STRATEGIC CHANGE MANAGEMENT A T THE WRIGLEY COMPANY EAST AFRICA

(WCEA)

BY:

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA); SCHOOL OF BUSINESS; UNIVERSITY OF NAIROBI.
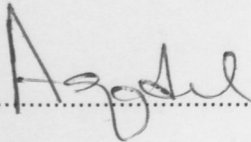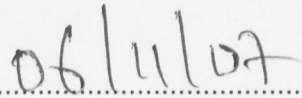
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DECLARATION

The Management Project is my original work and has not been presented for the degree in any other University
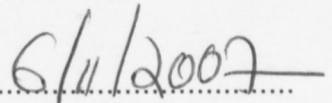
Signed... Date...06|11|07..........

Agnes Ogada

The Management Project has been submitted with my approval as the University Supervisor

Signed.. Date....6/11/2007........

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DEDICATION

This Project is dedicated to my children, Imelda, Anita, Marion, Josiah and his wife Ellen Marie, and my grand daughter Serena for their patience during my prolonged absence from home even during week ends. I further dedicate it to my late husband Eric Ogada and my late son Brian Ochieng. Though you two are gone you will forever be in our hearts.

ACKNOWLEDGMENT

I wish to acknowledge the following persons whose contributions facilitated successful completion of this project

My special thanks to my supervisor Prof. Evans Aosa who patiently guided me throughout the study despite my many shortcomings.

My sincere thanks to my colleagues at the MBA class (Irene Maina and Resper Anyango) for their continued encouragement to me.

My many thanks to fellow employees at the Wrigley Company East Africa Limited, particularly those who availed themselves for the interview.

Last but not least I wish to thank my brothers; Gedeon Lango and his family, Harris Onjira and his family for being therefore me.

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ABSTRACT

In the face of newly emerging dynamics in the business environment, organizations are increasingly feeling compelled to implement strategic changes to better adapt to evolving environmental challenges. Similarly, the Wrigley Company East Africa Limited had faced challenges some of which were global competition technological advancement and changes in consumer tastes and preferences. In response to these challenges, the company undertook major changes to its operations.

The purpose of this study was to investigate what changes the Wrigley Company implemented and how the change was implemented. Further the study sought to establish what the challenges to the change initiatives were. In this study, a case study approach was adopted on the Wrigley Company (EA) Ltd as an organization. The study sought to document in detail the strategic change management that the company undertook in response to environmental conditions. A case study was used because it is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit (Young 1960, Kothari 1990).

The study collected primary data from respondents through a semi structured interview guide. The interviews were administered on twenty four respondents who included two directors of the company, three senior managers, four middle managers, eight power users, and three lead change managers. Four other employees from supply chain and commercial units were also interviewed. Secondary data was collected from records within the company's offices and its website. The data was qualitative in nature. Content analysis technique was used to analyse the data. In this technique, inferences from study findings were made by systematically and objectively identifying specified characteristics of messages (Nachmias and Nachmias 1996)

Findings indicated that the main initiator of changes that were implemented at WCEA was the Wrigley global head office in Chicago. Key among the changes that occurred

within WCEA as an organization included, structural changes from the previous departmental functions to main units of commercial and supply chain. Within the two units there was internal restructuring to enable alignment of the new systems to these structures. Administratively however, some employees moved to new process areas.

Technological aspects of the company's operations included integration across process areas, improved integrated use of systems applications and products (SAP) based on enterprise resource planning (ERP), and enhanced use of systems. Everybody at WCEA subsequently had an account in SAP for reports and information. Changes in the company's processes included the creation of three main process areas namely forecast to stocks (FTS), order to cash (OTC), and finance (FIN). Information transfer became faster and there was better understanding of value chain among employees.

Various approaches and procedures were used to implement the new changes at WCEA. To improve the competence and technical capacities of WCEA employees, and to contribute meaningfully to the change process, initial trainings by consultants were organized. There were also infrastructural enhancements that included the upgrading of information technology (IT) systems like replacement of old slow computers with faster ones. This was accompanied by training of employees on IT skills to enable them understand advantages of networked systems, and the contribution of the new processes and procedures to the overall efficiency of the organization. Avenues used to communicate the change process to the company staff included bulletins, memos, face to face meetings with supervisors, open day meetings and audio-visual materials.

The change process at WCEA was however confronted by both systemic and behavioural forms of resistance. The rampant systemic resistance was drawing from widespread staff incompetence at executing IT related tasks owing to inadequate training. Behavioural resistance on the other hand was fanned by the senior managers who appeared not to trust the process as they were comfortable with the status quo. Part of the reason that change objectives were yet to be realized at WCEA was because of the general indifference from senior staff and managers who felt their powers under

the old system being faced out would be muzzled by the new structures the new system was creating.

Based on these findings, it is therefore recommended that further training to employees at WCEA, including power users (PUs) and end users (EUs) to enhance their understanding of and competence at handling the new systems and process be done. This would go along way in overcoming systemic resistance to the new changes implemented. WCEA further needed to carryout a Cost Benefit Analysis (CBA) to quantify the actual cost of the changes effected and the economic value of the benefits the change has attracted to the company, an under taking that would enable the company determine the level of cost effectiveness of its changes.

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1. Strategic Change Management

Strategy is a unifying theme that gives coherence and direction to the actions and decisions of an organization. It guides an organization to superior performance by helping it establish competitive advantage (Grant 1998). Strategy acts as vehicle for communication and coordination within the organization. The goal of strategic management therefore is to build and maintain sustainable competitive advantage and create stakeholders wealth. Strategic management process includes formulation, implementation, evaluation and control (Pearce and Robinson 2003).

Ansoff and McDonnell (1990) assert that organizations are environment serving. They interact with the environment in such a way that they get inputs from the environment, process them and give back to the environment in the form of goods and services. Organizations therefore affect and are affected by the environment. The environment could be remote and immediate. The remote environment could pose challenges such as political, social, economic and technological. While managers may be able to control factors in immediate environment they are not able to control factors in the remote environment as these are beyond their control. Modern executives must therefore devise ways and respond to the challenges posed by the firm's immediate and remote environment (Pearce & Robinson 2003). These challenges must be anticipated, monitored, assessed and incorporated into the executives' decision making process (Wairegi 2003).

Strategic change picks on the second aspect of strategic management process of implementation. Change is all about identifying and bringing in the organization actions and procedures that will ensure its long term survival. It is a condition and a process that describes the happenings in the internal and external environment. Change is a reality that must be accepted by all organizations (Hill and Jones 1999). Strategic

change management is used to ensure that a planned organization change is guided in the planned direction, conducted in a cost effective and efficient manner and completed within targeted time frame with desired results (Davis and Star 1993). Strategic change management can also be seen as an approach to achieving sustainable changes in human behavior within an organization (Davis and Star 1993).

The business environment is rapidly changing, making it imperative for organizations to continually adapt their activities to changes in the environment in order to succeed. To survive in a dynamic environment their strategies need to focus on their customers and deal with the emerging environmental challenges (Hofer and Schendel 1978). Organizations therefore face constant demands for changes to keep up with these challenges. The management must use effective change management with each new initiative that may make the organization experience a fundamental shift in its operations. This way the organization develops competency (Ansoff and McDonell 1990).

Two approaches to successful change management are planned approach and emergent approach. The planned approach views organizational change as a process of moving from one fixed state to another through a series of preplanned steps. It is change that is consciously planned and embarked upon by organizations. It has been argued that the planned approach may work well in a stable and predictable environment. This approach is related to the practice of organizational behavior.

Emergent approach on the other hand views change as a continuous and open ended, unpredictable process of aligning and realigning an organization to its changing environment. This approach recognizes the need for organizations to match their internal practices to external conditions (Aosa 1992). The approach works best in an environment that is turbulent. It has however been noted that organizations do face environments with varying level of turbulence. The organization in such cases must be flexible and adapt to these circumstances (Burnes, 2000).

Managers introducing changes in organizations or shaping and implementing changes to culture, structures or just making changes to organizations face numerous challenges (Rose and Lawton 1999). Management of change requires that individuals involved should demonstrate high degree of skills and sensitivity in dealing with employees. The challenges arise because reasonable people may not do reasonable things. Strategy implementation may not always follow formulation as there could be resistance. Resistance to change may take the form of procrastination and delays in triggering the change process. There may also be restraining forces within the organization that may pose challenges to the change process. The organization may lack the ability to drive the change process especially if there is capability gap (Ansoff and McDonnell 1990). For change process to be successful all these forces must be managed well.

1.1.2 The Confectionary Industry

An industry is a group of firms whose products have many of the same attributes that they compete for the same customers. The confectioneries market forms part of the food industry and in Kenya it's valued at over 2.5 billion shillings annually (The Manufacturer's directory 2002). The industry's products do not form part of essential purchases but is an impulse market. Sales have increased over the years as majority of the population tend to buy confectionary products. Changing eating habits have led to increased levels of snacking and grazing as a highly accessible and desirable food. Confectionery industry has been able to capitalize on this trend. The industry is very attractive especially to the young urban population. The Kenyan market is in its growth stage hence there is scope for continuous market growth. The predominant trend among the leading companies is to expand more through brand executions and to a lesser extent through new product offers. Extending established brands creates new products as this carries lower risks as opposed to launching completely new products. Being an impulse market, strong brand identity is of key importance. There are two main sectors in the industry, i.e. chocolate and sugar confectionery. The products in the

market include chocolate, candies, fruit sweets, mints, lollipops, chewing gum, and bubble gums.

The major local players in the industry are Cadbury (K) Ltd., Wrigley (EA) Ltd., Kenafric Industries Ltd, and Patco Industries. There are also a host of international trading companies represented by various distributors, such as Kenroid distributors, and Progressive distributors. The industry has advantage of cheap labour in terms of production and packaging materials, but it suffers from lack of adequate distribution networks. Most of the key players have established their brands and developed markets for themselves.

The industry however faces various challenges such as high production costs relative to imported raw materials like base and flavour, technological factors as the existing technology cannot support the fast growing product innovations in terms of packaging and product designs. Buyers also have little knowledge about the various products in the market. High distribution costs in terms of maintenance of distribution vehicles. Costs of developing and maintaining merchandising and display units are also very high. Cultural factors inhibit consumption of the products like chewing gum as chewing is generally seen as a bad habit. Other challenges are that there is a host of cheap, exciting, colourfully packaged imported confectionery products that present competition to local industries. The population is increasingly becoming aware of their health and dental problems. And lastly is the global competition as players are not only local but global. Most of these global players have more resources thus threaten survival of local industries. All these factors pose challenges to the industry and so the players have to come up with innovative techniques to help counter these challenges.

1.1.3 The Wrigley Company (EA) Ltd

The Wrigley Company (EA) Ltd is one of the key players in the confectionary industry. It is a subsidiary of a multinational company Wm. Wrigley Jr. Company whose head office is based in Chicago Illinois. The Wm. Wrigley Jr. Company operates in 180 countries

worldwide with 16 production facilities and 50 sales offices (Annual report 2005). The Wrigley's chewing gum had been distributed in Kenya since 1920s, but the formation of a common market among the East African nations of Kenya, Uganda and Tanzania prompted the company to establish a stronger presence (Omole 2003). The East African subsidiary was incorporated in 1969 as a small sales office in Nairobi Kenya. It was not until 1971 when the Kenyan factory was built and started manufacturing the two pellet packages of Wrigley's Spearmint, Juicy fruit and Orbit. The Kenyan factory became the first Wm. Jr. Company facility to produce bubble gum. At the time Spearmint and Juicy fruit failed to take hold of the market and were dropped. The company has however continued producing the four pellet Orbits and Big G bubble gum. It is however noteworthy that in other Wrigley locations, Orbit is a sugar free product, while in Wrigley East Africa it is sugar coated. This conflicted with the global naming such that it became necessary to rename orbit to "PK" which stand for packed right Kept tight. The company has grown very well and has added to its local brand others like Cool Air and Juicy fruit pellets. It also imports established brands of double mint, Wrigley's Spearmint and Juicy fruit stick gum (Omole 2003).

Like any other company it faces serious challenges posed by the environment. These are technological, globalization, competition, economic pressure, and others. The challenges are both internal and external. Some challenges that the company faced are such that it would experience different sets of numbers that would not add up. Inaccurate forecasting that would lead to either over or under production. There are times when the company would experience excessive or insufficient stocks, expired products, and wrong stocks in terms of product mix. Yet at times the company would set due dates that would not be met. All these impacted negatively on the company leading to higher costs, declining sales volumes and hence lower profits (Global Reference Model 2004).

The company therefore saw the need to embrace change to enable it have supplier consolidation and power, there was need to have new customer structure that would

provide innovative and perfect service in driving cost, need to change the way the customers viewed all aspects of their operations, and lastly need to counter competition. There was need to restructure internal operations to increase speed to the market place, have data that could support sound decisions, communicate across all Wrigley locations, and to overcome the challenges of ageing and inflexible systems. Ideally there was need to simplify, standardize and automate work. All these forces drove the company to undertake significant changes in its operations (Global Reference Model 2004).

1.2 Research Problem

As companies face challenges they must respond to these challenges in order to remain relevant. These responses may involve crafting new strategies and implementing them. The responses may also involve managing strategic changes. Johnson and Scholes (2003) state that change management is context related and cannot be the same for all situations for all types of organizations. Strebel (1996) asserts that change management whether in public or private sector is a daunting task and in most cases elusive. His studies reveal that only 20 -50 percent of organization undertaking changes do succeed.

Various researchers have studied strategic change management practices in various organizations in Kenya. Ogwora (2003) looked at strategic change management at the National Cereals and Produce Board. His study established that, though the change process was handled by competent change agents, only fifty percent success was realised. He concludes that the environmental context of the Kenyan scenario had a negative impact on the planned changes. Kasima (2004) looked at change management practices and resistance to change at multinational oil companies in Kenya. His study established that most rampant resistance to change on organizations are usually behavioural where intentional sabotage is always exhibited. Ongaro (2004) looked at strategic change management practices at Kenyatta National Hospital. His study revealed that the change process faced many challenges such as systemic and

behavioural resistance, inappropriate leadership, poor team work and lack of culture change to embrace change, but despite these the changes realised some considerable gains. No study has been done in the confectionary industry in Kenya.

The Wrigley Company East Africa Limited has faced challenges some of which are global competition technological advancement and changes in consumer tastes and preferences. The company has recently undertaken major changes in response to these challenges. How did Wrigley Company implement these changes? What changes did the company implement? What were the challenges to the change initiatives?

1.3 Research Objectives

There are two objectives for this study

   a) To establish how the change was implemented and what changes were implemented at WCEA.
   b) To establish what challenges the company faced in implementing the change

1.4 Importance of the Study

This study is important to company stakeholders and various groups of people. Stakeholders are individuals or groups of individuals who depend on the organization to fulfil their own goals and on whom the organization in turn depends (Johnson and Scholes 2003).

The Wrigley Company Management will find the study useful as it will help them in evaluating and getting feedback on the progress and success of change. This may be a basis of conducting future change management programs in the organization. The stakeholders in the manufacturing sector especially in the confectionary industry will find the study useful as they may apply the lessons learnt in planning and implementing future changes.

Employees of the Wrigley Company will find the study useful as it will help them be more change competent. The study will help in defining their jobs in relation to changes and they will take change as their primary responsibility. They will understand that changes will occur so they must expect change and be prepared to perform during and after the change. Students wishing to carry out further research will find it useful as it will contribute to existing literature in the field of strategic change management.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

Strategy is a multidimensional concept that is hard to be defined in a few words. Certain aspects of strategy however have been identified by various authors. Strategy is a game plan that management has for positioning the company in its chosen market arena (Thompson and Strickland 1998, Anderson 1999). Grant (1998) sees strategy as a vehicle for communication and coordination within the organization. He states that strategy guides management decisions towards superior performance by establishing competitive advantage. This enables the company to compete successfully and please its customers while achieving good business performance.

Johnson and Scholes (2003) on the other hand see strategy as the direction and scope of an organization over a long term. They argue that strategy achieves advantage for the organization through its configuration of resources within the changing environment to meet the needs of the market, and fulfill stakeholders' expectations. Chandler (1962) in his definition of strategy states that strategy is the determination of basic long term goals and objectives of the enterprise and the adoption of courses of action. Hence strategy helps in the allocation of resources necessary for carrying out those goals.

Mintzberg (1996) offers his view of strategy by asserting that strategy is a plan, a ploy, a position and a perspective as it specifies consciously the intended course of action. He says that strategy is a specific maneuver intended to outwit the competitor and that it is a means of locating the organization in its environment. Hence, according to Mintzberg (1996),strategy gives the organization its identity. Porter (1985) provides a basis for strategic analysis by classifying sources of competition in an industry into five. The model popularly referred to as five force model gives factors that must be looked into for an organization to gain competitive advantage.

The essence of strategy is to relate the organization to the changes in the environment (Ansoff and McDonnell, 1990). Koch (1995) affirms that a good strategy is the commercial logic of any business that defines why a firm can have competitive advantage. Aosa (1992) on the other hand asserts that, strategy creates a fit between the internal capability and external conditions. Mismatching the two creates a problem, and the matching is achieved through development of organizations capabilities and relating them to external environment. Other researchers on strategy see it as the process of deciding a future course for business and have a role in organizing and steering the business on that course (Webb, 1998). Therefore the organization must trade off and make hard choices in determining what to do and what not to and perform different activities from those performed by its rivals (Amurle 2003).

Whatever the definition, what is clear is that strategy is a unifying part of a decision that helps in identifying purposes, goals, objectives, and priorities of the organization. Strategy also helps the organization create competitive advantage as the organization needs to be aware of what the competitors do to effectively compete. Strategy helps in defining the obligations of the organization to its stakeholders as well as defining its specific business in terms of geographic scope. The success of any organization therefore depends on how new strategies are crafted to enable countering of challenges that are thrown by the environment (Johnson & Scholes 2003).

It is not enough just to formulate good strategies. A good strategy must be implemented and managed properly as desired to give good results. It has been stated that organizations are dependent on the environment and as such interact with the environment. They rely on the environment for their inputs and rely on the same environment to consume its services or products as outputs. The organization must therefore discharge the services or output that meet the needs of the environment. The external environment is always changing. The changes are usually very turbulent and

full of surprises. The organization must therefore be flexible and be able to move with speed to counter these changes (Ansoff & McDonnell 1990).

2.2 Strategic Change Management

Strategic change is built on the overall strategic management of the organization. It is the strategy of the organization that gives legitimacy to change program. Strategic change is basically concerned with redirecting the organization as a whole. It has been stated that the goal of strategic management is to build and maintain sustainable competitive advantage (Grant 1998). Strategic change therefore enhances competitiveness of the firm. Strategic change could be physical and social, and these changes are usually irreversible so before undertaking any changes, due care must be exercised to be sure that the intended change will lead the organization to the planned direction (Burnes 2004).

Davis and Star (2002) view strategic change management as the use of systematic methods that ensures that a planned organization change can be guided in the planned direction. Change should also be conducted in a cost effective and efficient manner and completed within targeted time frame with desired results. This means that change is a deliberate effort and that there are methods of conducting the change process to ensure that what is planned is eventually achieved. At formulation, the plan is mooted and change management comes in to make sure that the plan is achieved. The plans should be effective and efficient and should not be detrimental to the organization. It is also important that time frame is observed. Behaviorally, change is on the other hand is a structured and systematic approach to achieving sustainable change in human behavior within an organization (Davis and Star 1993). This involves moving employees to new behavior while retaining key competitive advantages especially competencies and customer relations.

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In change management we are faced with the current state that has become undesirable. We therefore want to move to a desired future state. This desired future state is also full of uncertainty, so in making a transition we must overcome both objective and subjective conditions. Objectivity addresses issues to do with adequate resources required to support the transition, sales volumes that are low and need to improve, customer preferences as their tastes may have changed, moving from low value to high value activities, moving away from functions to processes, and trying to achieve much with little costs. Subjective conditions deal with issues like culture that has been inculcated in the people, "we have always done it this way", personal interests, attitudes, politics, incompetent managers who fear that they may be exposed, lack of communication among employees, competitor reactions and resistance of employees to change (Johnson and Scholes 2003).

Change could be operational or strategic. Operational change is that which establishes objectives and activities in each part of the operation. This helps to continually support and enhance competitive effectiveness. At this level, the change focuses on efficiency in carrying out certain operations. Strategic change on the other hand is concerned with what is needed in the future to achieve organizations desired aims. It establishes an approach to change taking into account key players, barriers, and change enablers. Change at this level focuses on effectiveness. It is noteworthy however that no strategic change can take place without operational change (Johnson and Scholes 2003).

Strategic change may take business dimension and /or people dimension. People dimension of change is concerned with how employees experience the change process and how they cope with it. Helping people cope with the change process is a critical success factor. Effective management of people dimension of change requires managing several factors. First factor is awareness. People need to be aware of the need for change. Quite often they have been heard asking why changes are necessary if things are working. Making them aware helps to avoid complaints such as "they never

tell us what is happening". The second factor in change process is desire. Employees usually have the desire to participate and support the change. Once awareness has been created about the changes to take place, the employees would want to know how these changes will affect them. They would want to know what is expected of them, and how soon the changes will happen. The third factor is knowledge where employees need to know what is in the changes and how they as individuals are expected to change. Fourth is ability to implement the changes on a day to day basis. People need to be enabled to act and behave as is expected in the new situation. The fifth and last factor is reinforcement. Employees need to know how to keep change in place. They need to be motivated to keep the newly acquired behaviour going. This motivation should include rewarding of performance, encouragement and recognition (Burnes 2004).

The business dimension on the other hand is a planned change that will include elements such as the need for change, the scope and objectives of change. It will involve changing business processes, systems and structures of the organization. Business dimension will include implementation and post implementation of the change process. The need for change arises due to several factors such as changing customer needs in terms of their tastes, expectations and preferences. Changing competitions where by new competitors enter the market and make new proposals to the customers. Change of regulatory frame work such as new legislation that we must comply with. Changing technology as the current one may not serve the organizational needs adequately. And lastly is the need to bench mark our operations with the best players in the industry (Ansoff & McDonnel 1990).

In dealing with change objectives, there must be a clear vision that is built around the customers. The vision must be inspirational and be widely shared among employees. The vision should be participative and linked to daily behaviour. There is always a need to empower people in organizations as they need to develop capability to do their jobs. They must be aware of consequences of their actions and be accountable. The

employees need control on how they will contribute to getting there. Next is to develop capability in terms of technical team skills, training, hiring new skills if there is none internally and frequent reorientation. When executing the change process there is need to align systems, align structures around the customers, develop self directed work teams and use training as a leveraged activity (Senge 2003).

2.3 Approaches to Change Management

There are two main approaches to strategic change management. These are planned and emergent change. Planned change views the organizational change as a process of moving the organization from one fixed state to another through a series of pre-planned steps. Planned change was established as that which is conscious and embarked upon and planned by organizations, as opposed to change that was brought about by accidents or impulse. This change is closely associated with the practice of organizational development (OD). Organizational development is an organizational improvement strategy, it is a framework of theories and practices capable of helping solve problems confronting the human side of organizations (Drucker 1985).

A number of models for the planned change have been developed. In his model of action research, Lewin (1946) refers to programs and information designed to solve a problem or improve condition. It is based on the preposition that an effective approval to solving organizational problems must involve a rational and systematic analysis of the issues in question. He asserts that permanent changes in behaviour involve three steps. The first step is the unfreezing the previous behaviour, the second step involves changing to new behaviour while the third step is refreezing the behaviour thus consolidating the new practices acquired.

Bullock and Batten (1985) give four stages of planned change management. First is exploration phase which is the initial stage and involves awareness of the need for change. Second is the planning phase which involves understanding the problem,

collecting information, setting change goals, designing action plans. Third phase is the action phase and this involves arrangements for managing change, feedback on the change process and other information that may be needed. Fourth is integration phase which is the final phase and involves consolidating and stabilizing change, and reinforcing new behaviour. According to Kotter (1996) there are eight steps to leading successful change. These are, establishing sense of urgency, forming a guiding coalition, creating a vision, communicating the vision, empowering others, planning for and creating short terms wins, consolidating improvements and producing more changes, and finally institutionalizing the new approaches.

Although the planned approach to strategic change still remains highly influential, various criticisms have been levelled towards it. Burns (2004) asserts that the planned approach has been supported by consultants yet it has the inability to cope with continuous change. The planned approach emphasizes incremental change, while ignoring the organizational conflicts and politics. Ansoff & McDonnel (1990) state that planned change advocates assume that organizations exist at different states at different times. They assert that in times of turbulent and chaotic environment, organizational changes are more continuous and open ended processes, and not discrete self contained events.

The second approach is the emergent change. This approach views the change as a continuous and open ended unpredictable process of aligning and realigning an organization to its changing environment. Emergent change models recognize the need for organization to align their internal practices to the external conditions. It views change as a process that unfolds through interplay of multiple variables within an organization. Proponents of emergent change argue that change cannot be characterized as a rational series of decision making activities and events, change cannot be a series of linear events within a given period of time but rather a continuous process. Burns (2004) asserts that change cuts across functions and hierarchical divisions, and has no next starting and finishing point. It is a complex analytical political

and cultural process of challenging the core beliefs, structures and strategies of the organization. Proponents assert that change is so complex and multifaceted that mastering the challenges of change cannot be a specialist activity to be facilitated. Handling change is part of a manager's role so they emphasize a bottom up approach as opposed to top bottom approach that is implied in planned change. The emphasis is on the features of change management such as structures, culture, and organizational learning and managerial behaviour. They emphasize the fact that the role of a manager is not to plan and implement change but to create and foster structures and climate encouraging and facilitating change by employees in the organization. Managers focus on information gathering, communication and learning (Johnson and Scholes 2003).

Proponents of emergent change came up with various models. Dawson (1984) came up with processual model that talks about temporal aspects of change used as a means of breaking down the complex processes of organization change into manageable portions. He then conceives the need to change, then a process of organizational transition and operation of new work practices and procedures. Quinn (1980) came up with a model of logical incrementalism. In this model he asserts that managers consciously and proactively move forward incrementally. He advocates patterns of change as including creating awareness and commitment incrementally, amplifying understanding incrementally, changing symbols and building credibility, legitimizing new view points and making tactful shifts, setting political solutions as well as broadening political support. Overcoming opposition zones such as zones of indifference and loose situation, structure flexibility and systematic trial and waiting. Solidify the change incrementally and integrate the process and interest incrementally.

Critics of the emergent models assert that not all organizations face the same kind of environment as assumed by proponents of emergent change. They advocate for focus on creating a climate to foster change yet they fail to give specifics on what this climate will be. Some organizations may perceive the need to change but may not be able to

learn. Questions are likely to arise regarding the validity and applicability of this approach.

2.4 Resistance to Change

As new strategies are being introduced in the organization, it must be remembered that there are groups of people that may be enemies to the change process. These are employees, who have done well under the old conditions, and lukewarm defenders in those who may do well under new conditions. Strategy implementation does not always follow formulation as there may be resistance. Therefore treatment of strategic planning and implementation as sequential events may be an artificial occurrence. Resistance to change is a phenomenon that introduces delays, additional costs and inabilities into the process of change. Resistance may be in the form of procrastination and delays in triggering the process of change or it may be unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than originally anticipated. There may also be efforts within the organization to sabotage the change or absorb it in the welter of other priorities (Burnes 2004).

There are two forms of resistance to change namely systemic and behavioural (Ansoff and McDonnell 1990). Systemic resistance is where the organization is passively incompetent as a result of the difference between the capacity required for the new strategy and the capacity it has to handle it. Systemic resistance occurs whenever the development of capacity lags behind strategy development. Ansoff and McDonnell (1990) explain that systemic resistance also includes priority conflicts that suppress strategic activities, strategic overload that creates bottlenecks, and strategic incompetence that produce unrealistic strategies. To minimize systemic resistance, the organization must provide capacity by planning and budgeting for the changes. There must be integration of management development in the change process. Stretch the duration of the change to maximum possible to assume timely response to environmental challenges. There should also be use of sequence such as behavioural development, systems build up and strategic action.

Behavioural resistance on the other hand is to do with individuals as employees and managers in other departments. There could be group resistance from managers who share common tasks, coalitions and power centres within an organization. People normally resist changes due to some parochial self interests. Some employees may think of loss of something of value as a result of proposed changes. There could also be political camps in the organization fighting each other. Other reasons for resistance could be misunderstanding and lack of trust. This happens when implications of the changes are not understood, or where there is lack of trust in those in authorities or in other departments. Resistance could also result from the way different managers view changes. Some may see more costs than benefits, others may view the changes favourably based on full information they have.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This was a case study on the Wrigley Company (EA) Ltd. The company is situated in industrial area Nairobi. The study sought to document in detail the strategic change management that the company undertook in response to environmental conditions. The case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit (Young 1960, Kothari 1990).

3.2 Data Collection

Primary data was collected from respondents through a semi structured interview guide. This information was gathered from the employees who were directly involved in the change process and those who were affected by the changes. Interviews were conducted with twenty four respondents who included two directors of the company, three senior managers, four middle managers eight power users, three lead change managers, and four other employees from supply chain and commercial. Secondary data was collected from records within the company's offices and its website.

3.3 Data Analysis

Data collected both primary and secondary was qualitative in nature. This called for content analysis of data. Content analysis is defined as the technique of making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate to trends (Nachmias and Nachmias 1996). (Ogwora 2003, Ongaro 2004) used similar approach to qualitative analyses in their respective studies.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Change Implementation

4.1.1 Forces of Change

Virtually all stakeholders at WCEA who participated in the study (Directors, Managers and other employees) were aware of recent changes that had taken place at WCEA. An analysis of stakeholders' response on the forces that necessitated change at WCEA reveals that there was a general convergence of opinion from all levels of staff. The main forces commonly identified by them as having necessitated change included, globalization, competition, changing technology, and changing business environment. Others identified were wrong products in terms of product mix, different sets of numbers such that sales department would give their own numbers, and production also gives their own numbers and at the end of the day these numbers would not add up. Yet other factors the respondents identified were inaccurate forecasting, invalid promises, delayed products, and expired products. There was opinion convergent that these factors culminated in higher costs of doing business.

An isolated observation by senior employees, mainly directors and senior managers was that imposed recommendations from the head office in Chicago, was the reason major changes were effected at WCEA. Clearly an observation of this dimension inevitably or otherwise potentially sets the stage for any forms of resistance to change that an organization can exhibit. It will be illustrated in later sections of this chapter if and whether such observations implied underlying resistance to the changes. On the other hand however a significant proportion of the supervisory team pointed out that the recently undertaken changes at WCEA resulted from the fact that the location is in Europe, Middle East, Africa, and India (EMEAI) region, and had to join the WebEspirit Asia Wave roll out program, (WebEspirit being the name that was given to the change process).

Observations made by interviewees from all levels indicate that key objectives of the change processes included improving efficiency, standardization to meet the Wrigley business worldwide, move from low value activities to value adding activities, harmonization of business processes and ability to access global data base. .Other reasons were synergistic operations, and implementation of systems application and products (SAP), based on enterprise resource planning (ERP). An emerging concern would be an attempt to place these change objectives within the context of WCEA unique operational circumstances. Improved operational efficiency at WCEA comes across as key leading change management objective for the reason that as a business interest it had to place focus on costs related to production and the entire process of doing business to help in keeping such costs optimally low enough to give its end products a competitive edge in the market. Indeed a close scrutiny of the stated change objectives would illustrate that virtually all the objectives would converge at the urgent need to cut operational costs, and thus grant the much desired competitive edge in the confectionary market. An exception from the array of objectives was the observation that changes were being implemented within the Wrigley East Africa to ensure conformity to Wrigley business procedures worldwide. This pursuit of Wrigley Company's global interests would at some stage be shown to be a construction of rigidities that are not sensitive to unique operational settings of the company's subsidiaries in different locations worldwide.

Beyond the identification of factors /forces of change this study delves into an analysis of distinctions and variations in these factors between those that were predominantly external to the organization (WCEA) and those that were internal. Prominent among the identified external forces influencing changes at WCEA included such factors as compliance with Wrigley worldwide, as East Africa was a late adopter of SAP. Here WCEA was seen to be adopting system changes primarily because there was a need to standardize operational procedures in line with what Wrigley associated companies in various locations worldwide had adopted. This subsequently led to the adoption of

systems applications and products (SAP) in response to changing technology to enable WCEA handle e-commerce communication to customers.

Globalization and economic pressures gave rise to competition. Therefore remaining competitive was one of the factors that prompted change at WCEA as the competitors had a variety of products in the market at competitive prices. WCEA's response to change its functional systems to process based systems had the broader aim of cutting production costs to enable their products adopt competitive pricing. The emergence of new consumer needs, changing consumer tastes and preferences was another external force that influenced changes at WCEA. Local manufacturing of brands like Spearmint and Juicy fruit that did not hold on the Kenyan market was stopped, while stronger brands were enhanced, standardized or re-branded. For example in conformity with Wrigley global standards, orbit was re-branded 'PK'. This change was based on the fact that world wide, orbit was a sugar free product but in East Africa it remained a sugar coated product. The company has added to its local brand others like cool air and juicy fruit pellets to its range of products. To meet consumer needs without mass production of not-so-widely consumed products WCEA also imports established brands of double mint, Wrigley's spearmint and juicy fruit stick gum (Omole 2003).

Another closely related influence was the need for consumer consolidation where changes in the WCEA processes and products were geared towards placing a stronger hold on the already existing consumer base by improving consumer satisfaction to enhance brand loyalty. Performance improvement was an influence on changes at WCEA largely because it operates within the structures of associated companies of the Wrigley Global group and thus as an entity it had to implement strategic changes to help propel its performance to be at par with its peers. The need to strategically source raw materials was an influence on the change process partly because the urgency to control product prices starts with placing control on the cost of raw materials. WCEA was under the obligation to source its raw materials using the most cost effective channels. Most interviewees identified the requirement from the head office of Wrigley

global as an external factor that influenced change process at WCEA. This is a pointer to observation by staff that certain changes at WCEA were taken solely on the grounds that they were in the 'strategic' interest of the head office and not necessarily those of the targeted locations like WCEA.

Key among the internal factors that motivated change was the quest for efficiency by limiting errors associated with the production processes. In an effort to attain greater efficiency, WCEA adopted new changes to standardize and automate work and to ensure real time communication between stakeholders. There was need to restructure internal operations to increase speed to the market place, have data that could support sound decisions, communicate across all Wrigley locations, and to overcome the challenges of ageing and inflexible systems (Global Reference Model 2004). People development and training requirements of staff was another internal motivation for change as interviewees observed that there were glaring capability gaps among employees of different cadres, a factor that impeded efficiency. There were training needs among employees particularly in improving their information technology skills. However even after the implementation of the changes, employees still have critical training needs to help improve their understanding of the new processes and to be more SAP compliant.

Internal transparency and accountability was lacking at WCEA before the changes. The new procedures, as observed by middle and junior level employees have since enabled them become privy to information that was erstwhile shielded from them by the old systems. The need to expand market coverage also internally influenced change as wider market coverage would imply improvement on product delivery time to the market, and installation of systems that would cut the costs of production giving the WCEA products competitive edge in the market. An emerging need for data to support sound decision making and automation for free flow of information within WCEA was another principal motivation for changes. The information technology structure changes included an upgrading of its computer systems replacing the old ones with faster ones.

Further an enhanced networking was installed to make it possible for employees to access, adapt and work from all locations. The urge to overhaul ageing and inflexible systems in the company was another motivation to change, where new processes were adopted linking the whole establishment including all process areas. This also had the net effect of improving the overall system efficiency in such a way that employees have become aware of how their actions or failure to act may affect others.

Study findings illustrated glaring diversity in opinions on the extent to which there was a need for change at WCEA depending on the cadre of the respondents. While WCEA senior employees mostly felt that the changes were at best uncalled for if not unnecessary, in the view of the middle level management and employees, the changes were a necessity. The following observations by interviewees broadly capture the opinions of senior management over the changes:

"Changes necessary from the Wrigley corporate view"

"In the global Wrigley it was necessary"

"In view of the costs involved it was not necessary in East Africa".

"It should have come at later date"

On the other hand the opinions of other employees including accountants and supervisors over the need for the changes could broadly be captured by the following observations:

"Change necessary if the company is to compete efficiently and effectively"

"Timely and accurate reports enable the management to make quick and effective decisions"

"Change necessary considering that business environment is dynamic"

4.1.2 Approaches to Change Management

Being a business concern that operates in a dynamic economic environment WCEA is always confronted by the task to implement structural or process changes from time to time in an effort to better position itself in readiness for emerging challenges. Study findings on the main initiating agent of change indicate that changes at WCEA were primarily the idea of Wrigley corporate office. The entire change process at WCEA involved the input of external consultants at one stage or the other. The consultants who helped facilitate the change process at WCEA included employees from other Wrigley locations with diverse disciplines, regional implementation board (RIB), core team, Ernst &Young the company's auditors, software providers and others.

The need to contract consultants to help midwife change in an organization cannot be gainsaid, particularly because serving employees are likely to be used to the status quo, and even if they were to be given an opportunity to carry out internal evaluation and appraisals, results could at best only be subjective. Moreover if serving employees could be competent to facilitate change in the process of their work then it could be expected that such "change competent employees" would use an emergent approach to effect change, a process that would potentially pre-empt the need for change in the first place. Consultants therefore come across as the better placed party to facilitate change with the professional latitude that is devoid of any subjectivity. WCEA employees interviewed observed that consultants in the change process were involved at every stage.

The inclusion of consultant at each stage was necessary because the change process had three major stages of initiation, implementation and "go-live" each of which required different expertise. While some breeds of consultants like information technology specialists, software providers would be instrumental at all the stages. Others like trainers were only instrumental at the initiation phases of the change. Staff assessment on the level of involvement of consultants in the entire change process

varied from medium, high, deeply, heavily and intensively throughout from initiation to go live.

4.1.3 Change Content

The change management practices implemented at WCEA affected people in several ways. First, staff developed a culture of accountability and responsibility. Second, their attitudes changed though as observed by other respondents the culture has not changed but it's changing gradually. Third employees' roles and their reporting structures changed and finally changes have removed barriers from managers and employees. Respondents observed that middle level and junior level employees have become more positive. The general observation however, was that there was no support from top management.

The changes that took place included that of organization structure such that two units emerged as Wrigley commercial and Wrigley supply chain. Administratively some people were moved from their previous functions to other processes areas. Main changes in technological aspects of the company's operations included technologically integrated across processes areas, through SAP based on enterprise resource planning (ERP). People are now using systems more to do their work. Everybody has an account in SAP system for reports and information. The changes resulted in the three main process areas forecast to stock (FTS), order to cash (OTC), and finance (FIN). Information flow is faster and there is better understanding of value chain. But as would be expected of any change process, changes at WCEA had both negative and positive influences in the view of interviewees. Table 1 below lists these variations

Table 1: Impacts of the Changes

Positive Impacts	Negative Impacts
• It has improved work discipline in the company (timely reports e.t.c)	• To individuals the change has impacted negatively because they have lost control over the way things are done.
• It has removed what is referred to as measured risk out of the business as it simply tells you what should be done. You don't decide on you own.	• Individual responsibility and accountability could result in problems in an area without the knowledge of the respective managers.
• Implementation had no problems	• Over reliance on the system has created loss of power for other people.
• Operating the system had problems there were issues still to be addressed such as training needs.	• Infighting and wrong perception has taken root.
• Improved efficiency	• The change concept was not understood; staffs thought the change had created two different units in the company so the silos are larger now than before.
• Better planning	
• Shared services	
• concentrating on value adding activities	• At initial stages there were problems
• Improved information flow/ real time communication both internal and external – access to reports and KPIs	• Assumptions that people were at the same level did not work.
• skills and knowledge enhancement	
• Decentralization	
• Employees are technologically competent	
• There is now audit trail	
• Data storage in the system improved	
• WCEA is now operating according to WWJR, GRM and ICBPS	

Source: Study Interviews

There was urgency for change. This was incorporated in the process by telling people why they had to change. Interviewees observed that there was a time-frame from pre-training workshops to go live. Others said that there was WebEspirit blueprint that gave a time schedule of activities that had to be accomplished by certain times. Other respondents referred to it as SAP road map. There were also regular change meetings to get feedback on the progress of change. Yet other respondents observed that there was a timeline of activities to be accomplished at certain points, and that this time schedule was drawn at the global level. Others felt that the urgency was evident as WCEA joined the Asia Wave roll out very late and had to catch up with early starters to the process. There were many kick-off meetings, workshops, trainings and follow ups. A lot of activities were set in process to sensitize people to change.

Organizational change is usually a multifaceted process calling for the input of persons from diverse backgrounds having diverse competencies as the projected changes would require. In recognition of this WCEA enlisted the contribution of specific teams to facilitate the change process. There were core teams from other Wrigley locations, while locally the teams were made up of Capability Transfer (CT), Change Manager (CM), Business Implementation Manager (BIM), and local management. While Capability Transfer and Change Manager did not have teams, Business Implementation Manager had a team of power users (PU) to help him drive the change process. Depending on the nature of changes envisaged and the set objectives of a change process, an organization needs to use a conventional criterion as a basis for the selection of the teams that it forms to midwife the desired change. Findings indicate that while some criteria were used to select members of some of the teams, selection of other participants could only be described by employees as hand picking process if not haphazard. While senior management suggested that most teams were selected on the basis of experience, availability and exposure. Other interviewees observed that of all the teams, only power users (PU) were selected on the basis of experience, exposure and functional areas. Other participants selected to spearhead change at

WCEA was basically described as "*arbitrary handpicking of loyal staff*" or "*Those unlikely to leave the company soon*"

The above observations are indications that majority of middle and junior level staff were not clear on the criteria used to select most of the participants on the change teams, a situation that presented a real potential for the emergence of one form of resistance to change or another.

For the lead teams in the change process at WCEA, roles were assigned as per functional areas, and specifically to train users and convert legacy system to SAP and help with continued implementation of the process. Open day meetings were in turn used to monitor the progress and decide on what was to be done next. However these lead teams had no powers of discretion to determine the direction of the processes the following observations by staff capture the situation.

"*There was GRM to work with*"
"*They simply used a guide document and had no initiatives of their own*"

Most of the company managers interviewed observed that the entire change process had short term targets to monitor the changes based on blue print mile stones. Examples of these short term targets included timely loading of the master data. In the assessment of the top management at the company, employees who achieved targets were never rewarded. Middle level and junior employees however indicated that target achievers like power users and end users were rewarded after the go-live stage of the process.

4.1.4 Change Management Process

Although all staff interviewed indicated that the company employees were informed about the ongoing change processes, senior staff observed that this happened only after the decision had been made to incorporate the change. This observation demonstrates that from the very initial stages of the change process at WCEA, staff had no direct input. A situation that places the interest of the head office and concerns of the local company staff at cross purposes. This was a recipe for resistance to change. Awareness of change process was communicated through bulletins, memos, meetings and face to face meetings with supervisors, open day meetings and audio visual materials. However communication of the change process just like its initiation involved a top bottom approach. At the initial stages of the change processes communication emanated from the top downwards. Senior management however observed that there were meetings with stakeholders and this increased momentum for change.

The change vision was there and it was articulated but understanding may not have been achieved. Majority of staff in the accounts department felt that change vision was well articulated and clearly understood. The senior most management team comprising directors and departmental managers reported that their interests had been taken into account however not on certain areas especially issues to do with how people were selected to change management team. One respondent observed that the core team had indicated that they would come and help identify people to lead the change process but they did not. Most middle level and junior employees e.g. accountants and supervisors on the other hand felt that their interests and concerns were not taken into consideration as the entire change process involved a top-bottom communication process and therefore personal interests were not the driving force.

Study findings indicated that while all directors were frequently consulted during the process, for managers there was selective consultation. While employees from procurement, finance, supply chain, production, engineering services and engineering

development observed that they were frequently and regularly consulted, employees from information technology, (IT) quality assurance (QA) and people learning and development (PLD) observed that they were rarely consulted. On the other hand, staff in middle and junior levels interviewed, were never consulted during the change process. This finding puts into great doubt the level of interaction between the change facilitating teams and the change agents on the ground. The action further complicated the prospects of the initiated change ever attaining its full objectives.

Overall the WCEA change process involved the selective use of symbols, patterns and settings that included posters, flyers, t-shirts, cups depicting change. WebEspirit logo, WeEspirit mission and vision statement and mouse pads all of which depicted change were also used. However senior employees were concerned that posters and flyers used may not have had any meaning to the rest of the employees. The WCEA changes were carried out in stages. There were pre-trials and integration testing and finally implementation. Change was done in steps over a period of time but this period was too short as employees in East Africa had not been exposed to an integrated system before. Employees were however empowered in ways that could help them cope with the change. This was done through training but there were still fears of the unknown. Time was also short to achieve buy-ins. The employees saw more talking than actual doing. Ordinarily, employees were trained and were encouraged to support change.

The initiatives taken at WCEA to ensure that the change objectives were achieved and maintained includes supervision to see that the system was followed. There was administration of key performance indicators such as cash conversion circle (CCC), there was achievement of shared services especially in the information technology (IT) system, however procurement of shared services is not viable in Kenya. The change team were given key performance indicators (KPI) such as the number of tickets raised to centre of excellence (CoE), frequent visits by people from centre of excellence, and after implementations of project, a team was set up in Europe to support employees in day to day operations. There is continued observation at the global level and also

continued training and updates. Evaluation by internal audit of the changes is also taking place and generally there is continuous support given to employees to help them be proficient in the system.

Despite all the structures and approaches cited above a significant proportion of staff in all cadres indicated that the projected change objectives had not been achieved at WCEA. Some of the employees interviewed observed that no evaluation had been done to determine the direction and progress of the change process. Below are staff observations that illustrate what WCEA had done or needed to do to help attain objectives.

"Not yet realized as can be seen in Kenya but as for the Wrigley global they have achieved some e.g. shared services".

"No evaluation has been done we don't know where we are"

In the assessment of change competence at WCEA, some respondents observed that their standards have been uplifted, and they now meet deadlines without a hitch. However the overall assessment was that employees "have not yet" accomplished but they are still coming on, and with time they will be there. While most WCEA managers interviewed had the feeling that, employees were change competent, a significant minority felt otherwise citing that employees were not yet change competent observing that some of them were still apprehensive. Middle and junior level employees including accountants and supervisors felt that most employees were not fully change competent but given time they will attain it. Further interviewees in this cadre strongly felt that employees urgently needed further training and time to learn and understand day to day operations with the system. This overall employees' competence at change was thus captured:

"We are still learning not yet there yet"

4.2   Challenges to change initiatives

4.2.1 Resistance to Change

Findings indicate that top managers at WCEA were at best apprehensive over the initiated changes and their possible outcomes. This was a situation that would easily make attainment of the objectives of the desired changes elusive. Indeed for any meaningful change to take place in an organization its top management ought to spearhead it. However as demonstrated by the opinions and observations of interviewees in the study, the attitudes of the top management at WCEA, were the single biggest impediment to meaningful change. Below are observations by some respondents that place their views over change in the organization in context.

> *"It was like baptism of fire"*
>   *"A big challenge, may be change to get good things later but not now"*

For most respondents, anxiety, uncertainty, indifference, unsure were the common descriptions of their feelings towards the newly introduced changes. Majority of them however observed that departmental managers still wanted to run the old and new system in parallel and not accepting to use the new system. Only a minority of the WCEA managers were positive and excited about change. However even these still felt that much as change was necessary, it was personalized. Middle and junior level employees on the other hand were optimistic that the changes would have positive effects on the organization. This was largely because from the information they had, the system would empower them, it would increase knowledge and reduce work load and they felt this was good because it would make WCEA work like other Wrigley locations. Below are statements by senior management at WCEA that capture their real feelings towards the changes process.

> *"There was a feeling of uncertainty"*
> *"There was fear of unknown"*
> *"Restlessness"*

Other respondents observed that there was a lot to be done but they were happy with the changes though they were fearful. The respondents observed that top management were for the changes just because they had no choice changes having been initiated from the global office. They, senior managers did not communicate much about the change process, and although they resisted the changes they were supportive. The rest of the employees say this about top management 'they were not enthusiastic as they were given a pre-go live template to sign' hence they were not supportive as it appeared to them that their powers were being curtailed. One respondent simply put it

"The management was jittery and anxious"

The most commonly obtained views among interviewees from the middle level and junior levels were that their managers were not supportive of the change process because some thought they would lose their jobs and powers. Top management was not supportive and blamed the system on everything that went wrong. Overall there was a convergence in the views on the evaluation of the managers over their feelings towards the change process at WCEA. Table 2 below presents views on managers depending on the source of the evaluation, either by senior managers, middle and junior employees.

Table 2: Evaluation of Managers' Feelings towards Change

Evaluators	Managers Views on change process
Directors	• Uncertainty • Fear of the unknown • They were jittery because the concept was new. • It was a challenge to them as new issues they thought some thing was being hidden from them
Managers	• Anxious but supportive • Positive but anxious, 50-50, positive, • Had a feeling of loss, participated in the events but did not care as they never got involved in the planning • Lukewarm reception, uncertainty, lack of alternative choice
Other Employees	• A feeling of indifference, majority felt threatened • Minority were enthusiastic/optimistic

Source: Study Interviews

As shown in table 2 above WCEA managers were generally anxious, jittery, and indifferent, threatened and feared the unknown over the emerging and on-going changes. The above observations being clearly negative are the clearest indication that WCEA managers were generally not for the change. This was probably because as had been indicated earlier, the basis of the change process was mainly from the Wrigley global head office, and as such change was being undertaken at WCEA with very little induction to the WCEA managers over the urgency and essence of the change.

On the other hand most employees interviewed observed that for the rest of the employees, changes were well received and they were generally positive about future change prospects. Table 3 below detailed observations by staff in various cadres at

WCEA on how they rated the enthusiasm of middle and low levels employees towards the changes implemented

Table 3: Rating of Enthusiasm of the other Employees on the Change Processes

Evaluators	Enthusiasm of other employees
Directors	• Those who were not directly affected were indifferent • The changes would not affect them so no feelings from them • Power users were very enthusiastic they thought they were the best in the company. • Everybody who had a chance to participate was enthusiastic as they learned new things but that feeling is now down.
Managers	• Well received, positive, fairly high • Average, very enthusiastic • Shop floor and operational people were enthusiastic because things that were kept from them were now done openly • Indifference, lacked understanding of the process as it did not affect them
Other Employees	• Positive enthusiasm, welcomed change but some feared restructuring. • Very Enthusiastic though they lacked understanding of what was happening

Source: Study Interviews

Respondents felt that what lingered in the minds of many people were what was wrong with the old system. They observe that in the beginning there was no resistance among other employees, however they felt there was resistance among the senior level employees of the company from the very on set in terms if resources to drive the process. Directors observed that the changes would not increase volumes of sales so there would be no immediate benefit to WCEA. In other words there was a view among the top management that the change was going to be expensive with no tangible returns.

Most departmental managers on the other hand observed that there were numerous instances of systemic resistance where staff involved in the implementation lacked or had inadequate competence, skills, training and expertise to sustain the change process. Further managers at WCEA strongly felt that highly skilled people were left out of the project, besides the fact that not all capabilities of the organization were used in facilitating the change process.

"People selected to go to China were not trained in computer applications"

Capability gaps were rampant among the change agents and the implementing staff. This was despite the initial training that staff had received on the new systems. Other middle and junior level employees were of the same view that other than systemic resistance among their own ilk there was behavioural resistance evident among senior WCEA managers.

4.2.2 Other Challenges Faced

Interviews with senior management revealed that training as an aspect of change was not well handled. People who trained end users displayed lack of competencies so knowledge transfer was not effective. In their view it was not adequate as was required by the system, moreover the global reference model (GRM) was rigid, and it was not designed for remote locations like East Africa. A large number of employees were not technology competent, and there was short period of time to prepare and roll over. Other deficiencies included problems with inventory management in the GRM. On the other hand, managers felt that training was rushed and so skills enhancement was lacking.

"Training was haphazard/ wanting".

Lack of exhaustive planning for the change was another area that in the observation of staff had not been given due attention. The process of harmonization of the company's processes was also considered in exhaustive. Competencies within the change management team were as also in question. They were not properly identified. There were skills limitations that were never analyzed properly. Lack of proper analysis of actual competency deficiencies made it difficult for the change process to lead to appropriate personnel placement, with the right people doing the right jobs in relation to their assessed competencies. Overall the change process fell short of creating an environment that would resolve and overcome some old habits. Staff attitudes ought to have been dealt with well in advance to prepare people for the change psychologically and physically. The respondents' views on challenges are captured in table 4 below

Table 4: Other Challenges Faced

STAFF CADRE	OBSERVATIONS ON CHALLENGES
Directors	• Global Reference Model (GRM) was rigid • Connectivity was not assured • Patience to learn was lacking • Inability of employees to learn quickly • Inadequate resources to drive the change process as the process would cost USD 1.4 M and calculation would not be based on size of the associated company but on the number of employees.
Managers	• Lack of competencies/ relevant skills/ limited understanding of business processes • Network Connectivity problems • Resources /cost of the process • Selection of lead trainers • Time constraints – time was too short • Distance from other Wrigley locations • Inequitable representation of Wrigley locations in the COE
Other Employees	• Change implemented before people knew exactly what was required due to the hurry throughout the process • Inadequate Resources • Lack of relevant skills • Connectivity Problems as this would be an integrated system • Back up personnel • Tax disputes on imports

Source: Study Interviews

Holding that all change process is an uphill task and is not always perfect, and that any attempt at organizational change would be met by challenges expected or otherwise emergent, it is the inalienable obligation of the management to device mechanisms to

counter these challenges if change objectives are to be attainable. Some of the approaches that the WCEA managers used to counter challenges encountered included most but not limited to training people to prepare them for change, and on the new system of SAP. There was improvement on speed of connectivity through UUNET to enable operation of the new system tenable. To overcome the challenges of resources to drive the process, loan from one of the associated companies was paid by the parent company, this generated cash for the process. There were regular meetings and rewards to employees to motivate them. The management also came up with enhanced supervision and sticking to set deadlines. WCEA enlisted the backing from the Wrigley global office to pay half of UUNET bill. UUNET in turn offered better (ISP) Internet Service Provider services. There are increased training programmes that are on going even during post implementation. There is accelerated communication from local managers and regional managers.

Against the background that organizational changes have the potential to impact both negatively or positively on its work force, below are ways in which the changes affected WCEA employees at all levels. The effect the respondents viewed as positive are listed below. First people have become more efficient and effective, second there is general Skills improvement, third there is improved integration in working system, fourth people have become better workers, fifth employees now have a broader view of things and finally the changes have encouraged people development. The effect that was viewed as negative are that some employees at certain levels still lacked empowerment and necessary skills to competently handle technical aspects of change. The effects of changes on employees are captured on table 5 below.

Table 5: Rating of effect the changes had on employees at WCEA

STAFF CADRE	Effect of changes on employees
Directors	- People have greater focus on planning - Increased commitment - Opened up their minds - They have learned new techniques - Now more enlightened on a business system - It changes are to take place again we would be to assess the capability of the people to lead the change process
Managers	- Employees received it well but the process lacked a manual and a checklist of what was to be done - The system is good but Wrigley Kenya has witnessed a lot of negative press. - Changes were good for the big associated companies in the developed world but WCEA is still grappling with and to follow suit
Others Employees	- To the middle and junior employees the changes were positively received - Encouraging healthy competition among employees leading to a variety of talented personnel in each field - Employees are now better workers – they now understand how their work affects other users

Source: Study Interviews

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

5.1.1 Change Implementation

Study findings reveal that various approaches and procedures were used to implement the new changes at WCEA. In an effort to improve the competence and technical capacities of WCEA employees, to contribute meaningfully to the change process initial trainings by consultants were organized. There were also infrastructural enhancements that included the upgrading of the information technology (IT) systems like replacement of old slow computers with faster ones. This was accompanied by training of employees on IT skills to enable them understand advantages of networked systems, and the contribution of the new processes and procedures to the overall efficiency of the organization. Avenues used to communicate the change process to the company staff included bulletin, memos, meetings face to face meetings wit supervisors, open day meetings and audio-visual materials.

The main initiator of changes that were implemented at WCEA was the Wrigley global head office in Chicago. Key among the changes that occurred within WCEA as an organization included structures change from the previous departmental functions to main units of commercial and supply chain. Within the two units was internal restructuring to enable alignment of the new systems to these structures. Administratively some employees moved to new process areas. Technological aspects of the company's operations include integration across processes areas, improved integrated use of systems applications and products (SAP) based on enterprise resource planning (ERP). Enhanced use of systems, everybody subsequently had an account in the new system for reports and information. Changes in the company's processes included the creation of three main process areas namely forecast to stock (FTS), order to cash (OTC), and finance (FIN). Information transfer became faster and there was better understanding of value chain among employees.

5.1.2 Challenges faced

Study findings on the mode of change, its initiation, naturalization, assimilation and implementation show it was faced with a number of challenges that invariably led to varied forms of resistance to the change process. The change process was confronted by both systemic and behavioural forms of resistance. The rampant systemic resistance was drawing from widespread staff incompetence at executing information technology related tasks owing to inadequate training. Behavioural resistance on the other hand was fanned by the senior managers who appeared not to trust the new process and did not want to come out of their comfort zones. Middle and junior level employees pointed out that part of reason that change objectives were yet to be realized was because of the general indifference from senior staff and managers who felt their powers under the old system being faced out would be muzzled by the new structures the new system was creating.

Senior staff strongly felt that much as the changes were good, the location (WCEA) was brought in too soon. Wrigley East Africa was small as compared to other locations in the Wrigley global. The process in their opinion was rushed as there was no adequate time to prepare so this lead to resistance and the changes nearly failed to take hold. Middle level staff on the other hand observed that though changes enabled them to become more knowledgeable and more empowered about the entire process from raw materials to the customers, there was inadequate involvement of them in the process at the initial stage; doing this (initial full involvement of staff) could have prevented resistance to the change experienced in its advanced stages. However this was gradually being overcome. Top managers resisted the changes by refusing to support it and in the view of the other staff if they had supported change the challenges would have been minimal.

5.2 Recommendations

To overcome the observed forms of internal resistance to change at WCEA, particularly systemic resistance, there is an urgent need for further training of employees including power users and end users. This will enhance their understanding and competence at handling the new systems and processes. This would go along way in overcoming systemic resistance to the new changes and bring it to its optimal lowest.

Employees could be facilitated to better understand the overall essence of change through continuous workshops and visitations to other Wrigley locations. In these locations, the change implementation success rate was excellent, and this could enable the WCEA employees emulate best practices. Such an approach would probably convert top WCEA managers whose behavioural resistance could be judged as the single biggest impediment to the realization of change objectives, from the lukewarm barriers that they presently are to effective and efficient change agents and facilitators.

5.3   Suggestions for Further Research

Change is an inevitable consequence of a dynamic business environment. This is the situation that WCEA finds itself and in the face of the glaring forms of resistance exhibited by staff of different cadres, a Cost Benefit Analysis (CBA) should be carried out to quantify the actual cost of the changes effected at WCEA and the economic value of the benefits the change has attracted to the company. A positive link between the changes and the overall improved output would put to rest all the anti-changes forces and their arguments. A negative result from such an analysis would perhaps be the single strongest statement to the Wrigley global office that changes in its associated companies need to be situation sensitive to take into consideration the unique operational circumstances of each of its locations. This would eliminate otherwise avoidable resistance to change when change is implemented if only to standardize group operations.

Considering that WCEA shop floor employees were not directly involved in the change process, a study could be carried out to establish if the change process has had significant trickle down effects on the efficiency levels of shop floor operations.

5.4 Limitations of the Study

This study was carried at the WCEA offices in Industrial area Nairobi. There are other stakeholders that were part of the change management team. These included core teams from other Wrigley locations, regional implementation board (RIB), Wrigley soft ware providers and the Wrigley executive leadership. These people were involved in the planning and the preparation of the change process that would later affect the WCEA. The study however did not extend to these groups of people because they could not be reached. Their input into the study could probably have changed the study findings.

This was a one shot case study design employed on the WCEA employees. The case study was carried out at one point in time, coming long after the changes had been implemented. The limitation of this method is that it cannot provide a solid evidence for inferring results as it has no control of both extrinsic and intrinsic factors (Nachmias and Nachmias 1996). The other issue is that the study used semi-structured interview guides and relied heavily on employee perceptions and views on the change processes at WCEA. This reliance on respondent perceptions and opinions in the absence of comparative structures for checking response consistency could have introduced respondent biases to the study findings.

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Appendix I

July 19, 2006

TO: The Managing Director

From: Financial Accountant

Subject: Permission to use The Wrigley (Company EA) in a case study

I am pursuing Masters of Business Administration (MBA) program at the University of Nairobi. I am through with part 1 of the program and for part two I am undertaking a study on Strategic change management in the confectionary industry.

The purpose of this letter is to ask to granted permission to use the change process. (Web Espirit) that recently took place in the company as a case study.

I intend to conduct interviews among those who participated in the process and those who were affected by it.

It is my hope that the result of the study will be helpful in providing feed back to the management on the change management process.

Thanks

Agnes Ogada
Financial Accountant

cc : PLD Manager

Interview guide

RESPONDENTS'S PERSONAL DETAILS

1   Position in the company...

2   Department...

3   Number of years with the company..

CHANGE IMPLEMENTATION

(A) FORCES OF CHANGES

1. Are you aware of the changes that took place in the company recently?

2. What were the forces that necessitated change at WCEA?

3. What were the objectives of changes in WCEA?

4. What factors external to WCEA influenced the change process?

5. What factors within the WCEA motivated he change process?

6. In your view, were the changes necessary?

(B) APPROACH TO CHANGE MANAGEMENT

1. Who in your view initiated the change management practices at the WCEA?

2. Were external consultants involved in the change management process?

3. If yes, at what point in time were they involved?

4.   What was their level of involvement?

(C) CHANGE CONTENT

1   Has the change practices affected people, organization, technology and process at WCEA?

2.   If yes, please itemize the elements of the change management practices that affected People, organization, Technology and Processes.

3.   Have the changes impacted positively or negatively on the WCEA?

4.   There was urgency for change, how was urgency momentum built and incorporated in the change management process?

5.   Were there specific teams mandated to lead the change process?

6.   What factors were taken in to account in forming the teams?

7.   Were these teams given roles and powers?

8.   If yes, what roles and powers were they given?

9.   Were there short term targets to monitor the changes?

10.   If yes, were those who achieved targets rewarded?

(D) CHANGE MANAGEMENT PROCESS

1.   Were the employees informed about the change process?

2.   How was awareness of change process communicated to the employees? Was it done through Bulletins ( ) Memos (   ) Meetings ( ) Face to face with supervisor (   ) Others, (Please specify) ....

3.   Was the change vision articulated clearly and understood?

5.   As a major stake holder was your interest and concerns taken into account?

6. How often were you consulted?

7. Were there use of symbols patterns and settings? What visible physical or outward attributes accompanied the change process?

8. How was the change carried out? Was it at once or in stages?

9. Were employees empowered in any way to help them cope with the change?

10. If yes, how were they empowered?

11. What steps have been taken to make sure that the objectives of the change have been achieve and maintained?

12. In your view have the employees become change competent?

CHALLENEGES TO THE CHANGE INITIATIVES

(A) RESISTANCE TO CHANGE

1. What was your feeling towards the change process?

2. What would you say were the feelings of top management towards the change process? Were they supportive?

3. What did you notice as the feelings of other managers towards this process?

4. How would you rate the enthusiasm of the rest of the employees on the change process?

5. In your own view, do you think there was a feeling of resistance to the change process at WCEA?

6. The following factors are known to cause resistance to the change process. Which ones would you say caused resistance at WCEA? Rate them.

Inability to develop relevant skills

Fear of the unknown
Parochial interests
Satisfaction with the status quo
Lack of trust
Fear of exposure of previous wrongs
Fear of retrenchment
Politics at the work place

7.   The following factors are used in overcoming resistance to change, which ones did WCEA use? Rate them

Training and education
Communication
Use of reward
Visionary leadership
Coercion and authority
Manipulation
Others ....

(B)   Other Challenges

8.   Were there aspects that needed to be changed but were not exhaustively

handled? Please explain.

9.   What other challenges did the management face in implementing the changes at

WCEA?

10.   How did the management deal with these challenges?

11.   How would you rate the effect the changes have had on employees at the

WCEA?