CHANGE MANAGEMENT PRACTICES IN THE SOFT DRINK INDUSTRY IN KENYA: A CASE OF FIRMS OPERATING WITHIN NAIROBI

BY
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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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DEDICATION

This project is dedicated to my parents Mr. James Mugo and Mrs. Pauline Mugo for the earnest desire they instilled in me on the value of education. To my brothers Erastus and Eric and my sister Victoria. I thank God for you.
ACKNOWLEDGEMENT

Glory to the almighty God our creator for the gift of strength, time and favour to accomplish this goal.

My supervisor Dr. Z.B. Awino for his tireless effort in guiding me through this noble job.

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ABSTRACT

The soft drink industry is one of the sectors of the wider economy that has witnessed immense brand on product proliferation. There is fierce competition that forces companies to diversify their product range in an effort to better satisfy the customers. The entry rate into the industry has been increasing resulting to an erosion of profits for the players. Organizations thus, have been forced to implement changes to align themselves with the changes in the environment as well as to realize their set goals. It’s on this notion that this study is based to identify the change management practices adopted, and the forces of change in the soft drink industry. This study was designed to fulfill two objectives. First, to determine the forces of change in the soft drink industry and second to identify the change management practices adopted by firms operating in the soft drink industry. A sample of 35 companies was selected from a population of 78 companies that are operating within Nairobi descriptive statistics well used to analyze the information obtained from the respondent companies. Data then was presented in form of tables, graphs, charts, means standard deviation and frequencies. The study found out that firms operating in soft drink industry initiate changes as a result of forces that are both from within and without the organization specifically local competition, customer needs, government and legislative policies, growth taking advantage of opportunities, to increase performance, to maintain or improve industry position, to increase independence, technology and leaders interest are among the major forces that drove organizations to changes. Change is guided by four principles these are urgency, vision empowerment and execution. Urgency, vision and execution are well demonstrated in the change management practices evident in the soft drink industry. However a deficiency was highlighted in empowerment of employees whereby organizations concentrated more on continuous communication and provision of feedback as methods of reinforcing changes. The study recommends that companies should involve their employees in change programs high from the conceptualization stage. Such change is inevitable, letting the employees own the change programs will motivate them to deliver to its objectives thus having a successful transition from one state to another.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study
Organizations rarely stand still, but are in a more or less constant state of flux, where change and adaptations in one part of the organization has a knock-on effect elsewhere (Cole, 2005). We live in an age of discontinuity. In the 1950's and 1960's, the past was a pretty good prologue to the future. Tomorrow was essentially an extended trend line from yesterday. That's no longer true. Beginning in the early 1970's with the overnight quadrupling of the world oil prices, economic shocks have continued to impose changes on Organizations. Continued collapse of organization has made executive ethics, managerial controls, responsibility of board members, manipulation of earnings and conflict of interest between firms and their auditors are topics of concern for all corporate executives (Robbins,2003).

It has become the accepted view that for a society at large, the magnitude, speed, unpredictability and impact of change are greater than ever before. Certainly, over the last 20 years especially, new products, processes and services have appeared at an ever increasing rate. Local markets have become global markets. Protected or semi protected markets and industries have been opened up to fierce competition. Public bureaucracies and monopolies have either been transferred to the public sector or have themselves adopted much more market-oriented practices. Change has become a normality (Burnes, 2004).

1.1.1 Change Management Practices
According to Jones(2004) organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. The goal of planned organizational change is to find new or improved ways of using resources or capabilities in order to increase an organizational's ability to create value and improve returns to stakeholders. An organization in decline stage may need to restructure its resources to improve its fit with the environment. Change is the sequence of events that is needed to bring about change in an organization. Whether the intended change is from a less participative, corporate culture or along some other dimension, the process tends to follow a certain pattern (Gordon,1990).
Just as organization trajectory is both an important element of the choice process and a process in its own right, the same applies to change. Change can be viewed as a one-off event an exception to the normal running of an organization and, therefore something to be dealt on an issue by-issue basis as it arises. On the other hand, some organizations see change not as an exception but as a norm, a continuous process that forms part of the organizations day-to-day activities. Thompson, Strickland and Gamble (2007) note that irrespective of where the strategy comes from, be it the products of top executives or the collaborative product of numerous company personnel, it is unlikely that the strategy, as originally conceived will prove entirely suitable over time. Every company must be willing and ready to modify its strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs and preference, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well. In industries where industry and competitive conditions change frequently and in sometimes dramatic way, the life cycle of a given strategy is short. Industry environment characterized by high-velocity change requires companies to rapidly adapt their strategies. Ansoff and McDonnel (1990), agree by noting that the bulk of managerial time in business firms is devoted to coping with uncertainties induced by the environment. They further argue that most managers would agree that change has been their central preoccupation as far back as they can remember and that managing change is the “raison d’etre” of management.

According to Johnson and Scholes (1999) managers whether in the private or public sector are finding it difficult to make sense of business environment in which they operate. One of the reasons for this is the speed of change. Organizations must keep on changing to create short-term advantages and deal with environmental changes. Change is associated with uncertainty and frequently involves complexity, confusion, disturbance and turbulence. This is often worse by the failure of management to articulate a clear vision of the proposed change and its intended outcome (Blunt and Jones, 1992).
1.1.2 Soft drink industry in Kenya

The term soft drink originally applied to carbonated and non-carbonated drinks made from concentrates, although it now commonly refers to any cold drink that does not contain alcohol with the exception of milk. Examples of soft drinks include carbonated soft drinks, juices and nectars, fruit punch, iced tea and water. The soft drink industry has a long history in Kenya, the first indigenous soft drink manufacturers’ was Kenya Ice and Aerated Water Factory founded in 1931 in Mombasa. Another early entrant was Aggaruwal Brothers Limited in Nanyuki (Ibanda 1979). These two companies specialized in mineral and non carbonated soft drink. At that point in time investments within the soft drink industry were mainly in the hands of indigenous people mostly Asians. In the 1940s the local soft industry was composed of a large of small scale producers.

After 1945 Multinational Corporations (MNC's) intensified their importation efforts. This can be partly attributed to the westernised taste syndrome. African soldiers who took part in the Second World War travelled extensively abroad and as a consequence acquired westernised tastes and preferences. On their return to Kenya they constituted a new market. Another explanation as to why MNC's intensified their importation efforts was the growth of the settler community after the war in Kenya. Importation was thereafter followed by Foreign Direct Investment (FDI) by some MNC's. A symptom of this FDI was that a number of MNC's situated their production facilities in the country. Another symptom of this FDI was the phenomena of foreign firms taking over local firms or initiating franchise arrangements with local firms. For example 7-Up took over Crystal Springs Aerated Water company in 1960 (Ibanda 1979). By the mid 1950s, MNCs with operations in Kenya included Schweppes, Pepsi-Cola, Fitzgerald Baynes, 7-Up and Coca-Cola. This FDI ushered in heavy expenditure on sales promotion and advertisement in order to capture a larger market share, a practice that local firms did not hitherto engage in. It also introduced the internationally branded products in the Kenyan market. Ultimately it set the stage for the eventual domination of the industry by a few players who commanded substantial resources that could be employed in advertising and other marketing promotion activities.
The major players in the Kenyan market include: Coca-Cola, Delmonte, Kuguru Food Complex Limited, Keringet mineral water and Picanna juices (Giathi 2003). Soft drink industry is one of the sectors of the wider economy that has witnessed immense brand or product proliferation. The fierce competition has forced the players within the industry to try and diversify their product range in an effort to better satisfy the customer. This has led to copy-cat tendencies amongst the players. Virtually all players have similar product ranges in terms of flavours offered in the market. Another factor contributing to the proliferation of brands within the industry is the influx of cheap imports in the market. This has introduced even more brands in the market, in an already overcrowded market. A study by (Tetra Park, 2000) estimated the growth as follows: Juices and nectars-80%, Fruit flavoured-70%, Water-8% and carbonated drinks-1.5%.

Market trends for the soft drink industry can be summarized by six fundamental themes: Changing consumer beverage preferences, featuring a shift toward health-oriented wellness drinks; Growing friction between bottlers and manufacturers in the distribution system; Continually increasing retailer strength and a corresponding decrease power of soft drink companies; Fierce competition fueled by growth of private labels and products/packaging proliferation; Complex sales environment composed of multiple channels all with unique management requirements; Beverage safety concerns driven by newly enacted US and EU regulatory requirements. Each soft drink company must take this industry challenges into consideration, as well as its own strengths and market position, when looking for ways to drive innovation, accelerate growth and increase margins.

Within soft drink sector, carbonated soft drinks continue to dominate the market, composing traditional flavored beverages as well as sugar and caffeine-free drinks, which have soared in popularity. Simultaneously, manufacturers are focusing on innovation in order to maintain growth. The beverage industry is extremely competitive, with private labels greatly influencing the environment. A few global “beverage giants” produce many brands, but those brands fall into self contained categories as well. New products categories are emerging swiftly and many are already consolidating as consumer
demands continues to shift towards healthier products such as, bottled water, juices and juice drinks, sport drinks, ready to drink teas and functional beverages. While carbonates are still the largest soft drink segments, bottled water is catching up fast, with an average of fifty eighty litres consumed annually per capita. Bottled water represents the fastest growing soft drink segment expanding at 9% annually. This growth is being partially driven by increasing awareness of the health benefits of proper hydration.

New products need to be brought to the market quickly in order to capitalize on changing consumer preferences and competitive threats. However, new products must be developed tactically and the product potential must be understood and analyzed before it hits the market. Currently, success rates for new products are astonishingly low, dropping from 75% to 25% in the last decade. Most of these products fail within the first two years of introduction. In order to survive in this environment companies must consider the market trends that will likely shape the industry over the next few years. This will help soft drink companies to understand the challenge they will encounter and turn them into opportunities for process improvement, enhanced flexibility and ultimately greater profitability. Growth of private label products is encouraging manufacturers to take a number of steps to compete more effectively, they are turning to innovation and new products introduction as a means to achieve real differentiation as well as growth. Branded manufacturers are also looking to get closer to the customer, with many of the larger ones piloting direct-to-consumer marketing approaches. They are also trying to better understand the in-store consumer experience by monitoring the execution of in-store activities.

In the beverage manufacturing industry, competition is growing due to the following factors: constant demand for new niche products related to consumer preferences for healthier and more diversifying preferences; industry consolidation which has significantly raised the bar for the “scale needed to compete”; the growth of private-label products; consolidation and rationalization to capture cost savings by improving operations and eliminating redundancy where mid-market players are vertically integrated and soft drink prices are decreasing.
Carbonated soft drink has a substantial market share but can be described as stagnant in the growth terms. This has driven many of the carbonated soft drink manufacturer’s to venture into the growing juices market segments (Giathi, 2003). The Kenyan industry has faced a myriad of challenges including a depressed economy and the influx of cheap imports following the liberalisation of the economy and the spread of informal and relative unhygienic drinks. Some players have not been fortunate and have had to close shop. Abdalla (2001) notes that due to adverse trading environment, Pepsi-cola pulled out of the Kenyan soft drink market in the early 1980’s, Aspar the distributors and marketers of Schweppes also closed down in 2002. However, the industry as a whole seems to have come to grips with the impediments facing it and in 2005 production of soft drinks rose by 26.3 percent to 256,599 thousand litres from 203,169 thousand litres in 2004 (Economic Survey, 2006).

1.2 Statement of the problem
Soft drinks are gradually overtaking hot drinks as the biggest beverage sector in the world, with consumption rising by around 5 percent a year according to a recent report from Zenith International. In recent years, the beverage industry has been faced with new opportunities and challenges. Changing consumer demands and preferences require new ways of maintaining current customers and attracting new ones. Beverage companies must intensely court customers, offer high-quality products, efficiently distribute them, ensure safety and keep prices low – all while staying nimble enough to exploit new markets by launching new products.

Several studies have been conducted on the topic of strategic management practices: Ongwaro (2004), looked at strategic change management practices in Kenyatta National Hospital. He concluded that though there are considerable achievements, the strategic objectives of change program are yet to be fully achieved. This has lead to the painful watch of the erosion of the distinctive advantages as the hospital. Thus reinforcement was seriously needed to sustain improvements that have been realized. There is need for new strategic direction and accountability and fair but vigorous review of performance and results where responsibilities are delegated.
Mbogo (2003) highlighted that application of “management by project” was the main organizational tool applied by Kenya Commercial Bank to turn strategy into reality and to manage the change programme. Ogworo (2003) studied strategic change management at national Cereals and Produce Board and concluded that the highest force pressuring change was the need to plan ahead but reinforcement of the change was poor. Rukunga (2003) in his study on strategic change management practices in Kenya a case of Nairobi Bottlers found out that Nairobi Bottlers followed one of the known models of strategic change management but did not give the necessary weight to one of the steps of the model i.e. empowerment.

A review of these studies indicates that there is need to study the soft drink industry more considering that it deals with products that are fast moving and that depend heavily on perceptions, beliefs, tastes and preferences and income levels of the consumers. The study on strategic change management practices in Nairobi Bottlers undertaken by Rukunga (2003) is similar to this proposed study, the only difference being that the latter focuses on many organizations in the soft drink industry unlike the previous focus of only one company. Applying the basic meaning of change, then it implies that the change practices that were applicable in 2003 could not be holding true now due to the turbulence in the environment. Thus this study seeks to investigate the strategic change management practices in the soft drink industry and what factors both internal and external influence the implementation of the change management practices.

1.3 Objectives of the Study

The objectives of the study will be:

1. To establish the strategic change management practices in the soft drink companies operating within Nairobi.
2. To determine the factors that are influencing the change management practices.
1.4 Importance of the Study
The soft drink industry plays a key role in satisfying human needs and also contributes to the overall gross domestic product of the country. This study will be important to the following group of users. Firstly, the academia may use the findings of this study for further research in the area of change management and practices that help cope with the ever turbulent environment. Stakeholders who include players in the soft drink industry as a whole in understanding the forces that necessitate certain change practices. Lastly the findings of this study could also be used by players in other industries in coping with the turbulent environment since some of the factors that necessitate change are universal.
CHAPTER TWO  
LITERATURE REVIEW

2.1 Introduction
This chapter focuses on what other authors have written about change management practices. Since change management programs are strategies, it starts with a focus on strategy and later introduces change management issues like approaches to change, force of change, resistance, strategic leadership, change agents, culture, learning organizations and innovation.

2.2 Strategy
Strategy can be seen as a multi-dimensions concept that embrace all the critical activities of the firm, providing it with a sense of unity, directions and purpose as well as facilitating the necessary change induced by its environment. It is a way of explicitly shaping the long term goals and objectives of the organization defining the major action programs needed to achieve those objectives and deploying the necessary resources. Strategy also defines the business the firm is in or intends to be in. This places strategy as the basic force that addresses issues of growth diversification and divestment. (Hax and Majluf, 1996). Thompson and Strickland (1989), agree to this by stating that an organization's strategy consists of the pattern of moves and approaches devised by management to produce successful organizational performance. It is a managerial game plan.

Strategy has three levels according to Pearce and Robinson (2002). Corporate level composed principally of members of the board of directors and the chief executive and administrative officers who are responsible for the financial performance of the corporation as a whole and for achieving the non-financial goals of the firm. Business level composed of business and corporate managers who must translate the general statements of direction and intent generated at the corporate level into concrete, functional objectives and strategies for individual business divisions. Functional level composed of managers of products geographic and functional areas that develop annual objectives and short-term strategies in such areas as production, operations and research and development, finance, accounting, marketing and human relations.
Crafting and executing strategy are the heart and soul of managing a business enterprise. This entails developing a strategic vision, setting objectives, crafting a strategy to achieve the objectives, implementing and executing the chosen strategy efficiently and effectively and evaluating performance and initiating corrective adjustments in the vision. A winning strategy must fit the enterprises external and internal situation, build sustainable competitive advantage and improve company’s performance. Good company situation analysis, like good industry and competitive analysis is a valuable precondition for a good strategy making. A competently done evaluation of a company’s resource capabilities and competitive strengths exposes strong and weak points in the present strategy and how attractive or unattractive the company’s competitive position is and why. Manager’s need such understanding to craft a strategy that is well suited to the company’s competitive circumstances (Thompson, Strickland and Gamble, 2007).

According to Ansoff and McDonnell (1990), Strategy is a potentially very powerful tool for coping with the conditions of change which surround the firm today; but it is complex, costly to introduce and costly to use. Nevertheless, there is evidence that it more than pays for itself. Strategy is a tool which offers significant help for coping with turbulence confronted by business firms, loss of relevance by universities, breakdown in law enforcement, breakdown in health service system, urban congestion. Therefore, it merits serious attention as a management tool, not only for the firm but also for a broad spectrum of social organizations.

2.3 Strategic Change Management
Strategy is needed in order for organizations to obtain a viable match between their external environment and their internal capabilities. The role of strategy is not viewed as just passively responding to the opportunities and threats presented by the external environment, but as continuously and actively adapting the organization to meet the demands of a changing environment. (Hax and Majluf, 1996). To understand why and how to change organizations, it is first necessary to understand their structures, management, and behavior. If change is to be successful, it has to link the strategic and the operational and everyday aspects of the organization. The approach taken to
managing strategic change will also need to be context dependent. It will not be the same for all situations in all types of organizations. Managers need to consider how to balance the different approaches to managing strategic change according to the circumstances they face. Moreover managers need to be able to help create the sort of organizational contexts which will facilitate change (Johnson and Scholes, 2002).

Strategies develop in different ways and this has implications on how change might be managed. Arguably it is beneficial for the nature of change in an organization to be incremental. In this way it will build on the skills, routines and beliefs of those in the organization, so that change is efficient and likely to win their commitment. A ‘big bang’ approach to change might be needed on occasions e.g. in crisis management. When the scope of change occurs within the current organizational beliefs and assumptions, its more of a realignment strategy rather than a fundamental change of strategic direction which is a transformation change. Implementing change, whether tactical or strategic is not just concerned with deciding what to do and resourcing the decisions that are made, it is also about gaining commitment to change, reviewing the progress of change and making appropriate adjustments (Cole, 2005).

2.4 Approaches to Change Management
Once the need for change has been identified steps can be taken to adapt the appropriate organizational variable. In many cases the changes required are relatively small and can be dealt with on a day-to-day basis as part of the normal activities of management. Some forces for changes, however, are considerable and require a matching response from the organization. In such cases a planned approach usually at a corporate strategic level, is required so that the necessary adaptations can be made to products, processes people etc (Cole, 2005).

2.4.1 Planned Change
This refers to change activities that are intentional and goal oriented (Robbins, 2003). Planned change, he further notes has two goals: it seems to improve the ability of the organization to adapt to changes in its environment and it seeks to change employee
behavior. If an organization is to survive, it must respond to changes in its environment, competitor moves, government policies, efforts to stimulate innovation, empower employees and introduce work teams are examples of planned change activities because an organizations success or failures is essentially due to the things that its employees do or fail to do. Planned change also is concerned with changing the behavior of individuals or groups within the organization.

According to Kurt Lewins model, planned change is an interactive, cyclical process involving diagnosis, action and evaluation and further action and evaluation. It’s an approach that recognizes that once change has taken place. It must be self-sustaining. Central to planned change in organizations is the emphasis placed on the collaborative nature of the change effort: the organization both managers and recipients of change, and the consultant jointly diagnose the organizations problem and jointly plan and design the specific changes (Burnes, 2004). Planned approach tends to concentrate on individuals and groups. Change is very much as a conscious process of moving parts of the organizations from one relatively stable state to another. It’s an approach that seeks to improve organizational effectiveness by changing individual and group beliefs and behavior through a process of participation and learning.

The planned approach to change does not only offer a well developed change process, but it also provide a blueprint for the behavior and attributes of change agents who, in turn, are buttressed and supported by a host of tools and techniques for analyzing organizations and managing change. The planning process itself can help unfreeze the organization by convincing people on the need for change and involving them in decisions about how to change (Hellriegel, Jackson and Slocum, 2005). However, in the case of the much speedier top-down change, problems may emerge later and may be difficult to resolve. (Hill and Jones, 2001).

2.4.2 Emergent Approach

According to Burnes (2004), the emergent approach to change management conceives of organizations as operating in a continuous state of flux and turbulence. Emergent change
tends to be characterized as a bottom-up, unpredictable, messy and politically-driven process. The role of managers is to develop a climate in which everyone in the organization has a responsibility for identifying the need for, and implementing change. The objective of emergent approach is not to achieve a fixed outcome but continuously to align and realign the organization with the changing needs of an unpredictable environment.

The emergent approach identifies five features of organizations life that either promote or block change: structure, culture, organizational learning, managerial behavior, and power and politics. The emergent approach, whilst stressing the issue of process, takes the view that change is not a specialist activity driven by an expert, but an increasingly important part of every managers role. According to Hill and Jones (2001), the advantage of bottom-up change is that it removes some of the obstacles to change by including them in the strategic plan. The purpose of consulting with managers at all levels reveals potential problems.

The suitability of any one approach is determined by a range of factors, especially the stability, or otherwise of an organization's environment. Thus, a key role for managers is to make sense of the complexity of their organization's situations and choose an approach to change which best aligns with this. Nevertheless, though constraints such as the nature of the environment in which their organizations operate place limitations on managers, freedom of choice, managers can often but not always influence, moderate or alter these constraints to make them better suited to their organizations own preferences and needs. (Burnes, 2004).

**2.5 Forces of Change**

More and more organizations today face a dynamic and changing environment. This, in turn, is requiring these organizations to adapt. “Change or die” is the rallying cry among today’s managers worldwide (Robbins, 2003). Whoever is in the position of managing change will need to consider the style of management they adopt; this is more or less appropriate according to organizational context. According to Bateman and Zeithaml
(1990), pressures for change come from many sources, inside pressure come from top managers and lower-level employees who push for change while outside pressure comes from changes in the legal, competitive, technological and economic environment. Organizations change when they have to—typically when they uncover evidence of declining effectiveness. Organizations can “take their pulse” by looking at numerous indicators from their own information systems. Often, organizational change is caused by unforeseen crisis that makes continuation of the status quo unthinkable. Organizational goals reflect in part the preferences of those in influential positions. Leaders, interest groups and coalitions have their own goals. An organization may also undertake comprehensive change even when there is no indication of immediate problems. Trends, potential difficulties or opportunities may prompt a decision to enter new markets, pursue a strategy of growth, become less dependent on certain suppliers, switch from a centralized to a decentralized structure, or adopt new technologies (Organ and Bateman, 1991).

In addition to pressing reasons for re-organization, there is a certain need for moderate and continuing readjustment merely to keep the structure from becoming stagnant (Weihrich and Koontz, 1993). In addition Gordon, Mondy, Sharplin and Premeaux (1990), highlight five possible reasons for imposing rapid cultural changes. These include, a company having strong values that don't fit a changing environment, a competitive industry that moves with a lighting speed, a mediocre or worse company, a company about to join the ranks of the very largest companies and a smaller company that is growing rapidly.

2.6 Resistance to Change
Research and experience show that there is a widespread tendency among employees to resist change, even thought it might appear to outside observers that working conditions would be improved. Resistance to change provides a degree of stability and predictability to behavior. It can also be a source of functional conflict. Resistance to change doesn’t necessarily surface in standardized ways; it could be overt, implicit, immediate or deferred. Resistance to change could be caused by both individual factors e.g. habit,
feeling of insecurity, economic factors, fear of the unknown and selective information processing or organizational factor for example structural inertia, limited focus of change, group inertia, threat to expertise, threat to established power relationships, and threat to established resource allocations (Robbins and Judge, 2007).

There are individual differences in employees’ attitudes to change. Some people welcome change, enjoying the excitement and the disturbance of familiar routine. Others dislike change of any kind, even in their private lives. The greater majority lies between these two extremes, their reaction to change at work being influenced partly by the nature of the change and partly by the way it is handled. Some companies have a tradition of frequent change and tend to attract employees who like uncertainty and variety. In such companies changes are not likely to be resisted by the employees unless they are obviously unreasonable (Graham and Bennett, 1998).

According to Lewin's force field analysis model change is both affected by driving forces and restraining forces. Driving forces push the organization towards a new state of affairs. These forces could include globalization, virtual work and a changing workforce. Restraining forces maintain the status quo. They are commonly called “resistance to change” because they appear as employee behavior that block the change process. Stability occurs when the driving and restraining forces are roughly in equilibrium (McShane and Van Glinow, 2008).

The relationship between individual and organizational resistance to change is important. An organization is a complex system of relationships between people, leaders, technologies and work processes. From this interaction emerge organizational behavior, culture and performance. These emergent properties and behaviors are tightly interlinked. Organizational resistance to change can easily give rise to individual resistance and vise-versa. A self-reinforcing loop of increasing resistance can develop in the organization if individuals create an environment in which resistance to change is the norm. The environment in-turn encourages increased resistance to change among individual employees. The basic dynamic behind this phenomenon is that the organization is made up of a network of circular causal processes (Lorenzi, Riley, Ball, and Douglas, 1995).
2.7 Overcoming Resistance to Change

Change is often necessary despite the resistance that may arise. According to Gordon et al. (1990), some of the approaches designed to reduce resistance to change include providing information in advance, encouraging participation, guaranteeing against loss, making only necessary changes, attempting to maintain useful customs and informal relationships, building trust, providing counseling and allowing for negotiation. Robbins (2002) suggests six tactics that could be used by change agents in dealing with resistance to change. They include education and communication, participation, facilitation and support, negotiation, manipulation and co-optation and coercion. Jones and Scholes (2002), agree with these methods but also include intervention which refers to coordination of and authority over processes of change by a change agent who delegates elements of the change process and direction, which involves the use of personal managerial authority to establish a clear future strategy and how change will occur.

In addition to these methods, Terry and Franklin (1997), also suggest that timing of the change is important. They argue that either of two extremes, or some compromise between them can be adopted. These include making the changes within a relatively short period – the so called earthquake approach or making the changes on a continuing basis over a relatively long period. The earthquake approach is common. It is decisive and emphasizes the do-it-and-get-it-over-with viewpoint. Yet, it may destroy harmonious and productive relationships, curtail employee participation and damage morale. In contrast, organizational change can be brought about over extended periods of time. These extended periods of time permit ample consultations with managers about the changes and their suggestions regarding them. It provides time for thorough indoctrination about contemplated changes. It represents the conservative, let's-be-sure-before-we-go ahead attitude and is in keeping with the current practice of giving serious considerations to employees' viewpoints.

Strategists can take a number of positive actions to minimize managers' and employees' resistance to change. For example, individuals who will be affected by change should be involved in the decision to make the change, and in decision about how to implement the
change. Strategists should anticipate changes, develop, and offer training and development workshops so that managers and employees can adapt to those changes. They also need to communicate the need for change effectively. The strategic management process can be described as a process of managing change (David, 1997). According to Bateman and Organ (1991), resistance to change could be managed through the following ways, accommodating resistors by inviting their participation in planning, design and process of carrying out change programs, educating employees about change-its nature and reason, exhibiting the kinds of leadership behaviors conveying support as difficult change unfolds and changing reward systems.

### 2.8 Strategic Leadership in Change Management

The management of change is often linked to the role of a strategic leader. Leadership is the process of influencing an organization (or group within an organization) in its efforts towards achieving an aim or goal (Johnson and Scholes, 2002). Successful leaders have particular personal characteristics or traits. These include visionary capacity, being good at team building and team playing, a capacity for self-analysis and self-learning, mental agility and the ability to cope with complexity, self direction and self confidence. They further argue that strategic leaders should be charismatic leaders who are mainly concerned with building a vision for the organization and energizing people to achieve it and instrumental or transactional leaders who focus more on designing systems and controlling the organizations activities.

Strategic leaders adapt different approaches to managing strategy to change i.e. they attend more to some aspects of strategic management than to other aspects. The approaches vary from a focus on personal responsibility in the search for future opportunities and the development of overall strategy- the strategy approach; a focus on developing people who can take responsibility for strategy at the market interface-the human assets approach; a focus on a particular area of expertise that will be a source of competitive advantage; the development, communication and monitoring of a set of controls to ensure uniform organizational behavior and standards-the box approach and on strategic change and the continual reinvention of the organization.
Thompson (1997), notes that the importance attached to formal planning processes and emergent strategy creation in an organization will depend upon the personal preferences and the styles of management adopted by the strategic leader. There is no single recommended style for effective strategic leadership. Some leaders are autocratic others democratic in the way they make decision. Some rely on planning and analysis, others are more intuitive and visionary. Leaders vary in the degree of risk they will accept willingly. It is always important to evaluate the leader’s position and situation.

According to Hellriegel, Jackson and Slocum (2005), leadership is an influence relationship among leaders and followers who strive for real change and outcomes that reflect their shared purposes. The ability to remain flexible and open to change is essential for leaders. Leaders lead from the heart they are analytical and flexible, in contrast, manager’s focus on the technical aspects of the work and expect people to simply do as they are told. Leaders could use different tactics to implement change and the most likely response of followers would be expected as below;

**Table 2.1: Response on managers' tactics to managing change**

<table>
<thead>
<tr>
<th>Type of influence tactic used by leaders</th>
<th>Most likely response of followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercion</td>
<td><strong>Resistance:</strong> Followers may appear to respond but not actually do so or they may get angry and even sabotage the leaders plan.</td>
</tr>
<tr>
<td>Formal position or Reward</td>
<td><strong>Compliance:</strong> Followers do what they are told but without any enthusiasm.</td>
</tr>
<tr>
<td>Expertise or charisma</td>
<td><strong>Commitment:</strong> followers are enthusiastic to achieve the leader’s objectives, and they accept the objectives as their own.</td>
</tr>
</tbody>
</table>

2.9 Change Agents

According to McShane and Von Glinow (2008), a change agent is anyone who possesses enough knowledge and power to guide and facilitate the change effort. Change agents come in different forms and more than one person is often required to serve in these different roles. Transformational leaders are the primary agent of change because they form a vision of the desired future state, communicate that vision in ways that are meaningful to others, behave in ways that are consistent with the vision, and build commitment to the vision. They are architects who shape the overall direction for the change effort and motivate employees to achieve that objective. Transactional leaders implement the change by aligning the daily behavior of individual employees within the organizations new goals. Consultants from either insider or outside the organization represent a third change agent role. They bring unique expertise to the change process through a toolkit of change processes.

Cole (2005), agrees to this by stating that a change agent's role is crucial in any change management programme. The role is principally to guide and facilitate the change process once the initial approval to proceed has been given by the top management. Cole further argues that a change agent is usually someone from outside the organization, especially where internal politics are likely to play an important role in the change process. The change agent should be skilled to bring a sense of objectivity to discussions, challenging existing norms and cultural forms, acting impartially between individuals and groups, and introducing experience and insights gained from similar exercises in other organizations.

Robbins (2003), notes that change agents are responsible for managing change activities. He argues that change agents could be managers or non managers, employees of the organization or outside consultants. For major change efforts, internal management often will hire the services of outside consultants to provide advice and assistance. Outside consultants, however are disadvantaged because they usually have an inadequate understanding of the organizations history, culture, operating procedures and personnel. Outside consultants may also be prone to initiating more drastic changes which can be a
benefit or a disadvantage because they don’t have to live with the repercussions after the change is implemented. In contrast, internal staff specialists or managers, when acting as change agents may be more thoughtful because they have to live with the consequence of their actions.

2.10 Learning Organizations and Change Management

A learning organization according to Robbins (2003), is an organization that has developed the continuous capacity to adapt and change. All organizations learn, whether they consciously choose to or not. It’s a fundamental requirement for their sustained existence. Learning organizations is an ideal to strive toward rather than a realistic description of structured activity. They draw on organizational behaviour concepts such as quality management, organizational culture, the boundary-less organizations, functional conflict and transformational leadership. Learning organizations use double loop learning i.e. when an error is detected its corrected in ways that involve the modification of the organizations objectives, policies and standard routines.

A learning organization has both the drive and the capability to modify or transform itself and improve its performance continuously. Successful innovation and change are not events with clear cut beginnings and endings, rather they are never-ending processes that have become part of the daily routine. When an organization’s environment is unstable, learning may require a lot of exploration and experimentation while in stable environments, it’s more stable and occurs through a systematic process of testing alternative approaches. Learning organizations have five distinctive features, shared leadership, culture of innovation, customer-focused strategy, organic organization design and intensive use of information (Hellriegel et al, 2005).

The core of learning organizations is based upon five learning disciplines; Personal mastery-learning to expand personal capacity to create the results most desired, Mental models- reflecting upon continually clarifying and improving internal pictures of the world, and seeing how they shape actions and decisions, Shared vision-building a sense of commitment in a group, Team learning- transforming conversational and collective
thinking skills so that groups of people can reliably develop intelligence and ability greater than the sum of individual members talents and Systems thinking- a way of thinking about, and a language for describing and understanding the forces and inter-relationships that shape the behavior of systems (Senge, Kleiner, Roberts, Ross and Smith, 1994). People in learning organizations react more quickly when their environment changes because they know how to and anticipate changes that are going to occur, and create the kinds of changes they want. Change and learning may not exactly be synonymous, but they are inextricably linked.

2.11 Role of Innovation in Organizational Change

Change refers to making things different. Innovation is a more specialized kind of change. Innovation is a new idea applied to initiating or improving a product, process or service. All innovations involve change but not all changes necessary involved new ideas or lead to significant improvements. Innovation encompasses product, production process technologies, new structures or administrative systems and new plans or programs pertaining to organizational members (Robbins 2003). A dynamic, changing environment makes innovation and change as important for established organizations as they are for new organizations. Successful organizations can’t rest on their prior success. When a company fails to innovate and change as needed, customers, employees and even the larger community can all suffer (Hellriegel, Jackson and Slocum, 2005).

Hellriegel et al (2005), highlights types of innovation since ideas can take many forms. These include technical innovation which involves the creation of new goods and services and occur through basic research and development efforts intended to satisfy demanding customers, process innovation which involves creating a new way of producing, selling and/or distributing an existing good or service, and administrative innovation which occurs when creation of a new organization design better supports the creation, production and delivery of goods and services.

According to Robbins (2003), structural variables have been the most studied potential source of innovation. Organic structures positively influence innovation because they are
lower in vertical differentiation, formalization and centralization. They facilitate the flexibility, adaptation and cross-fertilization that make the adoption of innovations easier. A long tenure in management is associated with innovation. It provides legitimacy and knowledge of how to accomplish tasks and obtain desired outcomes. Also innovation is nurtured when there are slack resources. Abundant resources allows an organization to afford to purchase innovation, bear the cost of instituting innovations and absorb failures. Inter-unit communication is high in innovative organizations. Such organizations are high users of committees, task force, cross functional teams and other mechanism that facilitate interaction across departmental lines.

2.12 Organizational Culture and Change Management

Culture is a system of shared meaning held by members that distinguishes the organization from other organizations. The system is a set of key characteristics that the organization values and includes innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability (Robbins, 2003). Culture is often viewed in terms of the level of participation that exists within the organization. Its evidence can be found in its status, symbol, traditions, history, rituals, jargon and physical environment.

Strategists should strive to preserve, emphasize and build upon aspects of an existing culture that support new strategies. Aspects of an existing culture that are antagonistic to a proposed strategy should be identified and changed. Substantial research indicates that new strategies are often market driven and dictated by competitive forces. For this reason, changing a firm's culture to fit a new strategy is usually more effective than changing a strategy to fit a firm's culture. Numerous techniques are available to alter an organization's culture, including recruitment, training, transfer, promotions, restructure of an organizations design, or modeling, and positive reinforcement (David, 1997).

Culture is a liability when the shared values are not in agreement with those that will further the organizations effectiveness. When an organization’s environment is undergoing rapid change, an organization’s entrenched culture may no longer be
appropriate. Changing a culture may take a longtime. It demands changing values, symbols, myths, and behavior. It may require first understanding the old culture, identifying a sub-culture in the organization, and rewarding those living this culture. Chief executive officers must symbolize the culture they want to promote. A clear vision of a common purpose elicits commitment. Moreover, when people participate in the decision making process and exercise self-direction and self-control, they feel committed to their own plans. But, espoused values need to be reinforced through rewards and incentives, ceremonies, stories, and symbolic actions (Weihrich and Koontz, 1993).
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter focused on the methods used for data collection and analysis. It highlights the research design, population of the study, sample, sampling method, data collection method and data analysis.

3.2 Research Design
This was a cross-sectional survey. It is a study that was carried at one time in time. Surveys are popular as they allow the collection of a large amount of data from a sizable population in a highly economical way. The survey strategy is perceived as authoritative by people in general and is both comparatively easy to explain and to understand. They survey method is one of the most important data collection method in social sciences and as such it is used extensively to collect information on numerous subjects of research. (Frankfort-Nachmias and Nachmias, 1996). According to Mugenda and Mugenda (1999) the survey research is probably the best method available to social scientists and other educators who are interested in collecting original data for the purpose of describing a population which is too large to observe directly in addition a part from just describing surveys can be used for explaining or exploring the existing status of two or more variables at a given point in time. Surveys are also excellent at a given point in time. Surveys are also excellent are also excellent vehicles for the measurement of characteristics of large population.

3.3 Population
The population of the study comprised of all companies manufacturing soft drink products and are operating within Nairobi. Nairobi area was chosen for the study since most companies are located there and because of the constraints on time and finances. Data provided by the ministry of industrialization, Kenya Bureau of Standards and Kenya Association of Manufacturers indicated that there were around 78 companies operating within Nairobi Metropolitant.
3.4 Sample and Sampling Method
The sample for the research included 35 companies that represented 45 percent of the population. A sample is a group of items taken from the population for examination (Harper, 1991). Simple random sampling method was used to select the sample elements. A random sample is one selected in such a way that every item in the population has an equal chance of being included (Harper, 1991). This is the only method of sampling in which we can be confident that the selection method is free from bias.

3.5 Data Collection
Data was collected using questionnaires with structured and unstructured questions. A self-administered questionnaire was delivered by hand to the respondents, who were senior managers in the companies. The questionnaire focused on issues of change management and was structured into five sections. The questionnaire is the most widely used method of data collection in social sciences. It's popular because the researcher has control over the types of data recorded at the time of data gathering. The researcher also has the advantage of determining the data types and how data should be organized. The questionnaire method also helps the researcher to verify and or update information or data from official or archival records. Since the questionnaire is standardized, it will allow easy comparison.

Though questionnaires are widely used in social sciences they have the following disadvantages. They require simple, easily understood questions and instructions, they do not offer researchers the opportunity to probe for additional information or to clarify answers, researchers cannot control who fills out the questionnaires and response rates are low. (Frankfort – Nachmias and Nachmias, 1996)

3.6 Data Analysis
After collection, the raw data was edited for completeness and consistency. Descriptive analysis was performed on the quantitative form of data to inform the research objectives. A descriptive research determines and reports the way things are. Data is collected in order to test hypotheses or to answer questions concerning the current status of the
subjects in the study. Descriptive analysis describe and summarize data using a few indices or statistics. Statistical computations that were done included frequencies, percentages, measures of central tendency, measures of variation and measures of association or relationship. Graphs, charts and tables were used to supplement statistical data. The graphs and tables enable the reader to compare or see the trend of the distribution more vividly than simply looking at numbers in a frequency table.
CHAPTER FOUR
FINDINGS AND DISCUSSION

4.1 Introduction

This chapter discusses the findings of the research in relation to the laid out research objectives. The study was designed to determine the forces that initiate change management programs and to highlight change management practices embraced by organizations in the soft drink industry in coping with the turbulent environment. In order to attain the above objectives, a sample survey was conducted. Primary data was collected through a six-page questionnaire.

The research targeted 35 companies drawn from a population of 78 companies. Out of the 35 questionnaires sent out, 11 were fully filled. This results to a 31.4% response rate. The analysis in this chapter is done according to the themes in the questionnaire and data is presented in form of frequency tables, percentage, means and standard deviations.

4.2 Background Information

This section was aimed to give insight of the companies that were studied. In particular the section provides information pertaining ownership, years of operation, scope of trade, turnover sales market share and number of products.

4.2.1 Years of Operations

Table 4.1: Years of Operations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 years</td>
<td>34</td>
<td>36.4</td>
</tr>
<tr>
<td>6-10 years</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>11-15 years</td>
<td>2</td>
<td>18.2</td>
</tr>
<tr>
<td>16-20 years</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>20 years and above</td>
<td>3</td>
<td>273</td>
</tr>
</tbody>
</table>
From the above analysis, it can be seen that most companies in the soft drink industry are young i.e. they have been introduced in the last 5 years. This supports the high increase of new entrants in the industry. Companies that have a long life in the industry rate second at a 27.3%. These include companies that are well established in the market and have acquired a large share of the market.

4.2.2 Number of Products

Table 4.2: Number of Products

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Companies</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>6</td>
<td>54.5</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
<td>18.2</td>
</tr>
<tr>
<td>10-15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 and above</td>
<td>2</td>
<td>18.2</td>
</tr>
</tbody>
</table>

A high percentage of companies in this industry serve the market by offering few products. Thus there is high concentration in their production.

4.2.3 State of Ownership

Table 4.3: State of Ownership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Company</td>
<td>8</td>
<td>72.7</td>
</tr>
<tr>
<td>Public Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jointly private and Government owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>2</td>
<td>18.2</td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local and foreign</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Of the respondents 72.7% were privately owned while 20% were local companies.
4.2.4 Sales Turnover

Table 4.4: Sales Turnover

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 – 20 million</td>
<td>3</td>
<td>27.3</td>
</tr>
<tr>
<td>21 – 30 million</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>31 – 40 million</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>41 – 50 million</td>
<td>2</td>
<td>18.2</td>
</tr>
<tr>
<td>Above 50 million</td>
<td>4</td>
<td>36.4</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100</td>
</tr>
</tbody>
</table>

A high percentage of the companies have a sale turnover of over kshs 50 million. The difference in size of the companies operating in this industry can be seen since the second highest percentage of 27.3 are companies that realize sales turnover of less than kshs 20 million.

4.2.5 Market Share

Table 4.5: Market Share

<table>
<thead>
<tr>
<th>Variable (year)</th>
<th>0-10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
<th>40-50</th>
<th>Over 50%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>2005</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>2006</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>2007</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>2008</td>
<td>6</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>11</td>
</tr>
</tbody>
</table>

Most companies only serve a small percentage of the market from this analysis, its evident that a few companies are large enough and distribute their products to many customers thus having a high market share.
4.2.6 Scope of Operation

Table 4.6: Scope of Operation

<table>
<thead>
<tr>
<th>Variable (countries)</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally only</td>
<td>4</td>
<td>36.4</td>
</tr>
<tr>
<td>2-5</td>
<td>3</td>
<td>27.3</td>
</tr>
<tr>
<td>6-10</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>11-15</td>
<td>2</td>
<td>18.2</td>
</tr>
<tr>
<td>16 and above</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Most companies offer their product to local consumers only. They are highly concentrated within the country’s boundaries.

4.3 Nature of Change

There are two basic types of change reactive change forces the organization to respond to short notice to external or internal influences. Planned change is one where the organization initiates change proactively. The success with which an organization responds to unplanned change depends mainly on the flexibility of its decision making mechanisms and the ability to predict major changes which is an important aspect of strategic management. This section sought to determine what sections have undergone changes, the changes were carried out, types of change (on going or planned for) and the preparation made before implementing the strategic changes.

4.3.1 Sections that have Undergone Changes

Table 4.7: Sections that have Undergone Changes

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percent (out of 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal processes</td>
<td>5</td>
<td>45.5</td>
</tr>
<tr>
<td>Technology</td>
<td>6</td>
<td>54.5</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>3</td>
<td>27.3</td>
</tr>
<tr>
<td>Marketing and Sales</td>
<td>8</td>
<td>72.7</td>
</tr>
<tr>
<td>Human Resources</td>
<td>5</td>
<td>45.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Most companies carry out changes mainly in their marketing and sales departments. This is clearly supported by the aggressive marketing technique employed by marketers. Selling soft drink products. The rising number of new entrants in the industry especially manufacturers of mineral water and healthy juices also contributes to the high percentage of changes in the marketing and sales departments. Production of competitive products is coupled by use of up to date technology.

4.3.2 How changes were carried out

Table 4.8: How changes were carried out

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>At once</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Continuously</td>
<td>5</td>
<td>45.5</td>
</tr>
<tr>
<td>Gradually</td>
<td>5</td>
<td>45.5</td>
</tr>
<tr>
<td>Intermittently</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Once initiated change in the soft drink industry were carried out gradually but continuously. A few companies though carried on their changes intermittently that is in stages with lapse of time in between the change programs. This would sometime distort the objectives of the change.

4.3.3 Type of Change

Table 4.9: Type of Change

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned for</td>
<td>6</td>
<td>54.5</td>
</tr>
<tr>
<td>On-going</td>
<td>5</td>
<td>45.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Most changes are planned for. This may be because some forces are considerable and require a matching response from the organization. This demands attention at a corporate strategic level so that the necessary adaptation can be made to products, processes or
people. It requires that targets are set, implementation policies to be agreed and appropriate steps to be taken to prepare employees.

4.3.4 Preparations Made before change Implementation

Table 4.10: Preparations Made before change Implementation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing the environment</td>
<td>7</td>
<td>63.6</td>
</tr>
<tr>
<td>Defining change goals</td>
<td>8</td>
<td>72.7</td>
</tr>
<tr>
<td>Assessing organization capabilities</td>
<td>9</td>
<td>81.8</td>
</tr>
<tr>
<td>Forming change committees</td>
<td>8</td>
<td>72.7</td>
</tr>
</tbody>
</table>

From the above table it’s clear that most organizations are more concerned about the resources available to implement changes. Internal capabilities mainly involve but not limited to structure and systems, tasks and work. People technology, organization culture and strategy development.

4.4 Forces of Change

Table 4.11: Forces of Change

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Competition</td>
<td>11</td>
<td>1.0909</td>
<td>.30151</td>
</tr>
<tr>
<td>Global Competition</td>
<td>11</td>
<td>2.4545</td>
<td>1.63485</td>
</tr>
<tr>
<td>Technology</td>
<td>10</td>
<td>1.9000</td>
<td>1.10050</td>
</tr>
<tr>
<td>To increase effectiveness/ performance</td>
<td>11</td>
<td>2.0909</td>
<td>1.22103</td>
</tr>
<tr>
<td>Leaders Interest</td>
<td>8</td>
<td>3.2500</td>
<td>1.66905</td>
</tr>
<tr>
<td>To take advantage of opportunities</td>
<td>10</td>
<td>2.0000</td>
<td>1.24722</td>
</tr>
<tr>
<td>Growth</td>
<td>11</td>
<td>1.3636</td>
<td>.50452</td>
</tr>
<tr>
<td>Increase independence</td>
<td>10</td>
<td>2.7000</td>
<td>1.25167</td>
</tr>
<tr>
<td>Reduce dependency on supplies</td>
<td>10</td>
<td>2.8000</td>
<td>1.47573</td>
</tr>
<tr>
<td>Government policies</td>
<td>11</td>
<td>1.7273</td>
<td>.78625</td>
</tr>
<tr>
<td>Customer needs</td>
<td>11</td>
<td>1.6364</td>
<td>1.28629</td>
</tr>
<tr>
<td>New C E O</td>
<td>10</td>
<td>3.9000</td>
<td>1.10050</td>
</tr>
<tr>
<td>To maintain or improve industry position</td>
<td>11</td>
<td>2.1818</td>
<td>1.16775</td>
</tr>
</tbody>
</table>

From the research data presented above local competition scored highly as the very important factor that necessitates change. This confirms the intense competition battle evident in the soft drink industry.
Introduction of new CEO rated as the highly insignificant factor in necessitating change largely this could be caused by application of universally accepted strategic management practices.

4.5 The Change Process

4.5.1 Development of the Vision

Figure 4.1 Development of the Vision

Top management is responsible for developing the vision for the organization in 63.6% of companies. In 36.4% of the companies, the board of directors formulate the vision on behalf of the organization the vision gives the organizational members a common view on future expectation.

4.5.2 Communicating the Vision

This section sought to identify the mode of communication used to communicate the change vision to the stakeholders. Not only are employees within the organization concerned with change bill also other stakeholders outside the organization for instance, shareholders, should be well informed about the change programs to be implemented. Communication helps eliminate uncertainty thus it should honest and timely it’s the channel through which feedback will be given on the progress of the change program from those charged with implementation to the planners.
Table 4.12: Communicating the Vision

<table>
<thead>
<tr>
<th>Variable (mode of communication)</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings</td>
<td></td>
<td>14.3</td>
</tr>
<tr>
<td>Newsletter</td>
<td>5</td>
<td>6.5</td>
</tr>
<tr>
<td>Circulars</td>
<td>6</td>
<td>7.8</td>
</tr>
<tr>
<td>Bulletins</td>
<td>5</td>
<td>6.5</td>
</tr>
<tr>
<td>Memos</td>
<td>5</td>
<td>6.5</td>
</tr>
<tr>
<td>Grapevine</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Informally in social groups</td>
<td>4</td>
<td>5.2</td>
</tr>
</tbody>
</table>

4.5.3 Creating Urgency

On average changing customer needs rated first in creating the urgency needed to initiate change programs, while changing competition followed closely.

Table 4.13: Creating Urgency

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing customer needs</td>
<td>11</td>
<td>1.1818</td>
<td>.40452</td>
</tr>
<tr>
<td>Changing competition</td>
<td>11</td>
<td>1.4545</td>
<td>.52223</td>
</tr>
<tr>
<td>Changing enviroment</td>
<td>10</td>
<td>1.7000</td>
<td>.94868</td>
</tr>
<tr>
<td>Changing technology</td>
<td>10</td>
<td>2.1000</td>
<td>.73786</td>
</tr>
<tr>
<td>Industry benchmarks</td>
<td>10</td>
<td>2.5000</td>
<td>1.08012</td>
</tr>
<tr>
<td>Efficiency an perfomance</td>
<td>11</td>
<td>2.2727</td>
<td>1.19087</td>
</tr>
<tr>
<td>Cost</td>
<td>11</td>
<td>1.8182</td>
<td>.98165</td>
</tr>
<tr>
<td>Quality of products</td>
<td>10</td>
<td>1.9000</td>
<td>.87560</td>
</tr>
</tbody>
</table>

4.5.4 Initiating Change Programs

In most companies’ senior management are the ones that initiate change programs. Rarely do employees initiate change programs.
Table 4.14: Initiating Change Programs

<table>
<thead>
<tr>
<th>Management Board</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>10</td>
<td>2.0000</td>
<td>.81650</td>
</tr>
<tr>
<td>Senior Management</td>
<td>10</td>
<td>1.8000</td>
<td>.63246</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>10</td>
<td>2.1000</td>
<td>.73786</td>
</tr>
<tr>
<td>Lower Level Management</td>
<td>9</td>
<td>2.8000</td>
<td>.78881</td>
</tr>
<tr>
<td>Employees</td>
<td>10</td>
<td>3.3333</td>
<td>.70711</td>
</tr>
</tbody>
</table>

4.5.5 Stakeholders interest in change

![Stakeholders interest in change](image)

Figure 4.2: Stakeholders interest in change

63.6% of the companies reported that they cater for stakeholders interest in their change management programs

4.5.6 Use of Change Agents

![Use of Change Agents](image)

Figure 4.3: Use of Change Agents
More than half of the companies that responded do not use change agents in the execution of their change programs.

4.6 Resistance to Change

4.6.1 Factors that Contribute to Resistance

Table 4.15: Factors that Contribute to Resistance

<table>
<thead>
<tr>
<th>Factor</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parochial self interest</td>
<td>9</td>
<td>3.1111</td>
<td>1.16667</td>
</tr>
<tr>
<td>Lack of enough information</td>
<td>10</td>
<td>2.6000</td>
<td>1.42984</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>10</td>
<td>2.5000</td>
<td>1.08012</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>9</td>
<td>2.4444</td>
<td>1.13039</td>
</tr>
<tr>
<td>Fear of the unknown</td>
<td>11</td>
<td>2.4545</td>
<td>1.36848</td>
</tr>
<tr>
<td>Threat to established relationships</td>
<td>10</td>
<td>2.4000</td>
<td>0.96609</td>
</tr>
<tr>
<td>Misunderstanding and lack of trust</td>
<td>10</td>
<td>3.2000</td>
<td>1.13529</td>
</tr>
<tr>
<td>Different assessment</td>
<td>10</td>
<td>3.6000</td>
<td>1.26491</td>
</tr>
<tr>
<td>Low tolerance to for change</td>
<td>10</td>
<td>2.0000</td>
<td>1.24722</td>
</tr>
<tr>
<td>Threat to job status/security</td>
<td>10</td>
<td>1.5000</td>
<td>0.97183</td>
</tr>
<tr>
<td>Competing commitments</td>
<td>10</td>
<td>3.5000</td>
<td>1.35401</td>
</tr>
<tr>
<td>Inertia</td>
<td>8</td>
<td>3.7500</td>
<td>0.70711</td>
</tr>
<tr>
<td>Timing</td>
<td>11</td>
<td>3.6364</td>
<td>1.36182</td>
</tr>
</tbody>
</table>

Change has an element of uncertainty both for employees and for the organization. From the above study threat to job status/security was the strongest in contributing to resistance.

4.6.2 Signs of Resistance

Table 4.16: Signs of Resistance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gossip</td>
<td>5</td>
<td>6.5</td>
</tr>
<tr>
<td>Grumbling</td>
<td>4</td>
<td>5.2</td>
</tr>
<tr>
<td>Complaints</td>
<td>4</td>
<td>5.2</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>2</td>
<td>2.6</td>
</tr>
<tr>
<td>Skipping meetings</td>
<td>2</td>
<td>2.6</td>
</tr>
<tr>
<td>Go-slow</td>
<td>4</td>
<td>5.2</td>
</tr>
<tr>
<td>Sticking on to the old system</td>
<td>8</td>
<td>10.4</td>
</tr>
</tbody>
</table>
In a high percentage of the company sticking on to the old system was the most exhibited sign of resistance.

4.6.3 Reducing Resistance to Change

Table 4.17: Reducing Resistance to Change

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Communication</td>
<td>9</td>
<td>10.23</td>
</tr>
<tr>
<td>Participation and Involvement</td>
<td>11</td>
<td>12.5</td>
</tr>
<tr>
<td>Facilitation and Support</td>
<td>5</td>
<td>5.68</td>
</tr>
<tr>
<td>Negotiation and Agreement</td>
<td>6</td>
<td>6.82</td>
</tr>
<tr>
<td>Manipulation and Co-option</td>
<td>1</td>
<td>1.14</td>
</tr>
<tr>
<td>Explicit and Implicit Coercion</td>
<td>2</td>
<td>2.27</td>
</tr>
<tr>
<td>Role Modeling</td>
<td>3</td>
<td>3.41</td>
</tr>
<tr>
<td>Counseling</td>
<td>3</td>
<td>3.41</td>
</tr>
</tbody>
</table>

Majority of the companies interviewed apply participation and involvement as a the most appropriate method in dealing with resistance to change. Manipulation and co-option is the least used method.

4.6.4 Reinforcement of Change Programs

Table 4.18: Reinforcement of Change Programs

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Communication</td>
<td>11</td>
<td>16.67</td>
</tr>
<tr>
<td>Provision of feedback on change progress</td>
<td>9</td>
<td>13.64</td>
</tr>
<tr>
<td>Celebrating short-term wins</td>
<td>5</td>
<td>7.58</td>
</tr>
<tr>
<td>Coaching of the people involved</td>
<td>7</td>
<td>10.61</td>
</tr>
<tr>
<td>Institutionalized new approaches through policy changes</td>
<td>7</td>
<td>10.61</td>
</tr>
<tr>
<td>Change of reward systems to support change initiative</td>
<td>2</td>
<td>3.03</td>
</tr>
</tbody>
</table>

From the table above change in most of the interviewed companies is reinforced through continuous communication.
4.6.5 Readiness of Employees

In a high percentage of the companies interviewed, employees are moderately ready for other change programs.
CHAPTER FIVE
SUMMARY AND CONCLUSIONS

5.1 Introduction
This chapter summarizes the findings and draws conclusions relevant to the research. The objectives of the study were to identify the forces that necessitate changes and identify the change management practices embraced by firms operating in the soft drink industry in Kenya.

5.2 Summary and Conclusion
5.2.1 Forces of Change
The forces for change can be classified conveniently into two groups (i) environment forces and (ii) Internal forces while many environment forces are beyond the control of management whereas internal forces operate inside the firm and generally are within the control of management.

The results of the study show that both internal forces and environmental forces played major roles in influencing changes. In order of influence, the factors rating from the strongest to the weakest were as follows; local competition, customer needs, government and legislative policies, growth, taking advantage of opportunities to increase effectiveness or performance to maintain or improve industry position to increase independence, technology leader’s interest, global competition and new CEO.

Competition is changing the drastic increase in the number of firms operating in the soft drink industry makes competition more stiff. Consumers have a variety of products to choose from. Heightened competition also makes it necessary for established organizations to defend themselves against both traditional competitions that develop new products and small entrepreneurial firms with innovative offerings. Successful organizations are the ones that can change in response to the competition. The stronger the forces of competition, the harder it becomes for industry members to earn attractive profits.
Customers are key to every business. They keep the firms business ongoing. Companies must realize that every lost customer costs is dearly and every retained customers is highly profitable. The retention rate of customers depends on how satisfied they are with the firms offering. Firm must strive to learn to keep customers by establishing their needs and fulfilling them appropriately. This calls for time to time review on the performance of the firms goods in the market. Government introduces policies that firms should abide by in their operations. Some policies are restraining while others are favourable. Firms do not have a choice, but to abide by these policies in order to operate within the land.

Companies are established to grow. Growth comes in many forms. For instance increasing the customer base, increasing the product lines, expanding scope of operation, increasing level of sales, increasing the size of the company in terms of employees and/or equipment and machinery. The vision of the company is important in providing guidance and the direction that management should be following in their growth or expansion programmes.

Good performance may be measured in many ways. One of them being high level of efficiency and effectiveness. Effectiveness comes from the human oriented activities, communication and human resource management. Efficiency means delivering goals at a low cost. Companies will be profitable when they deliver their goals and at the lowest cost possible, without compromising on any of them. Streamlining and restructuring organizations are means of achieving effectiveness and efficiency.

Environmental analysis is important for the survival of businesses. Scanning the environment enable a firm to identify its strengths, weaknesses, opportunities and threat. Markets opportunity is a big factor in shaping a company’s strategy the market opportunities most relevant to a company are those that match up well with the company’s financial and organizational resource capabilities, offer the best growth and profitability and present the most potential for competitive advantage. (Thompson Strickland and Gamble, 2007).
Maintaining or improving industry position needs scrutiny of the five competitive forces one by one to provide a diagnosis of what competition is like in a given market and collectively to determine whether the state of competition is conducive to good profitability. As a rule, the stronger the collective impact of the five competitive forces, the lower the combined profitability of industry participants (Thompson, Strickland and Gamble, 2007). Robbins (2003) defines technology as how an organization transfers its inputs into outputs new and/or improved technology causes changes in organizations. Firms with better technology perform above average. Technology saves time and acts

5.2.2 Change Management Practices
The second objective sought to determine the change management practices applied by the players in the soft drink industry.

It was noted that top management is largely responsible for settling out the change vision for their firms. These organizations explained that top management were in a better position to formulate the vision since they are more involved in the day to day operations of the firm. They understand the nature of the business environment from both the firm’s level and the industry level and thus would make more concrete decision. Those, whose organizations do not formulate change vision explained that the major hindrance to this practice was their size. They further urged that formalization of the change programs was an expensive process for them and did not consider it as long as ‘things were falling into place’. A change vision provides direction to those involved in implementing change programs. It acts like a map that moves the organization from present point to a desired point. Thus it should be clear and concise, built around customers, inspirational, widely shared linked with daily behaviour and created participatively.

It was discovered that a majority of the firms used meetings and circulars as a mode of communicating the change vision to members of the organization. Meetings are effective more so because they give immediate feedback. As opposed to other methods of communication, the right group of audience is reached through meetings. It is also a fast mode of communication that demands little or no following as compared to other means.
Implementing change is an expensive task, thus the organization needs to be certain that the planned courses of action are timely, necessary and will impact positively to its operations by increasing effectiveness and efficiency. This study indicated that most companies considered more the resources at their disposal before embarking on change programs. Assessing the organizations capability ensures that change programs initiated are completed without delay and thus deliver their objectives. The whole change program must be thought through and clarified before the enactment by the change (Odundo, 2007). Other considerations included; assessing the environment, defining change goals and forming change committees. Management must consider how the change will be carried out and who will be involved; the acceptability commitment or possible resistance of the change and the momentum of the change.

One of the most well documented findings from studies of individuals and organizational behaviour is that organizations and their members resist change (Robbins, 2003). Among the factors that contributed to resistance, the following were the major ones in their order of influence; threat to job status, low tolerance for change, threat of established relationships, organizational culture, fear of the unknown, organizational structure, lack of enough information, parochial self interest, competing commitment, different assessment and timing. People may lose job security as a consequence of change. Changes in formal structure or work flow may drastically reduce the power and status of certain administrators, which may result in an undesirable loss of autonomy because of new procedures, controls and constraints.

Organizations have in-built mechanisms to produce stability. People hired into an organization are chosen to fit, therefore when an organization is confronted with change, this structural inertia acts as a counterbalance to sustain stability. Behavioural resistance contribution more to resistance in the soft drink industry. This could be reduced by effectively managing the people dimensions of change. This is done through providing awareness of the need for change, arousing desire to participate and support the change, providing knowledge of how to change enabling people to act and behave as expected in the new situation and reinforcing to keep the change in place.
In order for change programs to be successful, any resistance exhibited should be dealt with. This study reported that participation and involvement is the widely used method by managers to positively influence others. As Robbins (2003) points out, it's difficult for individuals to resist a change decision in which they participated prior to making a change, those opposed can be brought into the decision process. An explanation for the effect of participation in dissolving resistance is ego-involvement. Providing a participative forum may give affected parties a sense of personal identification with the proposed change thus leading to a commitment to see the change effectively implemented.

Other techniques that were reported to be in use in overcoming resistance to change are education and communication, negotiation and agreement, facilitation and support, role modeling, counseling and to a small extent manipulation and co-option as well as explicit and implicit coercion. Though used by a few companies manipulation and co-optation and coercion can backfire if the targets become aware that they are being tricked or used. Coercion is the application of direct threats or force on the resisters, manipulation are covert influence attempts while co-optation seeks to “buy off” the leaders of a resistance group by giving better decision, but to get their endorsement.

Majority of the respondent indicated that the management board, directors and senior management were the ones who initiated change. Most changes are planned for. Changes realign the organization and are proactively managed. This helps the organization keep in touch with its environment and anticipate need for change. Considering emergent approach to change management would also be advantageous to the organization. The emergent approach views change as a continuous open-ended and unpredictable process of aligning and realigning the organization to its changing environment. It’s a process that unfolds through interplay of multiple variables; for instance context, political process and consultation within an organization. Change consultants could also be from within the organization.
This study revealed that use of change agents is not common in the soft drink industry. Change agents are persons who act as catalyst and assume the responsibility for managing change activities. Change agents in most cases are from outside the organization, especially if the organization is undertaking major change programs. They bring in a different perspective to the situation and serves as a challenge to the status quo. The success of any change program rests heavily on the quality and workability of the relationship between the change agent and the key decision makers within the organization. Change consultants could also be from within the organization. Irrespective of where they come from they should help the organization to define the problem, examine the causes of the problem and diagnose possible ways of overcoming the problem. They should transmit a learning process that allows the client to deal with change on an ongoing process by itself in the future.

Creating an urgency for change is important because it energizes employees, focuses their motivation, opens up their minds and inspires new behaviours. Largely, urgency in the soft drink industry was caused by changing customer needs and competition. Urgency defines why something must be done. It prioritizes critical issues that the organization should pay attention to. Focusing on urgent issues gives the organizations a competitive edge. Johnson and Scholes (2002) define stakeholders as those individuals or groups of individuals who depend on the organization to fulfill their own goals and on whom the organization in turn depends. Stakeholders interests are catered for in the soft drink industry but not to a satisfactory level. Stakeholders define the political context of organizational strategy implementation. Their diversity of opinion and philosophies could be a critical success factor in change management. They form a complex web of relationships that make organizations successful. Understanding stakeholders in change management is important because they will be keen on how the change will affect them and their reactions and positions are different for different situations as the change program progresses. Analysis of stakeholders should be done both at an individual level and group level. Organizations can influence the psychology of an individual to facilitate change by influencing their environment. Groups on the other hand can be influenced through norms, roles and values which are aspect of individual’s behaviour in groups.
Keeping change in place needs reinforcement. The soft drink industry has embraced continuous communication as the main channel through which change is reinforced. Provision of feedback on change progress is also a popular method. Employees need to own the change in order for them to deliver. Change of reward system to support change initiative scored lowest and yet would be a very effective method since its rewards are directed towards the implementors of the change. Other methods that focus more on employees to boost their motivation and involvement include rewarding performance encouragement and recognition.

In conclusion, players in the soft drink industry embrace the following change management practices; formulation of change vision communication of change vision, creating urgency for change, stakeholders analysis, organizational capability evaluation, identification of signs of resistance, overcoming resistance to change, environmental and organizational analysis and formation of change committees. However, a deficiency was evident in use of change agents. Change programs in many companies were not being reinforced. Continuous communication was the only dominant method in use. There was no clear process that change programs followed. A change strategy that defines the scope and objectives of what is involved and how it will happen was not clearly shown in many companies. Regarding forces of change, it was evidently clear, that both forces from within and without the organization were at play. Analyzing the forces of change is a good beginning point in change management.

5.3 Limitation of the Study
These soft drinks producers are within the larger beverage industry. This study concentrated only on those companies that are manufacturers of soft drinks and left out companies that produce hot drinks and alcoholic drinks, though they are classified together in the larger beverage industry.
The interpretation of the findings in this study should be done with the understanding that the study concentrated on the firms that are operating with the Nairobi Metropolitan. Generalization of the study results was based on the information obtained from these companies.
Constraints on time available for the study was also another limitation. Respondents were not accorded enough time to conceptualize the concepts under study. The response rate was low. 31.4 percent of the sampled companies responded. With the realization of how important information is in the decision making process of organizations, it was expected that more managers would be in the fore-front to support documentation of the strategic management practices in their areas of operation.

5.4 Implication for Policy and Practice
The organizational management needs to prioritize the forces that directly affect the operations of their businesses. By responding to these forces strategically, the company will be in a position to gain competitive advantage. The response should be viewed from the three levels of strategy, that is strategic, operational and tactical. Every level is conveniently placed to tackle different issues of the organization. For instance forces that seem have a greater impact to the core business of the firm should be addressed at the strategic level. Forces that originate from within the organizational and are more involved with the day to day activities should be tackled at the operational level.

Local competition was the major force that drove organizations to changes. Competition should not only be considered from the companies that are offering similar products. The researcher recommends that the organizational management should focus on all the levels of competition, identifying their classes, strong verses weak, close versus distant and good versus bad. This classification will guide in designing what competitive strategies to use in what situations.

Change could viewed as a form of learning. It is from its experience that organizations learn to carry on activities differently. Its recommended that organizations develop a policy and culture of continuing education. Thus will assist in acquiring expertise in technology, management skills and optimize the use of resources in the long run. It will also raise the level of readiness of employees to tackle challenges brought about by consequent changes.
Equitable compensation system for workers at both management level and lower levels are a key success factor during strategic change management. Its absence would lead to demoralization of employees. This should however be considered with its value to the organization in mind. It is also recommended that the compensation system should guarantee control of the process to those with its vision.

5.5 Recommendations for further Research

Following the geographical limitation of this study, a more comprehensive study could be carried out, incorporating companies that are operating in other geographical areas to give a conclusive view of the change management practices.

Identifying and documenting the forces and practices at work in the soft drink industry is not enough. An evaluation of the impact of this change management practices needs to be done. This would be a good evaluation tool of the value of the manager’s decisions. It would also en-light other manages even in other industries, on the practices that have a higher pay-off
REFERENCES


APPENDIX 1
INTRODUCTORY LETTER TO THE RESPONDENTS
APPENDIX 2
QUESTIONNAIRE

BACKGROUND INFORMATION
Name of organization..............................................................................................
Name of Respondent (optional)..................................................................................
Position in the Organization.....................................................................................

1. For how long has your company been in operation? (Tick as appropriate)
   0- 5 Years [ ]
   6- 10 Years [ ]
   11- 15 Years [ ]
   16- 20 Years [ ]
   20 Years and above [ ]

2. How many products is your company offering in the market?
   ...........................................................................................................................

3. Is your company involved in International Trade?
   YES [ ] NO [ ]

4. If the answer is Yes, how many countries are you marketing your products in?
   ...........................................................................................................................

5. What is the state of ownership of your Company? (Tick as appropriate)
   Private Company [ ]
   Public Company [ ]
   Jointly Private and Government Owned [ ]
   Local [ ]
   Foreign [ ]
   Local and Foreign [ ]

6. What is your sales turnover per annum? (Tick as appropriate)
   Less than 10 Million
   10- 20 Million [ ]
   21- 30 Million [ ]
   31- 40 Million [ ]
   41- 50 Million [ ]
   Above 50 Million [ ]

7. What has been the relative market share of your Company (in percentage) for the following years?
   2004 [ ]
   2005 [ ]
   2006 [ ]
   2007 [ ]
   2008 [ ]
NATURE OF CHANGE

1. What change has taken place in your organization pertaining the following?
   Internal Processes:
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………
   Technology:
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………
   Structure:
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………
   Marketing & Sales:
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………
   Human Resources:
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………

2. Were the changes necessary? Why?
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………

3. How were the changes carried out? (tick as appropriate)
   At once [ ]
   Continuously [ ]
   Gradually [ ]
   Intermittently [ ]
   Combination of any of the above (Specify)-
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………

4. Were the changes planned for or on-going without major preparations?
   ………………………………………………………………………………………………………
   ………………………………………………………………………………………………………

5. Were the following preparations made before change implementation took place? (Tick those that took place)
   Assessing the environment [ ]
   Defining change goals [ ]
   Assessing organizational capabilities [ ]
   Forming change committees [ ]
1. How did the changes affect the following organizational variables?
(On the scale of 1-5, where: 1- Highly Positive, 2- Moderately Positive, 3- No Effect, 4- Moderately Negative, 5- Highly Negative)

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>Sales -</td>
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<tr>
<td>Responsiveness to internal and external stimulus-</td>
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<tr>
<td>Firms position in the industry-</td>
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<tr>
<td>Customer Base-</td>
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<tr>
<td>Services-</td>
<td></td>
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<tr>
<td>Systems-</td>
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<tr>
<td>Structures-</td>
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<tr>
<td>Behavior of employees -</td>
<td></td>
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<tr>
<td>Recruitment-</td>
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<td>Teamwork-</td>
<td></td>
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<td>Leadership-</td>
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<td>Organizational Culture-</td>
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<tr>
<td>Products-</td>
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</tbody>
</table>

2. How are the changes being reinforced? (tick all that apply)
- Continuous Communication [ ]
- Provision of feedback on change progress [ ]
- Celebrating short-term wins [ ]
- Coaching of the people involved [ ]
- Institutionalized new approaches through policy changes [ ]
- Change of reward systems to support change initiative [ ]
- Others (Specify)-

3. How ready, after change, are employees prepared to accept other new changes?
- Most Ready [ ]
- Moderately Ready [ ]
- Just Ready [ ]
- Ready when prompted [ ]
- Not Ready [ ]
FORCES OF CHANGE
1. The following are possible forces that could necessitate change. Please rank their application to your organization on a scale of 1-5, where, 1- Very Important, 2-Important, 3- Significant, 4- Moderate, 5- Insignificant.

<table>
<thead>
<tr>
<th>Forces</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Competition</td>
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<tr>
<td>Global Competition</td>
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<tr>
<td>Technology</td>
<td></td>
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<tr>
<td>To increase effectiveness/ performance</td>
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<tr>
<td>Leaders Interest</td>
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<tr>
<td>To take advantage of opportunities</td>
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<tr>
<td>Growth</td>
<td></td>
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<tr>
<td>Increase independence</td>
<td></td>
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<tr>
<td>Reduce dependency on supplies</td>
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<tr>
<td>Government policies</td>
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<tr>
<td>Customer needs</td>
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<tr>
<td>New CEO</td>
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<tr>
<td>To maintain or improve industry position</td>
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<tr>
<td>Others (Specify)</td>
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</tbody>
</table>

THE CHANGE PROCESS
1. Who among the following initiate changes and how often do they do so on a scale of 1-4, where 1- Always, 2-Mostly, 3-Once in a while and 4-Rarely.

<table>
<thead>
<tr>
<th>Initiators</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
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</thead>
<tbody>
<tr>
<td>Management Board</td>
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<tr>
<td>Directors</td>
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<tr>
<td>Senior Management</td>
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<tr>
<td>Middle Level Managers</td>
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<tr>
<td>Lower Level Management</td>
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<tr>
<td>Employees</td>
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<tr>
<td>Others (Specify)</td>
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</tbody>
</table>

2. Does your organization have a vision? If Yes, please state it down

...........................................................................................................................................

3. Who develops the vision? (tick as appropriate)

<table>
<thead>
<tr>
<th>Developers</th>
<th></th>
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<tbody>
<tr>
<td>Top Management</td>
<td></td>
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<tr>
<td>Board of Directors</td>
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<tr>
<td>Others (Specify)</td>
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</tbody>
</table>
4. How is the vision communicated to the organizational employees? (Tick as appropriate)
- Meetings
- Newsletters
- Circulars
- Bulletins
- Memos
- Grapevine
- Informally in social groups

5. How strong are the following factors in causing urgency for change in your organization? (On a scale of 1-5, where strength decreases from 1 down to 5)

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing customer needs</td>
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<tr>
<td>Changing competition</td>
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<tr>
<td>Changing environment</td>
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<tr>
<td>Changing technology</td>
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<tr>
<td>Industry benchmarks</td>
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<tr>
<td>Efficiency and performance</td>
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<tr>
<td>Cost</td>
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<tr>
<td>Quality of products</td>
<td></td>
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<tr>
<td>Others (Specify)</td>
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</tbody>
</table>

6. How are stakeholders interests catered for in change management process in your organization?

7. What specific steps are followed in implementing change in your organization?

8. Are change agents used in your change programs?
   - YES [ ]
   - NO [ ]

9. If yes, what roles do they play?

.................................................................
**RESISTANCE TO CHANGE**

1. To what extent do the following factors contribute to resistance to changes in your organization?( On a scale of 1-5, where the influence decreases from 1 down to 5).

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>Parochial self interest</td>
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<tr>
<td>Lack of enough information</td>
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<tr>
<td>Organizational structure</td>
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<td>Organizational culture</td>
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<tr>
<td>Fear of the unknown</td>
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<tr>
<td>Threat to established relationships</td>
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<tr>
<td>Misunderstanding and lack of trust</td>
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<tr>
<td>Different assessment</td>
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<td>Low tolerance to for change</td>
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<td>Threat to job status/security</td>
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<td>Competing commitments</td>
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<tr>
<td>Inertia</td>
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<tr>
<td>Timing</td>
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<tr>
<td>Others (Specify)-</td>
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</tbody>
</table>

2. What were the specific signs of resistance to change? (Tick all that apply)

- Gossip [ ]
- Grumbling [ ]
- Complaints [ ]
- Absent ism [ ]
- Skipping meetings [ ]
- Go-slow [ ]
- Sticking on to the old system [ ]
- Others (Specify)- .................................................................

3. Which, out of the following methods of reducing resistance are applied in your organization? (More than one can apply)

- Education and Communication [ ]
- Participation and Involvement [ ]
- Facilitation and Support [ ]
- Negotiation and Agreement [ ]
- Manipulation and Co-option [ ]
- Explicit and implicit coercion [ ]
- Role modeling [ ]
- Counseling [ ]
- Others (Specify)- .................................................................

Thank you for sparing your time to fill this questionnaire.
APPENDIX 3

LIST OF THE SAMPLED COMPANIES

1. Alpine Coolers Ltd
2. Aquamist Ltd
3. Bio Foods Products
4. Crown Foods
5. Excel Chemicals
6. Annun Trading Company
7. Farmers Choice Ltd
8. Jetlak Foods Ltd
9. Kenafic Industries
10. Kevian Kenya Ltd
11. Koba Water Ltd
12. Top Pak Ltd
13. Miritini Kenya Ltd
14. Pearl Industries Ltd
15. Premier Foods Industries Ltd
16. True Foods Ltd
17. Promasido (Kenya) Ltd
18. Sunny Processors
19. Grange Park Ltd
20. Adarsh Developers Ltd
21. The Good Water Company
22. Tabibu Cures
23. Ragos Trading Company
24. Seven Sees Investment
25. Softa Bottling Company
26. Razco Limited
27. Avodale Water Company
28. Sammic Enterprises
29. Ten Out of Ten
30. Ridge Ways Springs
31. Nestle Foods Kenya Ltd
32. Beverages Services
33. GlaxoSmithKline
34. Aberdare Springs
35. Benvero Water Company