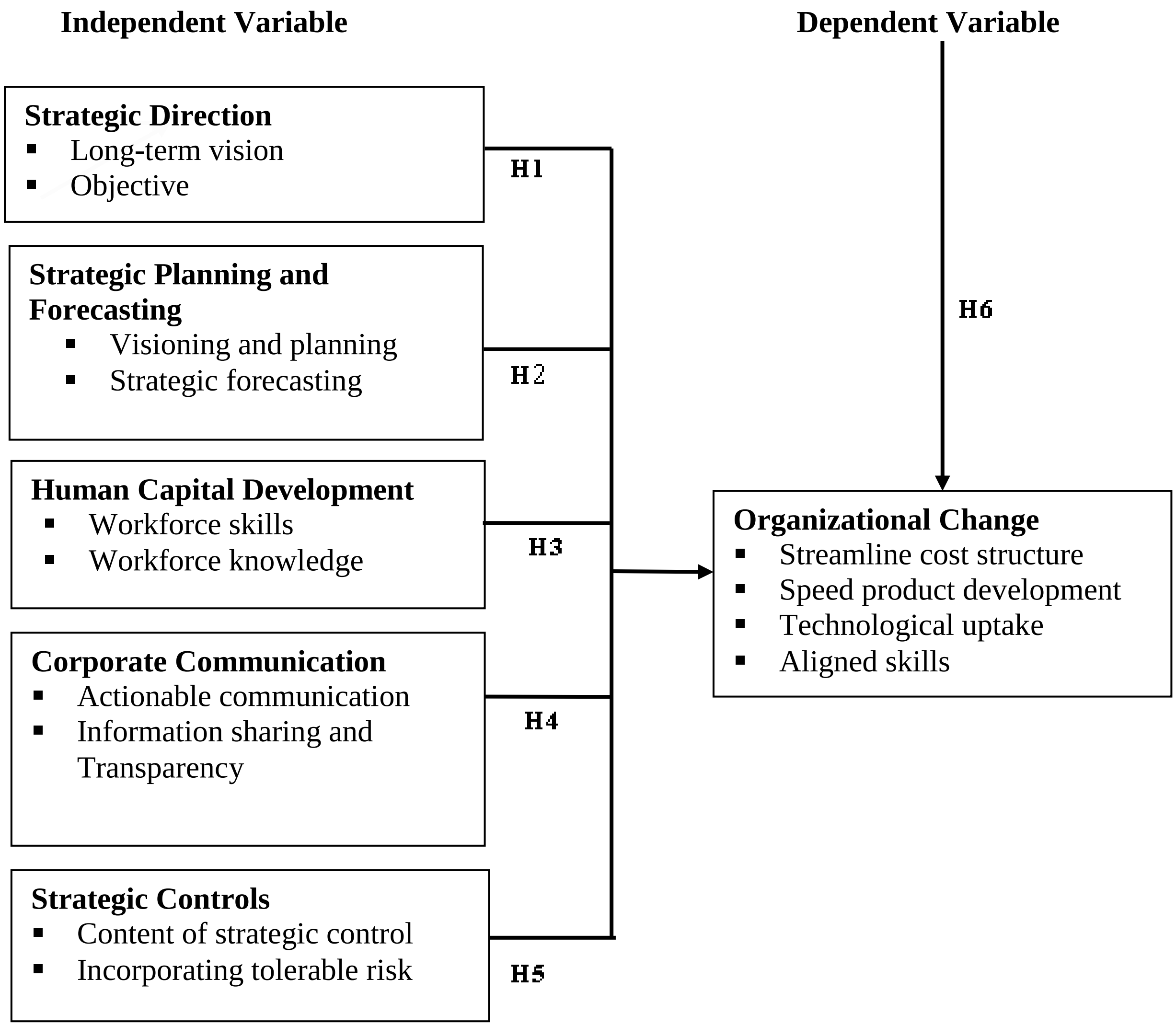
Lewin's Model	Ulrich's Seven-Step Model	Kotter's Eight-Step Model
Unfreeze	Lead change	Establish a sense of urgency
Movement	Create a shared need	Form a guiding coalition
Refreeze	Shape a vision	Create a vision
	Mobilize commitment	Communicate the vision
	Change systems and	structures Empower others to act
	Monitor progress	Plan for and create short-term wins
	Make change last	Consolidate improvements and produce more change
		Institutionalize new approaches

Sources. (Kotter 1996; Lewin, 1951; Ulrich, 1998)

2.3 Conceptual Framework

According to Kasomo (2006), conceptual frameworks are structured from a set of broad ideas and theories and help a study to properly identify the problem they are looking at, identify the independent and dependent variables and frame their questions and find suitable literature. A conceptual framework according to Mugenda & Mugenda (2008) is a structure that tries to explain the relationship between variables in the study and shows the relationship by use of diagrams. It is a hypothesized model identifying the concepts under study and their relationship. The conceptual framework model in the study hypothesizes that, the strategic leadership in the petroleum sector is a function of 5 components; Strategic Direction, Strategic Planning and Forecasting, Human Capital Development, Corporate Communication and Strategic Controls. These variables and their relationship are illustrated in Figure 2.3. Strategic leadership focuses on the way top level leaders (executives) have an impact on organizational performance through their leadership. Strategic leaders have contributed to organizational outcomes by developing the capacity for change. Strategic leaders are catalysts for change who also prepare the organization for change (Kelly and Mark, 2013). Strategic leadership is very instrumental in ensuring that organizational change are established and remained permanent. (Centre for Creative Leadership, 2005). Strategic leaders are committed to improve how organizations perform even when they are under pressure and stressful situations (Kuo-liang 2011). Strategic leadership recognizes the effort and contribution of their staff by creating alignment and congruence between mental health, emotional wellbeing, and physical resources of employees in their organization (Gattorna, 2006).

Strategic leadership means that leadership in the organization should focus on the future, to create excitement for the future, as well as for what is happening today. A primary goal of a strategic leader is to gain a better understanding of the business conditions, the environment and other aspects that identify the challenges of the future. The role of strategic leadership is the ability to think strategically and to be emotionally intelligent. They have availability of wide range of behaviors and wisdom applied with right combination of behaviors at the right time (Amos, 2007, Serfonten, 2010). Research by Hitt et al (2007), confirmed that strategic Leadership consistent leadership between and among all of the firm’s group results in innovative strategic thinking and rapid acceptance of organizational changes that, even when difficult, are required to enhance firm performance. In this study, the conceptual framework shows the links between the variables of the study, mainly the influence of strategic leadership on organizational change. The dependent variable is organizational change as operationalized by the streamline cost structure, speed product development, technological uptake and aligned skills.



- Variables and their sub contracts
- H1-H6:is hypothetical causal Paths

Figure 2. 3: Conceptual Framework

2.3.1 Strategic Direction

Strategic direction is the process of directing and controlling the organization action that leads into achievement of the goal which may involve different degrees of changes hence they must set the activities and process to be followed across all levels (Serfontein, 2009). Research by Alexander, (2015) advanced that strategic direction has significantly contributed to organizational performance by generating relevant information in a bid to reduce uncertainty while creating a better understanding of the important environment within which organizations operate. Further, researchers revealed that strategic planning as an essential tool which generates greater understanding in the process of planning initiation as an area of interest and importance to both practitioners and theorist (Barney, 2009; Bryson et al, 2010). Strategic direction is a variable that influences organizational processes, business environments and performances of businesses while investigating planning in businesses (French, Kelly & Harrison 2014).

Strategic direction is one of the key strategic leadership actions which plays critical roles in ensuring strategies are executed effectively (Jooste & Fourie, 2009). Strategic direction is an avenue through which top echelon of the institution provide strategic direction to the different department and sections, communicate to their staff who eventually implement strategic plans hence offer a control over the strategic processes. Strategic leaders are in-charge of directing and controlling the organization into achievement of the goal which may involve different degrees of changes hence they must set the activities and process to be followed across all levels (Serfontein, 2009). Further, research by Johnson *et al., (*2008), revealed that strategic decisions should be sustainable, should offer competitive advantage, should develop processes to deliver the strategy, should exploit the linkages between the organization and its environment and should move the organization forward to a significant position.

2.3.2 Strategic Planning and Forecasting

Strategic planning refers to process that devises how an organization's mission can be accomplished by setting out strategies that allocates resources optimally (Shuria, Linge and Kiriri, 2016). Strategic Planning is also the process of formulating, implementing and evaluating decisions that enable the organization to achieve its goals (Mbaka and Mugambi, 2014). It is change strategies that are carefully planned and deliberated, Murugan (2016). According to Draft (2011) it a process that drives performance by establishing agreement between the ambition of the company and long term targets as defined by the mission and vision of the organization. On the other hand, strategic forecasting entails projection of the organization capability to change to the new conditions. Therefore, forecasting is a clear way of converting available information and proposed strategy with regards to a given environment to produce statement concerning the future expectations (Sull, 2009).

According to research by Muzainah *el at* (2012) confirmed that the importance of strategic planning is to accomplish sufficient process of innovation to support and enhance the planning process. It is a strategic tool used for transforming and revitalizing corporations, government agencies and non-profit organizations (O'Regan & Ghobadian, 2009). Strategic plans continuously realign the firm's objectives and strategies with the changing conditions with a view to realizing organizational transformation and subsequently improve the long term performance of the organization. Research by Qiong el al, (2012) argued that leaders should think and value needs of forecasting since uncertainty and stability of environment must be cater for retaining it as it is organization`s performance. Strategic planning is the process through which organizations define its strategy, and make decisions on allocating its resources to pursue this strategy (Pearce & Robinson, 2011; Draft, 2011; Holloway, 2012).

2.3.3 Human Capital Development

Human Capital Development has been defined as a key element in improving a firm assets and employees in order to increase productive as well as sustain competitive advantage (Dergisi, 2009). Improved capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage for organization operation in a global market (Sarason & Tegarden, 2013). Human Capital Development is the process of developing the desired knowledge, skills and abilities of the employees to perform well on the job which is achieved through effective training programs resulting into committed and motivated workforce. Organizations are advised to invest long term capacity development which builds new skills to their workforce to cope with the uncertain conditions that they may face in future while improving the employee performance through superior level of motivation and commitment and building required organizational overall competence level.

According to research by Marimuthu *et al* (2009), Human Capital Development is one fundamental solution of the developing economics to join the international world and hence there is need to dedicate time and efforts to acquire knowledge, skills and education that culminates in what is referred to as human capital investment which has a positive impact on the performance of the firm. Researched by Youndt et al, (2004) admitted that development of human capital is a strong leadership acumen that adds value to the organization competencies which in turns becomes a boost to innovation in the company of operation. Further, research by Hsu et al, (2007) echoed that skilled human capital enhances the quality of the employees which later will have impact on the firm success. Good quality training program influence superior employee performance which leads to employee motivation and their needs fulfillment (Balogun & Hailey 2014).

2.3.4 Corporate Communication

Corporate Communication is process through which leaders engaged the society in a proactive and positive way thus enabling organization, Apostu (2013). Research by Hoque, (2014), revealed that communication has been recognized as one of the fundamental principle that has impact on the whole question of development and strategic management. Communication enhances the image and credibility of the development organizations involved in the efforts; and last, to enable community consultation on specific initiatives (Klette *et al*, 2014). According to research by Johansson, *et al* (2014), have attested that leaders communicating effectively to demonstrate daily in all organizations. Further, top executives in all Industry and countries consistently list good communication skills as one of the most important qualities for organizational success. Research by Robbins, (2013), postulated that communication process focuses on context as the basis for designing intervention strategies which focus on participation, social change, learning and empowerment

Research by Johansson, *et al*. (2014) has proposed four critical communication components of leaders including initiating structure, facilitating work, relational dynamics, and representing the unit as the leaders' communication behaviour within organizational teams. In discussing in each of the components communicative leadership, the authors proposed that in initiating structure, the leader should be able to define mission, set goals and expectations, plan and allocate tasks with the view of making meaningful work performance. Further, in facilitating work, the leader should be able to undertake performance feedback, coaching and training performance feedback, problem solving and encouraging self-management. Research by Rajhans, (2012) proposed communication measures including information distribution that is relevant in a timely manner, creating and building effective decision making process through active communication within the organization and development of a good communication culture to boost team spirit and teamwork.

2.3.5 Strategic Controls

Strategic Control has been defined as the process of monitoring strategies adopted by the organization is helping organizations internal environment to be matched with the external environment (Huettel 2012). The strategic management process entails four core stages including environmental analysis, strategy formulation, implementation and the evaluation and control stage. It is critical to both business management and planning process to understand the environment in which small business operates, Rukunga (2009). By the external environment focus business firms can adapt market change and these enterprises have been recognized as prospector adaptive businesses, Sultana et *al*. (2012). The external environment analysis helps in increasing efficiency and effectiveness of planning in smaller enterprises (Sultana *et al*, 2012). Research by Zhang *et al* (2006) mentioned that by generating relevant information and understanding important environment, strategic planning can contribute to performance.

Strategic control promotes responsible leadership for decision making which is expected to moderate risk level to an acceptable range. The corporate executives should be allowed exercise controls in their separate business section (Hoskisson &Johnson, 1992). The changing external environment condition has significantly impacted on all companies' strategic direction and overall performance (French, Kelly & Harrison 2014). According to research by Mansor *et al*, (2012) opined that businesses opportunities are hidden in the external environments of the businesses in which organization must adequately plans to cope with the changing environments especially when such changes may be unpredictable and may occur suddenly. Further, research by Jang *et al*, (2011) argued that vibrant business environments demands constant shifts where opportunities are abundant and performance should be highest for those firms that have an orientation for pursuing new strategic opportunities for the long term business growth and sustainability.

2.3.6 Organizational Change

Organizational change involves reviewing and modifying the management structures and business process due to ever changing environment under which the companies operate in (Yang, 2009). Research by Hussain (2017) revealed that organizational life has been made enviable feature by global, technological and economic pace which influence organizational change process. Further, according to research by Jamal and Saif (2011), organizational change is the demand of time to remain successful in business. These changes are triggered by leaders in response to a crisis that is created by an increase in competing forces from within or outside organization. Research by Thompson et al, (2007), confirmed that the essence of organization change is to build a market position which is capable enough to produce successful performance while creating sustainable comparative and competitive advantage for the organization to continuously adjust their strategies to remain relevant in the ever-changing global market.

Research by Jacobsen (2013) recommended that to perform change framework, leaders should consider a change as long term strategies for enhancing organization performance. He argued that a time dimension is important in order to compare the change between two momentums. The process between time one and time two should also be considered a process in its own context. Lastly driving forces need to be clearly stated. Alvesson *et al* (2008) also addresses the issue of time and emphasize that a change need to be considered as a long term process. Further, communication was emphasized as very important as well as visible management which must involve all the planning phase and developing new qualities. Research by Ida, (2014) revealed that a change has become very common, forcing organizations to change if they want to survive in today's society where organizational changes has become more common hence requiring organizations to change or die as the only constant is change.

2.4 Empirical Review

The empirical literature review discusses the issues that this study sought to address. Each subsection is directly derived from the research objectives of this study. Recent research studies relating to this study will be critically reviewed and analyzed for purposes of understanding the current research gaps and issues relating to the research objectives and variables under this study. In the subsequent sections, review of literature on the influence of the dependent variable (organizational change) and the independent variables composed of strategic direction, strategic planning and forecasting, human capital development, effective comunications and strategic control will be analyzed.

2.4.1 Strategic Direction and Organizational Change

On the key strategic leadership action is strategic direction which plays a critical role in ensuring strategies is executed effectively (Jooste & Fourie, 2009). The said strategy execution is meant to improve and reorganize the operations of the organization which will further impact the overall performance of the firm. The role of the top corporate executive is to provide strategic direction to the different department and sections in an organization to other leaders (both at the middle and operational level) who eventually implement strategic plans hence offer a control over the strategic processes. This is to say that corporate leaders are in-charge of directing and controlling the organization into achievement of the goal which may involve different degrees of changes hence they must set the activities and process to be followed across all levels (Serfontein, 2009).

However, negative criticism of strategic leadership holds it that leaders have little or no impact on the organization changes (Hannan & Freeman, 1984). An explanation given by Yukl (2010) is that individual leaders such as Chief Executive Officer would have small influence on organization performance due to internal and external limiting factors, namely powerful stakeholders, internal coalitions, scarce resources, strong organizational culture, strong competition and adverse economic conditions. Yukl (2006) echoes the same but emphasis that very few researches have demonstrated leaders with less influence on the organizational success.

Bass (2012) argues that action of the strategic leaders usually spells the direction that employee will follow and plays a major role in determining their commitment and satisfaction to the organization which subsequently impacts the changes and performance.

The need to address the ever-changing business environment affecting organizations has forced the strategic leaders to give the appropriate direction at all levels. Bass pinpoints that no single firm can have competitive advantage, achieve goal of wealth maximization and be able to survive in the long run without a strong strategic direction and clear strategic management process which would enable the organization achieve their expectations. Yukl (2010) discovered that effective performance cannot be achieved without the cooperation effort of multiple leaders who directs how the organization should adapt to the rapid and discontinuous changes that emerge and re-emerges as the organization progress into the future.

2.4.2 Strategic forecasting and planning and Organizational Change

Strategic planning refers to process that devises how an organization's mission can be accomplished by setting out strategies that allocates resources optimally (Shuria, Linge & Kiriri, 2016). According to research by Draft (2011), it a process that drives performance by establishing agreement between the ambition of the company and long term targets as defined by the mission and vision of the organization. On the other hand, strategic forecasting entails projection of the organization capability to change to the new conditions. Therefore, forecasting is a clear way of converting available information and proposed strategy with regards to a given environment to produce statement concerning the future expectations (Sull, 2009).

For a firm to plan and forecast accordingly, areas core competencies need to be included in the model so as to offer guidance as to what the organization wants to achieve in the long run. Clarke (2013) argues that in an environment characterized by frequent organizational changes they have adopted a proper focus of the future which can be achieved by being sensitive of the core competencies areas. Thus, according to Torkkeli and Tuominen (2002) core competencies are the collective learning in a firm that relate to how production skills and integrated multiple streams of technologies are coordinated in their diversity. Uysal (2005) adds that core competencies are those firm-specific signatures that would help firm to stand out even in tribulations. Core competencies can also be viewed as a unique knowledge for problem definition and problem solving that lays down the basis of firm's competitive advantage which can be leveraged in a wide variety of markets for future products (Srivastava, 2005)

There are bundle of capital ranging from the human, intellectual, social and financial capital that Sharen (2015) suggested that if pooled together they can form core competencies. If an organization is able to differentiate its core competencies by making them rare, valuable and hard to imitate then the organization enjoys the competitive advantages. However, it should be noted that when the sectors, industry or environment changes, the core competencies should also follow suit. Therefore, a strategic leader should be concerned about the core competencies that would be essential in the attainment of the organization purpose so as to develop, maintain and exploit them into the future (Sharen, 2015).

Agha, Alrubaiee and Jamhour (2012) studied effect of core competencies on organization performance and competition advantage in Paint industry in United Arabs Emirates (UAE). Assessing core competencies by shared vision, cooperation and empowerment and organization performance in terms of growth and profitability, the findings indicated that there was a strong positive and significance between the core competencies and organization performance. This finding was confirmed by research done undertaken by Bani-Hani & AL-Hawary (2009).

Research by Shuria *et al* (2016) reveals that an organization with a strategic leader is guided by clear visions and plans that further help forecast the externalities that would have impact on the performance of the firm. These visions help to inspire the organization members thus creating a sense of mission (Mufudza, Jengeta & Hove, 2013). Having a clear picture of where one wants to get is described by Choularton (2007) as the right perspective for the companies facing rapid changes as well any disorderly environment. This can be argued as the reason why strategic leaders would prefer to 'prepare for the unexpected' instead of preparing only for the known changes or variables.

Strategic leaders would differ with organization leaders who are more focused on the internal processes hence leaving a firm vulnerable to changes that may destabilize it in adversative environment (Draft, 2011). Organizational changes are reported by Qiong, Wen and Yun (2012) to cause the strategic leaders think and value the need of forecasting since uncertainty and stability of environment must be catered for when it comes to organization performance. In summary forecasting can be said to shape the choices and decisions of the leaders in states characterized by changes. This study will thus assess strategic planning and forecasting in terms of the how they focus on the core competencies, contingency planning and visioning and strategic planning

2.4.3 Human Capital Development and Organizational Change

According to research by Ireland and Hitt (2005), human capital refers to the knowledge and skills of firm's entire workforce. For the firm to generate full competitive benefits from its human capital it requires that a substantial investment. Human capital was assessed by the level of training, education, knowledge management and skills development while organization performance was assessed from the perspective of both the financial and non-financial measure by looking at the profitability, productivity and working condition/environment present. Using 200 observations, the descriptive and inferential analysis showed that human capital investment influences the organization performance both significantly and positively. Therefore, it can be concluded that the skills of the workforce should be developed through relevant training to the industry thus going beyond the soft skills acquired in school. Despite the study being a case study of pharmaceutical companies, they did not make effort to show how the leadership helps the organization performance and hence the current study will aim to fill this gap.

Marimuthu, Arokiasamy and Ismail (2009), examined the human capital development and firm performance in the developmental economics. They argued that human capital development is one fundamental solution of the developing economics to join the international world and hence there is need to dedicate time and efforts to acquire knowledge, skills and education that will culminate in what is referred to as human capital investment which has a positive impact on the performance of the firm. Youndt, Subramiam, and Snell (2004), too admit that development of human capital is a strong leadership acumen that adds value to the organization competencies which in turns becomes a boost to innovation in the company of operation. Further, Hsu Lin, Lawler and Wu, (2007) reiterates the relevance of the human capital especially to the firm that technology based new ventures would serve to enhance the quality of the employees which later will have impact on the firm success.

Jamal and Saif (2011), who investigated the human capital management (HCM) on organizational performance in institution of higher education and pharmaceutical firms in Pakistan. Using sample of 16 firms, HCM was measured by leadership practices, workforce optimization, knowledge accessibility, learning capacity and employee engagement whereas organization was checked as profit and sales growth. The results of the study, from correlation and regression analysis affirmed that there is significant and positive relationship between HCM and Organizational performance. Leaders' communication, performance feedback, supervisory skills and ability to instill confidence proved a requisite for success strategy in the company way of management to achieve their performance goals.

2.4.4 Corporate Communication and Organizational Change

Many organizational leaders adopt participative and imposed approach to strategy development. A participative approach is where strategies are developed by the first line supervisors and then communication is passed up the ladder as per the organization structure until the strategic leaders gives a nod on the issue. In an imposed approach decision and plans are made at the top level then communicated downward to the lowest level. Based on these two alternatives, the Corporate Communication is meant to facilitate the success of the organization and its response to change that may emerge (Sull, 2009).

Strategic leaders may be described as those who communicate effectively and engages the persons below them in the organization structure. This means that a Corporate Communication by leader will be a concern of the culture and value instilled by an organization (Sull, 2009). As discovered by Baldon (2004), effectiveness in communication may further be determined by the leader's character and organization value. According to research by Blazenaite (2011), has revealed that strategic leader should possess knowledge, understanding, skill, action, experience and motivation with reference to communication. This will work in handy to help the organization to deal with a change of any magnitude.

According to Smith and Scriven (2011) and (Sull, 2009), quality of an ideal strategic leader communicator can be grouped into three elements; 1) based on how information is shared and transparency, 2) delivery of actionable communication and 3) on how the leader builds relationship with the key stakeholders. These three elements if properly instituted would help leaders to adapt to the changes in the environment under which they operate. A leader who observes communication cycles stands to gain when faced by changes.

Research by Apostu (2013), has observed that Corporate Communication by leaders motivated employees and as well as engaged society in a proactive and positive way thus enabling adopt organization. Similarly, these findings were again proved to be true by Johansson, Miller & Hamrin (2014), who studied Corporate Communication by a strategic leader and organization changes. A study by (Sull, 2009), has further acknowledges that actionable communication helps to lay foundation for trust where leaders and staff communicate effectively about the agendas of the company.

Research by Baldon (2004), has revealed that leadership in modern organization requires effective channels of communication. One way of going about it is via building relationship with the main constituents in the organization. When faced by rapid changes in organization, the best way to handle these frequent calls would be to have a successful networking with the stakeholders who will help convey or collect the valuable information about any change and instigate the necessary actions (Sull, 2009). Study by Darling, Heller and Wilson (2012), has shown that the reason why the employee's turnover has remained low is due to failed communication cycle between the organization and stakeholders. Mayfield and Mayfield (2009), whose study also point that leaders behaviours, which are determined by ethics, holds together the Corporate Communication leadership and work performance and satisfaction on one's occupation.

Ethic is an area of great concern when it comes to organization changes since it acts as filter under which potential courses of action are evaluated. Research by Ireland and Hitt (2005), has observed that ethical practices such as trust, integrity and honesty forms the basis of making decisions in the organization and hence are capable of improving firm performance if used by strategic leaders because they tend to inspire employees to follow suit. Bello (2012) in study of impact of ethical leader on employee job performance, remarks that top executive leaders should possess strong characters that would serve as role model to the employees. A trustworthy and committed strategic leader has been found to always adhere to goals of the organization and to develop employee with sound character and action into able leaders.

Study by Toor and Ofori (2009), has postulated that leaders who practices ethical behaviours observe communication with honesty, integrity and fairness that is, will always show concern for others and would refrain from any behaviours that can cause them harm. Ethics practices must be initiated from top leaders so as to set a moral example to the followers and consequently the whole organization would achieve their goals (Brown and Mitchell, 2010). Further, research by Piccolo, Greenbaum, Den Hartog and Folger (2010), who has discovered strong ethical commitments have effect on job performance and autonomy of job characteristic which later on cause employee to work extra harder on different task undertaken in the organization.

In the recent times, ethical leadership is a clarion call to the awakening credit crisis, which has been described as the worst-case scenario since the 1930s global recession and the reason for the various scandals in former leading corporate business organizations such the Enron, Arthur Andersen, WorldCom, Tyco, Parmalat and HealthSouth and so on. These companies represent some of businesses in the developed nations where leaders failed ethically for a number of reasons, including pressures to achieve at all costs. Berenbeim (2005) and O'Connell and Bligh (2009), has observed that top executives in an organization contribute to the recent credit crisis by making sham decisions that artificially manage the earning figures so as to benefit from increased compensation remuneration.

2.4.5 Strategic Controls and Organizational Change

Hagen, Hassan and Amin (1998) defines strategic control as the understanding of the top management on the strategies that are being implement in different section of the business for the achievement of the major strategic goals. According Hagen *et al.*, (1998), the actions taken by management of the organization may not be correct due to different factors that cannot be controlled internally such as rise in interest rates, inflation, adverse economic conditions or even natural disasters. Therefore, to enhance strategic control, leaders at varying levels should make decisions that will moderate risk level to an acceptable range. The top business executive should be allowed exercise controls in their separate business section (Hoskisson &Johnson, 1992).

Study by Hitt and Keats (1992), has agreed that one way to obtain competitive advantage is to effectively use the strategic controls which the top business executive will have integrated the various business section into one strong force. An explanation to this is that, strategic controls are found to allow sharing of both tangible and intangible resources in the corporate portfolio, flexibility and innovation which further enhanced opportunities uptake. Evidence from scholars Hitt, Ireland and Hoskisson (1992), has reveals that CEO of an organization may fail to meet strategic plans as a result of poor strategic controls. A practical case was witnessed when International Business Machine (IBM) CEO, who was a former a CEO in R.J. Reynolds Tobacco Company, failed to improve RJR performance due to purposefully distancing himself from tobacco business owing to its social stigma contrary to the mobilization that the CEO offered when serving in IBM that saw performance improve tremendously Hitt *et al., (*2005).

2.5 Critique of the Existing Literature

Notably from the review of the extant researches there are clear indication of inconclusiveness in top the relationship between strategic leadership and organizational change. To begin with the study by Serfontein (2009), has only looked at influence of strategic leadership on operational strategy and organization performance. Again, despite recognizing the critical areas of the strategic leadership the research did not establish whether there is relationship between them and dependents variable (that is operational strategy and organizational performance). Study by Lear (2012), whose focus shifted the on strategic leadership from organizational changes to strategic alignment hence current study will be different as it details on how leaders influence changes in their organizations.

Study by Belias and Koustelios (2014), which aims to look leadership and organizational change as independent variables and organizational culture on the other hand as the dependent variable could not link the strategic leadership to change management initiative. The relationship thereof could not be established. Similar omission was exercised by Jamal and Saif (2011), who showed a case study of Pakistan Company.

Research study by Brent and Barbara (2012), has missed to assess the link between strategic leadership and organizational change but only looked at the challenges of strategic change management. The study should have established the role of strategic leaders in surmounting those challenges in the organization. In addition, Boikhutso (2013), on the impact of change management on systems implementation, the study has looked at change management as a causative factor of systems implementation and there is no link whatsoever to the relationship between strategic leadership and organizational change.

2.6 Research Gaps

Several studies given above have failed to establish the link between strategic leadership and organizational change. Most of these studies have focused on either of the two being either an independent variable of another variable or a dependent variable of another. This study will therefore look at the two together with the strategic leadership being independent of organizational change and establish the influence of strategic leadership on organizational change. The study seeks to further on the study of Stoyanova (2011), which established aspects of the strategic leadership that influences organizational change. As has been witnessed in the empirical review, studies on the influence of strategic leadership in the country are minimal. The studies were conducted by Abbas and Asghar (2013), Stoyanova (2011), Belias and Koustelios (2014). Locally, there is no study in Kenya that has looked at the influence of strategic leadership on organizational change within the context of petroleum Industry in Kenya. This study therefore, seeks to fill the knowledge gap by establishing the overall objective of this study which is to re-examine the influence of strategic leadership on organizational change of Petroleum Industry in Kenya.

2.7 Summary of the Literature Review

Strategic leadership and organizational change are two very close areas which are very interdependent. Strategic change calls for strategic leadership to equip the organization with the necessary tools, skills, and expertise to enhance the rate of success during such transitions. Every organization has its culture as organization change must be in line with the organizational culture since diversified kinds of people are likely to work within the organization, thus it is important to have policies and changes within the organization that are open to the global and technological changes. The essence of strategic leadership involves the capacity to learn and to change, as well as managerial wisdom.

Research has confirmed that strategic leadership has played a fundamental role in developing ideas and defining visions. Competitive business environment of the twenty first century requires strategic leaders need to focus on utilizing strategic vision to motivate, inspire and empower the workforce at all levels. These scholars contend that sharing internal knowledge, collection and integration of the external information are the key priorities of organizational leaders. Strategic leaders provide access to new resources and opportunities through the use of their transformational communication of vision. They enable employees to share their explicit knowledge as well as their implicit understandings which lead to innovation and the ability to better embrace change. Strategic leaders allow companies to move on and learn and are the essence of operating successfully in a complex and competitive environment.

In a nutshell, this chapter focus on three theories; strategic leadership theory that outline role of CEO and top managers in engaging in organizational learning that influence change in the organization; upper echelon theory that explain importance of the executive experience, value and personalities that shapes the organization; the trait theory expounded that leaders' traits, such as honesty, intelligence, courage and open minded, are what makes an effective leader. The empirical review carried out summarized versions of the experimental studies in the recent times. The review is done as per the variable under investigation. From these studies one thing is common; the leaders in an organization are not just in operations of the company but even in other matters that may seem of less importance to the company for examples good behaviour, character and religion inside and outside the organization. The chapter concludes by evaluating the gaps, that study sought to address after the critiquing the literature reviewed.

Theory of management by objective has emphasis on performance management approach in which a balance is sought between the objectives of employees and the objectives of an organization. Some of the basic principles of Management by objectives includes, establish a set of top level strategic goals, create a cascade of organizational goals that are supported by lower level definitive objectives and action plans, develop an organizational role and mission statement, as well as specific objectives and action plans for each member, often in a manner that involved participative decision making, establish key results and/or performance standards for each objective and periodically assessment of the status or outcome of the goals. The system theory of management argues that system is a set of distinct parts that from a complex whole. The system theory of management considers organization as a system which has integrated parts that must be coordinated for efficiency and effectiveness. The system theory of management further reveals that organization as a complex and highly interlinked network of parts exhibiting synergistic properties the whole is greater than the sum of its parts.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, research methodology was used to investigate influence of strategic leadership and organizational change as revealed. Precisely, the chapter presented research design, research philosophy, target population, sampling and sampling procedures, data collection procedures, pilot study and data analysis methods to be employed by the researcher in answering the fundamental research question. The pilot study, validity and reliability of the research instruments were also being discussed.

3.2 Research Philosophy

Saunders, Lewis and Thornhill (2009) define research philosophy as the development of knowledge and the nature of knowledge. Research by Creswell (2009), and Bryman (2012), has posited that research philosophy is a belief about the way in which data about a phenomenon should be collected, analyzed and interpreted for use. Two major research philosophies have been identified in the western tradition of science, namely positivist (sometimes called scientific) and Interpretivists (also known as anti-positivist). The concept of positivism is directly associated with the idea of objectivism. In this kind of philosophical approach, scientists give their viewpoint to evaluate social world with the help of objectivity in place of subjectivity (Swanson & Holton, 2005; Cooper & Schindler, 2014) hence the current study employed a positivism philosophy. According to this paradigm, the researcher was interested in collecting general information and data from a large social sample instead of focusing details of research. According to this position, researcher's own beliefs have no value to influence the research study. The positivism philosophical approach is mainly related with the observations and experiments to collect numeric data (Cooper & Schindler, 2014).

3.3 Research Design

According to Kombo and Tromp (2006), research design is the schematic guideline that demonstrates systematic ways in which the study will be undertaken. Malhotra (2004) adds that a research design provides a detailed blueprint that shapes structure of the study so as to achieve the objectives. The present study adopts a descriptive research design. Descriptive research design was found appropriate since it provides an accurate account of characteristics of a particular event or scope of real life situation (Kothari, 2014; Orodho, 2009). In addition to this, Mugenda and Mugenda (2008), held it that research design denotes the methodology that the study is to take in order to accomplish its intended objectives.

Descriptive design is a relevant design when researcher wishes to developing a theory, identifying problems with current practice, justifying current practice, making judgments or determining what others in similar situations are doing (Orodho, 2009). Since the study seeks to collect information that will show influence of strategic leadership on organizational change in the petroleum Industry in Kenya and describe the world as it exists, then this study has adopted descriptive research design. In support of the same, other researchers have consistently used this design (Bani-Hani, & AL-Hawary, 2009; Charan, Drotter & Noel, 2005).

3.4 Target Population

Target population or universe refers to the complete listing of all the items or individuals with at least one common thing in any field of study (Kothari, 2011). Therefore, population is the largest group that the study samples are taken (Sekaran & Bougie, 2013; Mugenda & Mugenda, 2008; Orodho, 2009). This study targeted the entire population made up of petroleum companies in Kenya which according to Energy Regulatory Commission (ERC, 2011) has got a total of 106 companies in Kenya. This made up of the unit of analysis for this study where the sample was taken for as representation of the entire population.

The validity of the data collected depended on the right respondents who possessed the right characteristics or have the right information. Strategic leadership is a preserve of top management such as CEO`s and group directors who set policies for acquiring and integrating resources for the organization (Bass, 2012; Kelly & Mark, 2013). According to Bass (2012), Kelly and Mark (2013), the study revealed that providing strategic leadership is an important role for the CEO and for many other senior executives. Thus, the Chief Executive Officers (CEO) and the members of the board directors formed the unit of observation for this study. In the 106 petroleum companies in Kenya, there were a total of 424 board directors and 106 CEO`s. This study adopted stratified sampling technique to select 106 CEO`s and 424 directors formed a total of 530 respondents which were considered to be the population for this study.

Table 3. 1: Target Population

Category	Population size (N)	Proportion per category
CEO	106	0.2
Directors	424	0.8
Total	**530**	

3.5 Sample and Sampling Technique

A sample is a set of observations drawn from a population by a defined procedure. According to Cooper and Schindler (2014), a sample is a subset of the population which is a true representative of the entire population to be studied. Sampling is a systematic selection of a representative number of elements out of the specific target population (Kothari, 2011; Cooper & Schindler, 2014). Sampling has also been defined as the process of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Creswell, 2009). For the purpose of this study, sample sizes of the board of directors were determined using the Kothari (2011) formulae as follows;

$$n = \frac{Z^2.\sigma(1-\sigma)}{e^2}$$

Where:

- n is the sample size
- Z is the Z-score and for the purpose of this study were be 1.96 in order to have a 95% confidence level
- σ is the Standard of Deviation and to be safe the decision is to use 0.5 as this is will ensure that the sample will be large enough.
- e is the margin of error and for the purpose of this study one construed to give a confidence interval of +/- 6.4%.

$$n = \frac{1.96^2.0.5(1-0.5)}{0.064^2} = 234$$

The study sampled all the 106 CEOs in order to increase the chances of response rate since according to Philip *et al*. (2012), top management usually yield low response rate due to the nature of their job that call for many commitments. Again, the number of the CEO`s were also small and convenient. Thus, the researcher aimed to sample all and ensure that reminders were sent to recover as many questionnaires as possible. On the hand, most directors were not involved in running daily affairs of the petroleum company and therefore less committed plus there exist more than two directors in most petroleum processing companies thus why Kelly and Mark, (2013), suggested that a sample would be sufficient. Despite there being one unit of analysis, the researcher used both the CEOs and board of directors for consistency check and to ensure full extraction of data from a given petroleum companies in Kenya.

Table 3. 2: Sample Size per Stratum

Stratum	Proportion per stratum	Sample Size(n)
CEO	0.2	47
Directors	0.8	187
Total		**234**

From each stratum, simple random sample were used to select 187 board directors and 47 CEO`s as shown Table 3.2. Simple random sampling is the process of choosing elementary units in search a way that each unit in the population has an equal chance of being selected (Saunders *et al*., 2009). According to research by Kothari (2011), simple random sample provides researcher with a sample that is highly representative of the population being studied, assuming that there is limited missing data. Going by this, the researcher used simple random sampling to collect a sample of 234 top leadership which consisted of the

CEO`s and board of directors in line with the list of the petroleum companies in Kenya shown in Appendix VI.

3.6 Data Collection Methods

The study collected both primary and secondary data from the Petroleum companies in Kenya with the view of achieving the objective of the study. In this study, both quantitative data and qualitative data were used. The questionnaires were composed from questions derived from the research objectives. The result from the qualitative data complemented the findings from the quantitative data. The study employed a structured questionnaire with both open ended and closed questions in relation to the study objectives as a key instrument for primary data collection. The use of questionnaires was informed by degree of confidentiality been upheld, time saved and ease of administration which allowed the researcher to collect qualitative data, which was analyzed qualitatively using descriptive and inferential statistics as proposed by Kothari (2014).

The questionnaires were used since the study collected information from a large sample. It also gave greater feeling of anonymity hence encouraging open responses to sensitive questions. Drop and pick later method were used to administer the questionnaires to each of the respondents. This method enabled the respondents to use their free time to complete the questionnaires based on their views and understanding on the influence of strategic leadership on organizational change in their organizations. Secondary data was gathered from existing credible and recognized source. The data comprised of materials that were desirable, current, accurate, sufficient and relevant collected from library text books, internet and magazines and international journals in the field of the study of the petroleum organization.

3.7 Pilot Study

This study was carried out in two phases, namely a pilot study and final study. During the pilot study, the questionnaire were pretested with a selected sample from the population in the petroleum Industry in Kenya after the pilot study, the questionnaires were validated and corrections made before the final survey were conducted.

The questionnaires derived from the study variable which were issued to a selected group of respondents to allow improvements on the erred or ambiguous areas, be it in wording issues or measurement, before they were administered to the intended participants (Kothari, 2011; Mathuva, 2016). The purpose for doing so was to ensure what was intended to measure is what is exactly measured and reported. In other words, the primary aim of the pilot study was to test the reliability and validity of the research instruments (Saunders *et al*., 2014). Research by Cresswell (2007) and Saunders *et al.* (2009), defines reliability as the true measure of whether the research instrument meet the intended purpose. The pilot study has enhanced the capacity of the researcher to detect weakness in design of the instrument used and thereby providing the necessary correction and adjustment to the data instrument accordingly (Orodho, 2009; Kuvaas 2009).

Mugenda and Mugenda (2008) affirmed that a sample of 10 to 15 per the groups involved will be sufficient for piloting. Due to time, cost and practicality of the study, Orodho (2009) had indicated that a selection of 10 to 30 respondents would be ideal. In this case, the researcher selected a pilot group of 10 respondents from the target population to test the reliability and validity of the research instrument used by the study. The clarity of the research instruments to the respondents was established so as to enhance the instrument's validity and reliability.

A group of 10 participants were thought to be fitting for pilot study which enabled the researcher to be familiarized with the research instruments and its administration procedure as well as identifying items that required modification. For consistency and reliability check, Cronbach's alpha was computed as shown.

Cronbach's alpha is a coefficient of internal consistency. Suppose that we assume a sum of K components (K-items or test lets)

$X=Y_1 + Y_2 + \ldots\ldots + Y_k$. Cronbach's α..*equation 1*

$$\alpha = \frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}\sigma^2_{Y_i}}{\sigma^2_X}\right)$$ ....*equation 2*

Where σ^2_X the variance of the observed total test scores, and $\sigma^2_{Y_i}$ the variance of component *i* for the current sample of persons.

If the items are scored 0 and 1, a shortcut formula is

$$\alpha = \frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}P_iQ_i}{\sigma^2_X}\right)$$ ....*equation 3*

Where P_i is the proportion scoring 1 on item *i*, and $Q_i = 1 - P_i$. This is the same as KR-20.

Alternatively, Cronbach's α can be defined as

$$\alpha = \frac{K\bar{c}}{(\bar{v} + (K-1)\bar{c})}$$ ....*equation 4*

Where K is as above, $\bar{v}$ the average variance of each component (item), and $\bar{c}$ the average of all covariance between the components across the current sample of persons (that is, without including the variances of each component). A commonly acceptable rule of thumb for describing internal consistency using Cronbach's α is as observed by Sekaran and

Bourgie (2013). Sekaran and Bourgie discovered that when Cronbach's alpha is nearer to 1, the internal consistency and reliability of the data instrument is high. Nonetheless, it should be noted that big number of items in the test can artificially inflate the value of alpha whereas a sample with a narrow range can deflate it, thus the rule of thumb should be applied with caution.

3.7.1 Reliability of test

The result from the questionnaire was analyzed to assess the reliability of the measures. In this pilot study, the reliability of the measure items used in the questionnaire was assessed using the internal consistency test (Cronbach's alpha). The Cronbach's alpha estimate value above 0.70 is considered as acceptable (Tolmie, Muijs, & Mcateer, 2011). The closer the Cronbach's alpha gets to 1.0 the better the reliability. In addition, an exploratory factor analysis was used in order to analyse the structure of the correlations among the measurement items in the pre-test questionnaire. The reliability test was performed using an internal consistency test, Cronbach's alpha for the items measuring each construct. Result showed that all the constructs had Cronbach's alpha value from which was above 0.70- the acceptable benchmark (Drost, 2011). Further, reliability test was carried during the main study and the results presented in chapter four of this study. Therefore the Cronbach Alpha model was adopted as it was deemed to be good and adequate for reliability and further analysis.

3.72. Validity test

Face validity is a subjective conclusion on the operationalization of a construct (Drost, 2011). The respondents were asked to comment on the wordings of the questions, sequence and layout to establish the 'face validity' criterion. Further, convergent, discriminant validities were conducted during the final study. In regard to this, a few corrections were suggested for some of the questions by the respondents. The questions in the questionnaire were modified before the final study was carried out. Further, results from the pilot showed that the questions were well understood by the respondents thus few changes were made to the questionnaire.

Validity of the data was tested in terms of the adequacy of the sample and also the content validity. Adequacy of the sample was tested using Kaiser-Meyer-Olkin measures and Bartlett's test of Sphericity. Content validity of the study tool was established through use of industry experts, strategic leaders and statisticians who thoroughly reviewed the tools and rated the extent of validity of the questionnaire. The ratings were then aggregated and averaged to arrive at a single index. The comments from the reviewers were also incorporated in the study tool. This helped to remove any irrelevant question, eliminate any ambiguous or unclear sentences in the study tool. Their input were also used to modify the study tool to a language that could easily be understood and answered to increase response rate and also clarity of the tool to the respondents.

3.8 Data Analysis and Presentation

Questionnaires were checked for completeness and errors, before entering data on Statistical Package for Social Science (SPSS). Primary data was collected which used questionnaires and observation were then entered, coded, edited and any data requiring cleaning was carried out before any further analysis took place in accordance to suggestion laid by Sekaran and Bourgie (2013). Since the structured questionnaires were generated both qualitative and quantitative data, entered data were analyzed to generate descriptive and inferential statistics.

According to research by Berg (2007), qualitative research used a naturalistic approach that seeks to understand phenomena in context-specific settings, such as “real world” where the researcher does not attempt to manipulate the phenomenon of interest. As Kothari (2014), further recommended that simple graphics analysis, descriptive statistics formed the basis of virtually every qualitative analysis to data hence frequencies, percentages, means and standard deviations were appropriate statistical tools which showed the distribution against each of the variable under investigation and summary. The researcher produced descriptive statistics for quantitative data on the influence of strategic leadership on organizational change in petroleum companies in Kenya. Some of the descriptive statistics that was carried out were mode, mean, range, skewness and standard deviation. Further, as per the variable under study, data was presented using tables, graphs, pie charts and figures appropriately.

3.8.1 Measurement of Study Variables

The study investigated the influence on strategic leadership on organizational changes for petroleum companies in Kenya. Strategic leadership was measured by five critical areas that that strategic leaders should need to deliver or enhance on for success companies; strategic direction, strategic planning and forecasting, human capital development, Corporate Communication and strategic controls. Organizational change were measured in terms of the companies’ adoption of the technology, speed in product development, aligning skills and streamlining cost structure as shown in Table 3.3.

Table 3. 3: Operationalization of Variables

Variables	Measure	Scale
	Independent Variables	
Strategic Direction (X_1)	-Long-term vision -Commitment of employees	Ordinal
Strategic Planning and Forecasting(X_2)	-visioning and planning -contigency planing -core competencies -strategic forecasting	Ordinal
Human Capital Development (X_3)	-Workforce skills -Workforce knowledge	Ordinal
Corporate Communication(X_4)	-Information sharing and Transparency -Actioned communication -Relationship with key stakeholders	Ordinal
Strategic Controls (X_5)	-Content of strategic control -Incorporating tolerable risk	Ordinal
	Dependent Variable	
Organisation Change(Y)	-Streamline cost structure -Speed product development -Technological uptake -Aligned skills	Ordinal

3.8.2 The model

Kothari (2009), explained that multivariate analysis were suitable whenever there were single dependent variable and several independent variables. The present study aimed to predict about dependent variable (organizational change) based on the covariance of all the independent variable. The study adopted multiple regression analysis which was used to test whether the independent variables had any influence on organizational change in Petroleum Industry in Kenya. The model was pegged to equation 5 as shown:

$Y= a+B_1X_1 +B_2X_2+B_3X_3+B_4X_4+B_5X_5+e$ ....*equation 5*

Y = Organizational Change

a = Constant (co-efficient of intercept)

X_1= Strategic direction

X_2= strategic planning and forecasting

X_3 = Human capital development

X_4= Corporate Communication

X_5 = Strategic control

$B_1 \ldots B_5$= Regression co-efficient of five variables

e = Error term

Further analysis of variance (ANOVA) was carried out to test the significance of the overall model while the t-test was used to determine the significance of individual variables on the dependent variable. For qualitative responses, content analyses were performed.

Table 3. 4: Summary of Proposed Research Objectives, Hypotheses and Analytical Models

Objective	Hypotheses	Analytical Models	Interpretation
To Determine the influence of strategic direction on organizational change in the petroleum Industry in Kenya.	H_1: Strategic direction has significant influence on organizational change in the petroleum Industry in Kenya.	Simple linear regression model and Correlation analysis $Y = \alpha + \beta_1 X_1 + \acute{\varepsilon}$	R^2 will show model explanatory power.
To find out the influence on strategic forecasting and planning on organizational change in the petroleum Industry in Kenya.	H_2: Strategic forecasting and planning has significant influence on organizational change in the petroleum Industry in Kenya.	Simple linear regression model and Correlation analysis $Y = \alpha + \beta_2 X_2 + \acute{\varepsilon}$	R^2 will show model explanatory power.
To eexamine the influence of human capital development on organizational change in the petroleum Industry in Kenya.	H_3: Human Capital Development has significant influences on organizational change in the petroleum Industry in Kenya.	Simple linear regression model and Correlation analysis $Y = \alpha + \beta_3 X_3 + \acute{\varepsilon}$	R^2 will show model explanatory power.
To determine the influence of corporate communication on organizational change in the petroleum Industry in Kenya.	$H_{4:}$ Corporate Communication has significant influence on organizational change in the petroleum Industry in Kenya.	Simple linear regression model and Correlation analysis $Y = \alpha + \beta_3 X_3 + \acute{\varepsilon}$	R^2 will show model explanatory power.
To establish the influence of strategic controls on organizational change in the petroleum Industry in Kenya.	H_5: Strategic Controls has significant influence on organizational change in the petroleum Industry in Kenya.	$Y = \alpha + \beta_3 X_3 + \acute{\varepsilon}$	R^2 will show model explanatory power.
The main objective of the study was to examine the influence of strategic leadership on organizational change in the petroleum Industry in Kenya.		Multiple linear regression analysis $Y=\alpha+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\acute{\varepsilon}$	R^2 will show model explanatory power.

α = Constant, X_1= Strategic direction, X_2= strategic planning and forecasting, X_3 = Human capital development, X_4= Corporate Communication, X_5 = Strategic control, β_1…. β_5= Regression co-efficient of five variables, έ = Error term.

3.8.3 Regression Diagnostic Tests

Normality Test. Prior to regression analysis, all variables was subjected to normality check. To test for normality test Kolmogorov Smirnov test was used, the test assumes that the data is normally distributed against the alternative which states that the data is not normally distributed (Ghasemi, Syedmoradi & Zahediasl, 2010). If the p value is greater than 0.05 then the data is normally assumed otherwise there is need for data transformation depending on the level of skewness.

Test for Autocorrelation. It is usually assume that the error terms are independent unless there is a specific reason to think that this is not the case. Usually violation of this assumption occurs because there is a known temporal component for how the observations were drawn. The easiest way to assess if there is dependency is by producing a scatter plot of the residuals versus the time measurement for that observation (assuming you have the data arranged according to a time sequence order). If the data are independent, then the residuals should look randomly scattered about 0. However, if a noticeable pattern emerges (particularly one that is cyclical) then dependency is likely an issue (Ben-Gal, Morag & Shmilovizi, 2003). In the current study, Durbin Watson was used to test for autocorrelation.

Test for Multicollinearity. The term Multicollinearity refers to a situation in which there is an exact (or nearly exact) linear relation among two or more of the input variables, (Breunig, Kriegel, Ng, & Sander, 2000). Exact relations usually arise by mistake or lack of understanding. Multicollinearity is mainly caused by data collection method applied, constrained sample or population from which the data is drawn, poor model specification and model over definition.

Multicollinearity diagnostics was also performed. It is expected that two variables should show correlations. Multicollinearity poses a real problem for the researcher because; it severely limits the size of the proportion of variance which can be accounted for by the regression or extraction (R). Further, it makes determination of the importance of a given predictor difficult because the effects of the predictors are confounded due to the correlation among them. In addition, it increases the variances of the regression coefficients - the greater these variances, the more unstable the prediction equation will be (Field, 2006).

To diagnose multicollinearity, the variance inflation factors (VIF) were checked. The VIF of a predictor should indicate whether there is a strong linear association between it and all the remaining predictors. The second thing was to check the tolerance values. This refers to the degree to which one predictor can by itself be predicted by the other predictors in the model (Pallant, 2007). By treating each variable as dependent variable and regressing against other independent variables in a multivariate regression, then VIF can help to examine whether multicollinearity exists in the data. By the rule of the thumb, VIF < 3 indicates no problem, VIF >5 indicate a likely problem while VIF > 10 indicated a significant problem (Tabachnick & Fidell, 2007; Pallant, 2007). As suggested by Tabachnick and Fidell (2007), variables with normality, multicollinearity were deleted during analysis. To assess Multicollinearity, it should be noticed that how well each independent (X) variable is predicted from the other X variables. And what is the value of individual R^2 and a Variance Inflation Factor (VIF). When R^2 and VIF values are high for any of the X variables, the fit is affected by Multicollinearity.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This current chapter presents the study findings. The study primarily examined the influence of strategic leadership on organization change in petroleum Industry in Kenya. Specifically, the study looked at the influence of Strategic controls, Human Capital Development, Corporate Communication, Strategic direction and strategic planning and forecasting. The chapter was categorized into response rate, demographic information, descriptive statistics, factor analysis, diagnostic tests and inferential statistics. The data from the study were analyzed and the results interpreted on the basis of the overall objectives of the study.

4.2 Response Rate

According to research by Orodho (2009), refers response rate as the extent to which the final data sets includes all sample members and is calculated as the number of respondents with whom interviews are completed and divided by the total number of respondents in the entire sample including non-repondents. The data was collected from the petroleum companies in Kenya which are registered under the Energy Regulatory Commission of Kenya. The sample of the study consisted of 234 target respondents out of which 220 questionnaires were correctly filled and returned yielding a response rate of 94%. This response rate was deemed appropriate for the study which in agreement with Kothari (2011) perceived a response rate greater than 70% to be satisfactory for a given study. Similarly, study done by Gall, Borg, and Gall (1996), has indicated that response rate of

80% is considered excellent in quantitative research in Social Sciences whereas according to Fincham (2008), has also confirmed that a response rate of 60% is considered appropriate in research, while according to Mangione (1995), has revealed that a response rate of over 85% is considered excellent for self-filled questionnaires. The response rate for this study was considered excellent for further analysis since it was over 80%.

Table 4.1: Response Rate

Questionnaire	Frequency	Percentage
Returned	220	94
Non returned	14	6
Total	**234**	**100**

4.3 Result of the Pilot study

4.3.1 Reliability Test

A pilot study was undertaken to pretest data collection instrument for validity and reliability. The questionnaires were issued to a selected group of respondents to allow improvements on the erred or ambiguous areas, be it in wording issues or measurement, before they were administered to the intended participants (Kothari, 2011; Mathuva, 2016). The pilot study enhances the capacity of the researcher to detect weakness in design of the instrument used and thereby providing the necessary correction and adjustment to the data instrument accordingly (Orodho, 2009; Kuvaas 2009). The validity of the questionnaires was determined using Variable validity method. Variable validity is the degree to which test measurers an intended hypothetical Variable (Mugenda, 2008). Panels of experts were used to examine the items and decide what that specific item is intended to measure (Mugenda, 2008). The recommendations from the strategic management experts and the pilot study respondents were used to improve on data collection instruments. The reliability of the questionnaires was determined using test retest method. A reliable measurement is one that if repeated a second time gives the same results as it did the first time (Mugenda & Mugenda, 2003). Test-retest reliability is a measure of reliability obtained by administering the same test twice over a period of time to a group of individuals (Klein & Ford, 2003). Data validity played an important role towards generalization of the gathered data to reflect the true characteristics of the study problem.

Stable and consistent ability of a research instruments yields reliability of it. In the current study, Cronbach's Alpha was used to test the reliability of the research instrument. Sekaran and Bougie (2013), argued that the reliability coefficient ranges between 0 and 1 and the closer it is to 1 the more reliable it is; indeed when a research instrument exceeds 0.7 then the research instrument is reliable. In the current study all the variables had coefficient ranging from 0.8 to 0.9, which indicated that the research instrument was reliable.

Table 4.2: Reliability Analysis

Variables	Number of items	Reliability Cronbach's Alpha	Comments
Strategic Direction	8	0.862	Accepted
Strategic Forecasting	13	0.900	Accepted
Human Capital Development	10	0.922	Accepted
Corporate Communication	6	0.904	Accepted
Strategic Controls	6	0.859	Accepted
Organizational Change	8	0.910	Accepted

4.3.2 Validity Test

On the other hand, validity of the research refers to research instrument ability to measure what it was anticipated to measure. Prior to piloting the research instrument was discussed with the industry and experts in strategy. Later the research instrument was pretested with 20 instruments. Feedback generated from the stakeholders was incorporated in the final questionnaires. Moreover, Kaiser-Mayor-Oklin measures of sampling adequacy and Bartlett's test of the sphericity were applied to show the relationship between study variables as shown in Table 4.3. According to Stephanie (2017), the study indicated that Kaiser-Meyer-Olkin (KMO) test is a measure of how suited your data is for Factor Analysis. The test measures sampling adequacy for each variable in the model and for the complete model. Further, Kaiser (1974) recommends a bare minimum of 0.5 with values between 0.7-0.8 being good while those between 0.8 and above 0.9 being great (Hutcheson & Sofronniou, 1999). The research further, recommended the used of samples sizes that are greater than 50. Barlett"s Test of Sphericity is another indication of the strength of the relationship among variables.

The Kaiser-Mayor-Oklin measures of sampling adequacy show the value of test statistic as 0.892 and p-value <0.5. Bartlett's test of sphericity had a chi-square value of 11396.86 p value of 0.000. Since the p value was less than 0.05 then there is a relationship among the study variables to be investigated.

Table 4.3: KMO Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.892
Bartlett's Test of Sphericity	Approx. Chi-Square	11396.86
	df	1653
	Sig.	0.000

4.4 Background Information of the Respondents

4.4.1 Gender

Respondents' background information was sought, specifically gender, highest level of education, number of years in the oil industry, position held in an organization and number of years the company has been in Kenya. Frequency and percentage were used to analyse the data which was presented using figures and tables. Concerning the gender, as shown in figure 4.1 majority 77% of the respondents were males and 23% were female. This shows that petroleum companies are male dominated which could be attributed to nature of the working environment.

The findings of this study confirmed that the petroleum Industry in Kenya were male dominated labour market representing over 73% of their workforce while women represented 23% of total workforce. These findings are in support of research by Gyan (2013), which revealed that almost all the countries in the world has less than five percent of Women in top positions in all companies. Similarly, according to research by Katie (2016), she reiterated that global statistics has shown that women in oil sector are often hard to find, inconsistent, incomplete or lumped together with other categories. In another research by World Economic Forum (2014), it has been revealed that women in its global workforce remain less than 20% and between 10% and 15% at senior levels. Similarly, research by Gyan (2013) further reiterated that the role of women has begun to fade as their male counterpart dominates the energy industry which has now become realities of the modern workplace.

According to the World Development Report (2012), on Gender Equality and Development, World Bank (2013), report regarding extracting lessons on gender in the Oil and Gas sector in the world, the report confirmed that there has been low female representation in formal employment, enterprise ownership and political decision making processes in the petroleum sector across the world. The report further indicated that women make up 51% of the population in Kenya, however gender disparities still persistent in most sectors including the rural and urban population of Kenya. Since majority of the responses for this study were male respondents, this gender distribution in the petroleum industry does not accommodate the views and opinions from both sides of the gender divides. Nevertheless, this concludes that petroleum industry in Kenya is male dominated in which according to World Economic Forum (2014), which revealed that women in its global workforce remains less than 20% thus the gender imbalance in the petroleum in Kenya, an evidence gender mainstreaming has not been successfully implemented in the petroleum Industry in Kenya.

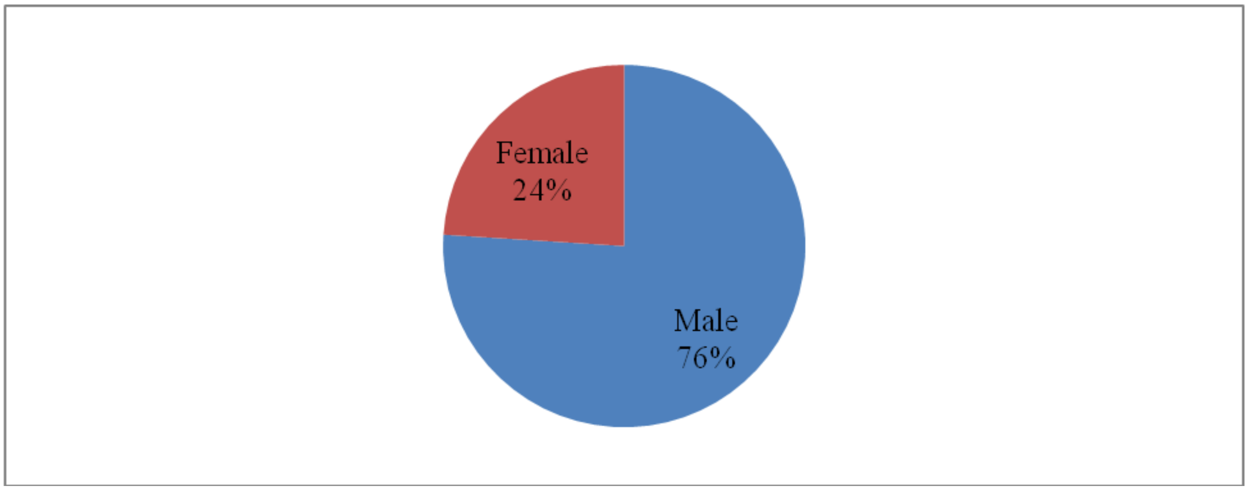


Figure 4.1: Gender of the Respondents

4.4.2 Highest Level of Education

The profile of the respondents as shown in figure 4.2 has made a good sample of a well-educated respondents which has the ability to provide the study with better information which will add potential value to the study been sought. The highest number of respondents (42.7%) had bachelor's degree qualifications, followed by 32.3% who were diploma/certificate holders and 21.8% had postgraduate qualifications. This shows that most of the respondents had formal qualification and can easily cultivate organizational change. The findings of this study indicates that about 43% of the top brace in the industry had acquired basic educational qualifications and about 22% had postgraduate qualification which is highly expected since the respondents are at a senior management level where the skills, knowledge and competencies are supposed to be high. Nevertheless, the well-educated respondents mean that they were well informed thus can provide better and well informed responses which added value to the study under investigation.

The finding of this study revealed that most of the leaders in the petroleum Industry have acquired basic academic qualification which are needed for effective service delivery in such highly complex and competitive Industry. These findings are in support of Jofre, (2011), who contended that the production efficiency of the organization depends on both the specialization and coordination of efforts between individuals working together. These findings further indicated that strategic changes in the petroleum Industry were perceived as highly dependent on leadership, decision-making procedures, communication and evaluation of the processes. This study is in support of research by Gopalan (2017), who investigate factors influencing strategic decision making process for the oil and gas Industry of UAE that emphasized that top management in the petroleum must have a complete and profound knowledge understanding of the process of decision making in order to practice it effectively.

Similar, research by Gopalan et al (2017), further revealed that strategic capability affecting organizational performance around the world is leadership and businesses operating in the gas and oil industry are also subject to mode of operation and governing rules. Research by Stensaker (2014), indicated that strategic capability affecting organizational performance around the world is leadership and businesses operating in the gas and oil industry are also subject to this rule. Research by Nooraie (2012), contends that the process of strategic decision-making is the most important and complex of all the processes or functions of the management in any type of organisation. It is also emphasized that the managers require having a complete understanding of the process of decision making in order to practice it effectively.

This finding is in accordance with a research by Martin (2010), which postulated that most successful organizations are led by experience and effective leaders (CEO) who understands the need for a sound business strategy and invest significant time and effort in the development of long term strategy of their organization. Similarly research by BCG (2017), had indicated that highly experienced leaders set clear and meaningful strategic goal for the industry around the world to improve organizational performance by defining strategic direction which influence leadership performance thus creating corporate organizational culture that drives innovation and improve relevant quality management industry standards for the organizations.

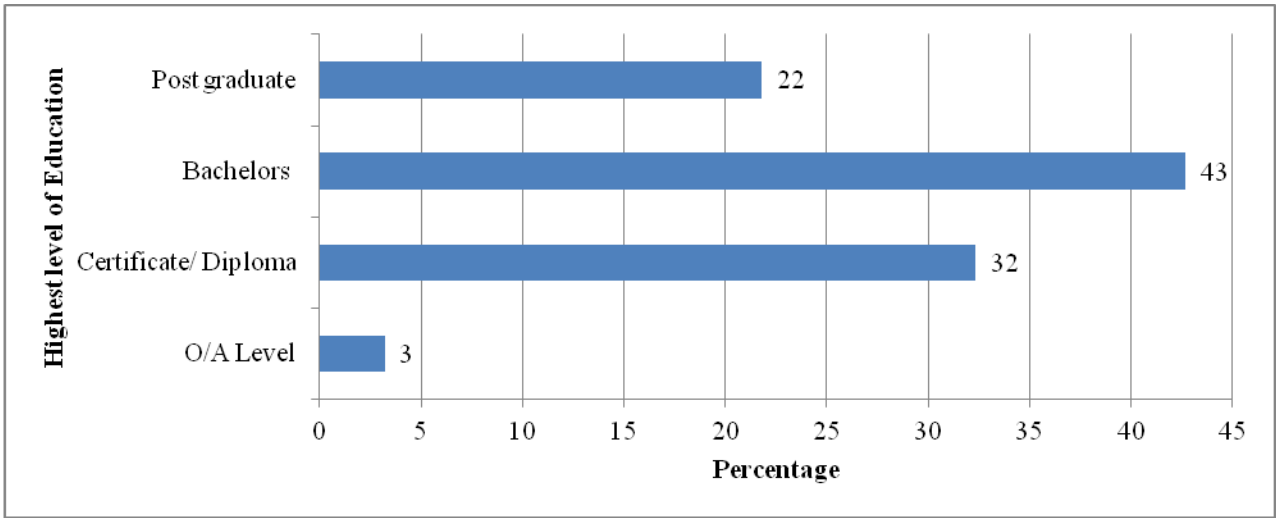


Figure 4.2: Highest Level of Education

4.4.3 Number of years in Oil Industry

The question sough to investigate the number of years in the oil industry as shown in figure 4.3, revealed that majority 34.5% had worked in the oil sector for a period is between 11 to 15 years, followed by 28.6% who had worked for a period of between 0 to 4 years, 25% had worked for between 5 to 10 years and 11.8% had worked for 16 years and above. This implies that most of the people in the oil sector had acquired in the industry training since they had served for several years. The findings of this study however noted it was important since 15 years work experience is a reasonably long duration which allows the petroleum industry to build adequate memory and knowledge database and therefore offer a good profile for study. These findings implied that there has been a high retention rates within the petroleum Industry in Kenya whereas the top managers had acquired informal training thereby providing sustained leadership to the organization. This finding is supported by Hernandez, et al. (2011), who reported that strategic leaders create strong abilities that influence long term viability of the organization and financial stability.

The findings of this study confirmed that most employees in the petroleum industry in Kenya had high stay power in the industry. This means that the respondents have adequate working experience with the petroleum industry in Kenya and therefore possess the necessary knowledge and information which was considered useful for this study. The results of these findings are in agreement with research by Waller (2010) which indicated that when employees are committed to their job, they tend to stay longer thus delivering higher levels of performance in the organization. Similarly research by Goodal (2015) which indicated that high employee performance is indications that the organization’s goals have been properly communicated and understood by the entire stakeholder hence tendency to stay in the organization. The report by ERC (2014), revealed that the ERC staffs were encouraged to participate in the production of high end technologies while recognizing exceptional performers for specialized training from recognized institutions.

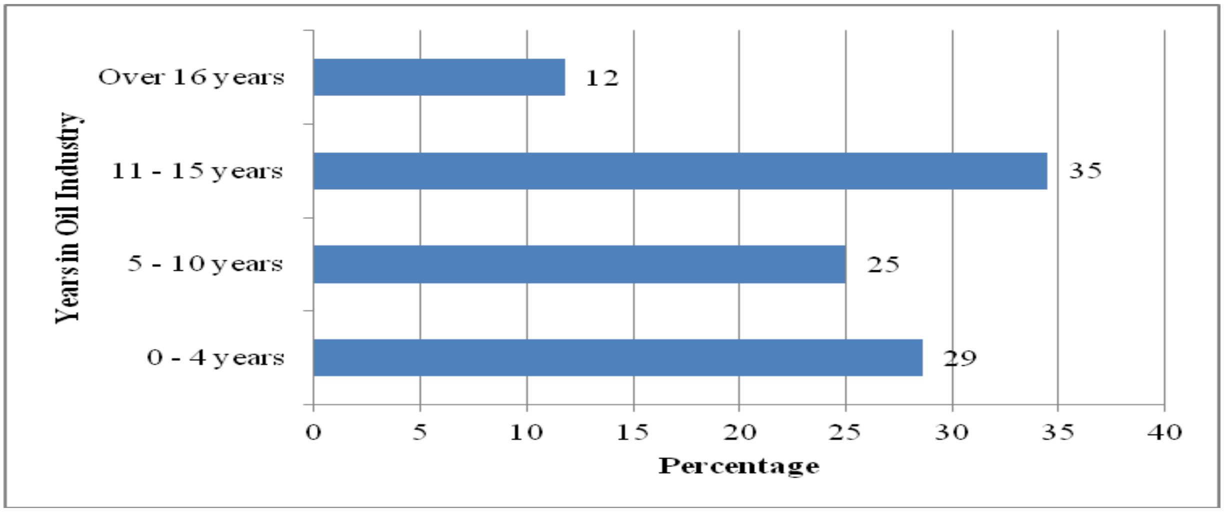


Figure 4.3: Numbers of years in the Oil Industry

4.4.4 Position in Organization

As shown in figure 4.4, majority 68% were serving in the boards as directors while 32% were chief executive officers. Findings of this study is in agreement with the research Bass, (2012), Kelly & Mark, (2013), who indicated that strategic leadership positions in the petroleum industry is a preserve of top management such as CEO`s and group directors who set policies for acquiring and integrating resources for the organization. This finding is further supported with the research from Bass (2012), Kelly and Mark (2013) who reported that providing strategic leadership has been an important role for the CEO and for many other senior executives. Similarly, research by Boal and Schultz (2007), has confirmed that strategic leadership plays central role in developing ideas and defining visions as well as allowing the organization to operating successfully in a complex and competitive environment. In a research by Elkins *et al*, (2008), it suggested that strategic leaders provide competitive business environment which focuses on utilizing strategic vision to motivate, inspire and empower the workforce at all levels.

These scholars contend that sharing internal knowledge, collection and integration of the external information are the key priorities of organizational leaders. Similarly research by Rapa *et al* (2005), emphasized that top echelon in the petroleum Industry have demonstrate their willingness to give energy and loyalty to the change implementation process which clearly demonstrates the commitment and positive signal for all that affect organizational members. According to Clegg *et a*l (2012), revealed that the strategic leadership is the influence process that facilitates the performance of the top management team to achieve objectives. Similarly, research by Rumsey (2013), had indicated that strategic leadership involves responsibilities which effectively influence employees in the organization in order to produce a strategy focused organization through strategic decisions making process.

Further, research by Kimutai (2009), argued that in most corporate organizations, strategic leadership practices were resident with CEOs, senior management and chairman/ladies of the board and their member's board respectively. He further reiterated that despite the position and organization function, the strategic leaders bear a decision-making responsibility that cannot be delegated.

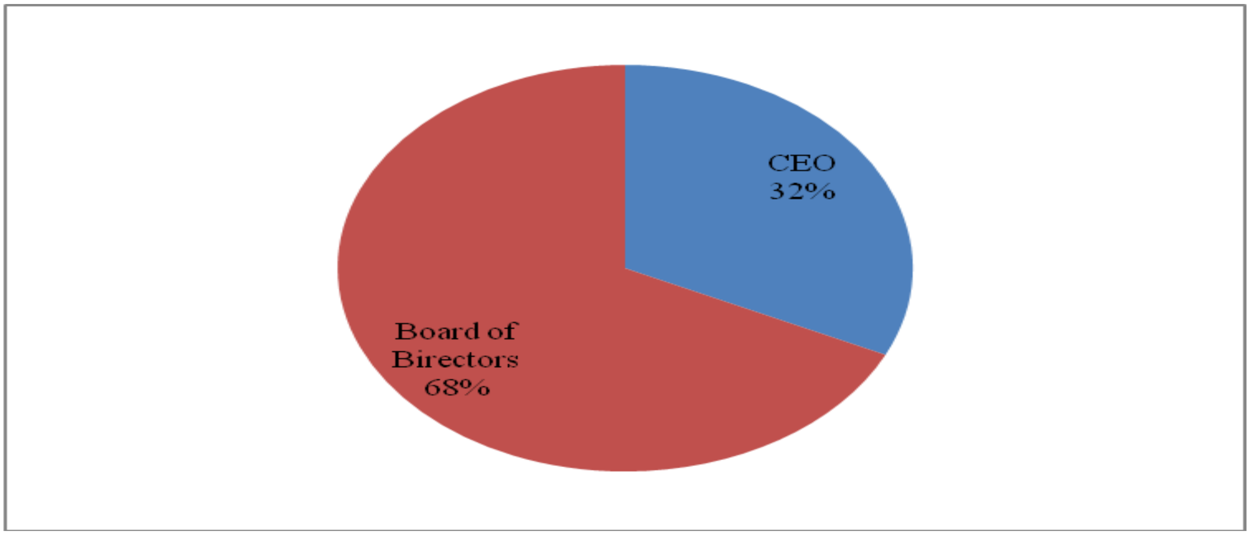


Figure 4.4: Positions in Organization

4.4.5 Number of Years the Company has been in Kenya

The pictorial presentation in figure 4.5 shows that majority (36.8%) of the companies has been operating in Kenya for 11 to 15 years, followed by 32.7% who had been in operation for 16 years and above, 19.5% had been in operation for 5 to 10 years and 10.9% had been operating for 0 to 4 years. From the findings it can be deduced that most of the companies has been in operation beyond business incubation phase. The findings of this study confirm that most of the petroleum companies were in existence for over 15 years. This is in accordance with a research by Reuben et al (2017), PIEA (2015), which had indicated that the number of oil marketing companies in Kenya considerably increased making the industry very competitive and more sustainable. Similarly, research by Abekar (2014), confirmed that there are increased numbers of firms in this sector which has given the consumers a wide variety of choices as well as long market presence which gave them competitive advantage. Further, the petroleum Industry has tremendously expanded it's geographically coverage while giving strategic emphasis in sales volumes, boosting market share and cultivating a loyal clientele (Swensrud, 2013, Mahendra, 2013).

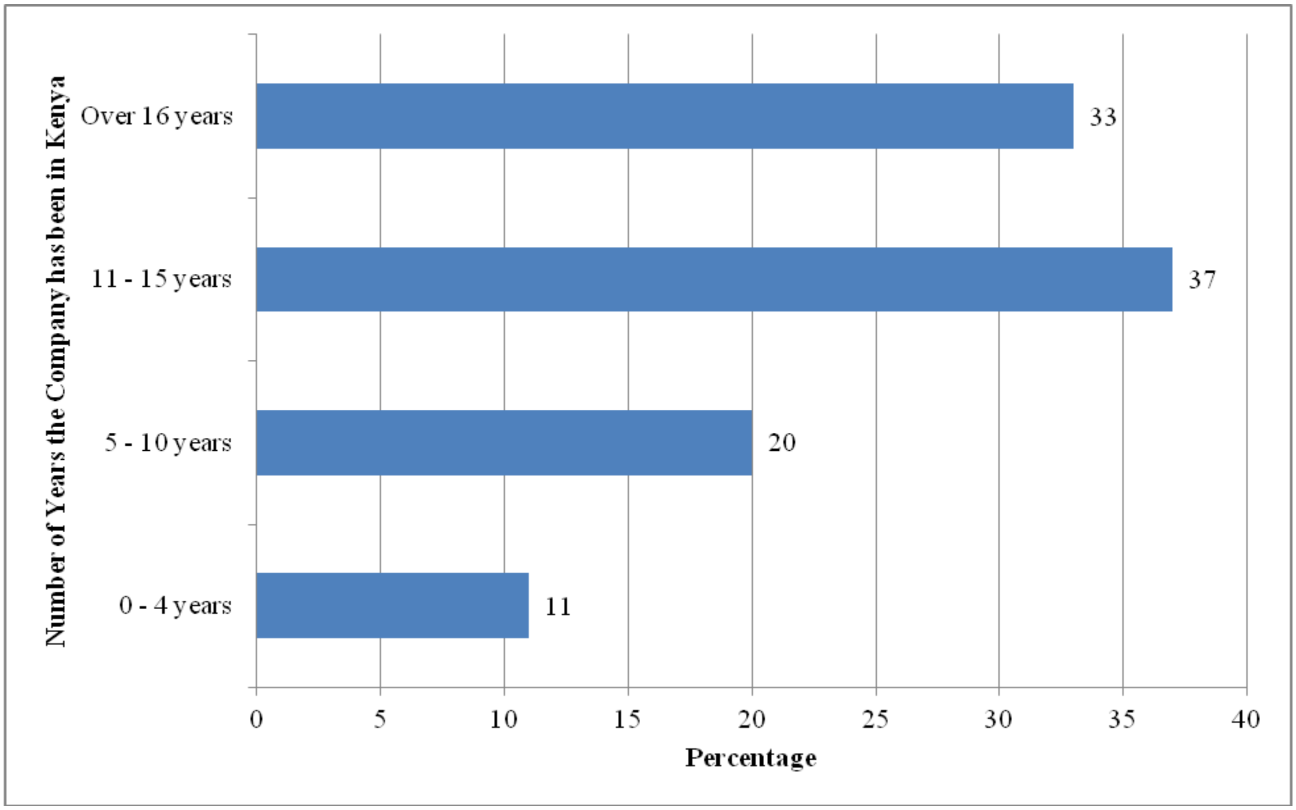


Figure 4.5: Number of Years the Company has been Kenya

4.5 Descriptive Analysis of Study Variables

The purpose of descriptive statistics is to enable the researcher, to meaningfully describe a distribution of scores or measurements using statistics. Descriptive statistics are used to describe the basic features of the data in a study in which Kothari, (2011), which postulated that it is used to describe persons, organizational settings or phenomenon. They provide simple summaries about the sample and the measures. The researcher in this study used frequency, percentage, mean and standard deviation to summarize study variables the influence of strategic leadership on organization in the petroleum industry in Kenya.

4.5.1 Descriptive Analysis of variable Organizational Change

Organizational change involves reviewing and modifies the management structures and business process due to ever changing environment under which the companies operate in (Yang, 2009). Organization change is a business management framework for managing dynamic business changes or organization realignment so as to remain profitable. It is important in the petroleum Industry since there are several aspects which are dynamic and have impact on day to day operations of all firms.

Concerning organization, the respondents were requested to indicate their opinion on several statements describing organizational change and the extent to which they identify those attributes within their organization. Descriptive analysis using mean, standard deviation, frequency and percentage was summarized as shown in Table 4.4. Majority 47.7% reported that to a large level there are acceptable levels of organizational change in their organization. This finding is supported by Jiang *et al* (2011), who indicated that changes are experienced by organizations in their bid to attain an ideal state in terms of performance. Secondly, majority 58.6% reported that to a very large extent organizational change in petroleum industry is influenced by strategic leadership. This is in agreement with research by Jamal *et al* (2011), which revealed that organizational change is the demand of time to remain successful in business which implies that strategic leadership is an extremely important element in business as it determines the future direction. Similarly, research by Brent and Barbara (2012), has indicated that the modern organizations are increasingly embracing strategic leadership as part of their management techniques

This research further indicated that changes were triggered by leaders in response to a crisis that is created by an increase in competing forces from within or outside organization. Thirdly, majority 47.7% of the respondents reported that to a very large extent change initiative can be easily introduced in their organizations so as to yield the desired goals. This finding is supported by Abdow (2015), which indicated that strategic leadership is eagerly needed by organizations to predict the essential alterations and changes in the organization, in advance and create the required commitment in a highly suitable atmosphere for teams to understand and adopt these changes successfully. Further, majority 49.5% reported that to a larger extent leader in their industry develop products and services which are considered to be the best in petroleum industry. These findings are in agreement with Porter (2008) who indicated that strategic leaders understand industrial structures that guides how to fulfill the strategic action for the organization on how to cope better with competitive industrial forces, anticipating and exploiting shifts in the market forces which shapes the balance of forces to create a new industry that is more favourable to the organizational strategies that exploit the best possibilities.

Moreover, majority 55% reported that to a very large extent leadership in petroleum Industry is composed of the right skills which will spear head attainment of organization goals. Indeed, majority 51.4% have spearheaded innovative processes geared towards operational costs reduction. Further, majority 47.7% reported that to a very large extent petroleum Industry are able to offer effective balance between short term and medium term goals. This finding is supported research by Boal and Schultz (2007), which confirmed that strategic leadership has played a fundamental role in developing ideas and defining visions. Similarly, research by Ruderman *et at,* (2010), which indicated that strategic leadership transforms organizations through its vision and values, culture and climate, structure and systems as well as through its strategy. Finally, majority 55.9% reported that to a very large extent, their organization has implemented their change process as per procedures and guidelines. This finding supports research by Akbari (2014), which argued that strategic leadership anticipate, envision, mobilize resources, maintain flexibility, think strategically and work with others. In addition, researched by Pazireh *et al* (2014), revealed that the purpose for strategic leader should align the actions of people across the whole organization. On overall organization change attributes had large extent as accounted by mean of 4.4 and standard deviation of 0.8.

Table 4.4: Descriptive Analysis of variable Organizational Change

	n=220						
	Not at all	**Small extent**	**Moderate extent**	**Large extent**	**Very large extent**	**Mean**	**Std. Deviation**
Are there acceptable levels of organizational change in your organization?	1.8	2.7	6.4	47.7	41.4	4.2	0.8
Does the strategic leadership in your organization influence change initiative in your organization?	0	3.6	6.4	31.4	58.6	4.5	0.8
Does the change initiatives your organization be easily implemented in order to contribute to the desired goal?	0	2.7	7.3	42.3	47.7	4.4	0.7
Do leaders in your company develop products/services which are considered the best in the industry?	0	2.7	5.5	49.5	42.3	4.3	0.7
Does the leadership in your company have the right people that will enable realization of organizational change?	0	3.6	5.5	35.9	55	4.4	0.8
Does your organization develop new process innovations that will considerably reduce operational costs?	0	3.6	4.5	40.5	51.4	4.4	0.7
Does your organization able to effectively balance short term and medium term goals?	0	2.7	7.3	42.3	47.7	4.4	0.7
Does your company implemented organization changes in line with the organization process and procedure?	0.9	1.8	7.3	34.1	55.9	4.4	0.8
Overall average						**4.4**	**0.8**

4.4.2 Descriptive Analysis of Variable Strategic Direction

The objective of the study was to determine the influence of strategic direction on organizational change in the petroleum Industry in Kenya. To achieve this, the study adopted a five point likert scale in which the respondents were requested to indicate the extent to which they supported some attributes in strategic direction. Mean, standard deviation, frequency and percentage were used to summarize the findings of the study as shown in Table 4.5. Majority 52.7% reported that the presence of a clear vision and compelling picture of the future that ensures commitment to the strategic direction has very large extent on organization change and 36.4% perceived it to have large extent. Secondly, majority 61.8% argued that the presence of an organization strategy that links its vision with current reality has very large extent on organizational change. Thirdly, majority mean = 4.4 and standard deviation reported that to a large extent their organization has a strategy guide in formulating the organization structure.

Further, 50.9% of respondents reported that they have strategies which guides in identifying capabilities and needs to be developed so as to achieve the desired change. Also majority 48.6% reported that to a very large extent they have specific tactics for achieving organizational change. Indeed, majority 55.9% reported that to a large extent the tactics involve executing resources and capabilities within their organization. Moreover, most 51.8% of the organization reported that to a very large extent their organization has developed process through strategic direction to implement change. In fact, majority 56.4% reported that in their organization leadership has a culture of communication strategic direction issues to all stakeholders. Finally, majority of the respondents which consists of 58.2% reported that to a very large extent their organization has targets which ought to be met in regular intervals. On overall strategic direction has large extent on organization change in the petroleum Industry in Kenya as accounted for by mean of 4.4 and standard deviation of 0.8.

These findings were corroborated with empirical evidence which according to research by Boal and Hooijberg (2001), indicated that supervisory is based on the direction given by the leader is what actually set the tasks and behaviours of an organization. Strategic direction is responsible of creating a meaning and purpose of the organization. Research by Jooste and Fourie (2009), revealed that strategic leadership can never be doubted to be the critical element in effective execution of changes in firms. As noted with the companies in the South African market, the degree of organisation changes varies with the level of exercising not only direction but also the extent of control (Serfontein, 2009). Research by Jooste & Fourie, (2009), further reveals that the key strategic leadership action is strategic direction which plays a critical role in ensuring strategy are executed effectively. This finding is further supported by Bass (2012), which indicated that action of the strategic leaders is usually to spells the direction which drives employee to follow and plays a major role in determining their commitment and satisfaction to the organization which subsequently impacts the changes and performance

However, by research by Yukl (2010), reported contrary opinion which found that strategic direction has no impact on the changes observable from the companies could be explained in firms where the top leaders are restrained by both the internal and external factor. These factors include powerful stakeholders, competition and turbulent business environment. In such kind of environment extreme dependency on direction may not be possible. However, while Bass (2007), agrees with current study on this, it opposes research by Yuk’ls (2010), in that without the strategic leaders who spell out direction, employee’s commitment and satisfaction not forgetting they are center bolt in organization changes. Research by Bass (2012), further observed that strategic direction would outright fail the company from achieving both their financial and non-financial goals.

Research by Yukl (2008), confirmed that leadership direction indeed has important role on whether companies achieve success or not. This emanates from the fact that leaders are a major influencer and decision makers in their own company and at different level. According to Upper echelons theory strategic direction vary all over the world however the uniqueness in this, is that they are responsible of decision making and in most cases, they have final say on the operation of the firm. Thus, in case where changes that is likely to pull up the company would receive a majority consideration for implementation. The act of directing is listed as one section that gives a sense charismatic and visionary leadership.

Table 4.5: Descriptive Analysis of variable Strategic Direction

	n=220						
	Not at all	**Small extent**	**Moderate extent**	**Large extent**	**Very large extent**	**Mean**	**Std. Deviation**
Does your organization have a clear vision and compelling picture of the future that ensure commitment to the strategic direction?	2.7	1.8	6.4	36	53	4.4	0.9
Does your organization have strategy which links its vision with current reality?	0.9	2.7	3.6	31	62	4.5	0.8
Does your strategy guide in formulating the organization structure?	0.9	1.8	9.1	36	52	4.4	0.8
Does your strategy guide in hiring human resource in your organization?	0	4.5	5.5	41	49	4.4	0.8
Does your strategy guide in identifying capabilities that needs to be developed to achieve the desired results?	0.9	3.6	7.3	37	51	4.3	0.8
Does your tactics work within the current organization structure?	0	4.5	9.1	38	49	4.3	0.8
Does your tactics involve executing capabilities and resources of the company?	0	1.8	6.4	36	56	4.5	0.7
Does the organization develop processes through strategic implementation of the plans of change?	0	5.5	7.3	36	52	4.3	0.8
Does a leader in your company communicate reasons for strategic direction to stakeholders?	0.9	3.6	3.6	36	56	4.4	0.8
Does your company have targets to be achieved at any given time?	3.6	0.9	3.6	34	58	4.4	0.9
Overall Average						**4.4**	**0.8**

4.4.3 Descriptive Analysis of Variable Strategic Forecasting and planning

The objective of the study was to find out the influence of strategic forecasting and planning on organization change in the petroleum Industry in Kenya. The respondents were requested to rate their responses of a five point likert scale and data was analyzed using mean, standard deviation, frequency and percentage. Majority 49.1% reported that in their organization vision influence to a large extent the development or organization strategic planning process. Secondly, majority 60% reported a very large extent of strategic planning influence on organization change. Thirdly, majority 52.7% to a very large extent their strategic plan elaborates their plan and alternative strategies of organization change. Indeed, majority mean =4.2 reported that to a large extent their leader's choices a given strategy as a basis for their action.

Moreover, majority 50.9% reported that to a very large extent the strategies chosen in a given organization yields the desired results though in a large extent they may lead to unintended results (mean = 3.9, standard deviation = 1.3). In the petroleum Industry majority 47.3% reported that to a very large extent their uses forecast as inputs for organization change. Further, majority 54.5% reported that to a very large extent the planning provide strategies based on forecast. In fact, majority 55.9% reported that to a very large extent forecasting techniques can be helpful to organization planning for the future. Although, there are different planning approaches majority mean = 4.2, reported that they adopt scenario planning process to generate various imagined outcomes, based on different sets of starting conditions.

Further, majority 56.4% reported that to a very large extent they have confidence with their planning process. To a very large extent majority 46.4% of the respondents reported that in their organization leaders develop specific action plans for organization which are based on well established procedures or they identify gaps based on challenges facing a given organization. Finally, majority 48.2% argued that to a very large extent their organizations are capable of anticipating future organizational changes. On overall strategic planning and forecasting has large extent on organizational change (mean= 4.3, standard deviation= 0.8).

The study has established that leaders in many organizations are now able to expect potential future changes in the organisation. This is in accordance with a research by Draft, (2011), which advanced that leaders help organizations to realize overall goal of the company be it in the long or short run since they are able to select one strategy as basis for action in times of changes. Research by Shuria, (2015), further pointed strategic leaders are able to generate plans that help forecast externalities that would have impact on companies. For a close, it can be said that indeed forecast and better plans are shapers of the available choices and decisions in environment featured with changes.

The findings mirrored Sharen (2015), who argued that whenever an organisation is able to hold its activities in well outlined plans then they can be achieved either in the short or long run. These plans help to form the core competencies that enable the firm to gain competitive advantages. As recommended by Cheoularton (2007), strategic plan and forecast gives perspectives of the company which enables the company to stand its ground in an environment characterized by rapid and disorderly changes.

The findings of this study also confirm the statement by Mufudza *et a*l, (2013) that it is better to be ‘prepared for the unexpected’ rather than only preparing for the known changes. This inspires the organization stakeholders to have a sense of mission after putting into consideration set of imagined scenario and outcomes. Through these scenarios, procedures on how to achieve a desired change(s) is arrived at after ensuring that all the necessary gaps are addressed to outdo any challenges that may befall such plans or forecasts.

Table 4.6: Descriptive Analysis of variable Strategic Forecasting

	n=220						
	Not at all	Small extent	Moderate extent	Large extent	Very large extent	Mean	Std. Deviation
The vision of the organization directly influences the development organization strategic planning process	0.9	3.6	5.5	49.1	40.9	4.3	0.8
My organization has strategic plan that guides the organization operation	0	3.6	2.7	33.6	60	4.5	0.7
The plans in my organization describe objectives and alternative strategies	0	2.7	6.4	38.2	52.7	4.4	0.7
Leaders in my organization select one strategy as basis for action	0.9	2.7	17.3	29.5	49.5	4.2	0.9
The action chosen may lead to results that are intended	1.8	6.4	6.4	34.5	50.9	4.3	1
The action chosen in my organization may lead to results that are unintended	9.1	9.1	11.8	26.4	43.6	3.9	1.3
My organization uses forecasts as inputs to the planning process	0.9	3.6	11.8	36.4	47.3	4.3	0.9
Does the planning provide the strategies based on forecasts?	0	2.7	6.4	36.4	54.5	4.4	0.7
Forecasting techniques can be helpful to organizations planning for their future	0.9	4.5	6.4	32.3	55.9	4.4	0.9
My organization use scenario planning to generate various imagined outcomes, based on different sets of starting conditions	1.8	3.6	5.5	49.1	40	4.2	0.8
My organization has confidence in forecast	0	3.6	7.3	32.7	56.4	4.4	0.8
Leaders in my organization develop specific action plan for organization change that is guided by well established procedures	0	2.7	4.5	46.4	46.4	4.4	0.7
Leaders in my organization identify gaps based on the challenges facing organization change	1.8	1.8	3.6	46.4	46.4	4.3	0.8
Leaders in my organization are capable of anticipating potential future organization changes	0.9	2.7	3.6	44.5	48.2	4.4	0.8
Overall average						**4.3**	**0.8**

4.4.4 Descriptive Analysis of Variable Human Capital Development

The objective of the study was to examine the influence of human capital development on organization change in the petroleum Industry in Kenya. To achieve the respondents rating on a five point Likert scale was sought and study findings summarized as in Table 4.7 using mean, standard deviation, frequency and percentage. Majority 47.3% purported that to a very large extent their organization have a database of the skills inventory for its resources. Secondly, majority 40.9% reported that to a very large extent their organization used psychometric testing to measure individual attributes such as individual natural reflexes, tendencies, attitude and innate traits.

Majority 53.2% purported that to a very large extent their organizations calculates the amount of money which they spend on human capital skills development. Indeed, to evaluate returns majority 48.6% reported that they return on human capital. To attain organizational change majority 54.5% reported that they have aligned their employee values with their organization core values. In fact, majority 51.4% reported that through human capital development they have high chances of retaining their employees. To develop human capital skills majority 44.5% reported that to a very large extent all employees are involved in learning based on shared knowledge management. Concerning employee’s initiatives development, majority 50% reported that to a very large extent initiatives developed in the oil industry are difficult to imitate. In addition, majority 44.5% reported that to a very large extent their organization has heavily invested on human capital to grow their returns.

Further, to a large extent majority mean = 4.3, reported that their organizations are excellent in integrating through coordinating cross functional activities. To a large extent most of the petroleum companies compares employee skills with the position there are recruiting for (mean = 4.3, standard deviation = 0.8). Moreover, to a large extent petroleum Industry identified employee’s skills gap during recruitment process (mean = 4.3, standard deviation = 0.8). Finally, petroleum Industry have to a large extent developed measures of breaching skills gaps identified during recruitment (mean = 4.4, standard deviation = 0.8). On overall human capital development has large extent on organization change in petroleum Industry in Kenya. Even though context was different, the findings of study done in Pakistan authored by mirrored Jamal and Saif (2011), found a positive relationship between the organization changes as assessed by growth of the companies and human capital management. In their study, it was further proved that feedback; communication and supervisory skills and building of confidence to workforce are a recipe for success adaptation to ever-changing environment in an organization. In the long-term, companies jointly with the learning institutions need to implement learning based on shared knowledge to enable learners coming from school to easily adapt to work environment. Connection with this, gaps on employees' skills ought to be identified to be able to offer what is required in case of changes in organization and its structure (Sull, 2009). Based on the above studies and findings herein, it can be said that human capital development has a role to play in the organisation change either directly or indirectly.

The finding of this study is in agreement with a research by Ireland and Hitt, (2005, who reported that Human Capital Development is the knowledge and skills of firm's entire workforce. This finding is supported by research further, Hsu *et al* (2007), which indicated that the relevance of the human capital especially to the firm that a technology based new ventures would serve to enhance the quality of the employees which later will have impact on the firm success whereas the quality of training enhances employee's performance which later will have impact on the firm success. Further, research by Marimuthu, *et al*, *(*2009) reported that human capital development is one fundamental solution of the developing economics to join the international world and hence there is need to dedicate time and efforts to acquire knowledge, skills and education that will culminate in what is referred to as human capital investment which has a positive impact on the performance of the firm.

Table 4.7 : Descriptive Analysis of variable Human Capital Development

	n=220						
	Not at all	**Small extent**	**Moderate extent**	**Large extent**	**Very large extent**	**Mean**	**Std. Deviation**
My organization has a database of the skills inventory for its resources	1.8	0.9	4.5	45.5	47.3	4.4	0.8
My organization uses psychometric testing to measure other attributes such as individual natural reflexes, tendencies, attitudes and innate traits	7.3	5.5	11.4	35	40.9	4	1.2
My organization invests in human capital with an aim of getting return	1.8	4.5	6.4	42.7	44.5	4.2	0.9
My organization calculates the profits it has made in after covered all of its expenses	4.5	1.8	1.8	30	61.8	4.4	1
My organization calculates the amount of money the organization has put in to develop its human capital	3.6	4.5	4.5	34.1	53.2	4.3	1
My organization calculates return on human capital investment	3.6	3.6	7.3	36.8	48.6	4.2	1
My organization has aligned employee values with core values of the organization	0	3.6	5.5	36.4	54.5	4.4	0.8
All employees are involved in learning based on shared knowledge through knowledge management	1.8	1.8	10	41.8	44.5	4.3	0.8
Employees develop initiatives that are difficult for our competitors to quickly imitate	2.7	4.5	11.4	31.4	50	4.2	1
My organization is excellent in integrating cross functional activities	1.8	2.7	6.4	43.6	45.5	4.3	0.8
My organization compares my employee's skills with what is required for their positions	0	3.6	7.3	40.9	48.2	4.3	0.8
My organization identify the gap on employee's skills with what is required	0.9	3.6	7.7	37.7	50	4.3	0.8
My organization determines to bridge the gap on employee's skills with what is required in their positions.	0	2.7	11.4	28.6	57.3	4.4	0.8
Overall average						**4.3**	**0.9**

4.4.5 Descriptive Analysis of variable Corporate Communication

The objective of the study was to determine the influence of communication on organizational change in the petroleum Industry in Kenya. Descriptive analysis using mean, standard deviation, frequency and percentage were used to analyze responses using five point likert scales. Majority 41.8% of the respondents indicated that leader's timely organization strategies communication in their organization to all stakeholders has very large extent on organizational change. This finding is in agreement with research by Hoque, (2014), which indicated that communication is the fundamental principle that impact on the whole question of development and strategic management. Secondly, majority 54.5% reported to a very large extent that there is need for continuous flow of information between senior management, organization teams and other stakeholders. These findings is in agreement with research by Johansson, *et al*, (2014),which indicated that communication enhances initiation corporate structure, facilitating work, relational dynamics, and representing the unit as the leaders' communication behaviour within organizational teams. Researches by Apostu, (2013), further contend that communication is a process through which leaders engaged the society in a proactive and positive way thus enabling adopts organization.

Thirdly, majority 43.6% reported that to a very large extent leader in their organizations are capable of disseminating information in timely and reliable manner. This implied that most leaders were able to foster trust, transparency and honesty communication within their organization (mean = 4.4). Moreover, to a very large extent most (50.5%) of the leaders are able to foster networks with other stakeholders within the petroleum industry. These findings are in accordance with Research by Rajhans, (2012) who reported that communication measures including information distribution that is relevant in a timely manner enhances effective decision making process through active communication within the organization and development of a good communication culture to boost team spirit and teamwork. Finally, majority 56.8% reported that leaders in their organizations are able to create team commitment through enhanced communication. On overall Corporate Communication has large extent on organization change within the petroleum industry (mean = 4.4, standard deviation = 0.8).

Many researchers have proved why communication is vital in organization decision making. However, high degree of inclination has been on the organization growth through decision making that ignore an eye on the changes that per se ought to help in the achievement of this growth. As Yukl (2012), highlighted actionable communication is seen to be critical in developing the agenda of the company but not necessarily on strategizing how change will be done effectively. In differing perspective, Baldon (2004), observes that change ought to be held in a networked environment where all stakeholders participate in both in action and ideas.

Away from this study, Husain (2013), documentation on the need for communication while changes are being implemented in an organisation is fundamental that help ease uncertainty dismiss misinformation that gives rise to rumors. As earlier recognized employees are vital piece in any organization in time of changes their role cannot be understated in the design and more so in the implementation. This study documents the need for tackling issues emanating from employees such as job security which ought to be well addressed for them to be responsible a sense of community promoted for thorough change. Communication therefore has been found to involve how well an organization tackles queries from employee and management sides, trust bestowed on one another, community spirit, commitment and participation of employees, lesser uncertainty and feedback (Husain, 2013). All these therefore have defined the success of an organizational change. The study therefore, concluded that all factors such as strategic controls, Corporate Communication, strategic direction, strategic forecasting and human capital development influence organizational change in the petroleum Industry in Kenya.

Table 4. 8: Descriptive Analysis of variable Corporate Communication

	n=220						
	Not at all	**Small extent**	**Moderate extent**	**Large extent**	**Very large extent**	**Mean**	**Std. Deviation**
Leaders in my organization communicate organizational strategies timely to the organization teams and other stakeholders.	0.9	1.8	5.5	50	41.8	4.3	0.7
There is continuous flow of information between the senior management, organizational team, and other relevant stakeholders.	1.8	1.8	5.5	36	54.5	4.4	0.8
Leaders in my organization are able to validate responses timely from organization teams.	0.9	1.8	8.2	46	43.6	4.3	0.8
Leaders in my organization create and foster trust, transparency and honesty communication within the organization	1.8	2.7	4.5	36	55	4.4	0.8
Leaders in my organization are able to network with other stakeholders within the industry.	0.9	2.7	5.5	41	50.5	4.4	0.8
Leaders in my organization are able to create team commitment through enhanced communication.	0.9	2.7	3.6	36	56.8	4.5	0.8
Overall average						**4.4**	**0.8**

4.4.6 Descriptive Analysis of variable Strategic Controls

The objective of the study was to establish the influence of strategic controls on organizational change in the petroleum Industry in Kenya. Descriptive analysis using mean, standard deviation, frequency and percentage were used to analyze the data as shown in Table 4.9. Results of the study revealed that 49.5% of the respondent reported that to a large extent there are clear consequences of not implementing strategic controls within petroleum Industry in Kenya. Secondly, majority 50.9% of the respondent further reported that to a very large extent there exists a bold and aggressive posture in making decisions. Thirdly, majority 46.4% reported that to a very great extent there exists a strong emphasis on research and development within petroleum companies in Kenya.

Further, majority 45.5% either reported that there was large extent or very large extent of formal monitoring and evaluation process being used to identify and resolve strategic issues affecting petroleum industry. Moreover, 54.5% reported that to a very large extent their organization’s strategic decisions are always detailed in formal written reports. Majority 45.9% purported that to a very large extent leaders in their organization principally rely on experienced based institutions when making major operating and strategic decisions. On overall, strategic controls have large extent on organizational change in petroleum Industry (mean = 4.3, standard deviation = 0.9).

To a very large extent, respondents support that leaders in the respective organization follow strictly the experience-based intuition while making major operating and strategic decisions. A similar argument is documented by Peljhan and Tekavcic (2008), who observed that regular use of management controls leads to improved results since the control ensures the steps taken to achievement are enhanced. Equally, the two scholars provide a comprehensive analysis of the need to balance short-term, medium-term and long-term goals through the use of strategic controls in process of adapt to the organizational changes.

As stipulated in the Upper Echelons theory, managers at the top are of significant impact on welcoming or refuting the changes for the organization. According to this theory control begins with the low level manager and then goes up the ladder to highest manager in the office who hold the final word as to whether any changes ought to be undertaken, ignored or to be kept under watch Hambrick *et al*, (2005).

Whenever a firm is developing new products and services there are usually many changes witnessed. An engagement between the employees and management is deemed necessary especially if the development is to be successful. Therefore, leader in the firm ought to exercise control in line with what will help the firm realize the goal. On the same note, many significant changes are also expected in the streamlining process. A well set out procedure is necessary for the achievement of this goal and for evaluation process. A study on strategic controls in Bamburi Cement Limited by Ndegwa (2013), found that success of strategic controls is pegged on timely, consistent, accurate and accessible information combined with a supportive organisation structure and internal processes. Therefore, these duties should be assigned to department that would monitor, evaluate and give reports on the steps being made by the organisation. The study therefore, concluded that strategic controls among other variable such as Corporate Communication, Strategic direction, Strategic planning and forecasting, human capital development influence organizational change in the petroleum Industry in Kenya.

Table 4. 9: Descriptive Analysis of variable Strategic Controls

	n=220						
	Not at all	Small extent	Moderate extent	Large extent	Very large extent	Mean	Std. Deviation
Are there clear consequences for not implementing strategic controls?	0	4.5	6.4	49.5	39.5	4.2	0.8
There exists a bold and aggressive posture in making decisions.	4.1	5	10	30	50.9	4.2	1.1
There exists a strong emphasis on research and development.	1.8	4.5	11.4	35.9	46.4	4.2	0.9
Formal monitoring processes are being used to identify and resolve strategic issues affecting the organization.	2.7	3.6	2.7	45.5	45.5	4.3	0.9
The strategic decisions are always detailed in formal written reports.	2.7	4.5	4.5	33.6	54.5	4.3	1
Leaders in my organization principally rely on experienced-based intuition when making major operating and strategic decisions.	0	2.7	9.1	42.3	45.9	4.3	0.8
Overall Average						**4.3**	**0.9**

4.6 Factor Analysis

Research by Sriram (2012), revealed that factor analysis is a commonly used variable reduction technique which is used to reduce the number of variables from large to small, establish underlying dimensions between measured variables and provide variable validity evidence. According to Sekaran and Bougie (2013), factor analysis is a statistical procedure adopted in social science to validate hypothesizes variables of given variables. It is broadly classified into exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). Kothari (2014) posited that EFA aims at brings intercorrelated variables together under more general underlying variables.

According to Heir *et al*, (2010) in factor analysis, though it`s interdependence approach all variables are considered simultaneously and their relationship with each other is evaluated. In EFA factor loadings is the paramount evaluation procedure where by a loading of 0.32 and less is considered poor, 0.33 to 0.45 is considered as fair, 0.46 to 0.55 is considered to be good, 0.56 to 0.63 is very good and above 0.7 is excellent (Tabachnick & Fidell, 2007). Factor analysis is a powerful statistical procedure that is often used to validate hypothetical Variables (Mugenda & Mugenda, 2008). It establishes factor thresholds of variables to be considered for interpretation. Factor analysis was conducted in order to reduce the data to a meaningful and manageable set of factors (Sekaran, 2006). Factor analysis is interdependence

4.6.1 Factor Analysis for Organizational Change

The business environment in the oil marketing industry has become competitive following increased changes that have been implemented in the past one decade (Arora, 2015). Research by Jofre (2011), who investigated organization`s responsiveness to strategy confirmed that strategy is the process of keeping ahead of competitors by means of increasing internal responsiveness and adaptability for change by keeping a flexible organizational structure and function. Table 4.10 indicates that all the items for the organizational change had factor loadings greater than 0.5, therefore all of the eight attributes of organizational change were retained for subsequent analysis. The attributes with the highest factor had a coefficient of 0.8 and they were; there were acceptable levels of organization change in petroleum organizations, strategic leadership had influence on organization change within an organization, organization leadership had mix of leadership for achieving organizational change, there are innovative strategies geared towards reductions of operational costs, petroleum companies have managed to strike a balance between short term and medium organizational goals and organizational change has been implemented as per organizational change and procedures. It was paramount to note that all factors had excellent factor loadings since the least had loading of 0.7.

Table 4. 10: Organizational Change Components Matrix

Item	Factor Loading
Are there acceptable levels of organizational change in your organization?	0.8
Does the strategic leadership in your organization influence change initiative in your organization?	0.8
Does the change initiatives your organization be easily implemented in order to contribute to the desired goal?	0.7
Do leaders in your company develop products/services which are considered the best in the industry?	0.7
Does the leadership in your company have the right people that will enable realization of organizational change?	0.8
Does your organization develop new process innovations that will considerably reduce operational costs?	0.8
Does your organization able to effectively balance short term and medium term goals?	0.8
Does your company implemented organization changes in line with the organization process and procedure?	0.8

4.6.2 Factor Analysis for Strategic Direction

The respondents were asked about their view on strategic direction as shown in Table 4.11, all the attributes of strategic direction were retained for subsequent analysis since all of them had factor loading greater than 0.5. Indeed, the factor loadings were excellent. Those factors which had very good loadings were presence of clear and compelling picture of organization future and commitment to strategic direction, use of organization strategy as guideline for organization structure, workability of organization tactics towards strategic direction and presence of targets to be met by specific organization. Only one attribute had factor loading of 0.8, and it depicted presence of identifiable capabilities which can be followed to achieve organization desired results.

Table 4.11: Strategic Direction Component Matrix

Item	Factor Loading
Does your organization have a clear vision and compelling picture of the future that ensure commitment to the strategic direction?	0.7
Does your organization have strategy which links its vision with current reality?	0.7
Does your strategy guide in formulating the organization structure?	0.7
Does your strategy guide in hiring human resource in your organization?	0.7
Does your strategy guide in identifying capabilities that needs to be developed to achieve the desired results?	0.8
Does your tactics work within the current organization structure?	0.7
Does your tactics involve executing capabilities and resources of the company?	0.7
Does the organization develop processes through strategic implementation of the plans of change?	0.7
Does a leader in your company communicate reasons for strategic direction to stakeholders?	0.7
Does your company have targets to be achieved at any given time?	0.7

4.6.3 Factor Analysis on Strategic Forecasting

As shown in Table 4.12, all the attributes of strategic forecasting were retained for subsequent analysis since all of them had factor loading greater than 0.5. The modal factor loadings was excellent with least reported load being good and it showed that actions taken in an petroleum companies have chances of yielding desired results. Amongst those that had excellent loadings were ability of organization vision to have direct influence on development of organization strategic plan, organization selection of a single strategy as basis for their actions, and actions givens desired result, forecasting techniques should be adopted in an organization to yield desired results. The highest reported factor loading was

0.8, which indicate leadership capability to identify gaps based on the challenges facing organizational change.

Table 4.12: Strategic Forecasting Component Matrix

Item	Factor Loading
The vision of the organization directly influences the development organization strategic planning process	0.8
My organization has strategic plan that guides the organization operation	0.7
The plans in my organization describe objectives and alternative strategies	0.7
Leaders in my organization select one strategy as basis for action	0.8
The action chosen may lead to results that are intended	0.8
The action chosen in my organization may lead to results that are unintended	0.7
My organization uses forecasts as inputs to the planning process	0.7
Does the planning provide the strategies based on forecasts?	0.7
Forecasting techniques can be helpful to organizations planning for their future	0.8
My organization use scenario planning to generate various imagined outcomes, based on different sets of starting conditions	0.7
My organization has confidence in forecast	0.7
Leaders in my organization develop specific action plan for organization change that is guided by well established procedures	0.7
Leaders in my organization identify gaps based on the challenges facing organization change	0.8
Leaders in my organization are capable of anticipating potential future organization changes	0.7

4.6.4 Factor Analysis on Human Capital Development

Results shows in Table 4.13 shows that all attributes of human capital development had factor loadings greater than 0.5 therefore they were all retained for subsequent analysis. All variables in human capital development had either very good or excellent factor loadings with the highest loading as 0.8. Amongst those with 0.8, were organization ability to have inventory of employee skills, recording of human capital development expenditure, alignment of employees values with organization core values, sharing of learning methods through employee knowledge management system, enhanced employee innovation since they can create initiatives which enhances completion with their rivals, coordination human skills within an organization and development of policies geared towards identifying skills gap within an organization.

Table 4.13: Human Capital Development Component Matrix

Items	Factor Loadings
My organization has a database of the skills inventory for its resources	0.8
My organization uses psychometric testing to measure other attributes such as individual natural reflexes, tendencies, attitudes and innate traits	0.7
My organization invests in human capital with an aim of getting return	0.8
My organization calculates the profits it has made in after covered all of its expenses	0.7
My organization calculates the amount of money the organization has put in to develop its human capital	0.8
My organization calculates return on human capital investment	0.7
My organization has aligned employee values with core values of the organization	0.8
Employees with talent stay in my organization	0.7
All employees are involved in learning based on shared knowledge through knowledge management	0.8
Employees develop initiatives that are difficult for our competitors to quickly imitate	0.8
My organization is excellent in integrating through coordinating cross functional activities	0.8
Does my organization compare my employee’s skills with what is required for their positions?	0.7
Does my organization identify the gap on employee’s skills with what is required for their positions?	0.8
How does my organization determine to bridge the gap on employee’s skills with what is required in their positions?	0.7

4.6.5 Factor Analysis on Corporate Communication

As shown in Table 4.14 all the six attributes of Corporate Communication were retained for subsequent analysis since the factors loadings were greater than 0.5. All the attributes of Corporate Communication had excellent factor loadings since all had coefficient of 0.8; this implies that petroleum Industry leaders communicate organization strategies timely to the organization team and other stakeholders, there is continuous flow of both top down and bottom up communication. Leadership have provided timely validation of responses from organization stakeholders, management has fostered a culture of trust, transparency and honesty in their communication, there is inter and intra networking by organization leadership and team work is enhanced by leadership. Based on the findings of the study, it is evident that good communication of strategic direction makes the employees aware of where the organization is headed and how their goals fit in to the larger goals of the organization, makes the employees motivated and increase their performance and encourages all staff to speak with the same voice and pursue the same values and objectives. This conforms to Kumar, Latif and Daver (2012)

Table 4.14: Corporate Communication Component Matrix

Items	Factor Loading
Leaders in my organization communicate organizational strategies timely to the organization teams and other stakeholders.	0.8
There is continuous flow of information between the senior management, organizational team, and other relevant stakeholders.	0.8
Leaders in my organization are able to validate responses timely from organization teams.	0.8
Leaders in my organization create and foster trust, transparency and honesty communication within the organization	0.8
Leaders in my organization are able to network with other stakeholders within the industry.	0.8
Leaders in my organization are able to create team commitment through enhanced communication.	0.8

4.6.6 Factor Analysis on Strategic Controls

As shown in Table 4.15, all the attributes of strategic controls were retained for subsequent analysis since all of them had factor loadings greater than 0.5. The least loading was excellent since it was 0.7 and it depicted petroleum Industry ability to understand consequences of not implementing strategic controls. All the other attributes had excellent factor loadings with modal loading as 0.8 and the highest as 0.9. This implied that petroleum industry was characterized by bold and aggressive posture for decision making, existence of research and development department thus making of decision which are based on data, written down guideline on how to make strategic decisions, adoption of expatriate decision making approach within an organization and adoption of monitoring and evaluation procedures to identify and solve strategic issues facing an organization.

Table 4.15: Strategic Controls Component Matrix

Item	Extraction
Are there clear consequences for not implementing strategic controls?	0.7
There exists a bold and aggressive posture in making decisions.	0.7
There exists a strong emphasis on research and development.	0.8
Formal monitoring processes are being used to identify and resolve strategic issues affecting the organization.	0.9
The strategic decisions are always detailed in formal written reports.	0.8
Leaders in my organization principally rely on experienced-based intuition when making major operating and strategic decisions.	0.8

4.7 Diagnostic Tests

Classical regression analysis is based on assumptions which include normality, linearity, autocorrelation and homoscedasticity. These assumptions were tested and study findings presented as shown below.

4.7.1 Normality Tests

The normality test was used for Kolmogorov Smirnov which according to Ghasemi, et al (2010), assumes that the data is normally distributed against the alternative which states that the data is not normally distributed. If the p value is greater than 0.05, then the data is normally assumed otherwise there is need for data transformation depending on the level of skewness. The variables were subjected to normality tests to check whether the data provided by the dependent variable (organizational change) was normally distributed, this is because if variables are not normally distributed, there would be problems in subsequent statistical analysis as guided by Child (1990). The pictorial presentation on table 4.6 (Muenchen & Hilbe, 2010), shows that the organizational change was normally distributed since the mean was zero and standard deviation 1. This finding therefore implies that there was no need for data transformation; this therefore implies that multiple regression model can be fitted since the dependent variable is normally distributed.

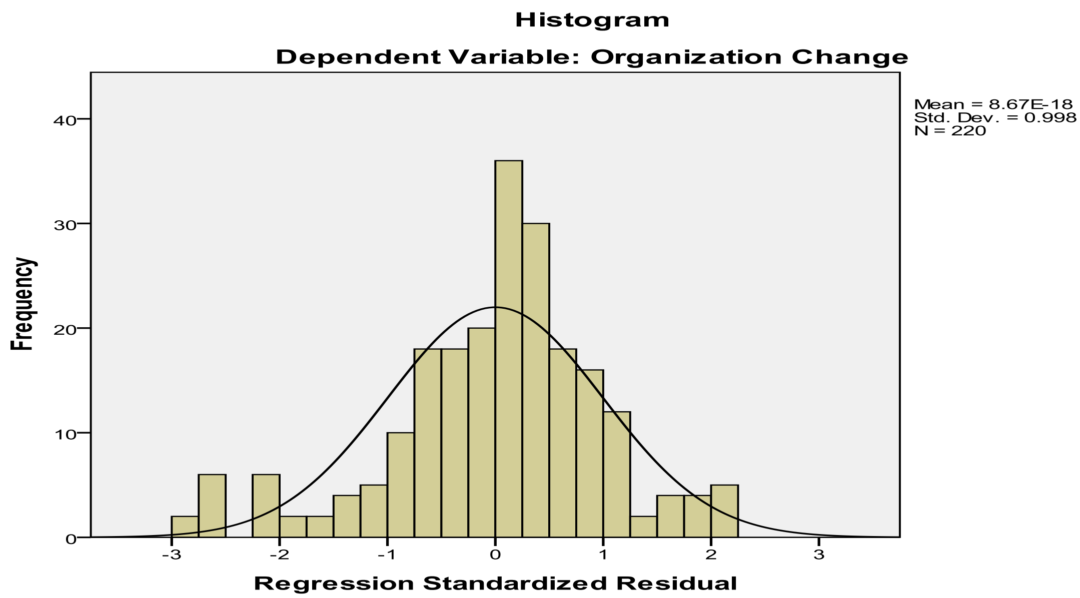


Figure 4.6: Normality Test

4.7.2 Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more independent variables in a multiple regression model are highly correlated Kothari (2004), meaning that one can be linearly predicted from the others with a non-trivial degree of accuracy. To help assess multicollinearity, Variance Inflation Factor (VIF) in SPSS was used, which measures multicollinearity in the regression model, both tolerance limits and variance inflation factors (VIF) and since none of the tolerance limits was less than 0.1 and all VIFs was not greater than 10 then there was no collinearity between the independent variables.

These findings are in support of research by Chatterjee, Hadi and Price (2000), who reported that multiple regression equation will not be misleading, since the independent variables in the multiple regression equation are not highly correlated among themselves. When multicollinearity exists, any of the following pitfalls can be exacerbated. The estimated regression coefficient of any one variable depends on which other predictors are included in the model, the precision of the estimated regression coefficients decreases as more predictors are added to the model, the marginal contribution of any one predictor variable in reducing the error sum of squares depends on which other predictors are already in the model and hypothesis tests for $\beta_k = 0$ may yield different conclusions depending on which predictors are in the model (Sekaran & Bougie, 2013). From the findings all the five variables had a tolerance and VIF value of 1 indicating that there exists a strong relationship between the dependent variable (organizational change) and the independent variables (strategic leadership)

Table 4.16: Multicollinearity Test

	Collinearity Statistics	
	Tolerance	**VIF**
Strategic Direction	0.217	4.612
Strategic Forecasting	0.2	5.01
Human Capital Development	0.162	6.178
Corporate Communication	0.235	4.255
Strategic Controls	0.19	5.249

4.7.3 Homoscedasticity Test

Homoscedasticity is the assumption that there is uniform variance within the error term; in the current study it was tested using Breusch-pagan/ Cook –Weisberg test for heteroscedasticity with null hypothesis that there is uniform variance against an alternative that there is no uniform variance (Sekeran & Bougie, 2013). Since the p value is greater than 0.05, there is no enough evidence to warrant rejection of the null hypotheses and we conclude that the error term was homoscedastic.

Table 4.17: Homoscedasticity Test

Chi Square	P value
16.75	0.075

4.7.4 Linearity Test

Scatter plots were used to test for linearity as shown in figure 4.7.

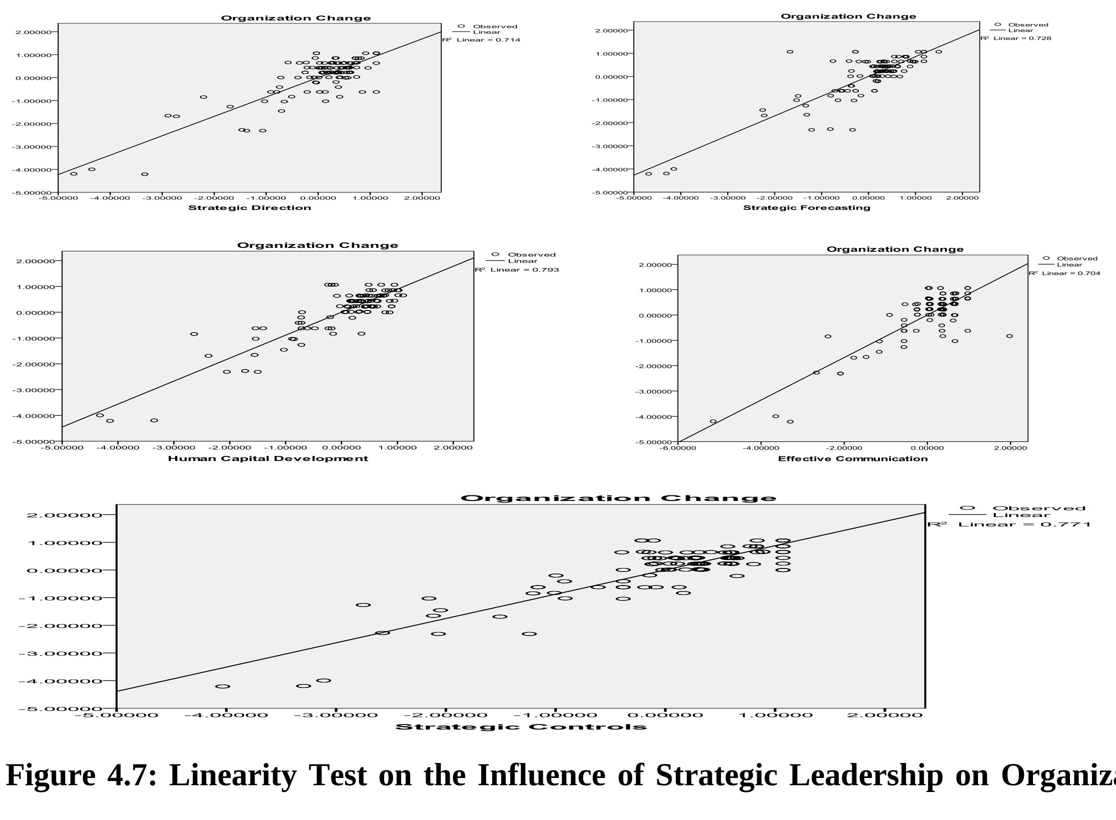


Figure 4.7: Linearity Test on the Influence of Strategic Leadership on Organization Change

The results of the findings as shown in Figure 4.7 revealed that there was a positive linear relationship between strategic direction and organizational change in petroleum Industry in Kenya. This finding implied that there was long term vision and commitment of employees within petroleum Industry in Kenya. This is in agreement with a research by Johnson *et al., (*2008), which revealed that strategic decisions should be sustainable, offer competitive advantage and should develop processes to deliver the strategy, exploit the linkages between the organization and its environment and should move the organization forward to a significant position. These findings are in agreement with a research by Kelly, *et al*, (2014), which advanced that strategic direction is a variable that influence organizational processes, business environments and performances of businesses while investigating planning in businesses.

Similarly, research by Jooste & Fourie, (2009), contend that one of the key strategic leadership action is strategic direction which plays a critical role in ensuring strategy are executed effectively. These findings are further supported by Alexander, (2015), who advanced that strategic direction has significantly contributed to organizational performance by generating relevant information in a bid to reduce uncertainty while creating a better understanding of the important environment within which organizations operate.

Secondly, the result of the findings as shown in pictorial presentation shows that strategic forecasting has positive influence on organizational change within petroleum Industry in Kenya. This finding supports the report by Draft (2011), who advanced that strategic forecasting drives performance of an organization by establishing agreement between the ambition of the company and long term targets as defined by the mission and vision of the organization. Similarly, research by Sull, (2009), revealed that strategic forecasting entails projection of the organization capability to change to the new conditions. On the other hand, research by Clarke (2013), indicated that environment which is characterized by frequent organization changes adopted a proper focus of the future which can be achieved by being sensitive of the core competencies areas. This implied that strategic planning and forecasting had significant influence on organizational change in petroleum Industry in Kenya. Therefore, there was enough evidence to warrant acceptance of the alternate hypotheses and it concurred with past empirical studies that strategic planning and forecasting has significant influence on organizational change.

Thirdly, the result of the findings showed that there was a positive and significant influence of human capital development on organizational change in petroleum Industry in Kenya. The result of these findings is in agreement with research by Jamal and Saif, (2011), who pointed out that human capital management, is a recipe for success in organization in ever-changing environment in which change is the norm. Similarly, research by Sull, (2009), reported that employees' skills ought to be identified to be able to offer what is required in case of changes in organization and its structure. In addition, research by Hsu *et al*. (2007), revealed that a key to companies investing in technology world is human capital investment which helps companies to understand and foretell the direction in which technology is moving to next. Research further advanced that having a well educated workforce will enable the firm to respond positively to the changes which are unavoidable or inevitable. Based on the above studies and findings herein, it can be concluded that human capital development has played a key role in influencing organizational change either directly or indirectly.

Fourthly, the result of the findings has shown Corporate Communication has positive influence on organizational change in the petroleum Industry. The result of these findings is in agreement with research by Yukl (2012), who acknowledged that actionable communication is seen to be critical in developing the agenda of the company but not necessarily on strategizing how change will be done effectively. This is further support by Robbins, (2013), who reported that communication process focuses on context as the basis for designing intervention strategies which focus on participation, social change, learning and empowerment in the modern organization. In addition, research by Rajhans, (2012), revealed that corporate communication helps effective decision making process through active communication within the organization and development of a good communication culture that boosts team spirit and teamwork.

Finally, the results of the findings as given in the pictorial presentation shows that strategic control had positive influence on organizational change in petroleum Industry in Kenya. The result agreed with the findings by Peljhan and Tekavcic (2008), who indicated that regular use of management controls leads to improved results since the control ensures the steps taken to achievement are enhanced. Similarly, research by Huettel, (2012), indicated that strategic control is the process of monitoring as to whether to various strategies adopted by the organization are helping its internal environment to be matched with the external environment.

4.8 Inferential Analysis

The objective of inferential test was to test hypotheses and make estimations using sample data. Inferential statistics are a set of methods used to make generalization, estimate, prediction or decision. In statistics, statistical inference is the process of drawing conclusions from data that are subject to random variation, for example, observational errors or sampling variation (Upton, 2008). More substantially, the terms statistical Inference, statistical induction and inferential statistics are used to describe systems of procedures that can be used to draw conclusions from datasets arising from systems affected by random variation, such as observational errors, random sampling, or random experimentation (Freedman, 2008). Initial requirements of such a system of procedures for inference and induction are that the system should produce reasonable answers when applied to well-defined situations and that it should be general enough to be applied across a range of situations. Thus, we use inferential statistics to make inferences from our data to more general conditions. In this study inferential analysis was conducted through the use of correlation and regression analysis to determine the relationship between the dependent and other variables as used in the study.

4.8.1 Correlation Analysis

The study adopted correlation to investigate the influence of strategic leadership on organizational change in the petroleum Industry in Kenya. Correlation is a term that refers to the strength of a relationship between two variables. Crossman (2017), has defined correlation as the strength of a relationship between two variables where a strong, or high, correlation means that two or more variables have a strong relationship with each other while a weak or low correlation means that the variables are hardly related. According to research by Sekaran and Bougie (2013), revealed that the study may have to know how the variables are related with each other. According to Stephanie (2013), Spearman's correlation is used to test relationships between qualitative variance and / or categorical variable. Correlation analysis is used to measure of how things are related. The study how variables are correlated is called correlation analysis.

The main goal of correlational is to allow us to find out what variables may be related. Thus, there is need to examine the nature and degree of relationship between variables. In the current study Pearson correlation analysis was used to examine the strength of the relationship while regression analysis showed the nature of the relationship. From the information, a significance of p=0.05 is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables and there is only a 5% chance that the relationship does not truly exist**.**

4.8.2 Correlation Analysis of Variable Strategic Direction and Organizational Change

The objective of the study was to determine the influence of strategic direction on organizational change in the petroleum Industry in Kenya. The result of the study as shown in Table 4.18 revealed that there was a positive and significant influence between strategic direction and organizational change (rho = 0.845, p value <0.05). Going by the first objective of the study the researcher endeavored to seek how strategic direction influences organizational change in Petroleum Industry in Kenya. The study adopted correlation analysis which showed how variables are correlated. The main goal of correlational is to find out what variables may be related. According to Stephanie (2013,) correlation is used to test relationships between qualitative variance and or categorical variable. Correlation analysis is used to measure of how things are related. Pearson correlation analysis was used to examine the strength of the strategic direction influence on organizational change in petroleum Industry in Kenya. The findings of this study revealed that there was strong and positive relationship between strategic direction and organizational change. Also from the regression analysis it was confirmed that in deed there is significant impact of strategic direction that tends to explain a lot on organizational changes.

This finding agrees with the strategic leadership theory by Hambrick and Mason (1984), which pointed that a significant portion of the executive decision on change is anchored on the laid down strategic direction. This theory places is strong believe on top leadership who are responsible of making the executive direction to be followed by all. This works well to explain the study findings that explained effect of that direction in the changes realized in the companies. Further, empirical studies have continued to show that any organization strategies reflect what the executive value in the organization (Carpenter, Geletkanycz, & Sanders, 2004). The correlation of 0.01 indicated that 99% of the variation in organizational change is influence by strategic direction in the petroleum Industry in Kenya.

Table 4.18: Pearson Correlation Analysis on the Influence of Strategic Direction on Organizational Change

		Organization Change	**Strategic Direction**
Organization Change	Pearson Correlation	1	.845**
	Sig. (2-tailed)		0.00
	N	220	220
Strategic Direction	Pearson Correlation	.845**	1
	Sig. (2-tailed)	0.00	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

4.8.3 Correlational Analysis of Strategic Forecasting and planning and Organizational Change

The objective of the study was to find out the influence of strategic forecasting and planning on organizational change in the petroleum Industry in Kenya. The findings of the study as shown in Table 4.19, revealed that strategic forecasting and planning has positive significant influence on organization among petroleum Industry in Kenya (rho= 0.853, p value <0.05). This finding supports the research by Draft (2011), who indicated that strategic forecasting drives performance of an organization by establishing agreement between the ambition of the company and long term targets as defined by the mission and vision of the organization. Similarly, study by Sull (2009), indicated that strategic forecasting entails projection of the organization capability to change to the new conditions. On the other hand, research by Clarke (2013), indicated that environment which is characterized by frequent organization changes adopted a proper focus of the future which can be achieved by being sensitive of the core competencies areas. Research by Qiong, *et al* (2012), further reported that organizational changes causes strategic leaders to think strategic values which need forecasting since uncertainty and stability of environment must be catered for when it comes to organization performance.

Table 4.19: Correlational Analysis on the Influence of Strategic Forecasting on Organizational Change

		Organization Change	Strategic Forecasting
Organization Change	Pearson Correlation	1	.853**
	Sig. (2-tailed)		0.00
	N	220	220
Strategic Forecasting	Pearson Correlation	.853**	1
	Sig. (2-tailed)	0.00	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

4.8.4 Correlation Analysis Of Variable Human Capital Development and Organizational Change

The objective of the study was to examine the influence of human capital development on organizational change in the petroleum Industry in Kenya. The result of the findings as shown in Table 4.20, revealed that human capital development has positive and significant influence on organizational change among petroleum Industry in Kenya (rho = 0.891, p value <0.05). A descriptive and inferential analysis by Ireland and Hitt (2005 indicated that human capital investment influences the organization performance both significantly and positively. According to research by Jamal and Saif (2011), it indicated that there is significant and positive relationship in which leaders instill confidence which proved to be a requisite for success strategy in the organization`s way of management to achieve their long term performance goals. Similarly, research findings by Marimuthu *et al* (2009), which indicated that human capital development is one fundamental solution of the developing economics to join the international world and hence there is need to dedicate time and efforts to acquire knowledge, skills and education that will culminate in what is referred to as human capital investment which has a positive impact on the performance of the firm. Research by Youndt et al (2004), had indicated that human capital is a strong leadership acumen that adds value to the organization competencies which in turns becomes a boost to innovation in the company of operation. In view of the above, it is evident that human capital development has significant influence on organization change among petroleum Industry in Kenya.

Table 4.20: Correlation Analysis on the Influence of Human Capital Development on Organizational Change

		Organization Change	Human Capital Development
Organization Change	Pearson Correlation	1	.891**
	Sig. (2-tailed)		0.000
	N	220	220
Human Capital Development	Pearson Correlation	.891**	1
	Sig. (2-tailed)	0.000	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

4.8.5 Correlation Analysis of Variable Corporate Communication and Organizational Change

The objective of the study was to determine the influence of corporate communication on organizational change in the petroleum Industry in Kenya. Correlation results of the findings in Table 4.21 revealed that Corporate Communication had positive and significant influence organizational change in petroleum Industry in Kenya. The study by Malmelin's (2007), confirmed that lack of good communication in a firm will lead to functionless results namely job dissatisfaction, stress, lack of commitment, absenteeism and severance intention. Through Corporate Communication the researcher has found that there is reduced or no resistance to change thus organizations are able to be more productive. In fact, Barrett (2002), argued that meaningful communication is able to help workers in the organization to support the strategy and aim for change. This is also certified research by Elving and Hansma (2008), who records interview for employees and management on changes. Their conclusions found that success of organizational changes depended on how well communication is done and informative skills of all the managers. Further, Apostu, (2013) has reported that communication is process through which leaders engaged the society in a proactive and positive way thus enabling adopts organization.

Table 4.21: Correlation Analyses on the Influence of Corporate Communication on Organizational Change

		Organization Change	Corporate Communication
Organization Change	Pearson Correlation	1	.839**
	Sig. (2-tailed)		0.00
	N	220	220
Corporate Communication	Pearson Correlation	.839**	1
	Sig. (2-tailed)	0.00	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

4.8.6 Correlation Analysis of Variable Strategic Controls and Organizational Change

The objective of the study was to establish the influence of strategic controls on organizational change in the petroleum Industry in Kenya. The Results of the findings in Table 4.22, shows that strategic controls had positive and significant influence on organizational change (rho =0.878, p value <0.05). This finding is in agreement with research by Sultana et *al*, (2012), who indicated that external environment focus business firms can adapt market change and these enterprises have been recognized as prospector adaptive businesses. Further, research by Zhang *et al* (2006), revealed that Strategic control promotes responsible leadership for decisions making which is expected to moderate risk level to an acceptable range. Similarly, research by Jang *et al*, (2011), indicated that vibrant business environments demands constant shifts where opportunities are abundant and performance should be highest for those firms that have an orientation for pursuing new strategic opportunities for the long term business growth and sustainability. From this finding, it arguably true that strategic control influence organizational change in the petroleum Industry in Kenya in line with the research by Jamal *et al* (2011), who reported that organizational change is the demand of time to remain successful in business. Similarly, Ida, (2014), indicated that change has become very common forcing organizations to change if they want to survive in today's society where organizational changes has become common requirement for organizations to change or die and the only constant variable is change.

Research by Robbins, (2013), reported that communication process focuses on context as the basis for designing intervention strategies which focus on participation, social change, learning and empowerment as well as research by Rajhans, (2012), which determined communication as measures through which information distribution is relevant in a timely manner, creating and building effective decision making process through active communication within the organization and development of a good communication culture to boost team spirit and teamwork.

Table 4.22: Correlation Analysis on the Influence of Strategic Controls on Organizational Change.

		Organization Change	Strategic Controls
Organization Change	Pearson Correlation	1	.878**
	Sig. (2-tailed)		0.00
	N	220	220
Strategic Controls	Pearson Correlation	.878**	1
	Sig. (2-tailed)	0.00	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

4.9 Regression Analysis

Regression analysis was carried out to show the nature of the relationship between study variables. In this section R squared commonly refereed as coefficient of determinations shows the model explanatory power summarized in model summary matrix, ANOVA matrix shows the overall significance of the model and if p value will be less than 0.05, there will be enough evidence to warrant rejection of the null hypothesis that there is no significant influence of the given independent variable on dependent variable (Sekaran & Bougie, 2013).

Finally, regression coefficient matrix, in this case t ratio shows the acceptance region of the null hypothesis. If the T ratio is greater than + or – 1.96 then there is a significant relationship between dependent and independent variable and then null hypothesis should be rejected. Alternatively, the p value can be used to test the acceptance of the null hypothesis and if the p value is less than 0.05 then we should reject the null hypothesis otherwise we should accept it. The B column will be used to show the nature of the relationship and if it has a positive sign then there is a positive relationship if negative then there is a negative relationship.

4.9.1 H_1: Strategic direction has significant influence on organizational change in the petroleum Industry in Kenya

Regression analysis is a statistical tool for the investigation of relationship between variables. This test sough to find out the R^2 of strategic direction on organizational change in the petroleum Industry in Kenya which indicated $R^{2=}$0.714 at 0.05 significance level. This implies that there is a liner relationship between strategic direction and organizational change. The result of the findings as shown in Table 4.23 revealed that 71% of the changes in organizational change in petroleum Industry in Kenya can be explained by strategic direction while the remaining percentage can be accounted for by other factors excluded in the model. The results of the findings is in agreement with research by Bass (2012), which indicated that action of the strategic leaders usually spells the direction that employee will follow and plays a major role in determining their commitment and satisfaction to the organization which subsequently impacts the changes and performance

Table 4. 23: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.845a	0.71	0.714	0.54	1.80

a. Predictors: (Constant), Strategic Direction

b. Dependent Variable: Organization Change

The results of the findings as shown in Table 4.24 reveals that strategic direction had significant influence on organizational change in petroleum Industry since the p value was less than 0.05, F = 543.945 and p value <0.05. This implies that there is a liner relationship between strategic direction and organizational change.

Table 4. 24: Analysis of Variance on the Influence of Strategic Direction on Organizational Change

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	156.342	1	156.342	543.945	.000a
	Residual	62.658	220	0.287		
	Total	**219**	**220**			

a. Predictors: (Constant), Strategic Direction
b. Dependent Variable: Organization Change

The results of regression coefficients as given in Table 4.25 shows a positive and significant influence between strategic direction and organizational change within petroleum Industry in Kenya (β= 0.845, p value <0.05). This study documents the importance of the strategic direction in helping to identify capabilities that needs to be developed so as to achieve the desired results in a company to a very large extent. This is in agreement with a research by Bass (2007), who also observed that direction give a clear vision and compelling picture of the future that ensures commitment to the strategic direction. This in itself aids in organization to make and adapt to change that they would wish to achieve.

Organization Change = -5.66E-17 + 0.845* Strategic Direction……………………………4.1

Table 4.25: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-5.66E-17	0.036		0.00	1
	Strategic Direction	0.845	0.036	0.845	23.323	0.00

a. Dependent Variable: Organization Change

4.9.2 H_2: Strategic forecasting and planning has significant influence on organizational change in the petroleum Industry in Kenya.

This test sough to find out the R^2 of strategic forecasting and planning on organizational change in the petroleum industry in Kenya with a coefficient of determination of $R^{2} = 0.73$ at 0.05 significance level. This implies that there is a linear relationship between strategic forecasting and planning and organizational change within petroleum Industry in Kenya. Results of the findings as given in Table 4.26, shows that 73% of the variations in organizational change in petroleum Industry can be explained by strategic forecasting and planning while the remaining percentage can be accounted for by other factors which are excluded in the model. The findings revealed that strategic planning and forecasting significantly influence organizational change in the petroleum Industry in Kenya with a beta (β) coefficient of 0.129 and significant level of 0.023 which implied that a unit change in strategic forecasting increases organizational change in petroleum Industry in Kenya by 0.129 units.

The results of the findings are in agreement with research by Mufudza *et al*, (2013), who indicated that strategic plan and forecast inspires industry stakeholders to have a sense of mission after putting into consideration set of imagined scenario and outcomes. Further, research by Shuria’s (2015), has indicated that strategic leaders should be able to generate plans that help forecast externalities that would have impact on companies.

Table 4.26: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.853a	0.73	0.728	0.52	1.55

a. Predictors: (Constant), Strategic Forecasting
b. Dependent Variable: Organization Change

The results of the findings as shown in Table 4.27, revealed that strategic forecasting has significant influence on organizational change (F = 548.418, p value <0.05). This implies that there is a linear relationship between strategic forecasting and organizational change within petroleum Industry in Kenya.

Table 4.27: Analysis of Variance on the Influence of Strategic Forecasting on Organizational Change

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	159.502	1	159.502	584.418	.000a
	Residual	59.498	218	0.273		
	Total	**219**	**219**			

a. Predictors: (Constant), Strategic Forecasting
b. Dependent Variable: Organization Change

The results of findings in 4.28 shows that strategic forecasting has significant influence on organizational change (β = 0.853, p value <0.05). In line with the second specific objectives, the study sought to determine the influence that strategic forecasting and planning has on organizational change in the petroleum Industry in Kenya. Analysis of the intensity and nature of relationship between the two variables shows that there exists a strong positive connection. This is backed by the regression analysis. In fact, more than two-third variation in organizational change is explained by strategic planning and forecasting alone. Also in record is that many organizations are guided by strategic plan in all their operations.

These plans are seen to be recipe for the strategic changes to be made at any given time. Findings of this study agrees with Sull (2009), who posited that forecasting which shows strategic planning and forecasting has a significant and positive influence on organization give a clear way where the readily available information into strategies that can be used to make changes in the organization thus helping to foretell future environment with probable changes that ought to be done. Plans on the core competencies of the company need to be incorporated in forecasting so as to offer guidance on what should be achieved in the long run. Companies that stand on ground with frequent calls for organizational change needs to be sensitive and have proper focus on the future (Clarke, 2013).

Organization Change= -3.49E-17+ 0.853* Strategic Forecasting ……….…………………4.2

Table 4.28: Regression Coefficients on the Influence of Strategic Forecasting on Organizational Change

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	-3.49E-17	0.035		0.00	1
	Strategic Forecasting	0.853	0.035	0.853	24.18	0.00

a. Dependent Variable: Organization Change

4.8.6 Regression Analysis of Variable Human Capital Development on Organizational Change

This test sough to find out the R^2 of human capital development on organizational change in the petroleum Industry in Kenya with a coefficient of determination of $R^{2=}$ 0.79 at 0.05 significance level. This implies that there is a linear relationship between human capital development and organizational change in petroleum Industry in Kenya. The result of the findings as shown in Table 4.29 showed that 79% of the variations in petroleum Industry on organizational change were influenced by human capital development. These results of the findings further revealed that there is a positive and significant influence of human capital development on organization change in petroleum Industry in Kenya. This implied that a unit change in human capital development increases organizational change in petroleum Industry in Kenya by 0.286 units.

These findings are in agreement with Jamal and Saif (2011), who reported that human capital management is a recipe for success in organization in ever-changing environment as change is the norm. He further report that in the long run, companies jointly with the learning institutions need to implement learning based on shared knowledge to enable learners coming from school to easily adapt to work environment.

Table 4.29: Model Summary on the Influence of Human Capital Development on Organizational Change

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.891a	0.79	0.794	0.46	2.02

a. Predictors: (Constant), Human Capital Development
b. Dependent Variable: Organization Change

Human capital development had a significant moderating influence as indicated by F (1, 218) = 835.234 and p value <0.05. This implies that there is a linear relationship between human capital development and organizational change in petroleum Industry in Kenya.

Table 4.30: Analysis of Variance on the Influence of Human Capital Development on Organizational Change

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	173.671	1	173.671	835.234	.000a
	Residual	45.329	218	0.208		
	Total	**219**	**219**			

a. Predictors: (Constant), Human Capital Development
b. Dependent Variable: Organization Change

The result of the findings as shown in table 4.31 indicated human capital development had positive and significant influence on organizational change (β=0.891, p value <0.00). This implies that a unit change in human capital development increases organizational change by 0.891 units. The researcher sought to determine effect of human capital development on organizational changes. Findings showed that human capital has a strong and positive relationship with organizational changes. Its significance has been ascertained by both correlation and regression analysis conducted in this study. In the same spirit study by Ireland and Hitt (2005), found out similar findings by use of 200 pharmaceutical companies. They expounded that beyond the soft skills gotten from schools, employees ought to be trained to suite the industrial change in their work place. Research by Marimuthu *et al*, (2009), too admitted that the need to acquire hands on experience for the workforce was inevitable. Investment on human capital is way of developing strong leadership skills that create more value to the company especially in boosting adaptation to organizational change at any given time or environment (Youndt *et al*, 2004). A key to companies investing in technology world is human capital investment which will help companies to understand and foretell the direction in which technology is moving to next. Having a well-educated workforce will enable the firm to respond positively to the changes which are unavoidable or inevitable (Hsu *et al*, 2007).

Organization Change = -8.41E-17+ 0.845* Human Capital Development ………………4.3

Table 4. 31: Regression Coefficients on the Influence of Human Capital Development on Organizational Change

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-8.41E-17	0.031		0.00	1
	Human Capital Development	0.891	0.031	0.891	28.9	0.00

a. Dependent Variable: Organization Change

4.9.4 H_4: Corporate Communication has significant influence on organizational change in the petroleum Industry in Kenya

This test sough to find out the R^2 of Corporate Communication on organizational change in the petroleum Industry in Kenya with a coefficient of determination of $R^{2=}$ 0.70 at 0.05 significance level. This implies that there is a linear relationship between Corporate Communication and organizational change in petroleum Industry in Kenya. The result of findings as shown in Table 4.32 reveals that 70% of the variation in petroleum Industry organizational change was influenced by Corporate Communication. Based on the findings, it was revealed that Corporate Communication influences organizational change in the petroleum Industry in Kenya with beta (β) coefficient of 0.165 and significant level of

0.002 which implied that a unit change in Corporate Communication increases organizational change in petroleum Industry in Kenya by 0.165 units.

This finding is supported by Apostu, (2013), who advanced that Corporate Communication by leader's motivated employees as well as engaged society in a proactive and positive way thus enabling organization to adopt the desired change. Similarly, these findings were again proved to be true by Johansson, *et al*, (2014), who reported that Corporate Communication influences strategic leader and organization changes. Research by Sull, (2009), further acknowledged that actionable communication lays foundation for trust where leaders and staff communicate effectively about the agendas of the company.

Table 4.32: Model Summary on the Influence of Corporate Communication on Organizational Change

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.839a	0.70	0.704	0.54	2

a. Predictors: (Constant), Corporate Communication
b. Dependent Variable: Organization Change

Corporate Communication had significant influence on organizational change in petroleum industry in Kenya since $F(1,218) = 519.695$ and p value <0.05. This implies that there is a linear relationship between Corporate Communication and organizational change in petroleum Industry in Kenya.

Table 4.33: Analysis of Variance on the Influence of Corporate Communication on Organizational Change

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	154.282	1	154.282	519.695	.000a
	Residual	64.718	218	0.297		
	Total	**219**	**219**			

a. Predictors: (Constant), Corporate Communication
b. Dependent Variable: Organizational Change

As shown in Table 4.34, Corporate Communication has significant influence on organization in petroleum Industry (β=0.839, p value <0.05). This implies that a unit change in Corporate Communication increases organization change by 0.839 units. Research by Heathfield (2017), has expressed the need for communication in management of changes in an organization. Further, research by Nohria (2012), has indicated that communication is the real work of leadership. This observation seems to agree on the findings of this study that sought an academic inquest as to whether Corporate Communication has an influence on organizational changes in Petroleum industry in Kenya or not. Indeed, it has been found that there exists a significant and strong positive relationship for communication and organizational change. Majority of the respondents have been in favour of organization to have written communication to enhance change management process lest some sections forget or ignore them altogether.

Communication is meant to help understand the changes that will definitely affect them personally. Similar to the suggestion by Heathfield (2017), the study agree that there is need to have interactive session that would elaborate and help stakeholders explore the changes from the same ground. Training sessions are therefore highly encouraged so as to enhance exchanges of ideas and behaviour during change.

Organization Change = -8.41E-17+ 0.845* Corporate communication …………………4.4

Table 4.34: Regression Coefficients on the Influence of Corporate Communication on Organizational Change

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.71E-17	0.037		0.00	1
	Corporate Communication	0.839	0.037	0.839	22.797	0.00

a. Dependent Variable: Organizational Change

4.9.5 H_5: Strategic Controls have significant influence on organizational change in the petroleum Industry in Kenya.

This test sough to find out the R^2 strategic controls as shown in Table 4.35 which indicated $R^{2=}$168.775 at 0.05 significance level. This implies that there is a linear relationship between strategic controls and organizational change in petroleum Industry in Kenya. The coefficient of determination indicates that 77% of the variation in organizational change in petroleum Industry was influenced by strategic controls.this shows that there exists a positive relationship between strategic control on organizational change in the petroleum Industry in Kenya. The test of beta coefficient shows that there is a significant relationship between strategic conctrol and organizational change in the petroleum Industry in Kenya.

These findings are in line with Peljhan and Tekavcic (2008), who indicated that regular use of management controls leads to improved results since the control ensures the steps taken to achievement are enhanced. Similarly, research by Huettel, (2012), has indicated that strategic Control is the processes of monitoring various strategies adopted by an organization are helping its internal environment to be matched with the external business environment.

Table 4.35 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.878a	0.77	0.771	0.48	1.74

a. Predictors: (Constant), Strategic Controls
b. Dependent Variable: Organizational Change

Analysis of variance results in table 4.36 revealed that strategic controls had significant influence on organizational change $F (1, 218) = 732.57$ and p value <0.05. This implies that there is a linear relationship between strategic controls and organizational change in petroleum Industry in Kenya.

Table 4.36: Analysis of Variance on the Influence of Strategic Controls on Organizational Change

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	168.775	1	168.775	732.57	.000a
	Residual	50.225	218	0.23		
	Total	**219**	**219**			

a. Predictors: (Constant), Strategic Controls
b. Dependent Variable: Organizational Change

Regression coefficient in Table 4.37 shows that strategic controls has positive influence on organizational change ($\beta=0.878$, p value <0.05). This implies that a unit change in strategic controls increases organizational change in petroleum Industry in Kenya by 0.878 units. Notably, presence of bold and aggressive posture in response to various decisions was found to stand out in organizations which wished to make changes while also ensuring strict measures are followed. This finding is supported by Hoskisson (1995), which established that failure to enhance the strategic control is usually followed by failed strategic plans or vision of the company. Controls enables oneness of the organization since forces by different department on different level required to move together to the achieve organization goals. Strategic control helps in questioning the weak department or section that are diverting from the original plan or the expected change in given direction. This is seen a strong emphasis on what ought to be known on the development.

Organizational Change = -8.79E-17+ 0.878* Strategic Controls ……………………………4.5

Table 4.37: Model Summary on the Influence of Strategic Controls on Organizational Change

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-8.79E-17	0.032		0.00	1
	Strategic Controls	0.878	0.032	0.878	27.07	0.00

a. Dependent Variable: Organizational Change

4.10 Overall/ Optimal model

Multiple regression analysis was used to determine whether independent variables; Strategic direction(X_1), strategic planning and forecasting (X_2), Human capital development (X_3), Corporate Communication (X_4) and Strategic control (X_5) simultaneously affect the dependent variable Y which is Organizational Change. This is in agreement with Kothari (2009), who elucidated that multivariate analysis was suitable whenever there were single dependent variable and several independent variables. The study expected to predict the influence of dependent variable (organizational change) based on the covariance of all the independent variable. The study adopted multiple regression analysis which was used to test whether the independent variables had any influence on organizational change in Petroleum Industry in Kenya. The model used for regression analysis was expressed in the general form as given below:

$Y= a+B_1X_1 +B_2X_2+B_3X_3+B_4X_4+B_5X_5+e$

Where

Y = Organizational Change (dependent variable)

a = Constant (co-efficient of intercept)

X_1= Strategic direction (independent variable)

X_2= strategic planning and forecasting (independent variable)

X_3 = Human capital development (independent variable)

X_4= Corporate Communication (independent variable)

X_5 = Strategic control (independent variable)

e = Error term

B_1…………………..B_5= Regression co-efficient of five variables

B1 ……………….B5= Regression co-efficient of five variables.

For this model, organizational change was used as the dependent variable (Y) and independent variables included X1-X5. The relationships between dependent and independent variables and the results of testing significance of the model were also respectively interpreted. In interpreting the result of the finding, multiple regression analysis was used where there were three major elements considered: the coefficient of multiple determinations, the standard error of estimate and the regression coefficients. The R^2 was used to check how well the model fitted the data. R^2 Was designed to be the proportion variation in the dependent variable explained by the regression model.

The result of findings as given in Table 4.38 reports the model of organizational change with the coefficient of determination $R^2 = 0.865$ and R.930 at 0.05 significant level. The coefficient of determination indicated that 87% of the variations in organizational change in petroleum Industry in Kenya were influenced by five (5) variables under investigation Strategic direction(X_1), strategic planning and forecasting (X_2), Human capital development (X_3), Corporate Communication (X_4) and Strategic control (X_5) while the remaining percentage can be accounted for by other factors which were excluded from the model. This demonstrated that the model has a good fit since the value is above 75%. The results of the summary analysis of variance on the overall model are represented in table 4.38.

Table 4.38: Model Summary for the Overall Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.930a	0.87	0.865	0.37	1.74

a. Predictors: (Constant), Strategic Controls , Corporate Communication , Strategic Direction , Strategic Forecasting , Human Capital Development

b. Dependent Variable: Organization Change

Results in Table 4.39 revealed that strategic controls, Corporate Communication, strategic direction, strategic forecasting and human capital development all combined had joint significant influence on organizational change among petroleum Industry in Kenya, F (5, 214) = 274.534, and p value <0.05.

Table 4. 39: Analysis of Variance on the Overall Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	189.463	5	37.893	274.534	.000a
	Residual	29.537	214	0.138		
	Total	**219**	**219**			

a. Predictors: (Constant), Strategic Controls , Corporate Communication , Strategic Direction , Strategic Forecasting , Human Capital Development
b. Dependent Variable: Organizational Change

As shown in Table 4.40, strategic direction had positive and significant influence on organizational change (β = 0.139, p value <0.05). This implies that a unit change in strategic direction while holding strategic forecasting, human capital development, Corporate Communication and strategic controls constant increases organization change in petroleum Industry by 0.139 units.

Secondly, strategic forecasting had positive and significant influence on organization change (β = 0.129, p value <0.05). This implies that a unit change in strategic forecasting while holding strategic direction, human capital development, Corporate Communication and strategic controls constant increases organizational change in petroleum Industry by 0.129 units.

Thirdly, Human Capital Development had positive and significant influence on organizational change in petroleum Industry in Kenya (β = 0.286, p value <0.05). This implies that a unit change in human capital development while holding strategic direction, strategic forecasting, Corporate Communication and strategic controls constant increases organizational change in petroleum Industry by 0.286 units.

Further, Corporate Communication had a positive and significant influence on organizational change ($\beta = 0.165$, p value <0.05). This implies that a unit change in Corporate Communication while holding strategic direction, strategic forecasting, human capital development and strategic controls constant increases organizational change in petroleum Industry by 0.165 units.

Finally, strategic controls had positive influence on organizational change in petroleum Industry in Kenya ($\beta = 0.279$, p value <0.05). This implies that a unit change in strategic controls while holding strategic direction, strategic forecasting, human capital development and Corporate Communication constant increases organizational change in petroleum Industry by 0.279 units.

Organizational Change = -6.53E-17+ 0.139* Strategic Direction +0.129* Strategic Forecasting +0.286* Human Capital Development +0.165* Corporate communication +0.279* Strategic Controls ………………………………………………………………4.6

The study sought to find out the most significant variable, from these findings Human Capital Development was found to be the most significant variable with beta (β) coefficient of 0.286 and significant level of 0.000 which implied that a unit change in human capital development increases organizational change in petroleum Industry in Kenya by 0.286 units. These findings are in agreement with Jamal and Saif (2011), who reported that human capital management is a recipe for success in an organization in ever changing environment in change is the norm. He further report that in the long run, companies jointly with the learning institutions need to implement learning based on shared knowledge to enable learners coming from school to easily adapt to work environment. Similarly, research by Sull (2009), reported that employees' skills ought to be identified to be able to offer what is required in case of changes in organization and its structure. Based on the above studies and findings herein, it can be concluded that human capital development has a role to play in the organizational change either directly or indirectly.

Strategic controls were the second most important variable in the study with beta (β) coefficient of 0.279 and significant level of 0.000 which implied that a unit change in strategic controls increases organizational change in petroleum Industry in Kenya by 0.279 units. This finding is in agreement with Peljhan and Tekavcic (2008), who indicated that regular use of management controls leads to improved results since the control ensures the steps taken to achievement are enhanced. Similarly, research by Ndegwa (2013), revealed that success of strategic controls is pegged on timely, consistent, accurate and accessible information combined with a supportive organizations structure and internal processes. Therefore, these duties should be assigned to department that would monitor, evaluate and give reports on the steps being made by the organization.

Corporate Communication was found to be the third best variable in the study with beta (β) coefficient of 0.165 and significant level of 0.002 which implied that a unit change in Corporate Communication increases organizational change in petroleum Industry in Kenya by 0.165 units. This finding is supported by Yukl (2012), who report that actionable communication is seen to be critical in developing the agenda of the company but not necessarily on strategizing how change will be done effectively. This is further supported by Robbins, (2013), who reported that communication process focuses on context as the basis for designing intervention strategies which focus on participation, social change, learning and empowerment in the modern organization. In addition, research by Rajhans, (2012), revealed that communication helps effective decision making process through active communication within the organization and development of a good communication culture that boosts team spirit and teamwork.

The findings of this study revealed strategic direction significantly influence organizational change with beta (β) coefficient of 0.139 and significant level of 0.011 which implied that a unit of change in strategic direction increase organizational change by 0.139 in the petroleum Industry in Kenya. This finding is in agreement with Boal and Hooijberg (2001), who reported that direction given by the leader is what actually set the tasks and behaviours of an organization. This further revealed that strategic direction is responsible of creating a meaning and purpose of the organization. In addition, research by Jooste and Fourie (2009), indicated that strategic leadership can never be doubted to be the critical element in effective execution of changes in firms. Similarly, Bass (2007), agreed with current study on this that strategic leaders who spell out direction, employee's commitment and satisfaction not forgetting they are center bolt in organizational changes. Bass further observes that absences of strategic direction would outright fail the company from achieving both their financial and non-financial goals.

In addition, strategic Forecasting is the least significant variable of the study with a beta (β) coefficient of 0.129 and significant level of 0.023 which implied that a unit change in strategic forecasting increases organizational change in petroleum Industry in Kenya by 0.129 units. The findings are in agreement with Sharen (2015), who reported that whenever an organization is able to hold it activities in well outlined plans then they can be achieved either in the short or long run. It is research by Cheoularton (2007), argued that strategic plan and forecast gives perspectives of the company which enables the company to stand its ground in an environment characterized by rapid and disorderly changes. In addition, this study is also supported by Mufudza *et al*, (2013), who reported that it is better to be prepared for the unexpected rather than only preparing for the known changes. This inspires the organizations stakeholders to have a sense of mission after putting into consideration set of imagined scenario and outcomes. Further, research by Shuria's (2015), indicated that strategic leaders should be able to generate plans that help forecast externalities that would have impact on their companies. For a close, it can be said that indeed forecast and better plans are shapers of the available choices and decisions in environment featured with changes.

In summary, the findings of study revealed that all the variable were significant with significance levels of <0.05. In estimating the contribution of each independent variable of the study, it was established that all independent variables significantly contributed to variance of organizational change in the petroleum Industry in Kenya at significant level of 0.05. This implied that all the variables were accepted as they confirmed the influence of strategic leadership on organizational change in the petroleum Industry in Kenya.

From the research findings above, the model is retained as shown in figure 2.1. This is because from the results of the study determine whether independent variables; Strategic direction(X_{1}), strategic planning and forecasting (X_{2}), Human capital development (X_{3}), Corporate Communication (X_{4}) and Strategic control (X_{5}) simultaneously influenced the dependent variable Y which is Organizational Change. The overall model of coefficient of determination indicated that 87% of the variations in organizational change in petroleum Industry in Kenya were influenced by five (5) variables under investigation while the remaining percentage can be accounted for by other factors which were excluded from the model. This demonstrated that the model has a good fit since the value is above 75%. The results of the summary analysis of variance on the overall model are represented in table 4.40.

Table 4. 40: Regression Coefficients for the Overall Model

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-6.53E-17	0.025		0.00	1
	Strategic Direction	0.139	0.054	0.139	2.576	0.011
	Strategic Forecasting	0.129	0.056	0.129	2.288	0.023
	Human Capital Development	0.286	0.062	0.286	4.585	0.000
	Corporate Communication	0.165	0.052	0.165	3.183	0.002
	Strategic Controls	0.279	0.058	0.279	4.85	0.000

4.11 Chapter summary

This chapter has presented the analysis of the data collected and discussions of the findings. From the result of the research findings above, the model is retained. This is because from the results of the study, the analysis data confirmed that strategic leadership has positively and significantly influenced organizational change in the petroleum Industry in Kenya. This inferred that all the variables were accepted as they confirmed the objective of the study which examined the influence of strategic leadership on organizational change in the petroleum Industry in Kenya.

CHAPTER FIVE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter summarizes and sought to investigate the influence of strategic leadership on organizational change in the petroleum Industry in Kenya. The data collected and the statistical analysis of the discussions were done with reference to the objectives of the study. Data was interpreted and the results of the findings were correlated with both empirical and theoretical literature available. The conclusion study were directly related to the specific objective of the study been investigated. The recommendations were deduced from conclusion and discussion of the study.

5.2 Summary of Key Findings

The study sought to explore the influence of strategic leadership on organizational change in the petroleum Industry in Kenya. The study especially looked at the Strategic direction, strategic forecasting and planning, Human Capital Development, Corporate Communication and Strategic Controls on organizational change in the petroleum Industry in Kenya.

5.2.1 Influence of Strategic Direction on Organizational Change

The study sought to determine the influence of strategic direction on organizational change in petroleum Industry in Kenya. Based on the findings, it was revealed that strategic direction influences organizational change in the petroleum Industry in Kenya. This is explained by the findings of this study which revealed strategic direction significantly influence organizational change which implied that a unit of change in strategic direction increase organizational change in the petroleum Industry in Kenya. The finding of this study revealed that strategic direction is responsible for creating a meaning and purpose of the organization. Further, Factor analysis was done which showed that all attribute had factor loading of 0.8 which depicted presence of identifiable capabilities which can be followed to achieve organization desired result.

The strategic direction has significantly contributed to organizational performance by generating relevant information in a bid to reduce uncertainty while creating a better understanding of the important environment within which organizations operate. Further, research has indicated that strategic direction influence organizational processes, business environments and performances of businesses while investigating planning in businesses. The strategic direction is one of the key strategic leadership actions that plays critical roles in ensuring strategy are executed effectively. Similarly, strategic direction is an avenue through which top echelon of the institution provide strategic direction to the different department and sections communicate to their staff who eventually implement strategic plans hence offer a control over the strategic processes.

These results were collaborated by the hypotheses test which revealed positive and significant influence of strategic direction on organizational change within petroleum Industry in Kenya. This finding implied that there was long term vision and commitment of employees within petroleum Industry in Kenya. Therefore, the null hypotheses that their strategic direction had no significant influence on organizational change within petroleum Industry in Kenya were rejected and alternative accepted that strategic direction had positive and significant influence on organizational change within petroleum Industry in

Kenya. The strategic decisions should be sustainable, offer competitive advantage and should develop processes to deliver the strategy, exploit the linkages between the organization and its environment and should move the organization forward to a significant position.

5.2.2 Influence of Strategic Forecasting and Planning on Organizational Change

The study sought to find out the influence of strategic forecasting and planning on organizational change in the petroleum Industry in Kenya. The findings revealed that strategic planning and forecasting significantly influence organizational change in the petroleum Industry in Kenya which implied that a unit change in strategic forecasting increases organizational change in petroleum Industry in Kenya.

The findings of this study advanced that whenever an organization is able to hold its activities in well outlined plans then they can be achieved either in the short or long run. Further, research has revealed that strategic plan and forecast gives perspectives of the company which enables the company to stand its ground in an environment characterized by rapid and disorderly changes. In addition, strategic plan and forecast inspires industry stakeholders to have a sense of mission after putting into consideration set of imagined scenario and outcomes. Further, strategic leaders should be able to generate plans that help forecast externalities that would have impact on companies. The findings of this research revealed strategic planning as an essential tool which generates greater understanding in the process of planning initiation as an area of interest and importance to both practitioners and theorist.

These results were collaborated with the hypotheses which revealed that strategic forecasting and planning had significant influence on organizational change in petroleum Industry in Kenya. Therefore, there was enough evidence to warrant rejection of the null hypotheses and it concurred with past empirical studies that strategic planning and forecasting has significant influence on organizational change. Further, Analysis of the intensity and nature of relationship between the two variables shows that there exists a strong positive connection. The finding of this study indicated that strategic forecasting drives performance of an organization by establishing agreement between the ambition of the organization and long term targets as defined by the mission and vision of the organization. Further, research has indicated that strategic forecasting entails projection of the organization capability to change to the new conditions. Similarly, research postulated that environment which is characterized by frequent organizational changes adopted a proper focus of the future which can be achieved by being sensitive of the core competencies areas. Further, research has revealed that organizational changes causes strategic leaders to think strategic values which need forecasting since uncertainty and stability of environment must be catered for when it comes to organizational performance.

5.2.3 Influence of Human Capital Development on Organizational Change

The study sought to examine the influence of human capital development on organizational change in the petroleum Industry in Kenya. Based on the findings, it was revealed that human capital development influence on organizational change in petroleum Industry in Kenya which implied that a unit change in human capital development increases organizational change in petroleum Industry in Kenya. The findings of this study pointed out that human capital management is a recipe for success in an organization in ever changing environment in which change is the norm. Similarly, employees' skills ought to be identified to be able to offer what is required in case of changes in organization and its structure. Based on the above studies and findings herein, it can be concluded that human capital development has a role to play in the organizational change either directly or indirectly. In addition, research reported that a key to companies investing in technology world is human capital investment which helps companies to understand and foretell the direction in which technology is moving to next. Having well educated workforce will enable the firm to respond positively to the changes which are unavoidable or inevitable.

These results of the Hypotheses revealed there was a positive and significant influence of human capital development on organizational change in petroleum Industry in Kenya. These results were in corroboration with past empirical studies as well as theoretical frameworks.

5.2.4 Influence of Corporate Communication on Organizational Change

The study sought to determine the influence of Corporate Communication on organizational change in the petroleum Industry in Kenya. Based on the findings, it was revealed that Corporate Communication influences organizational change in the petroleum Industry in Kenya which indeed implied that a unit change in Corporate Communication increases organizational change in petroleum Industry in Kenya. This implies that there is a linear relationship between Corporate Communication and organizational change in petroleum Industry in Kenya.

Both correlation and regression were used to test the hypotheses which revealed that of Corporate Communication had positive and significant influence on organizational change in petroleum Industry in Kenya. The result has revealed that actionable communication is seen to be critical in developing the agenda of the company but not necessarily on strategizing how change will be done effectively. Communication process focuses on context as the basis for designing intervention strategies which focus on participation, social change, learning and empowerment in the modern organization. In addition, corporate communication helps effective decision making process through active communication within the organization and development of a good communication culture that boosts team spirit and teamwork.

5.2.5 Influence of Strategic Controls on Organizational Change

The study sought to establish the influence of strategic control on organizational change in the petroleum Industry in Kenya. The findings of the study strategic control influences organizational change within petroleum Industry in Kenya which implied that a unit of change in strategic control increase organizational change in the petroleum Industry in Kenya.

Both Pearson correlation and regression analysis revealed that there was a positive and significant influence of strategic controls on organizational change within petroleum Industry in Kenya. This implies that there is a linear relationship between strategic controls and organizational change in petroleum Industry in Kenya. This implied that regular use of management controls leads to improved results since the control ensures the steps taken to achievement are enhanced. Similarly, the study confirmed that strategic Control is the process of monitoring as to whether to various strategies adopted by the organization are helping its internal environment to be matched with the external environment.

5.3 Conclusion

The heart of this study was to examine the influence of strategic leadership on organizational change in the petroleum Industry in Kenya. Based on the previous studies, the components of strategic leadership influence were expected to have positive relation with organizational change in the petroleum Industry in Kenya. The result of the findings revealed that there was significant positive relationship between the components of strategic leadership namely strategic direction, strategic planning and forecasting, human capital development, Corporate Communication and Strategic control with the organizational change in the petroleum Industry in Kenya. The study established that strategic direction influences organizational change as it influences organizational processes, business environments and performances of businesses while investigating planning in businesses.

The findings revealed that strategic planning and forecasting significantly influence organizational change in the petroleum Industry in Kenya. The findings in addition indicated that Human Capital Development plays critical role in the organizational change either directly or indirectly. The result of the findings further pointed out that there has been positive and significant influence of Human Capital Development on organizational change in petroleum Industry in Kenya. In addition, findings of the study also indicated that corporate communication enhances the influence of Strategic leadership in the petroleum Industry in Kenya. The result further revealed that leaders who communicate timely build the trust and the confidence of the industry stakeholders in the organization in a timely manner which enhances effective decision making process through active communication within the organization and development of a good communication culture to boost team spirit and teamwork.

The findings in addition, revealed Strategic Control influences organizational change in petroleum Industry in Kenya. The result further revealed that Strategic Controls had positive and significant influence on organizational change. Research has confirmed that regular use of management controls leads to improved results in the achievement of intended objective. This finding concludes that success of Strategic Controls is pegged on timely, consistent, accurate and accessible information combined with a supportive organization structure and internal processes. The overall findings of this study showed a great influence of all the five variables to the organizational change in the petroleum Industry in Kenya. in conclusion, all variables used in this study were found to significantly influenced Strategic Leadership Organizational Change in the Petroleum Industry in Kenya as the test of the overall has found that the model to be significant.

5.4 Recommendations

The following recommendations were made based on the findings and conclusion of the study;

The findings for this study indicated that there is need to put in place measures to ensure that the petroleum Industry achieves is long term vision and goals upon optimal utilization of the available resources. The Human Capital in the Petroleum Industry plays a key role in influencing organizational change hence there is need to embrace the culture of top down and bottom up communication which provides Strategic Direction to ensure that all company’s target were met within the stipulated time frame. The petroleum Industry in

Kenya should build human capacity of their workforce strategically meant to achieve optimal benefits for deriving skills composition and enhance benefits of influence continuous organizational change.

Petroleum Industry in Kenya should produce leaders who are committed to sufficiently boost women`s representation steadily and materially over time so as to reap a host of benefits which included improved organizational performance, creativity, decision making and morale. Strong and committed leadership presupposes that leaders genuinely believe in the business benefits of increase gender diversity. The most important tenet of success factor is the involvement of leadership in the industry to put women`s career advancement at the top of their agendas, they have to be catalyst of change.

There is need for organizational plans and forecast to be based on specific objectives and implementation matrix that itemizes alternative approaches which ensures organizational change is fully met. Although, the primary goal of any organization is to attain its goals, there is need to carry out sensitivity analysis upon considering various decision alternative. In those circumstances when the results are negative corrective actions which ought to be taken must be clearly stipulated to ensure organizational change goal is not jeopardized by erratic changes by the market force of demand and supply.

In addition, the petroleum industry should continuously evaluate the skills base so as to ensure that organizational change can be attained owing to heterogeneous skills composition. In order to evaluate human skills development there is need to carry out cost benefit analysis especially upon developing human skills which are geared towards organizational change. The petroleum Industry must ensure that all employees are geared and motivated towards attainment of organizational goals and objectives. Motivational and employee's retention strategies must be put in place to ensure that those employees whose contribution in organizational change is paramount cannot be easily be lost especially through transfers or resignation. The management must adopt human resources management strategies which are geared towards integrating human capital to ensure that there are no gaps within an organizational structure.

Corporate Communication strategies must be adhered to all times which may include: formal and informal to ensure that an organization attains the desired change. Moreover, leaders should be positioned to ensure that they supply the desired information to subordinate which will ensure organizational change can be attained with optimal resources utilization. Corporate Communication leadership creates an informed pool of stakeholders who ensures organizational change within Petroleum Industry is fully implemented.

Finally, the petroleum Industry should create an evaluation guideline which is better placed and track how they can easily implement organizational change. Risk assessment methods should embrace both qualitative and quantitative aspects to ensure that decision making is dependent on information rather than being subjectively determined. All petroleum Industry should have an independent department executing research and development programs which will give competitive advantage to a specific company.

5.5 Suggestions for Further Studies

This research is a milestone for future research in the area of strategic leadership on organizational change particularly in the petroleum Industry in Kenya. Therefore, the study has opened up other areas requiring further research indulgence particularly in the Kenyan context. Consequently, the study recommended the following studies to be carried out: An investigation on the influence of strategic leadership on organizational change in petroleum Industry and draw respondents from managerial employees and customers who have directly benefits from services offered by specific companies. Secondly, there is need to carry out a similar study on the influence of strategic leadership and organizational change and adopt structural equation modeling (SEM) to explain the relationship between study variables. Thirdly, there is need to carry out the moderation of CEO narcissism on the role of strategic leadership and organizational change within petroleum Industry. Since, there are different ownership structures within petroleum companies a comparative analysis should be carried out between local and international; public and private companies so as to see the specific influence of strategic leadership on organizational change in petroleum Industry.

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APPENDICES

Appendix I: Questionnaire

INSTRUCTION: Kindly fill the following and subsequent questions by putting a tick (√), mark(x) or numbers in the appropriate box that closely matches your view or alternatively write on the spaces provided where necessary.

NB: **This information will be used strictly for academic purposes only and will be treated with utmost confidence.**

SECTION A: Background Information

A1. Indicate your gender.

Male [ ] Female [ ]

A2. Level of education?

O/A level [ ] Certificate/Diploma [ ] Bachelors [ ] post graduate [ ]

A3. Indicate your position in the organization

Director [ ] CEO [ ] Board of Director [ ]

A4. How long has your company been operating in Kenya?

0– 4 years [ ] 5-10 years [ ] 11 – 15years [ ] 16 and above years [ ]

PART B: Strategic Direction

Please indicate to what extent do the statements in Parts (B-G2) below apply to your organization? Please tick as appropriate in a corresponding box? **Use a scale of 1-5, where (1-Not at all, 2-small extent, 3-moderate extent, 4-large extent and 5- very large extent)**

	Strategic Direction	1	2	3	4	5
B1	Does your organization have a clear vision which ensures commitment to the strategic direction?					
B2	Does your organization have strategy which links the vision with current reality?					
B3	Does your strategy guide in formulating the organization structure?					
B4	Does your strategy guide in hiring human resource of the organization?					
B5	Does your strategy guide in identifying capabilities that need to be developed to achieve desired results?					
B6	Does the organization develop processes through strategic implementation of the plans to support change?					
B7	Does a leader in your company communicate reasons for strategic direction to the stakeholders?					
B8	Does your company have targets to be achieved at any given time?					

PART C: Strategic Planning and Forecasting

	Strategic Planning and Forecasting	1	2	3	4	5
C1	The vision of the organization directly influences the development of organizational strategic planning process.					
C2	My organization has strategic plan that guides the organization`s operation.					
C3	The plans in my organization describe objectives and alternative strategies.					
C4	Leaders in my organization select one strategy as a basis for action.					
C5	The action chosen may lead to results that are intended.					
C6	The action chosen by my leaders may lead to results that are unintended.					
C7	My organization uses forecasts as inputs to the planning process.					
C8	Strategies in my organization are based on the forecasts?					
C9	My organization use scenario planning is used to generate various					

	imagined outcomes, based on different sets of starting conditions.					
C10	My organization has confidence in forecast.					
C11	Leaders in my organization develop specific action plan for organization change that is guided by well established procedures.					
C12	Leaders in my organization identify gaps based on the challenges facing organization change.					
C13	Leaders in my organization are capable of anticipating potential future organization changes.					

PART D: Human Capital Development

	Human Capital Development	**1**	**2**	**3**	**4**	**5**
D1	My organization has a database of skills inventory for its staffs.					
D2	My organization uses psychometric testing to measure "other attributes", such as individual's natural reflexes, tendencies, attitudes, and innate traits.					
D3	My organization invests in human capital with the aim of getting a return.					
D4	My organization has aligned employee values with core values of the organization.					
D5	Employees with talent stay in my organization.					
D6	Employees in my organization are involved in learning based on shared knowledge through knowledge management.					
D7	Employees develop initiatives that are difficult for our competitors to quickly imitate.					
D8	My organization is excellent in integrating through coordinating cross-functional activities.					
D9	My organization compare employees' skills with what is required for their positions?					
D10	My organization identifies the employees' skills gaps with what is required for their positions?					

PART E: Corporate Communication

	Corporate Communication	**1**	**2**	**3**	**4**	**5**
E1	There is timely communication of organizational strategies to staffs and other stakeholders.					
E2	There is continuous flow of information between the senior management, organizational team, and other relevant stakeholders.					
E3	Leaders in my organization are able to validate responses timely from organization teams.					
E4	Leaders in my organization build trust, transparency and honesty communication within the organization.					
E5	Leaders in my organization are able to network with other stakeholders within the industry.					
E6	Leaders in my organization are able to create team commitment through enhanced communication.					

PART F: Strategic Controls

	Strategic Controls	**1**	**2**	**3**	**4**	**5**
F1	There are clear consequences for not implementing strategic controls?					
F2	There exists a bold and aggressive posture in making decisions.					
F3	There exists a strong emphasis on research and development.					
F4	Formal monitoring processes are being used to identify and resolve strategic issues affecting the organization.					
F5	The strategic decisions are always detailed in formal written reports.					
F6	Leaders in my organization principally rely on experienced-based intuition when making major operational and strategic decisions.					

PART G: Organizational Change

	Organizational Change	**1**	**2**	**3**	**4**	**5**
G1	There are acceptable levels of organizational change in my organization?					

G2	Strategic leadership influence change initiative in my organization?					
G3	Does the change initiatives your organization be easily implemented in order to contribute to the desired goal.					
G4	Product and services developed by my organization are considered to be the best in the industry.					
G5	Your company has the right people that will enable realization of organizational change.					
G6	Your organization develops new process innovations that considerably reduce operational costs.					
G7	Your organization is able to effectively balance short term and medium term goals.					
G8	Your company implements organization changes in line with the organization process and procedure.					
G2	In your experience, what will make change initiative to be successful in your organization? -- ---					
G3	In your opinion, what limits the success of change process in your organization? -- --					
G4	What do you think has been the critical success factor for change initiatives in your organization? -- --					
G5	In your experience, does leadership qualities influence change initiatives in your organization? -- --					
G6	In your opinion what do you think could limit the success of change initiative? --					
G7	in your experience, what helps organizational change to be successful within your organization?--					

THE END

Thank you very much for taking time to complete this questionnaire.

Appendix ii: Respondent Consent Letter

Dear respondent,

RE: <u>CONSENT FOR PROVISION OF ACADEMIC DATA</u>

This is to certify that I am a student at the Jomo Kenyatta University Agriculture and Technology pursuing degree of doctor of philosophy in business administration (strategic management option). I am currently conducting a research study on the influence of strategic leadership on organizational change in the Petroleum sector in Kenya in fulfillment of the requirements of Doctor of Philosophy in Business Administration (Strategic Management option). Since you occupy strategic leadership position in Petroleum industry, you have the knowledge of the influence of strategic leadership on organizational change in the Petroleum Industry in Kenya. Your responses will be used for academic purposes only and your response will be treated strictly confidential and in no instance will your name be mentioned in the report.

Thank you very much for your assistance and time spent in responding to the questions. I will truly appreciate your support in providing relevant information to this research study.

Yours Sincerely.

ABDIKARIM IBRAHIM ABDOW

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Appendix iii: Measurement of Variables

Variable	Indicator	Measure	Scale	Instrument
Strategic Direction	▪ Long-term vision ▪ Commitment of employees	Ordinal	5 point Likert Scale	Questionnaires
Strategic Planning and Forecasting	▪ Visioning and planning ▪ Strategic forecasting ▪ Contingency planning	Ordinal	5 point Likert Scale	Questionnaires
Human Capital Development	▪ Workforce skills ▪ Workforce knowledge	Ordinal	5 point Likert Scale	Questionnaires
Corporate Communication	▪ Actionable communication ▪ Relationship with stakeholders ▪ Information sharing and Transparency	Ordinal	5 point Likert Scale	Questionnaires
Strategic Controls	▪ Content of strategic control ▪ Incorporating tolerable risk	Ordinal	5 point Likert Scale	Questionnaires
Organizational Change	▪ Streamline cost structure ▪ Speed product development ▪ Technological uptake ▪ Aligned skills	Ordinal	5 point Likert Scale	Questionnaires

Appendix IV: Determination of sample size (s) given population (N)

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

N-Target population S-Sample Source: Krejcie & Morgan, 1970

Appendix V: List of Petroleum Companies in Kenya

No.	Names
1.	African Gas & Oil Co.Ltd
2.	Afrioil International Ltd
3.	Afro Petroleum Limited
4.	Ainushamsi Energy Limited
5.	Alba Petroleum Ltd
6.	Amana Petroleum (K) Ltd
7.	Aspam Energy(Kenya) Limited
8.	Astrol Petroleum Company Ltd
9.	Axon Energy Limited
10.	Bakri International Energy
11.	Banoda Oil Limited
12.	Bengas Petroleum Ltd
13.	Benzina (U) Ltd
14.	Cape Suppliers Limited
15.	Center Star Company Limited
16.	City Oil (K) Ltd
17.	Dalbit Petroleum
18.	East African Gasoil Limited
19.	Eco Oil Kenya Limited
20.	Eliora Energy Limited
21.	Emkay International Limited
22.	Engen (K) Ltd

23.	Eppic Oil (K) Ltd
24.	Esse Limited
25.	Exodus Oil Corporation Ltd
26.	Fast Energy Limited
27.	Finejet Limited
28.	Fossil Fuel Ltd
29.	Fuelcom Petroleum Ltd
30.	Fuelex Kenya Limited
31.	Futures Energy Company Ltd
32.	Galana Oil (K) Ltd
33.	Gapco Kenya Ltd
34.	Global Petroleum Products
35.	Gulf Energy
36.	Guul Energy Limited
37.	Hared Energy Limited
38.	Hashi Energy Limited
39.	Hass Petroleum (K) Ltd
40.	Ilade Oil Company Limited
41.	Intoil Limited
42.	Jade Petroleum Ltd
43.	Jovenna (Ea) Limited
44.	Kamkis Trading Company Ltd
45.	Kencor Petroleum Limited
46.	Kenolkobil Limited

47.	Kenya Oil Company Ltd
48.	Kenya Petroleum Refineries Ltd
49.	Kobil Petroleum Ltd
50.	Kosmoil Petroleum(Ea) Limited
51.	Libya Oil Kenya Limited
52.	Loil Energy Limited
53.	Luqman Petroleum Limited
54.	Metro Petroleum
55.	Mogas Kenya Limited
56.	Moil Petroleum
57.	Ms Oil Limited
58.	Muloil Limited
59.	Nafton Petroleum Limited
60.	National Oil Corporation
61.	Net Gas And Energy Limited
62.	Ocean Energy Limited
63.	Oil City Limited
64.	Oil Com (K) Ltd
65.	Oilpoint Kenya Limited
66.	Olympic Petroleum Limited
67.	One Petroleum
68.	Orix Oil (K) Ltd
69.	Oryx Energies Kenya Ltd
70.	Pacific Petroleum Limited

71.	Pentoil
72.	Petro Oil (K) Ltd
73.	Petrocam Kenya Limited
74.	Petrokenya Oil Company Limited
75.	Petrosun Kenya Limited
76.	Piccalilly International Limited
77.	Pj Petroleum Equipment Ltd
78.	Premium Petroleum Co. Ltd
79.	Prime Gas Investment Limited
80.	Prime Regional Supplies Limited
81.	Quantum Petroleum Limited
82.	Ramji Haribhai Devani
83.	Ranway Traders Limited
84.	Regnol Oil (K) Ltd
85.	Riva Oil
86.	Rockspring Energy Limited
87.	Royal Energy (K) Ltd
88.	Safari Petroleum Limited
89.	Savanna Energy Kenya Limited
90.	Sitico Petroleum Products Limited
91.	Sovereign Oils Ltd
92.	Stabex International Limited
93.	Texas Energy Limited
94.	Tiba Oil Company Limited

95.	Topaz Petroleum Limited
96.	Tosha Petroleum (K) Limited
97.	Total (K) Lmited
98.	Towba Petroleum Company Limited
99.	Tradiverse Kenya Limited
100.	Tristar Transport Limited
101.	Triton Petroleum
102.	Trojan Intl Ltd
103.	Ultra Petroleum Limited
104.	Vitoil
105.	Vivo Energy Kenya Ltd
106.	Vtti Kenya Limited

Sources: Energy Regulatory Commission 2017

Appendix VI: List of Component of petroleum in Kenya

No	Year	Activity
1.	1950's	Oil exploration commenced
2.	1960 to 1984	16 wells drilled mainly in the Lamu and Anza basins
3.	1981	National Oil was incorporated in 1981
4.	1984	GOK enacted new Petroleum (Exploration and Production) Act
5.	1986	Petroleum (E & P) Act revised. Royalties replaced by PSC's
6.	1985 to 1992	Further 14 wells drilled
7.	1995	Lamu Basin Study completed.
8.	2001	Tertiary Rift Study complete
9.	2000+	Award of offshore PSC's and reinvigorated exploration
10.	2006	Deepest offshore well drilled by Woodside
11.	2009	Deepest onshore well being drilled by CNOOC

Source: *Ministry of Energy report 2011*

Components of the Kenya Petroleum

1. Upstream Sector INDUSTRY
    - No proven reserves of hydrocarbons yet
    - Four (4) sedimentary basins
    - Thirty Six(36) blocks (21 Licensed)
    - Thirty one (31)exploration wells and >80000 KM Seismic
    - Contract is Production Sharing Contract
    - Previous and Existing contractors include CNOOC, TOTAL, SHELL, AMOCO, BP, LUNDIN, ANARDAKO e.t.c.
2. Midstream Sector

- *Pipeline* network of approx. *900km* operated by Kenya Pipeline Corporation for refined products
- Refining capacity of four (*4) millionmetric tonnes per annum* (mmtpa) operated run by Kenya Petroleum Refinery Limited. (Due for upgrade)
- Over 1,000,000M3 Storage

3. Downstream Sector
    - Countrywide retail network of 1052 stations operated by Multi-nationals (Total, Shell, Oil Libya etc) & smaller Kenyan OMCs
    - Ownership of Retail network - Multinational (73%) National Oil (8%) Independents (19%).