MANAGING RESISTANCE TO STRATEGIC CHANGE IN THE DAIRY INDUSTRY IN KENYA: A CASE OF GITHUNGURI DAIRY FARMERS COOPERATIVE SOCIETY LIMITED

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DECLARATION

This is to declare that this research project is my original work that has not been presented to any other University or Institution of Higher Learning for examination.

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DECLARATION BY SUPERVISOR:

This is to declare that this project has been submitted for examination with our approval as the university supervisor

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DEDICATION

My study is dedicated to my children Alvin, Annette and Alfred for their encouragement and continued prayers towards successful completion of this course and for cheering me up during the tough times of my study.

I also pay glowing gratitude and tribute to my school principal, Mr. Geoffrey Gitimu and my colleagues for understanding me during the entire period of study.

Thank you and may God bless you abundantly.

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LIST OF ABBREVIATIONS

A.I.   Artificial Insemination

A.P.D.F   African Project Development Facility

ADKAR   Awareness, Desire, Knowledge, Ability and Reinforcement.

CBK.   Central Bank of Kenya

DANIDA   Danish Development Agency

DFID   Department for International Development

GDP   Gross Domestic Product

ICT   Information Communication Technology

IMD   Institute for Management Development

IT   Information Technology

K.D.B.   Kenya Dairy Board

KCC   Kenya Co-operative Creameries

MBA   Master of Business Administration

MSC   Master of Science

N.K.C.C.   New Kenya Cooperative Creameries

ABSTRACT

Resistance to change is a complex issue facing management in the dynamic and ever evolving organizations of today. It can lead to the failure of many well-intended and well-conceived efforts to initiate change within organizations. Managers and change agents need to be adept at understanding and managing the phenomenon.

The dairy sector is experiencing substantive growth and as such a lot of change is inevitable especially as a result of the increased competition. The industry in Kenya has been faced with several challenges ranging from economic, technological, legal and social coupled with stiff competition among milk processors. Githunguri Dairy Farmers Cooperative Society is no exception. In response to these challenges the society has undergone major strategic changes that involved change of management/leadership; increase in product range processed and marketed, improvement and expansion of services to members e.g. From 15 stores in 1999 to 47 stores currently.

The study aimed at determining the forms of resistance, the factors that cause resistance and identifying how resistance to strategic change at GDFCS Ltd was managed. The study was modeled on a case study design. The primary data was mainly qualitative in nature and was gathered using the interview guides on the company's administrative staff. Content analysis technique was used to analyze the data collected.

The study establishes that GDFCS Ltd has been able minimize resistance to change by adopting various strategies which include: education and communication, facilitation and support, negotiation and agreement and also by offering financial benefits to the employees.

The researcher recommends that in order to remain competitive in the market and remain profitable in the current business environment where strategic change is inevitable, GDFCS Ltd should introduce change in every aspect of its undertaking. The study also recommends that the GDFCS Ltd management should dedicate more funds and develop better policies that are geared towards promoting change in the company like rewards and promotions for the people who pioneer change.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The pressures on organizations are greater today than ever. Increasing global competition, oppressive macroeconomic conditions, greater economic integration, advances in ICT and informed customers mean businesses must deliver higher levels of quality and service at competitive prices. These pressures necessitate changing how organizations operate by injecting more commercial outlooks, redefining roles, eliminating unproductive work habits or integrating new technologies to support business, (Kotter, 1996). Since 1990, the Kenyan business environment has been undergoing a number of changes that have affected the manner in which corporate organizations operate.

The old ways of doing business will be challenged, and the main change element issues that have and continue affecting Kenya are political changes, economic changes (Structural adjustment programmes,) change in employment structure of companies (eg downsizing, retrenchment, etc) These have highly affected the performance of many corporate organizations in terms of growth, profitability, productivity, efficiency and effectiveness. Resistance to these changes in the business organizations is experienced either through the systems of the organizations or by the employees. The dairy sub-sector in Kenya is also faced with major changes and this paper seeks to study this phenomenon of resistance at one of the dairy processing firms, namely Githunguri Dairy Farmers Cooperative Society Limited.

1.1.1. Resistance to Change

Resistance to change is a psychological opposition to the bringing of unconscious, usually repressed material to consciousness. It is the process that triggers negative reactions to the directions and process of change. Resistance normally occurs to all employees, from the senior management to the middle and lower cadre of staff. The initial stages of resistance are experienced at the senior management level before implementation of the change programme. These stages involve lengthy discussions, on what needs to change in the organization, why it needs to change, and how it will change

to elicit the expected results. When the change programme is implemented and employees don't automatically accept the announced change, the senior management labels their behaviors as resistance.

This resistance can be triggered by each of these areas, either from negative reactions to the direction (content) of the change, how the change is being handled (process), or from intrapersonal dynamics that occur naturally in all people. According to Ansoff and McDonnell (1990) resistance is a multifaceted phenomenon which introduces delays, additional cost and instabilities into the process and introduces unforeseen implementation inefficiencies slowing down the process and making it more expensive than originally anticipated. Resistance is either systematic or behavioral.

1.1.2. Managing Resistance to change

Change is always very difficult. An attempt to introduce a news system stagnates because it is linked to changes in the procedures, calls for new skill and interfaces and it would change old habits. What happens to be simple introduction of a great new system gradually becomes a major source of problems. Lewin (1951), came up with the three stage model of change known as unfreezing- change- refreeze model, which is useful in minimizing the resistance to change. According to Kotter and Schlesinger (1979), dealing with resistance to change can be done using education and communication, participation and involvement, facilitation and support, negotiation and agreement and manipulation and co-option. The ADKAR model by Prosci (2000), also give an insight on how to manage strategic change and mainly focuses on managing employees during strategic change implementation, by systematically following the steps of awareness, desire, knowledge, ability and reinforcement (ADKAR).

1.1.3 The Dairy Industry in Kenya

The dairy industry in Kenya plays an important role in the lives of many people. From smallholder farmers to milk hawkers there are nearly 1 million households or businesses involved. Considering that there are 625,000 smallholder farmers, for whom dairy is a family business, it is likely that more than 2 million people are employed in the sub sector in one form or another. Therefore, anything that affects the sub sector affects a lot

of people, especially small businesses and farmers. Increasing the growth in the sub sector will lead to much greater overall growth. The Dairy Sub-sector is the second largest contributor to agricultural GDP after beef, with an estimated 14% of the total agricultural production. The Dairy industry in Kenya is second only to South Africa and is of particular significance because it is dominated at the producer end by smallholder farmers and in the marketing channels by informal sector traders and hawkers.

The accelerating collapse of Kenya Co-operative Creameries (KCC) from the early 1990s and the liberalization of the market (milk marketing in urban areas) in 1992 were catalytic events that changed the nature of milk marketing and processing. This has been accompanied by a more general breakdown in services previously provided on a highly subsidized basis by Government. According to Muhoho Kenyatta, chairman of Brookside Dairies and member of the Kenya Dairy Board (KDB),

"The industry was liberalized overnight in 1992 with no clear understanding by the public and policy makers of what deregulation really meant. The funding and technical back-up for the transition was not there, with some producers thinking that standards to do with the quality and hygiene of milk handling had been lifted. The result was the emergence of an unregulated lower-tier market that competed unfairly with the formal market. Significantly, products of processed milk have fallen from 1.2 million litres in 1989 to 600,000 litres at present. Through collaboration with the government and stakeholders, the industry has become more orderly and a level playing field is emerging. Kenya is now in a position to produce quality products for the local and international market. Brookside, for instance, was recently awarded an ISO certificate, the first in the dairy sector (The East African, Monday, November 3, 2003)

More than 600,000 smallholders, with between one and three cows, currently produce 80 per cent of Kenya's milk. Most dairy consumption is as liquid milk, and the preference for raw milk is high even in urban areas; the exception is Nairobi, where consumers drink more pasteurized milk. But, although milk consumption increases with income, latest research by the DFID-funded Smallholder Dairy Project shows that an increase in raw milk prices is unlikely to dissuade poor people from buying raw milk or to reduce their

consumption. However, a price increase in pasteurized milk would result in lower-income groups buying less milk and could seriously affect levels of household malnutrition, particularly amongst children, if the alternative raw milk market were not available. Consumer demand for raw milk therefore plays a significant part in the continuation of the informal sector and it is unlikely that, in the immediate future, consumption levels of raw milk will decline even as incomes increase.

The growth in Kenya's dairy sector has been heralded as a great success story, and yet further gains in dairy production and marketing are constrained by a wide range of problems. These include poor quality feed, barriers to animal health services, slow development of breeding services and poor access to credit and milk markets. Many existing dairy policies pre-date independence and tend to be discriminative, with standards biased towards the formal sector. However, due to a lack of capacity and resources, implementation of legislation and regulations is generally poor. For instance, a recent survey has found that very little difference exists in milk quality (based on coli form counts) between licensed and unlicensed traders, which rather invalidate current official unwillingness to license small traders with no fixed premises. Road infrastructure also remains poor, and it is estimated that for every kilometer of poor feeder road farm-gate milk prices are reduced by three per cent. Yet, none of the cess levied on milk is currently used to improve roads.

Despite current constraints, the smallholder dairy sector in Kenya remains competitive, providing good returns. Smallholders have long characterized the Kenyan dairy industry and it is essential that the smallholder sector continues to be incorporated into economic recovery plans for Kenya. "Large commercial dairy farmers need to develop an out grower mentality," stated Professor Anyang Nyongo, the then Minister for Planning and National Development at the Dairy Policy Forum held in Nairobi in May 2004. "It has happened in the flower, sugar and vegetable oil industries in Kenya and it should be able to happen in the dairy sector." It is estimated that 12 per cent (365,000 jobs) of the national agricultural workforce is employed for on-farm dairy activities and, given the rapid growth of the sector; it is believed that investment in dairying would create more employment than in most other agricultural sector

1.1.4 Githunguri Dairy Farmers Cooperative Society Ltd

Githunguri Dairy Farmers Co-operative Society was started in 1961 with a membership of 31 smallholder dairy farmers since when it has grown from strength to strength. It has a current membership of over 17,000 with approximately 9000 active dairy farmers, exclusively within Githunguri division. It is located in Kiambu, Central Province, 50 km from Nairobi Githunguri Dairy Co-operative Society, which has been able get a grip of Nairobi's mass market with its low-end consumer product, Fresha, is the best example of success. Its case study underlines how important the concept of value addition, branding and brand positioning is to the marketing societies which, for ages, have been selling their products in raw form. The Society was formed as an initiative to help the smallholder dairy farmers of Githunguri Division, to market their milk.

Like many other dairy societies, it has gone through good and bad times and was bogged down due to politics and poor governance until 1999 when a new management team took over the running of the society. From an intake of 24,000 kgs of milk a day and an annual turnover of Kshs. 211 million in 1999, it today collects over 170,000 kgs of milk per day has an annual turnover of over three billion Kenya shillings. With time, Githunguri Dairy Society has overcome the lack of market for members' milk, initial perceived risk of inadequate quantities of milk, problems in milk collection and transportation system and the failure to offer attractive incentives for dairy farmers in the area to join the society. In fact the demand by new dairy farmers to join is overwhelming. It has now overstretched its capacity and is no longer accepting new members even if they fulfill all the requirements.

Milk collection, processing and marketing is the core activity for Githunguri Society but it also provides other services such as input supply stores (mainly feed) and A.I. services for members. The stores also provide food for the members' family which "brought gender empowerment as men no longer squander scarce family resources as they used to as families' access them first" through the stores "hence improved motivation on the family to produce more milk". Services to members are not only reasonably priced but are also offered on a credit basis. Being able to source for goods and services from their

own co-operative society also contributes to the consolidation of the farmer members' wealth. The monthly stores' turnover, valued at Ksh.25 million, would otherwise be going to other enterprises. The stores have therefore a multiplier effect on total milk production and per capita income to member dairy farmers.

According to the General Manager, advantages of dairy enterprises as compared to other agricultural enterprises such as coffee, tea, banana, are: dairy provides higher income per farm unit; the income inflows are continuous and consistent; the Society guarantees prompt payment; and the members are guaranteed steady income. The society payout to farmers depends on the milk and milk products. Among the products processed and packaged include: - Fresha Whole Milk, Fresha Super Fine Ghee, Fresha Yoghurts, Fresha Butter, and Fresha Cream. These products are very popular on the Kenyan market. Payment to farmers is by 10th of the following month and averages Kshs. 19 – 22/50 per litre. This payment is among the highest milk payout rate by a dairy society in the country. A major contributing factor to this high payout is the Society's proximity to Nairobi city.

The Society has also improved and expanded services to its members including expansion from 15 stores in 1999 to 33 stores in 2006, and currently they are 47 in number with a monthly turnover of Ksh.25 million. These are strategically placed to serve the members (dairy farmers) with livestock feeds and homestead consumables such as maize flour and sugar. Services are available to members on credit depending on milk deliveries to the society. The society provides extension and training to its members and staff. Besides the dairy processing plant that runs on a profit basis, the other Society's activities such as A.I. and stores services are provided on non-profit basis but are managed as cost-centers where each activity and/or store is fully accountable for its expenditure and revenue.

The current Githunguri Dairy Society management believes in continuous learning for its members and the over 300 staff, who are committed to their work, to produce excellent results for itself, the customers and the society members. The Society offers extension services on a continuous basis and conducts, on average, 12 monthly training sessions. The Society members are grouped into 9 milk catchments zones for extension and

training purpose and each zonal group is offered training at least once every month. The training needs assessment for the staff is done which draws an annual plan for all staff training. The members' needs assessment is done in a participatory way by the Human Resource Department. Members identify the areas ion which they need training. The topics covered during these members training sessions include: breeding (heat detention, record keeping, etc.); clean milk production; farm planning; agricultural business; crop husbandry and animal diseases and disease prevention.

The leadership, i.e. the Board members of Githunguri Society, believes in professionalism and excellence in its staff and has invested in some of the best trained staff in the country. All the senior managers are of Masters Level of training in their respective disciplines. The Society General Manager has an MBA while his Quality Control Manager has a MSC. in food Science. As a result of "visionary and committed" leadership and the efforts put in training both society members and staff and hiring of the best and well trained personnel, the Society believes there has been improvement on products' quality and in the society's business in general. Their Commitment to uncompromised farm fresh quality dairy products and unrivalled customer service" has contributed to their success and they have "established product quality standards and customer incentives that are now being copied by other milk processors".

The future Society's plan is to expand its processing capacity so that current members can increase their milk production and delivery to the society, which is currently at 105,000 kg per day and also be able to admit new members from its milk catchment area. According to the Manager, they are not allowing new members to join the Society, although there are many applications, because they have no capacity to process more milk than the current daily intake. They have plans to increase the processing capacity because one of the society's by-laws is that they cannot sell raw milk and therefore they cannot receive more than the processing capacity. However there is pressure for the society to receive more milk not only from new members but also from current members' improved productivity.

The twin challenges facing the society are to prove that all is not lost in the co-operative movement by developing a culture of corporate governance and making a difference, and

to supply affordable high quality milk. According to one business development officer at African Project Development Facility (APDF), the dairy is one of the best examples of empowering farmers, and its quick entry into the market is a challenge to policy makers to support rural enterprises to alleviate poverty. GDFCS Ltd. is likely to be a success story in rural enterprise because it was founded on sound business advice. Encouraged by the dairy, APDF, together with Oiko Credit of Netherlands which has been supporting co-operative societies for the past 11 years, says they are willing to replicate the Githunguri Dairy project in other parts of the country. "The dairy industry has massive potential to alleviate poverty, which is why the World Bank has a keen interest in its development," an APDF official said.

1.2   Statement of the problem

Resistance to change is a complex issue facing management in the dynamic and ever evolving organizations of today. It can lead to the failure of many well-intended and well-conceived efforts to initiate change within organizations. Managers and change agents need to be adept at understanding and managing the phenomenon.

The dairy industry in Kenya plays a very vital role in the development of the economy. It is an agricultural based industry and agriculture is the backbone of the country's economy. The dairy sector is experiencing substantive growth and as such a lot of change is inevitable especially as a result of the increased competition. The industry in Kenya has been faced with several challenges ranging from economic, technological, legal and social coupled with stiff competition among milk processors. Githunguri Dairy Farmers Cooperative Society is no exception. In response to these challenges the society has undergone major strategic changes that involved change of management/leadership; increase in product range processed and marketed, improvement and expansion of services to members e.g. From 15 stores in 1999 to 47 stores currently.

It is clear that there was successful strategic change management as shown by the societies increase in profitability, better payout to farmers, wider range of marketed products and growth expansion over time. In undertaking strategic change in any organization, resistance is inevitable. Resistance can either be systems or behavior(

Zaltman and Duncan, 1997) The success of Githunguri Dairy Farmers Cooperative Society indicates that the society must have successfully managed resistance to change contrary to the expectations whereby resistance to change results in reduced productivity hence desire in overall performance of the organization (Prosci, 2000).The society had seen constant growth in both market share and profitability, due to a high demand for its products (Githunguri Dairy Farmers Cooperative Society Ltd Website, 2009)

Study findings on the management of resistance to change in other sectors in Kenya include the following; Mberia (2006), Mumbi (2006), Odhiambo (2006). In the dairy industry, a study was carried out by Cheluget in 2003 and by Ochieng in 2008. So far no known study has been carried out on the management of resistance to change in any firm in the dairy industry in Kenya despite the major strategic changes taking place and the resistance experienced. The research study aimed at addressing the following questions in relation to GDFCS Ltd: What are the various forms of resistance to strategic change at GDFCS Ltd? What are the factors that cause resistance to strategic change in GDFCS Ltd? And how do the change agents and/or managers administer resistance to address change to ensure successful implementation of the changes?

1.3 Objectives of the Study

The study was guided by the following objectives;

i. To determine the forms of resistance to strategic change at GDFCS Ltd.

ii. To determine the factors that causes resistance to strategic change at GDFCS Ltd.

iii. To identify how resistance to strategic change at GDFCS Ltd was managed.

1.4 Significance of the Study

The findings of this study goes a long way towards filling existing information gaps in the management of strategic change in today's business organizations.

GDFCS Ltd benefits from this study in that it will be a useful source of information to its management and staff. In future if the organization is going through a similar change process, it can be guided by the findings of this study. This would result in a short learning time thus saving scarce time and resources for the organization. Decision making under such circumstances will be easier and faster.

Organizations intending to go through a change process should be interested to learn from GDFCS Ltd that is, how it addressed the issue of managing resistance to change. Such organizations, especially in the dairy sector, such as NKCC, Brookside and Palm house Dairies among others will not need to "re-invent the wheel" as it were. They can use the study findings to address similar challenges.

The study also contributes to the field of Strategic Management in general and the management of strategic change in particular. Scholars and researchers in the field of strategic change management can average on the findings of this study to develop further research in understanding and tackling the issue of resistance to change in organizations. It will contribute to the existing literature in the field of strategic change management.

CHAPTER TWO: LITERATURE REVIEW

2.1 Organizational Change

It has become the accepted view that, for organizations, the magnitude, speed, unpredictability and impact of change are greater today than ever before. According to the ancient Greeks, change is the only constant. Stacey, (1993), developed the chaos theory, originally used in Natural Sciences but is now being used applied in business (Prigogine and Stengers, 1984). According to them, the environment in which organizations operate has become more and more chaotic and unpredictable. Hence, organizational strategy is about achieving beneficial change.

According to Reger et al. (1994), organizations are nowadays forced to operate in increasingly dynamic environments and are as a result under pressure to fundamentally change the way they do business. Pearce and Robinson (1997), point out that powerful forces are pressurizing organizations to alter existing strategy, structure, policies, technology and practices. This implies that the aim of organizational change is an adaptation of the environment and/or improvement in performance.

Significant organizational change occurs, for example, when an organization changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates. It also occurs when an organization evolves through various life cycles, just like people must successfully evolve through life cycles. For organizations to develop, they often must undergo significant change at various points in their development. Organizational change comes in all shapes, sizes and forms and for this reason it is difficult to establish an accurate picture of the degree of difficulty firms face in managing change successfully.

Balogun and Hope Hailey describe four types of change. The first is adaptation which is change that can be accommodated within the current paradigm and occurs incrementally. It is the most common form of change in organizations. Then there is reconstruction which may be rapid and could involve a good deal of upheaval in an organization, but does not fundamentally change the paradigm. For example an organization may make several structural changes or embark on a major cost-cutting programme to deal with

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difficult or changing market situations. Evolution is a change in strategy which requires paradigm change, but over time. It may be that managers anticipate the need for transformational change, perhaps through the analytical techniques. They may then be in a position of planned evolutionary change, with time in which to achieve it. Evolution can also be looked at by conceiving organizations as 'learning systems continually adjusting their strategies as their environment changes .This has given rise to the idea of the learning organization. Fourthly there is revolution which is the change that requires rapid and major strategic and paradigm change, perhaps in circumstances where such drift has resulted in circumstances where pressures for change are extreme for example if profits decline or a takeover threatens the continued existence of the firm.

2.2 Resistance to Change

In today's economy, change is all-pervasive in organizations. It happens continuously, and often at rapid speed. Because change has become an everyday part of organizational dynamics, employees who resist change can actually cripple an organization.

Resistance is an inevitable response to any major change. Individuals naturally rush to defend the status quo if they feel their security or status is threatened. Resistance has been defined differently by different scholars. The first known published reference to research on resistance to change in organizations was a 1948 study conducted by Lester Coach and John R. P. French entitled, "Overcoming Resistance to Change." Their research, which generated a large body of work on the importance of employee involvement in decision making, was conducted at the Hardwood Manufacturing Company, a pajama factory located in Virginia. This study focused on the main questions (1) why do people resist change so strongly? And (2) what can be done to overcome this resistance? (Dent & Goldberg, 1999) They acknowledged aggression and frustration in employees as the emotional factors that caused undesirable behaviors and resistance to change.

In 1950, Alvin Sander, an early researcher, wrote, "Resistance to Change-Its Analysis and Prevention." His article made an early distinction between the symptoms of resistance, like hostility or poor effort, and the underlying causes for the behavior. He defined resistance to change as "behavior which is intended to protect an individual from the effects of real or imagined change" .Homans (1961), proposes that resistance to

change is one way foe employees to exercise their power to restore the injustices within the existing power relationships. Zaltman & Duncan (1977) define resistance as "any conduct that serves to maintain the status quo in the face of pressure to alter the status quo. Folger & Skarlicki (1999) claim that "organizational change can generate skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements. If management does not understand, accept and make an effort to work with resistance, it can undermine even the most well-intentioned and well-conceived change efforts.

Ansoff (1988) and Ansoff and McDonnell (1990) define resistance as a multifaceted phenomenon which introduces unanticipated delays, costs and instabilities into the process of a strategic change. In the view of Folger & Skarlicki (1990) resistance is defined as "employee behavior that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relations". Resistance in an organizational setting is an expression of reservation which normally arises as a response or reaction to change. (Waddell and Sohal, 1998). Ashforth and Mael (1998) define resistance as intentional acts of commission (defiance) or omission. Coetsee (1999) states "any management's ability to achieve maximum benefits from change depends in part of how effectively they create and maintain a climate that minimizes resistant behavior and encourages acceptance and support.

According to Dent & Goldberg (1999), individuals aren't really resisting the change, but rather they may be resisting the loss of status, loss of pay, or loss of comfort. They claim that, "it is time that we dispense with the phrase resistance to change and find a more useful and appropriate models for describing what the phrase has come to mean - employees are not wholeheartedly embracing a change that management wants to implement." Piderit (2000) believes that the definition of the term resistance must incorporate a much broader scope. She states that "a review of past empirical research reveals three different emphases in conceptualizations of resistance: as a cognitive state, as an emotional state, and as a behavior. The notion that employee resistance can be overcome cognitively suggests that negative thoughts or beliefs about the change exist. The final aspect of Piderit's conceptualization focuses on individual behavior in an

attempt to define employee resistance to change. She claims that: although these conceptualizations overlap somewhat, they diverge in important ways. Finding a way to bring together these varying emphases should deepen our understanding of how employees respond to proposed organizational changes. Each of these three conceptualizations of resistance - as a behavior, an emotion, or a belief - has merit and represents an important part of our experience of response to change. Trader (2002) is of the view that resistance reflects the subtext of organizational humanity on stage during organization transformation efforts. Resistance to change is thus an essential factor to be considered in any change process, since a proper management of resistance is the key for the success or failure of change.

There are two major types of resistance to strategic change; namely systemic resistance and behavioral resistance. Systemic resistance is mainly caused by passive incompetence of the organization. It is proportional to the difference between the capacity required for new strategic work and the capacity to handle it e.g. resource limitation. It occurs whenever the development of capacity lags behind strategy development. The capability demands may not be foreseeable. It may be minimized by providing dedicated capacity by planning and budgeting for it, integrating management development into the change process and stretching the duration of change to maximum the possible to assure timely response to environmental challenges.

Behavioral resistance on the other hand is the most common and most difficult to manage. It may either be by individuals (employees or managers in other departments) or group resistance (by managers who share common tasks or coalitions and power centers within the organization).Behavioral resistance can be caused by, among other factors parochial self-interest, misunderstanding and lack of trust, different assessments, low tolerance for change, habit, high need for security, fear of the unknown and economic factors such as lowering of one's income.

2.4 Causes of Resistance to Change

The causes of resistance lie either in the organization or in the individual. Zander (1950), offered six primary reasons for resistance to change in organizations. These are if the nature of the change is not made clear to the people going to be influenced by the change, if the change is open to a wide variety of interpretation, if those influenced feel strong forces deterring them from changing, if the people have been pressurized to accept the changes instead of having a say in the nature or direction of the change, if the change is made on personal grounds and finally if the change ignores the already established institutions in the group. Kreitner (1992) attributes individual resistance to factors like uncertainty, surprise, personality conflicts and lack of communication.

Ashforth and Humphrey (1995), point out that early research in the field of change management acknowledged aggression and frustration in employees as the emotional factors that cause undesirable behavior and resistance to change. According to De Jager (2001), employees resist change because they have to learn something new. In many cases there is not a disagreement with the benefits of the new process, but rather a fear of the unknown future and about their ability to adapt to it. He argues, 'Most people are reluctant to leave the familiar behind. We are all suspicious about the unfamiliar; we are naturally concerned about how we will get from the old to the new, especially if it involves learning something new and risking failure" Low tolerance for change is defined as the fear that one will not be able to develop new skills and behaviors that are required in a new work setting.

According to Kotter & Schlesinger (1979), there are four major reasons why people resist change. First is fear of losing something of value. Second is misunderstanding or mistrusting the change and its implications. Third is the belief by employees that the change is of little or no use at all. Fourthly, if an employee has a low tolerance for change, the increased ambiguity that results as a result of having to perform their job differently would likely cause a resistance to the new way of doing things. An employee may understand that a change is needed, but may be emotionally unable to make the transition and resist for reasons they may not consciously understand. Folger &

Skarlicki (1995) investigated resistance to change as a response to the treatment employees receive in the change process. Specifically they focus on resentment-based resistance -reactions by disgruntled employees regarding the perceived unfairness of the change. They claim that "resent-based resistance behaviors, which can range from subtle acts of non-cooperation to industrial sabotage, are often seen by the perpetrators as subjectively justifiable - a way to "get even" for perceived mistreatment and a way for employees to exercise their power to restore perceived injustice.

Strebel (1996), professor and director of the Change Program for international managers at the International Institute for Management Development (IMD), attributes resistance as a violation of "personal compacts" management has with their employees. Personal compacts are the essence of the relationship between employees and organizations defined by reciprocal obligations and mutual commitments that are both stated and implied. Any change initiatives proposed by the organization would alter their current terms. Personal compacts are comprised of formal, psychological, and social dimensions. He suggests that management view how change looks from the employees' perspective, and to examine the terms of the personal compacts currently in place. 'Unless managers define new terms and persuade employees to accept them, it is unrealistic for managers to expect employees to fully buy into changes that alter the status quo."

Johnson and Scholes (1998), outline six major sources of organizational resistance as structural inertia, limited focus of change, group inertia, threat of expertise, threat of established power relationships and threat of established resource allocations. Kegan & Lahey (2001) describe a psychological dynamic called a "competing commitment" as the real reason for employee resistance to organizational change. The change is not challenged, but rather is it resisted, or not implemented at all because the employee faces additional issue or concerns related to the change. When an employee's hidden competing commitment is uncovered, "behavior that seems irrational and ineffective suddenly becomes stunningly sensible and masterful - but unfortunately, on behalf of a goal that conflicts with what you and even the employee are trying to achieve. Competing commitments are a form of self-protection. Most people prefer predictability and stability in both their personal and professional lives. People typically avoid situations

that upset order, threaten their self-interests, increase stress or involve risk. When faced with changes to the status quo, people usually resist initially. The resistance continues and, in some cases increases, until they are able to recognize the benefits of change and perceive the gains to be worth more than the risk or threats to their self-interests.

2.5 Managing Resistance to Change

Leaders should anticipate resistance to any change effort, prepare for it, and make special efforts to assess and deal with individual reactions to change. Leaders must develop the proper attitude toward resistance to change and realize that it is neither good nor bad. In fact, resistance can serve as a signal that there are ways in which the change effort should be modified and improved. Lewin (1947) theorized a three-stage model of change that has come to be known as the unfreezing-change-refreeze model that requires prior learning to be rejected and replaced. Stage 1; becoming motivated to change (unfreezing) This phase of change is built on the theory that human behavior is established by past observational learning and cultural influences. Change requires adding new forces for change or removal of some of the existing factors that are at play in perpetuating the behavior. This unfreezing process has three sub-processes that relate to a readiness and motivation to change.

Disconfirmation where present conditions lead to dissatisfaction, such as not meeting personal goals. However, the larger the gap between what is believed and what needs to be believed for change to occur, the more likely the new information will be ignored. Previous beliefs now being seen as invalid creates "survival anxiety." However, this may not be sufficient to prompt change if learning anxiety is present. Learning anxiety triggers defensiveness and resistance due to the pain of having to unlearn what had been previously accepted.

Three stages occur in response to learning anxiety: denial; scapegoating and passing the buck; and maneuvering & bargaining. It is necessary to move past the possible anxieties for change to progress. This can be accomplished by either having the survival anxiety be greater than the learning anxiety or, preferably, learning anxiety could be reduced.

Stage 2 – change what needs to be changed (unfrozen and moving to a new state). Once there is sufficient dissatisfaction with the current conditions and a real desire to make some change exists, it is necessary to identify exactly what needs to be changed. Three possible impacts from processing new information are: words take on new or expanded meaning, concepts are interpreted within a broader context, and there is an adjustment in the scale used in evaluating new input. A concise view of the new state is required to clearly identify the gap between the present state and that being proposed. Activities that aid in making the change include imitation of role models and looking for personalized solutions through trial-and-error learning.

Stage 3; making the change permanent (refreezing). This is the final stage where new behavior becomes habitual, which includes developing a new self concept and identifying and establishing new relationships. If change is to be successful, the new situation needs to be refrozen so that it can be sustained over time or else the change becomes short-lived and employees will attempt to revert to the previous equilibrium state. The objective of refreezing is hence to stabilize the new situation by balancing the driving and restraining forces.

Unfreeze	Mobilize	Refreeze
Create the case for	Identify and mobilize	Embed new ways
Change dissatisfaction	the resources	in the fabric of the
With status quo	required to effect	organization.
	the change.	
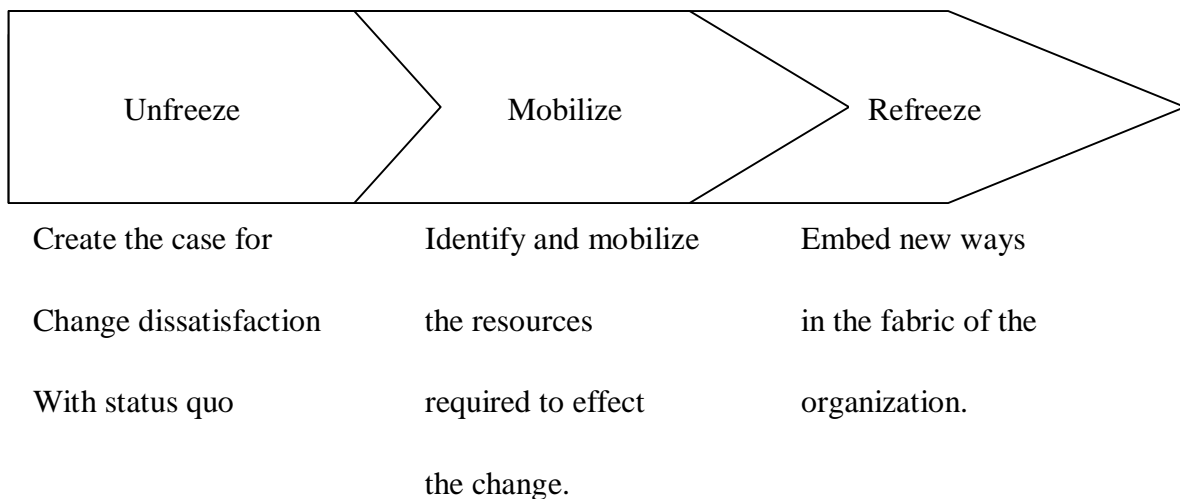
Figure 1: The three phase model of change adapted from Lewin (1951)

Source: http://changemanagement-coach.com/ kurt_lewin.html

According to Kotter, and Schlesinger, (1989), dealing with resistance to change can be done using various ways. The first is education and communication. Resistance can be

reduced through communication with employees to help them see the logic of change. This tactic basically assumes that the source of resistance lies in the misinformation or poor communication. If employees receive the full facts and get misunderstandings cleared up, resistance will subside. Communication can be achieved through one-on one discussion, memos, group presentations or reports. Does it work? It does, provided that the source of resistance is inadequate communication and that the management employee relations are characterized by mutual trust and credibility. If these conditions don't exist, the change is unlikely to, succeed. The advantage is that once persuaded people will often help with the implementation of the change. It can however be very time-consuming if lots of people are involved.

Second is Participation and involvement. It's difficult for individuals to resist change in decision in which they participated. Prior to making those opposed can be brought into the decision process. Assuming that the participants have the expertise to make a meaningful contribution, their involvement can reduce the resistance, obtain commitment and increase the quality of the change decision. People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan. However against these advantages are the negatives: potential for a poor solution and great time consumption.

The third is Facilitation and support. Change agents can offer a range of supportive efforts to reduce resistance. When employee fear and anxiety are high, employees counseling and therapy, new skills training, or short paid leave of absence may facilitate adjustment. No other approach works as well with adjustment problems .The drawback of this tactic is that as with the others, it is time consuming. Additionally, it's expensive and its implantation offers no assurance of success. Negotiation and agreement is the fourth way. Another way for the change agent to deal with the potential resistance to change is to exchange something of the value for a lessening of the resistance. For instance, if the resistance is centered in a few individuals, a specific reward package can be negotiated that will meet their individual needs. Negotiation as a tactic may be necessary when resistance comes from a potential source. Sometimes it is a relatively easy way to avoid major resistance. Yet one cannot ignore its potentiality high costs. Additionally, there is

the risk that once a change agent negotiates with one party to avoid resistance; he or she is open to the possibility of being black mailed by other individuals in power.

Fifth is manipulation and co-optation. Manipulation refers to covert influence attempts. Twisting and distortion facts to make them appear more attractive, withholding undesirable information and creating false rumors to get the employees accept a change are all examples of manipulation. If corporate managers threatens to close a particular manufacturing plant if that plant employees fail to accept an across the board pay cut and if the threat is actually untrue, management is using manipulation. It is suitable where other tactics will not work, or are too expensive. Co-optation on the other hand is a form of both manipulation and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change of decision. The leader's advice is sought, not to seek a better decision but to get their endorsement.

Both manipulation and co-option are relatively inexpensive and easy ways to gain the support of adversaries, but the tactics can backfire if the targets become aware that they are being tricked or used. Once discovered, the change of credibility may drop to zero. Finally is the use of explicit and Implicit Coercion. Application of direct or force upon the registers. Examples of coercion are threat of transfer, loss of promotions, negative performance evaluations, and poor letters of recommendation. It is applicable where speed is essential, and the change initiators possess considerable power. The advantage is that it is speedy, and can overcome any kind of resistance. It can however be risky if it leaves people mad at the initiators.

Employees can be assisted to cope with change as implementation of strategic change takes place. The ADKAR model, developed by Prosci (2000), is used in managing strategic change and focuses mainly on managing employees during strategic change implementation hence enabling them to be move smoothly from one phase to another. The model is very useful in managing employees' resistance to change (Prosci, 2000).

A study with 248 companies carried out by Prosci (2002) showed that effective change management with employees was one of the top- three overall success factors for the project. Helping management to be effective sponsors of change were considered the

most critical success factor overall. Effective management of the people's dimension of change requires managing the five phases that form the basis of the ADKAR model.

The figure below shows the five steps that the ADKAR Model mapped to enablers and management activities.

Figure 2 - ADKAR Model mapped to enablers and management activities

A	Awareness of the need for change	• Management communications • Customer input • Marketplace changes • Ready-access to information
D	Desire to participate and support the change	• Fear of job loss • Discontent with current state • Imminent negative consequence • Enhanced job security • Affiliation and sense of belonging • Career advancement • Acquisition of power or position • Incentive or compensation • Trust and respect for leadership • Hope in future state
K	Knowledge on how to change	• Training and education • Information access • Examples and role models
A	Ability to implement required skills and behaviors	• Practice applying new skills or using new processes and tools • Coaching • Mentoring • Removal of barriers
R	Reinforcement to sustain the change	• Incentives and rewards • Compensation changes • Celebrations • Personal recognition

Enablers

Source; "Change Management," Prosci Change Management Learning centre, (http://www.changemanagement.com/resistance model

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was modeled on a case study design. Data was collected from one study unit, that is, Githunguri Dairy Farmers Cooperative Society. It was a form of qualitative descriptive research and looked intensely at the society under study (GDFCS Ltd.) drawing conclusions about the society's management of resistance to change.

The study focused on interpreting in-depth details concerning various types of resistance to change and management of the same at GDFCS Ltd. It was an empirical inquiry that investigated a contemporary phenomenon within a real life context. The results provided an insight as to how companies should prepare themselves to cope with the change, hence minimizing resistance. The advantage of case study method is that it allows for in-depth exploration of issues and phenomena, hence providing more detailed information. (Cooper and Schindler, 2003)

3.2 Data Collection

Primary as well as secondary data was collected for the study. The primary data was mainly qualitative in nature and was gathered using the interview guides method. Respondents were mainly the administrative staffs who are more informed on the pertinent issues of the research. They responded according to their own observations, opinions and views. They also gave facts from within the organization. Secondary data was derived from strategic management reports of the society. Both open and closed ended questions will be used. Open ended questions allowed the respondents to express their thoughts freely, spontaneously and in their own language and not forcing them to adapt to preconceived answers. The closed-ended questions are easy to ask and quick to answer, require no writing and their analysis is straight-forward.(Cooper and Schindler, 2003; Chava et al, 1996).

The questions covered various forms of resistance to changes that GDFCS has been experiencing in the course of implementing strategic change and how the society has been responding to these circumstances. They also covered how GDFCS Ltd manages both systematic and behavioral resistance to change. The systematic resistance to change

questions covered general management and functional management capability areas. Behavior resistances to change questions were based on the five steps of the ADKAR model (Prosci, 2000). These are Awareness, Desire, Knowledge, Ability and Reinforcement.

3.3 Data Analysis

Content analysis technique was used to analyze the data collected. This involved a systematic qualitative description of the composition of the objects or material of study. It involved observation and detailed description of objects, items or things that comprise the study. Inferences are made by systematically and objectively identifying specified characteristics of messages (Chava, Nachmiac and David. 1996).The inclusion or exclusion of content was done according to consistently applied criteria of selection so that not only material supporting knowledge from secondary findings are examined.

CHAPTER FOUR: DATA FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents the findings of the study and the analysis of the data collected from interviews conducted on the administrative staffs of GDFCS Ltd. The interviewees to the interview guide were the society manager, assistant society manager, the operations manager and the human resources manager. According to the data found most of the administrative staffs projected in the previous chapter to be interviewed were interviewed which makes a response rate of 90%. The commendable response rate was achieved at after the researcher made frantic effort at booking appointment with the head of department despite their tight schedules and making phone calls to remind them of the interview.

4.2 General Information

The study, in an effort to establish the interviewees' conversance with matters regarding GDFCS Ltd in regard to managing resistance to strategic change asked a question on their years of experience in the organisation. According to the interviewees' responses on the question on the years that the interviewees had worked for the organisation (GDFCS Ltd), all of them had worked for the organisation for more than five years as most promotions are internal, within the organization. The interviewees' responses hence had the advantage of good command and responsibility being that they had experience based on the years of experience in the GDFCS Ltd.

4.3 Resistance to Change Its Causes and Management.

4.3.1 Forms of Resistance to Strategic Change

To the question on whether the interviewees experienced any resistance in the process of implementing strategic change in the society, the interviewees said that they experienced resistance in the process of implementing strategic change resulting from aggression and frustration in employees. The interviewees further said that individuals may be resisting the loss of status, loss of pay, or loss of comfort but not really resisting the change. They further said that of the two major types of resistance to strategic change; namely systemic

resistance and behavioral resistance, behavioral resistance is the most common and most difficult to manage. The interviewees explained that behavioral resistance is mainly caused by among other factors misunderstanding and lack of trust, different assessments, low tolerance for change, habit, high need for security, fear of the unknown and economic factors such as lowering of one's income.

4.3.2 Factors That Causes Resistance to Strategic Change

The interviewees were further requested to indicate the factors that were assigned in triggering resistance towards the change effort. The interviewees said that resistance towards the change effort was triggered by uncertainly in that the employee were uncertain on their fate after the revolution brought by the change; lack of trust in the change in that employees are likely to believe that there will be sinister motive for the change and managers not trusting their employees not allowing employees participation in the change process even when it is necessary; faults in the change process due to lack of expertise, threat to job security where the employees viewed that change would bring in new ways of doing things including technological advancement that result in layoffs in the long run; lack of expertise, floor training, structural and group inertia and structural and group inertia.

The interviewees, on how the organization prepared its staff for change in order to minimize resistance, said that GDFCS Ltd prepared its staff for change by creating awareness of the need for change which is through frequent campaigns, seminars and workshops conducted by various professionals before the change is implemented. The interviewees further said that GDFCS Ltd prepared its staff for change by creating the desire to participate and support the change through advocacy on the benefits of change, ensuring there is adequate knowledge about how to change through training and workshops, creating the ability in the staff to implement required skills and behaviors.

To the question on the areas with which the interviewees experienced problems when implementing change in the society, the interviewees said that the society experienced problems relating to Information technology. They indicated that IT was not able to cope with the changes in organization design and structure due to poor communication of the

changes and also insufficient IT skills among the employees. The interviewees indicated that the IT problem was solved by deciding the key messages for information strategy (what need to be communicated, to whom and when) and by designing an engagement strategy at key points in the project plan that engaged employees at all levels in the reason for the technology changes.

The interviewees further indicated that the society experienced financial problems when implementing change in the society in that they did not have sufficient funds to manage the changes coupled with its indebtedness to the CBK. This problem was solved by the society soliciting for funds from donors and also through government intervention. They also indicated that they faced problems in the sales and marketing due to the more advanced and aggressive sales and marketing activities employed by competators which require heavy capital investment. This problem was solved by defining a target market, launching a marketing campaign and asking for feedback from customers. They further indicated that in the society the processes in place were not able to cope with the changes since the structures in place were not able to accommodate the new processes. This problem was solved by the society acquiring modern machines and establishment of modern technology in the society.

The interviewees also indicated that the society experienced poor policies and general management problems when implementing change in the society in that the managers were not willing to adopt the changes as they saw it as a threat to their jobs and position. The problem was solved by communicating to the leaders on the importance of change, identifying, or hiring, changing leaders whose main roles are to deliver the change and recognising and rewarding the management for implementing policies that make change happen. Further, when implementing change, the society faced research and development and production problems due to inadequate research and thus no new product development and decreased production resulting from the use of old processes. This was solved by use of vigorous research aimed at examining opportunities that should be, or could be, exploited and also through the more advanced structures that ensured more production and development of new products.

The interviewees said that in the process of initiating strategic change in the society, they experienced problems due to lack of cooperation from the staff. This was manifested as noticeable drop in morale by staff in the change, high staff turnover where employees sought employment from other companies as they thought the change will result in the loss of their position in the society, reduction in quality of the services rendered, Slow down in pace of work since most were not conversant with the advanced technology and processes, Increased number of grievances from the staff and verbal complaints on more demanding jobs and Increased Health claims.

The interviewees were requested to indicate how some factors influence the levels of resistance to change. The interviewees indicated that communication, level of staff involvement in the process, level of qualification of staff and group participation influenced change to a great extent while mutual respect, credibility of change agent and employee terms of service influenced change to a moderate extent.

4.3.3 Management of Resistance to Strategic Change at GDFCS Ltd

The interviewees were requested to indicate if they employed strategies in order to minimize resistance. The interviewees stated that, in order to minimize resistance to change, they employed various strategies including: education and communication where all the employees are informed about the change in order to feel secure and maintain cooperation. this was done by informing people about the potential consequences of the change, educating employees on new work procedures in a bid to help alleviate fears about the new technology; participation and involvement where employees participate in all phases of the change process thus encouraging employees to discuss, to communicate and to make suggestions hence encouraging commitment to change rather than mere compliance; facilitation and support through managerial support during difficult times which help them to deal with fears and anxieties during the time of transition and also through special training and counselling outside the normal office premises and also through negotiation and agreement where managers offer incentives to employees not to resist change, people who are resisting the change are allowed to veto certain elements of change that are threatening and also offering incentives to leave the company through early buyouts or through retirements.

Other strategies employed in order to minimize resistance included manipulation and co-portion by selecting leaders of the people who are resisting the change to participate in the change effort and giving them a symbolic role in decision making; financial benefits through recognition and reward (both financial and non-financial) to people for making change happen and also through explicit and implicit co-ercion where no other method works and the managers make it clear that resistance to change could lead to dismissals, transfers or no promotions.

CHAPTER FIVE: SUMMARY DISCUSSIONS AND CONCLUSIONS

5.1 Introduction

This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are in quest of addressing the research question or achieving at the research objective which is to establish the how resistance to strategic change is managed in the dairy industry in Kenya the case of Githunguri Dairy Farmers Cooperative Society Limited.

5.2 Summary and Discussions

The researcher, on whether the interviewees experienced any resistance in the process of implementing strategic change in the society, found that GDFCS Ltd experienced resistance in the process of implementing strategic change resulting from aggression and frustration in employees where individuals may be resisting the loss of status, loss of pay, or loss of comfort but not really resisting the change. This collated with what previous research by Dent & Goldberg (1999) who found that individuals aren't really resisting the change, but rather they may be resisting the loss of status, loss of pay, or loss of comfort. The researcher also found that of the two major types of resistance to strategic change; namely systemic resistance and behavioral resistance, behavioral resistance is the most common and most difficult to manage and is mainly caused by among other factors misunderstanding and lack of trust, different assessments, low tolerance for change, habit, high need for security, fear of the unknown and economic factors such as lowering of one's income.

Simmilar to Kreitner (1992) who attributed individual resistance to factors like uncertainty, surprise, personality conflicts and lack of communication, the researcher found that resistance towards the change effort was triggered by uncertainly in that the employee were uncertain on their fate after the revolution brought by the change; lack of trust in the change in that employees are likely to believe that there will be sinister motive for the change and managers not trusting their employees not allowing employees participation in the change process even when it is necessary; faults in the change

process due to lack of expertise, threat to job security where the employees viewed that change would bring in new ways of doing things including technological advancement that result in layoffs in the long run; lack of expertise, floor training, structural and group inertia and structural and group inertia.

On how the organization prepared its staff for change in order to minimize resistance, the researcher found that GDFCS Ltd prepared its staff for change by creating awareness of the need for change which is through frequent campaigns, seminars and workshops conducted by various professionals before the change is implemented. The researcher further found that GDFCS Ltd prepared its staff for change by creating the desire to participate and support the change through advocacy on the benefits of change, ensuring there is adequate knowledge about how to change through training and workshops, creating the ability in the staff to implement required skills and behaviors.

On the areas with which the company experienced problems when implementing change in the society, the found that the society experienced problems relating to Information technology. It was indicated that IT was not able to cope with the changes in organization design and structure due to poor communication of the changes and also insufficient IT skills among the employees. The researcher found that the IT problem was solved by deciding the key messages for information strategy (what need to be communicated, to whom and when) and by designing an engagement strategy at key points in the project plan that engaged employees at all levels in the reason for the technology changes.

The researcher further found that the society experienced financial problems when implementing change in the society in that they did not have sufficient funds to manage the changes coupled with its indebtedness to the CBK. This problem was solved by the society soliciting for funds from donors and also through government intervention. The researcher also found that the company faced problems in the sales and marketing due to the more advanced and aggressive sales and marketing activities employed by competators which require heavy capital investment. This problem was solved by defining a target market, launching a marketing campaign and asking for feedback from customers. The researcher further found that in the society the processes in place were

not able to cope with the changes since the structures in place were not able to accommodate the new processes. This problem was solved by the society acquiring modern machines and establishment of modern technology in the society.

The researcher also found that the society experienced poor policies and general management problems when implementing change in the society in that the managers were not willing to adopt the changes as they saw it as a threat to their jobs and position. The problem was solved by communicating to the leaders on the importance of change, identifying, or hiring, changing leaders whose main roles are to deliver the change and recognising and rewarding the management for implementing policies that make change happen. Further, when implementing change, the society faced research and development and production problems due to inadequate research and thus no new product development and decreased production resulting from the use of old processes. This was solved by use of vigorous research aimed at examining opportunities that should be, or could be, exploited and also through the more advanced structures that ensured more production and development of new products.

The researcher found that in the process of initiating strategic change in the society, they experienced problems due to lack of cooperation from the staff. This was manifested as noticeable drop in morale by staff in the change, high staff turnover where employees sought employment from other companies as they thought the change will result in the loss of their position in the society, reduction in quality of the services rendered, Slow down in pace of work since most were not conversant with the advanced technology and processes, Increased number of grievances from the staff and verbal complaints on more demanding jobs and Increased Health claims.

The researcher found that communication, level of staff involvement in the process, level of qualification of staff and group participation influenced change to a great extent while mutual respect, credibility of change agent and employee terms of service influenced change to a moderate extent.

According to Kotter and Schlesinger (1989), dealing with resistance to change can be done using various ways including education, communication, Participation and

involvement, Facilitation and support, Negotiation and agreement, manipulation and co-optation and the use of explicit and Implicit Coercion. Similar to whatthe previous research found, the researcher found that, in order to minimize resistance to change, the company employed various strategies including: education and communication where all the employees are informed about the change in order to feel secure and maintain cooperation. This was done by informing people about the potential consequences of the change, educating employees on new work procedures in a bid to help alleviate fears about the new technology; participation and involvement where employees participate in all phases of the change process thus encouraging employees to discuss, to communicate and to make suggestions hence encouraging commitment to change rather than mere compliance; facilitation and support through managerial support during difficult times which help them to deal with fears and anxieties during the time of transition and also through special training and counselling outside the normal office premises and also through negotiation and agreement where managers offer incentives to employees not to resist change, people who are resisting the change are allowed to veto certain elements of change that are threatening and also offering incentives to leave the company through early buyouts or through retirements.

Other strategies employed in order to minimize resistance included manipulation and co-portion by selecting leaders of the people who are resisting the change to participate in the change effort and giving them a symbolic role in decision making; financial benefits through recognition and reward (both financial and non-financial) to people for making change happen and also explicit and implicit co-ercion where no other method works and the managers make it clear that resistance to change could lead to dismissals, transfers or no promotions.

5.3 Conclusions

The study concludes that in the current business environment where strategic change is inevitable, GDFCS Ltd has faced various forms of resistance to strategic change resulting from aggression and frustration in employees where individuals may be resisting the loss of status, loss of pay, or loss of comfort. Behavioral resistance is the most common and most difficult to manage and is mainly caused by among other factors misunderstanding

and lack of trust, different assessments, low tolerance for change, habit, high need for security, fear of the unknown and economic factors such as lowering of one's income.

The study also concludes that GDFCS Ltd prepared its staff for change by creating awareness of the need for change and creating the desire to participate and support the change through advocacy on the benefits of change. The factors that caused resistance to strategic change at GDFCS Ltd included uncertainly, lack of trust in the change, faults in the change process, threat to job security and lack of expertise.

The study also concludes that GDFCS Ltd have been able minimize resistance to change by adopting various strategies which include: education and communication where all the employees are informed about the change in order to feel secure and educating employees on new work procedures in a bid to help alleviate fears about the new technology; participation and involvement where employees participate in all phases of the change process thus encouraging employees to discuss, to communicate and to make suggestions; facilitation and support through managerial support during difficult times and also through special training and counselling outside the normal office premises; negotiation and agreement where managers offer incentives to employees not to resist change, incentives to leave the company through early buyouts or through retirements and also people who are resisting the change are allowed to veto certain elements of change that are threatening; manipulation and co-portion by selecting leaders of the people who are resisting the change to participate in the change effort and also by offering financial benefits through recognition and reward (both financial and non-financial) to people for making change happen.

5.4 Limitations of the Study

A limitation for the purpose of this research was regarded as a factor that was present and contributed to the researcher getting either inadequate information or responses or if otherwise the response given would have been totally different from what the researcher expected.

The main limitations of this study were that some respondents refused to be interviewed. This reduced the probability of reaching a more conclusive study. However, conclusions

were made with this response rate. The small size of the sample could have limited confidence in the results and this might limit generalizations to other situations. Most of the interviewees were busy throughout and had to continuously be reminded and even persuaded to provide the required information. Time- Due to official duties time was also a major concern.

5.5 Suggestions for Further Research

The study was carried out in managing resistance to strategic change in the dairy industry in Kenya: a case of Githunguri Dairy Farmers Cooperative Society Limited. The researcher recommends that a similar study be done on other sub-sectors in the agricultural sector such as horticulture, poultry, fishing, sugar and others so as to find out the strategies that they have employed to manage resistance to change and give a better insight into this very vital sector of the Kenyan economy.

The study recommends a similar study in other public institutions to establish a base for drawing formidable conclusions on management of resistance to change. The findings of such a study are likely to affirm or dispute the results as outlined in this particular study. In addition the study should explore change management in privately owned enterprises for comparative analysis to justify any differences that exist.

5.6 Recommendation for Policy and Practice

From the discussions and conclusions in this chapter, the researcher recommends that in order to remain competitive in the market and remain profitable in the current business environment where strategic change is inevitable, GDFCS Ltd should introduce the change in every aspect of its undertaking so that the stakeholders are well acquainted with the change.

The researcher further recommends that the GDFCS Ltd management should dedicate more funds and develop better policies that are geared towards promoting change in the company like rewards and promotions for the people who pioneer change. More research also need to be done in the daily industry in Kenya.

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APPENDICES

APPENDIX 1: INTERVIEW GUIDE FOR THE GENERAL MANAGER

A: General Information

1. Years of experience in the society...

2. The current employee strength in the society…………………………………..

3. How many branch offices does the society currently have?.................................

B: Resistance to Change and Its Causes

1. In the process of implementing strategic change in the society, did you experience any resistance? Tick the appropriate box?

   Yes   [   ]

   No   [   ]

2. Please state whether each of the following factors were assigned in triggering resistance towards the change effort and briefly elaborate how.

   (a)   Uncertainly,   Yes   [   ]   No   [   ]

   If yes how? ....

   ....

   ....

   (b) Lack of trust in the change Yes   [   ]   No   [   ]

   If yes how? ....

   ....

   ....

(c) Faults in the change process Yes   [   ]   No   [   ]

   If Yes how...

....

....

(d) Work group break-up   Yes [   ]   No   [   ]

If yes, how? ....

....

....

(e) Threat to job security Yes [   ]   No   [   ]

If yes, how? ....

....

....

(f) Surprise   Yes   [   ]   No   [   ]

If yes, how? ....

....

....

(g) Lack of expertise   Yes [   ]   No   [   ]

If yes, how? ....

....

....

(h) Floor Training   Yes   [   ]   No   [   ]

If yes, how? ....

....

....

(i) Structural and group inertia Yes   [   ]   No   [   ]

If yes, how? ....

....

....

(j) Structural and group inertia Yes   [   ]   No   [   ]

If yes, how? ....

....

(k) Others (Please specify)

....

....

....

C. Preparation of the staff for change.

How did your organization prepare its staff for change in order to minimize
resistance? Answer in respect to the following:

(a) Creating awareness of the need for change.

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

(b) Creating the desire to participate and support the change.

....
....

(c) Ensuring there is adequate knowledge about how to change

....
....

(d) Creating the ability in the staff to implement required skills and
      behaviors.

....
.   ...

(e) Reinforcing and sustaining the change.

……………………………………………………………………………………
……………………………………………………………...

APPENDIX 11: INTERVIEW GUIDE FOR THE ASSISTANT SOCIETY MANAGER AND THE OPERATIONS MANAGER

A: General Information

1. Years of experience in the society ....

B: Systemic Resistance

1. When implementing change in the society did you experience problems with the following areas?

    (a) Information technology   Yes   [   ]   No   [   ]

        (i) How was IT not able to cope with the changes?

    ....

    ....

    ....

        (ii) How did you act to solve this problem?

    ....

    ....

    ....

        (b) Finance

    (i) How was finance not able to cope with the changes?

    ....

    ....

    ....

(ii) What measures/ strategies did you put in place to solve the problem?

....

....

....

    (c) Sales and marketing

(i)   How was sales and marketing not able to cope with the changes?

....

 ....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

    (d) Processes

(i)   How were processes not able to cope with the changes?

....

....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

(e) Policies

(i)   How were policies not able to cope with the changes?

....

....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

(f) General Management

(i)   How was general management not able to cope with the changes?

....

....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

(g) Research and development

(i)   How was research and development not able to cope with the changes?

....

....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

(h) Production

(i)   How was production not able to cope with the changes?

....

....

....

(ii)   What measures/ strategies did you put in place to solve the problem?

....

....

....

APPENDIX III: INTERVIEW GUIDE FOR THE HUMAN RESOURCES MANAGER.

A: General Information

1. Years of experience in the society...

2. No of employees in the department ....

B: Behavioral Resistance

3. In the process of initiating strategic change in the society, did you experience any of the following problems?

(a) Lack of cooperation from the staff   Yes [   ]   No   [   ]

If YES, please elaborate how ....

....

....

(b) Noticeable drop in morale Yes [ ]   No   [   ]

If YES, please elaborate how ....

....

....

(c) High Staff turnover Yes []   No   [   ]

If YES, please elaborate how ....

....

....

(d) Reduction in quality Yes [   ]   No   [   ]

If YES, please elaborate how ....

....

....

(e) Slow down in pace of work Yes [   ]   No   [   ]

If YES, please elaborate how ....

....

....

(f) Increased number of grievances from the staff and verbal complaints

                          Yes [ ]   No   [   ]

If YES, please elaborate how ....

....

....

(g) Abtentism Yes [ ]   No   [   ]

If YES, please elaborate how ....

....

....

(h) Increased Health claims Yes [   ]   No   [   ]

If YES, please elaborate how ....

....

....

(i) Others (please specify)...

....

4. How did the following factors influence the levels of resistance to either low, moderate or high

(a) Group participation

....
....

(b) Communication

....
....

(c) Mutual respect

....
....

(d) Credibility of change agent

....
....

(e) Level of qualification of staff

....
....

(f) Employee terms of service

....
....

(g) Level of staff involvement in the process

....
....

C. Dealing with Resistance to Change

5. Indicate if you employed the following strategies in order to minimize resistance and give an explanation of how you did it.

   (a) Education and communication

   ....
   ....

   (b) Participation and involvement

   ....
   ....

   (c) Facilitation and support

   ....
   ....

   (d) Negotiation and agreement

   ....
   ....

   (e) Manipulation and co-portion

   ....
   ....

   (f) Explicit and implicit co-ercion

   ....
   ....

   (g) Financial benefits

   ....
   ....

(h) Political support

....

....

Thank you very much for your time and cooperation.