

**EMPLOYEE PERCEPTION OF STRATEGIC CHANGE AT SPHINX
PHARMACEUTICALS**

**BY
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DECLARATION

This Management Research Project is my own original work and has not been submitted to any other college, institution or university for the award of a certificate, diploma or degree.

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DEDICATION

To my Loving Mother Lucy Muchiri and my late father Chris Mwendwa. Thank You for everything

ACKNOWLEDGEMENT

I hereby wish to acknowledge several people who were quite instrumental in my undertaking of the MBA Programme;

Thanks to my family members for encouraging and supporting me all through the programme.

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And most of all, to God, for answered prayers.

ABSTRACT

In order to realize collective organizational change individual teams or groups must undergo the required changes. Employees are deemed to be the major stakeholders in an organization, thus a critical factor influencing performance and thereby the success of any organization is how employees perceive the various initiatives that the management of an organization introduces to realize their strategic goals. For change efforts to be effective, people need to change the ways in which they interact with other areas of the organization and understand their new roles and responsibilities. The real value of organizational change rests on its ability to alter an organizations identity, strategy, structure, operation and human resource as a means to enhance a firm's performance.

A number of research have been done on strategic change management, which have given insights into the approaches, challenges and responses faced and practices in Kenyan organizations in the management of strategic change as well as the key factors influencing the changes. Interestingly, the studies have mainly concentrated on the views of senior management and top change leadership which has been cited as a limitation. This study seeks to research on strategic change management from the perspective of the employees who are affected by the change and who are expected to implement change successfully.

The objectives of this study were to determine the employee perception of the strategic change in Sphinx Pharmaceuticals and to establish the factors that influence their perception. This was realized by carrying out a census survey on all the permanent employees of Sphinx

Pharmaceuticals. The data analysis method is quantitative. Data presentation is in the form of frequency tables, graphs and charts.

The findings of the study indicate that the employees of Sphinx were highly aware of the changes taking place and the reasons for the changes. They perceived themselves as having the ability and the desire to change. The perception of the need of change was highly in favor of the need to plan ahead and be competitive with increased efficiency being the highly favored objective of the change program.

The findings further indicate that the employees would prefer to be more involved in the entire change process from identification of the need and not just in the implementation of the changes. They seek greater empowerment by further training them, and also effective and timely communication of the changes.

The findings support documented theory on approaches to effective change management as well as previous studies on organizational strategic change and provides key information on how employees view change and how it impacts them.

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CHAPTER ONE: INTRODUCTION

1.1. Background

Conditions of doing business in Kenya and the rest of the world have been changing rapidly and companies are faced with rapidly changing technology and increased competition. Employee needs and expectations are changing. Customer's needs and expectations are changing. Competition forces us to change. It seems that everything is changing at an ever increasing rate. Given the environment of change, we need a system which helps us to understand where we are, and where we are going. Once an organization begins changing, its employees may face threats to their jobs, roles, positions, and resources, and these threats can lower employees' trust in their organization as a whole. This reaction can manifest negatively in employees' attitudes toward their work. When individuals contemplate the stress of organizational change, their perceptions, choice of reaction strategies, and working attitudes all strongly influence whether the change will be successful and whether the newly reconstituted organization will function efficiently.

1.1.1 Employee Perception

Perception refers to a person's distinctive understanding of a situation and the view developed of the situation. Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into a meaningful and coherent picture of the world. Perception is influenced by internal and external factors leading people to see some perceived events differently. According to Barber and Legge (1976) perception is about receiving, selecting, acquiring, transforming and organizing the information supplied by our senses.

Anderson and Paine (1975) posited the influences of the perception of uncertainty in the environment on the perception of the need of change in a firm's strategies. If perceptions are derived from or based on incomplete information and limited observation, perceptual biases will occur, and thus affect a person's decisions, reactions and actions. Humans usually try to make sense of what has happened, what is happening and what will happen. A number of researchers have noted a link between the perceptual process and the interpretation of information; they have argued that the interpretation of information is based on the perceptual process (Anderson and Paine, 1975). Further, during organizational change processes, employees create their own perspectives and interpretations of what is going to happen what others are thinking and how they themselves are perceived, if there is a lack of information about the change then evidence of employees own perspectives and interpretation of the change is more likely to be observed (Coghlan, 1993).

Recognition of the need for change and acceptance of the changes in an organization is influenced by separate individual perception which are in turn influenced by the information availed and the way it is communicated in the organization. Beckhard and Harris (1987; 92) in Burnes (2004) refers to the "critical mass" of individuals or groups whose active commitment is necessary to provide the energy for change to occur in an organization. Change must therefore be accepted as the norm in organization for sustainability as it affects an individual more than it does the organization as a whole.

1.1.2 Strategic Change

Strategy is defined by Johnson and Scholes (2007) as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and to fulfill stakeholder's expectations. Strategy can also be seen as the matching of the activities of an organization to the environment in which it operates in which is sometimes known as searching for a strategic fit. All organizations are composed of a number of interconnected systems which are in constant interaction with the environment. All organization exists within an environment in which they interact with as open systems and on which they depend on continuously for their inputs and the use of their outputs.

Change can simply be defined as a transition from one state to another with focus on being different. Change is the only constant in today's life for individuals and organizations. Some changes are reversible while others are not hence the risk involved in managing change. Changes in organizations can be either strategic or operational. Strategic change is one that involves fundamental changes in the business of an organization and its future direction. Successful strategic change is built on an overall strategic management system of the organization and the strategy of the organization legitimizes the change programme. It involves the transforming of the organization so that it is aligned with the execution of a chosen corporate business strategy. Organizations have to change to align themselves to changes in their environments. The purpose of strategic change is to ensure that the organization is heading in the right direction. Operational change is the type of change aimed at ensuring that the organizational activities are being performed in the best way

possible and focuses on excellence in whatever the organization does (Johnson & Scholes, 2007). The purpose of operational changes is to ensure the organization is efficient.

In organizations change has got two critical dimensions that is the business dimension and the people dimension. The business change elements include the need for change, the change strategy, the business process systems and structure, the implementation and the post implementation. Its areas of concern are the scale, magnitude, duration and the strategic importance of the change. The people dimension involves the alignment of the organization's culture, values, people and beliefs and behaviors to encourage the desired results. The people dimension of change looks at how employees experience the change process and strive to assist employees cope with change which is one of the most critical success factors in strategic change management. Change leadership must ensure that they fully address the human side of change, otherwise their best laid plans may fail. This involves addressing concerns like: Involvement of all levels in the organization, Ownership that is ensuring all "own" the change, Communication of the right information and the right timing and carrying out a cultural diagnosis to assess organizational readiness (Burnes, 2004).

1.1.3 Sphinx Pharmaceuticals Ltd.

Sphinx pharmaceuticals commenced business in 1996. It was started up by three directors who are all natives. It is situated in Nairobi's old North Airport Road, Embakasi. The organization is owned and operated by local investors who are indigenous Kenyans. Sphinx pharmaceuticals is an organization that produces pharmaceutical products both human products and veterinary products. It is registered by the Ministry of Health, through

Pharmacy and Poisons board. Its operations are governed by major regulatory bodies including World Health Organization (WHO), Kenya Bureau of Standards (KEBS), National Environmental Management Authority (NEMA) and the Pharmacy and poisons board (PPB). The firm imports most of its production inputs while the rest are procured locally. The products are mainly sold to pharmaceutical distributors in the East African region and a small percentage supplied to Kenya Medical Supplies Agency (KEMSA) to be used in government hospitals.

The organization consists of four major departments that is finance, production, quality assurance and marketing. The organization has about 70 employees whereby 50 of them are permanent staff while the rest are casuals. The competency of the team focuses on business growth and customer satisfaction. The organization started up with a turnover of about fifteen million Kenya shillings in a year. The organizations' turnover rose with time to a turnover of about two hundred million Kenya shillings in a year in 2007. The turnover thereafter started declining due to a number of factors such as new trends, behaviors, developments, competition from the organizations environment, mainly from the external environment for example increased production cost due to increases in price of the organizations inputs. There is no single strategy that is right for all eventualities and so the capability of the company must be the ability to learn in order to evolve and adapt to an ever changing environment. The directors of the organization then came up with a restructuring strategy in order to move the organization to greater performance. This involved technological changes, product changes, administrative changes and people changes. The strategic factors that have led to the changes include reducing costs, moving to greater performance and increasing profitability.

In order to achieve the planned change Sphinx has been undergoing transformations by way of change of the management, retraining and revitalization in the manner in which it conducts its business with emphasis being production of high quality pharmaceutical products at low costs and ensuring timely production. In this regard the directors of the company have setup a reorganizational strategy designed to aid in facing the challenges of the transformation. Alongside the changes the directors have come up with a new organizational structure including hiring a General Manager.

1.2. Statement of the Problem

In order to realize collective organizational change individual teams or groups must undergo the required changes. Employees are deemed to be the major stakeholder in an organization. A critical factor influencing performance and thereby success of any organization is how employees perceive the various initiatives that the management of an organization introduces to realize their strategic goals. The way employees perceive change in an organization determines whether the change is viewed as an opportunity or viewed negatively as a threat (Vithessonthi, 2005). Several studies have attributed change success and failure to employees and further shown that the employee readiness is central in change process. Employees can either be ready to change or resist the change depending on their perception.

Perception of change by the employees in a firm will determine whether it is viewed positively as an opportunity or negatively as a threat within the organization and this in turn determines the degree of support, commitment, buy-in, resistance, or rejection of the change initiatives being introduced (Ansoff and McDonnell, 1999). Employee readiness may be

through workplace factors or employee perception factors. Both factors may be effective for implementation of organizational change as to develop employee readiness.

If change efforts are to be effective, the employees need to change the way in which they interact with other areas of the organization. The employees need to understand their new roles and responsibilities. Vithessonthi (2005), in his study on the perception based view of employee states that, understanding the ways in which employees establish reactions to change will provide a potential avenue for developing a range of change management strategies that may bring employee perception in alignment with those desired thereby strengthening the degree to which employees support organizational change. He further emphasizes that understanding employee perceptions and attitudes before, during and after the implementation of organizational change may prove to be valuable to firms, managers and consultants. Managers must also understand employee acceptance and willingness to apply and support change in order to prevent both resignation of employees and development of poor customer service. Successful change involves leadership that establishes direction, aligns employees' aspirations as well as motivate and inspire people.

Sphinx Pharmaceuticals Ltd was the first locally owned pharmaceutical manufacturing company in Kenya, established by local investors who are indigenous Kenyans. The organization has been undergoing tremendous changes since 2009. The changes were brought about by decreasing revenues due to the changing environment. Competition played a big role in decreasing revenues. Foreign competition is the biggest problem because it is largely illegal due to existence of black market for pharmaceuticals. Products whose

importation is restricted still find their way into the country and little or no taxes is paid for them and such products have a price advantage in the Kenyan market. If the product produced have to compete with such imports several strategic changes had to be adapted. A new organizational structure was established which created the need to put in place new systems, and build and renovate additional capacity to enhance efficiency and effectiveness of the operations.

Empirical research has begun to show that in organization setting certain perceptions such as perception of fear of unknown are associated with people's behavior. A study by Ashford and colleagues (1989) for example has shown evidence of a relationship between job insecurity and intention to quit. Locally various studies on strategic change management have been conducted, (Mugo,2006; Nyalita,2006; Kiini,2007; Kinanu, 2007;Michira, 2007;Amenya, 2008) which have given insights into the approaches, challenges and responses faced and practices in Kenyan organizations in the management of strategic change as well as the key factors influencing the changes. The studies have mainly concentrated on the views of senior management and top change leadership which has been cited as a limitation (Nyalita, 2006; Kiini, 2007; Michira, 2007; Ameyna, 2008).

No related study has been carried out in the pharmaceutical industry specifically no such study has been done on Sphinx Pharmaceuticals Limited. There exists a knowledge gap on change management from the perspective of the employees who are affected by the change and who are expected to implement change successfully taking the context of a privately owned organization. The study seeks to address the question; what perception do the

employees of Sphinx Pharmaceuticals have with the regard to the management and implementation of the strategic changes in the organization.

1.3. The Research Objectives

The objectives of this study will be to

- i) Establish the employee's perception of changes at Sphinx Pharmaceuticals Limited.
- ii) Determine the factors influencing the employees perception of the change

1.4. Significance of the Study

The study will benefit the management of Sphinx Pharmaceuticals as it will give important insight on how to ensure employees in an organization are fully involved in the change process. It will also be an important source of feedback on change process and how it is viewed by employees in an organization.

The study will assist the management of Sphinx Pharmaceuticals in ensuring successful and continuous implementation of organizational change through involvement of individual and groups within the organization. The study will enlighten the staff of Sphinx Pharmaceuticals to the need of their involvement and cooperation during the changes.

Lastly the study will contribute to the existing body of knowledge on strategic change management. Future scholars may also find the study findings useful as a basis for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Strategy

Different authors have defined strategy in different ways. Some define the concept broadly to include both goals and means of achieving them. These include Chandler (1962) Andrews (1971) and Chaffee (1985). Others define strategy narrowly by including only the means to achieving the goals. These include Ansoff (1965), Hofer and Schendel (1978). The various definitions suggest that the author gave selective attention to aspects of strategy which are all relevant to our understanding of the concept.

Strategy is the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill stakeholder's expectation (Johnson and Scholes, 2007). Strategy defines an organization purpose in terms of goals objectives and priorities, its business in terms of products and market scope, its obligation to the stakeholders, competitive advantage and positioning of an organization in the environment in which it operates in. Strategy is about winning, it is a unifying theme that gives coherence and directions to the actions and decisions of an organization. Strategy guides organizations to superior performance through establishing competitive advantage. Strategy also acts as a vehicle for communication and coordination within organizations. It focuses on significant long term goals rather than day to day operations.

A strategy is the pattern or plan that integrates an organization's major goals policies and actions sequences into a cohesive whole. A well formulated strategy helps to marshal and

allocate an organization resource into a unique and viable posture based on its; relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents as Mintzberg (1999) quotes Quinn (1980). Mintzberg (1999) gives five definitions of strategy and their interrelationship. These are a plan, ploy, pattern, perspective and position. The definition as a plan looks at strategy as some sort of consciously intended course of action, a guideline to deal with a situation. Strategy as a ploy is where the organization uses a maneuver intended to outwit or outsmart a competitor or an opponent. Strategy as a pattern is where the strategy is consistent in behavior whether or not intended thereby emerging from a string of actions and is only visualized after the events it governs. Strategy as a position involves positioning or locating an organization in the environment in order to maintain or achieve a competitive advantage. Finally the definition as a perspective sees strategy as a concept which exists only in the minds of the interested parties (Johnson and Scholes 2007).

Strategies exist at a number of levels in the organization. The first is the corporate level which is concerned with the overall purpose and scope of an organization and how value will be added to the different business units of the organization. The second level is the business level strategy which is concerned about how to compete successfully in particular markets for example which products or services should be developed in which markets and how advantage over competitors can be achieved. Thirdly is the functional level strategy which is concerned with how the component parts of an organization deliver effectively in terms of resources, processes and people (Johnson and Scholes 2007).

2.2 Strategic Change Management

Change can be simply defined as a transition from one state to another with focus on being different. Some changes can be reversible while others are not hence the risk involved in managing change. There are both objective and subjective conditions in making the transition in organizations. Davis and Holland (2002) defines change management as the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results, thereby focusing on the process of change. Todd (1999) defines change management as a structured and systematic approach to achieving a sustained change in human behavior within an organization, hereby focusing on the people aspects of change. Change management can also be defined as the process, tools, and techniques employed to manage the people side of change, processes to achieve the required outcomes and to realize the change effectively within the individual, change agent, the inner team and the wider system (Nyalita, 2006). The real value of organizational change rests on its ability to alter an organizations identity, strategy, structure, operation or human resources as a means to enhance a firm's performance (Vithessonthi, 2005).

Strategic change is one that involves fundamental changes in the business of the organization and its future direction. A Successful strategic change is built on an overall strategic management system of the organization and the strategy of the organization legitimizes the change programme and assists in transforming an organization so that it is aligned with the execution of a chosen corporate business strategy. Organizations have to change to align themselves to changes in their environments. The purpose of strategic

change is to ensure that organization is heading in the right direction (Johnson and Scholes, 2007).

Strategic change management is the process of delivering the strategy of an organisation in a controlled, efficient and effective manner comprising processes of governing programmes, projects and initiatives within the context of a wider strategy for the organisation. Managing strategic change involves alignment and re-alignment of policies, systems, style, values, staff and skills in the organization to realize a strategy (Thompson and Strickland, 2003). If change in an organization is to be successful, it must address the powerful influence of the paradigm and cultural web on the strategy being followed by the organization and must be in addition link the strategic operational and everyday aspects of the organization (Johnson and Scholes 2007). The objective of organizational change management is to maximize the collective benefit of all people involved in the change and minimize the risk of failure of implementing the change (Nyalita 2006).

2.3 Theoretical Approaches to Change Management

Change in organizations can be either proactive or reactive. Proactive change involves actively attempting to make alterations to the work place and its practices. Companies that take a proactive approach to change are often trying to avoid a potential future threat or to capitalize on a potential future opportunity. Reactive change occurs when an organization makes changes in its practices after some threat or opportunity has already occurred (Burnes, 2004). Various change models have been advanced by major theorists, which can be classified under two basic approaches namely the planned approach and the emergent approach to change management.

2.3.1 Planned Change

In the planned approach to change proponents view organization change as a process of moving from one fixed state to another through a series of preplanned steps and distinguish change that is conscious as opposed to change that was brought about by accidents or impulse (Burnes, 2004). Burnes cites Kurt Lewin who advanced several planned change models namely; Action research and the three step model. Action research was first coined in 1946 and involves research on an action with a goal of making that action more effective. Action research model is a process which emphasizes that change requires action which should be directed at achieving the change, secondly it emphasizes that successful action is based on analyzing the prevailing situation rationally, correctly and identifying all possible solutions before choosing the most appropriate. Lewin further emphasizes that for change to be successful, there has to be a felt need which refers to an individual inner realization that change is necessary and if the felt need is low then introducing the change is problematic (Burnes, 2004).

The three step model proposes that a successful change project involves three steps; Unfreezing which involves dismantling those things that support or maintain the previous behavior. It is the readiness to acquire or learn new behavior, Moving where people perceive the need of change and are ready to try out new ideas and behaviors, Refreezing which requires that changed behavior be reinforced both formally and informally in the organization. It is in this step that managers can have a great amount of influence through their use of positive reinforcement in consolidating new practices (Burnes, 2004).

Kotter (1996) proposed a eight step process in attaining successful change namely; Establish a sense of urgency, Forming a powerful guiding coalition, Creating a vision, Communicating the vision, Empowering others to act on the vision, Planning for and creating short term wins, Consolidating improvements and producing still more change and finally Institutionalizing new approaches. Bullock and Battern (1985) summarizes planned change in four broad phases; Exploration Phase which involves awareness of need for change and searching for solutions, Planning phase which involves understanding the problem, collecting information, setting change goals, designing action plans, Action phase which involves arrangements for managing change and feedback processes and finally the Integration phase which involves consolidating and stabilizing change and reinforcing new behaviors

2.3.2 Emergent Change

Proponents of the emergent change approach view change as a process that unfolds through interplay of multiple variables within an organization, change is a continuous and contested process that emerges in an unpredictable and unplanned manner (Burnes, 2004). He further argues that change cannot be characterized as a rational series of decision making activities and events and emphasizes on a bottom up and not top down approach as implied by planned change. It is increasingly dynamic and uncertain nature of the business environment that undermines the appropriateness of the emergent approach. Change in an organisation is viewed as cutting across all functions, spanning hierarchical divisions and has no clearly defined starting or finishing point.

Several models have been proposed by several theorists namely; Processual mode, Logical incrementalism and the Learning Organization model. The Processual Model was advanced by Dawson in 1984; the temporal aspects of change are used as a means of breaking down the complex process of organizational change into manageable portions. It involves three steps i.e. the conception of need for change, the process of organizational transition and the operation of new work practices and procedures (Burnes, 2004).

The Logical Incrementalism model was developed and advanced by Brian Quinn in 1980 and argues that managers consciously and proactively move forward but incrementally. Quinn suggested that the most effective strategies of major enterprises tend to emerge step by step from an iterative process in which the organization probes the future, experiments, and learns from a series of partial (incremental) commitments rather than through global formulations of total strategies. This process is both logical and incremental. He recommends that incremental processes should be consciously used to integrate the psychological, political, and informational needs of organizations in setting strategy (Johnson and Scholes, 2007). The Learning Organization model was developed by Senge in 1990. A learning organization does not suddenly adopt strategic change, but is perpetually seeking it and it uses learning, experimentation and communication to renew itself constantly.

2.4 Organization Culture and Change

Dennison (1990) in Brown (1998) describes culture as referring to the underlying values, beliefs, and principles that serve as a foundation for an organization management system as well as the set of management practices and behaviors that exemplify and reinforce the basic

principles. Brown (1998) refers to culture as the unique configuration of norms, values, beliefs, behaviors and ways of behaving that characterize the manner in which groups and individuals continue to get things done.

Walker (2004) states that learning a firm's culture provides a set of focal points for decision making as well as providing models for questioning and experimentation. For strategic change to occur in an organization, this will require changes in the dominant organization culture which may not align with the expected change. Brown (1998) states that people are often locked into traditional or habitual ways of doing and seeing things and this affects their ability to contemplate new options and new way of doing things.

The compatibility of the prevailing culture and the new changes must be determined. If cultural change in an organization is to occur there must be a felt need for the change which should be communicated in the whole organization. During the changes the employee perception of what is going on will change as the consequences of the new systems, policies and procedures become clearer as the new changes are being reinforced, employees redefine their understanding on them and learn how to implement the new changes and procedures through. He concludes by stating that organization culture suggests that people rather than the systems and structures should be the key focus of attention when trying to understand how organizations behave and that understanding employee's interpretation of processes and events is important. Aosa (1992) emphasizes that it is important that the culture of an organization be compatible with the strategy being implemented because where incompatibility occurs, this leads to high organizational resistance to change.

Vithessonthi (2005) in his study of employees' reaction to change cites Meyer (1982) and Nadler (1998) as referring to the concept of organizational change as an effort or a series of efforts designed to modify certain aspects or configuration of an organization like identity, goals, structure, work processes or human resources. Once an organizational strategy has been formulated change management is employed to ensure that the changes required to achieve the strategy are guided in a planned direction and with desired results.

2.5 Employee Involvement in Organizational Change

Employee involvement is very crucial to successful change especially in situations that require attitude and cultural change. The level of involvement required in any change is dependent on the impact of change on the people concerned (Burnes, 2004). The argument therefore is that it is necessary to link levels of involvement to the type of change proposed. The greater the effect on the individual, especially in terms of psychological constructs and values, the deeper the level of involvement required if successful change is to be achieved. Burnes further states that people try to be consistent in both their attitude and behavior and when they sense an inconsistency either between two or more attitudes or between their attitude and behaviors, they experience dissonance; that is they feel frustrated and uncomfortable with the situation. Burnes (2004) cites Robbins (1986) who states that where the issues involved are perceived by the individual to be significant the people involved try to dissonance and achieve consonance by changing their attitude or behavior to bring them on line.

In understanding the employee involvement/noninvolvement question we need to draw on the ideas of level of involvement. Where change is proposed it is necessary to convince staff

through a process of constructive engagement, of the need to challenge their existing beliefs, behaviors and expectations and to renegotiate their contracts with the organization (Burnes, 2004). Employee involvement consists of those practices which are initiated principally by management and are designed to increase employee information about and commitment to the organization (Armstrong, 2001). He goes ahead to distinguish between involvement and participation indicating that employee involvement is a process initiated by the management to increase the information given to employees to enhance their commitment while participation refers collective rather than individual processes which enable employees to influence decisions. Burnes (2004) refers to participation as the process of involving people in making decisions in change activities within organizations. He refers to the main theories underpinning the understanding of the employee involvement as cognitive dissonance, depth of intervention and psychological mores whose main argument is that the more the changes challenges a persons or groups existing behavior, beliefs and assumptions the more resistance it is likely to meet and thus an appropriate involvement strategy should be defined on how people are likely to react.

Beckhard and Harris (1987) in Burnes (2004) states that the key objective for organization is to gain the active support of the critical mass of people necessary to bring about the change, whose level of support may be split into those who let it happen, those who help it happen and those who make it happen. An involvement strategy needs to take into account the size and the duration of the proposed change. Involvement of the employees in the change process will ensure commitment ownership and complete buy in of the changes that need to be made in an organization. Burnes (2004) states that there are two activities that can

secure involvement; communication which he terms as an essential demand of change activities and that the establishment of a regular and effective communication process should reduce people's level of uncertainty and eliminate one of the main obstacles to peoples willingness to get involved in the change process. Staff should be allowed the freedom to discuss the change issues openly to enable self conviction of the need of change. The other activity is getting people involved by making them responsible for the change. Communication and involvement are essential in gaining peoples understanding of the change. The change process should provide support for the employees as they deal with the change and where possible involve the employees directly in the process itself to enable successful implementation.

2.6 Employee Perception of Change

Perception refers to a person's distinctive understanding of a situation and the view developed of the situation. Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into a meaningful and coherent picture of the world. Perception is a cognitive process that lets a person make sense of stimuli from the environment. Perception is influenced by internal and external factors leading people to see some perceived events differently. According to Barber and Legge (1976) perception is about receiving, selecting, acquiring, transforming and organizing the information supplied by our senses. Perception is the root of all organization behavior and any situation can be analyzed in terms of its perceptual connotation (Mullins, 2005).

Ansoff and McDonnell (1999) state that during resistance, inducing changes the gap between perception and the reality can substantially and unnecessarily increase leading to a level of resistance. Perception of change will determine whether it is viewed as a threat or as an opportunity within the organization and this determines the support it gets. Johnson and Scholes (2007) state that a change starts with a perception of its need and a wrong initial perception will be the first barrier to change. Members of an organization need to make sense of what is happening to them. Perception of members of an organization is important in that when well analyzed and executed, it should furnish or make available to the management critical information on which decisions impact on organization's success on the side of employees or other stakeholders.

Managers and employees view changes differently and while both groups know that vision and leadership drive successful change, few leaders recognize the way in which individuals commit to bring about the change. While top level managers view changes as an opportunity to strengthen the business by aligning operations to strategy, for many employees including middle level managers change is neither sought after nor welcome as it is viewed as disruptive and intrusive and as upsetting the balance. The psychological dimensions of personal compacts come into play through addressing aspects of employment relationships with an organization by incorporating elements of mutual expectations and commitments arising from feelings like trust and dependence between the employer and employee. Employees ask themselves questions like; how will they work in the face of change and what recognition will they get.

Ng'ang'a (2004) in his research on employee perception of strategy indicates that employees are the driving force behind success and they are complex beings whose interests may not coincide with the managements. Managers need to be aware of the perceptual differences between themselves and that of the employees which may give rise to organizational conflicts. Strategy should galvanize everyone to common objectives of the organizations and develop a unity of purpose across all levels and it is imperative that all members of the organization perceive things in a similar manner which can in turn result to behavioral patterns that are consistent with the desired objectives of the organization (Ng'ang'a, 2004).

2.7 Factors Affecting Employee Perception to Change

Perception as a form of behavior is influenced by a combination of instinctive and learned behaviors. Many of the ways employees perceive or react to the work environments are learned and adopted over time (Wallace and Szilagyi, 1982). The authors further state that factors affecting conceptions can be categorized into; attributes of the change, attributes of the situation and attributes of the perceiver.

Attributes of the change; a major factor influencing a person's initial attention of the change is the intensity of the stimulus. Employees must take the attributes of the change into account in order to determine how to react. Attributes of the situation; circumstances surrounding an event can influence an individual's perception. For example the timing of the change can influence perception. Attributes of the perceiver; since perception is a form of a behavior, characteristics of the perceiver can influence perception and lead to error. Motives, beliefs, attitude and prejudices can often influence perception (Wallace and Szilagyi, 1982).

2.8 People Dimension of Change

Change management is about helping people through change. It is the process tools and techniques for proactively managing the people side of change in order to achieve the desired results. (Hiatt & Creasy, 2003) change in organizations may be classified into; product or services changes, administrative changes, technological changes and people changes involving expectations, attitudes, perception and behaviors. It can be generally classified into two that is the people dimension of change and the business dimension of change. Nyalita (2006) states that to achieve change, the organizational management must get the people to understand that the changes being introduced are good and desirable.

The people dimension of change involves the alignment of the organizational culture, values, people and behaviors to encourage the desired results and addresses how employees experience and cope up with the changes. According to Johnson and Scholes (2007) people are the heart of strategy and acknowledge that the experience and knowledge of people can be the key factors enabling success of change strategies. The authors emphasize that many of the problems of managing change result from failure to understand, address and implement the changes in the context of people as a cultural and political context within which strategy is developed and delivered.

Human resource management policies should be integrated with the strategies and the strategy change process. The human resource managers must be concerned with the way employees relate to nature and direction of the firm as they can block strategic change or be significant facilitators of the change (Johnson & Scholes, 2007). Kiini (2007) indicates that

people experience change in terms of learning process, and their self esteem affects and leads to display different coping strategies which include denial, defense, adaptation, discarding and internalizing of the change process. He further indicates that employees can be assisted to successfully cope with the change through empathy, support, training and provision of intelligible and accurate information to them.

Employees in an organization should be empowered, thereby enhancing their confidence in their ability to perform their jobs and belief that they are influential and important contributors to an organization. Empowerment results to changes in employees beliefs and allows them to participate in decision making process expressing confidence in their ability to perform at high levels and encourages people to take responsibility of their work. Walker (2004) states that selection and development of the firms' people are key components of capacity building and employees must be compensated and rewarded so that they can contribute to a firm's strategy. He emphasizes that a critical influence on a firm's ability to execute its strategies is the people in the firm and the culture they create and perpetuate. He further states that every activity a company undertakes requires human resources and employees always seek stability and dependability of their jobs. The way an employee is treated creates hope and fear in other employees and equal treatment is constantly sought. Change leadership must ensure that they fully address the human side of change for success of the change. This involves addressing concerns like involving all levels of the organization, ownership of change, communication by giving the right information in a timely manner and then carrying out a culture diagnosis to address organizational readiness for change.

Successful implementation of changes includes both physical and cultural changes and must be carefully planned from the initial conception of the change (Kolodny, 2007) organizations do not adapt to changes their people do. When a group undergoes changes, it is not the organization that changes, but rather the behavior of individuals. This change in collective behavior is what produces outcomes for the firm. For example when a company reorganizes, it is not the restructuring that represents the change, but the shift in accountabilities and responsibilities for each person. New behavior results and different business outcomes are achieved. (Hiatt, 2006)

2.8.1 ADKAR Model

The people dimension of change involves the alignment of the organization's culture, values, people, and behaviors to encourage the desired results. The people dimension of change is how employees experience the change process. Helping employees cope with change is one of the most critical success factors in change management. Change leadership must ensure that they fully address the human side of change; otherwise their best laid plans may fail. This involves addressing concerns like, Involvement - of all levels in the organization, Ownership – ensuring all “own” the change, Communication – right info and right timing, Culture – cultural diagnosis to assess organizational readiness (Nyalita, 2006)

Employees are deemed to be major stakeholders in any organization. A critical factor influencing performance and success of an organization is how employees perceive the various initiatives that the management of the organization introduces to realize its strategic goals. Managers must understand and manage employees' acceptance and willingness to

support the various changes introduced in the organization through creating awareness of the need for change, desire to participate and support the change, knowledge of how to change empowerment of the people to change and constant reinforcement to sustain the change. This is emphasized by a model that has been developed by the PROSCI learning centre (www.prosci.com) termed as ADKAR which is an acronym derived from the words awareness, desire, knowledge, ability and reinforcement. The ADKAR model has the ability to identify why changes are not working thus enabling you to take the necessary steps to make the change successful.

2.8.2 Individual Decision Making

Research on strategic decision-making has shown that there are several models of the strategic decision-making process. Hofer and Schendel's (1976) model outlines seven steps of the strategic decision-making process: Strategy identification, environmental analysis, resource analysis, gap analysis, strategic alternatives, strategy evaluation, and strategic choice. Another model by Mintzberg et al. (1976), suggests three phases and seven steps of the strategic decision-making process: identification phase consisting of decision recognition and diagnosis steps, development phase consisting of search and design steps, and selection phase consisting of screening, evaluation, and authorization steps. Likewise, Fredrickson (1984) suggested that from the perspective of a managerial decision maker, the rational decision-making process involves five interrelated cognitive stages: pay attention to a problem or opportunity, gather information, develop a series of options, value the options using expected costs and benefits, and select the option with the greatest utility.

Another key aspect in decision-making is learning, which involves developing new understandings. The learning process involves the acquisition and interpretation of knowledge Vithessonthi (2005). He further states that learning is the process of modifying one's cognitive map or understandings thereby altering the range of one's potential behaviors. So we may speculate that since learning capability refers to individuals' ability to develop a new understanding of the world around them, it may promote or limit their understanding of a proposed change.

Most strategic decision-making models that have been influenced by economic theories assert implicitly or explicitly that a manager as well as an employee, as an agent of a firm, should arrive at a decision that will achieve the firm's goals, one of which is the maximization of the firm's value (Vithessonthi 2005). This observation suggests a key difference between strategic decision-making models for firms and decision-making models for employees. That is, decisions (e.g. reactions to change) of employees may be oriented towards the individual-level maximization of certain objectives such as career advancement or social status rather than towards the firm's goals such as maximizing the value of the firm. However, we may argue here that the ways in which different individuals arrive at decisions (e.g., as a manager making a choice that achieves the firm's goals or as an employee making a choice that achieves his or her personal goals) may not be fundamentally different. That is, as employees react to change, they are likely to carry out: objective identification, decision/outcome alternatives, and evaluation and selection. In this sense, employees are assumed to be rational; however, their form of rationality does not

necessarily correspond to the form of rationality in economics or the form of rationality that the firm may wish its employees to hold (Strebel, 1997).

2.8.3 Resistance to Change

Resistance to change generally refers to the behaviors of individuals or groups of individuals who are opposed to or unsupportive of changes that top executives want or decide to implement in the organizations. According to Ansoff and McDonnell (1990) resistance to change is a multifaceted phenomenon which introduces delays, additional costs and instabilities into the process of change. They note that resistance is not confined to strategic planning only but occurs whenever there is a departure from historic behavior, culture and power structure. It may take the form of: Procrastination and delays in triggering the process of change, Unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than originally anticipated. Resistance to change has been identified as a negative and undesired response for organizations because it can lead to failures of change efforts (Vithessonthi, 2005). Indeed, studies of organizational change often attribute outcomes of change efforts to behaviors of employees, especially acceptance of change and resistance to change (e.g., Kotter, 1995; Galpin, 1996). Resistance to change may disrupt or suppress efforts to change.

Ansoff and McDonnell (1990) indicates that behavioral resistance may be both by individuals or groups within an organization and people may resist changes either due to self interests, misunderstanding and lack of trust, different assessment of the situation or low tolerance to change. Change produces resistance because change disrupts the momentum and inertia of organizational processes. Almost all people are nervous to change and many

people will resist it either consciously or unconsciously. Stark (1999) noted that uncertainty can however reduce productivity to a great extent. Kotter (1995) found out that two thirds of major change initiatives are not successful.

Doppelt (2003) states that resistance to change can be expected whenever the possibility of a change in culture appears and is a natural selection of safety response to interruption of the status quo. Burnes (2004) states that one of the major mistakes companies can make when introducing change is to fail to recognize and deal with the real and legitimate fears of the manager and staff and although people's concerns tend to focus on the proposed changes, they will be strongly influenced by outcomes of previous change initiatives. Human beings seek control and tend to fear and avoid ambiguity or disruption, whether it is negative or positive and hence what people resist in reality is not the change but the implications of the change (Gichobi, 2006). To minimize resistance managers must define the terms and persuade the employees to take them. Leadership must drive the process of change to alter employees' perception and bring about a personal impact.

Resistance to change may be manifested in various forms. The most obvious form of resistance is to retain the status quo, that is, to succumb to the tyranny of custom. This happens when employees cannot see the benefits of their engagement in the change process, meaning that the futurity of the change is low. One of the most subtle and effective forms of resistance is to filter or withhold information (Trader-Leigh, 2002). Operational managers and frontline staff possess in-depth knowledge of operational processes and by controlling

the flow of information they can scupper any change efforts or turn it to their own experience and social status in the organizations advantage.

2.8.4 Sources of Resistance to Change

Trader-Leigh (2002) identified several factors that contribute to resistance to change. The parochial self interest factor, which is the thought of loss of something of value as a result of the change and people see the change as harmful in one way or another. The psychological impact factor is the perceived impact of the change on job security, professional expertise and social status in the organization. Tyranny of custom or the tendency to be caught up in the web of tradition is also a factor of resistance. The redistributive factor suggests that people resist the change because through the redistribution of tasks and responsibilities they will stand to lose some or all of their privileges. The de-stabilization factor points towards the introduction of new people into the organization who are not familiar with its cultures and operations.

According to Burnes (2004) resistance of change is either systemic or behavioral. Systemic resistance is caused by among other factors: organization design, organizational culture, resource limitations, fixed investments and inter-organizational agreements. Behavioral resistance is caused by; individuals i.e. the employees or managers in other departments, collective resistance by managers who share common tasks or coalitions and power centers within the organization. Individuals resist change because of several factors; Self interest which is a thought of loss of something of value as a result of the change, Misunderstanding and lack of trust of those in authority or in other departments where the implications of the change are not understood, Different assessments by the employees i.e. some may see more

costs than benefits, low tolerance for change due to fear of not being able to develop skills/behaviors required, threat to Job Status/Security employees worry that any change may threaten their job or security, breakup of work group since changes can tear apart established on-the-job social relationships, Competing Commitments since change can disrupt employees in their pursuit of other goals (Burnes, 2004).

2.8.5 Overcoming Resistance to Change

Resistance to change can be difficult to overcome when it is not detrimental to those concerned. The first step is to analyze the potential impact of the change by considering how it will affect people in their jobs. The analysis should indicate which aspects of the proposed change may be supported generally or by specified individuals and which aspects will be resisted (Armstrong, 2006). He further states that the potential hostile or negative reactions of people should be identified taking into account all the possible reasons for resisting change. The second step is to involve the people. Involvement in the change process gives the people the chance to raise and resolve their concerns and make suggestions about the form of change and how it should be introduced. Communication about the proposed change should be carefully prepared and worded so that unnecessary fears are allayed (Armstrong, 2006).

There are three major strategies of dealing with resistance according to Worley (2009), these include Empathy and Support, Communication and Participation and involvement. Empathy and support involves identifying people who are having trouble accepting the changes, the nature of their resistance and possible ways of overcoming it. When people see that those people who are responsible for managing change are genuinely interested in their feelings

and perceptions, they are less likely to be defensive and more willing to share their concerns and fears. Communication, effective communication about changes and their likely results can reduce uncertainty, speculations and allay unfounded fears. Participation and involvement, one of the most effective ways of overcoming resistance is to involve organizational members directly in planning and implementing change. Participation can lead both to designing high quality changes and to overcoming and to overcoming resistance in implementing them. They can also identify pitfalls and barriers to implementation (Worley, 2009).

Senior and Fleming (2006) cites Kotter and Schlesinger (1979) who proposed the following strategies for dealing with resistance; Education and communication, Participation and involvement, Facilitation and support, Negotiation and agreement, Manipulation and cooption, and explicit and implicit coercion.

Education and communication, employees should be educated about upcoming changes and the nature and the logic of the change should communicated through either one on one discussions or presented to groups through memos or by other means. He cites that this strategy is commonly used in situations where there is a lack of information or inaccurate information and analysis and is advantageous since once persuaded, people will often help with the implementation of the change, though it can be can be time consuming if lots of people are involved (Senior and Fleming 2006).

Participation and involvement, it is important to involve and participate the people who will be affected by the changes, the people need to be involved in the change design and implementation and the management should use their advice whenever feasible. This strategy is commonly used where the initiators do not have all the information they need to design the change, and where the employees have considerable power to resist. It is advantageous in that people who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan though it can be time consuming if participators designed inappropriate change (Senior and Fleming 2006).

In facilitation and support, the management should make the change process easy by ways of facilitating training and providing the resources that the employees need to carry out the change and perform their jobs well. This strategy is well used where people are resisting due to adjustment problems and it is the best approach that works in dealing with adjustment problems. It can be time consuming, expensive and still fails

Negotiation and agreement requires the management to negotiate and agree with the employees on the way to go about the change especially where someone or some group will clearly lose out in a change, and where that group has considerable power to resist. This approach is a relatively easy way to avoid major resistance though it can be too expensive in many cases if it alerts others to negotiate for compliance (Senior and Fleming 2006).

Manipulation and co-option involves the use of subtle covert tactics to implement the change and requires giving a resisting individual a desirable role in the change process. It is

widely used in situations where other tactics will not work, or are too expensive and it can be a relatively quick and inexpensive solution to resistance problems, though it can lead to future problems if people feel manipulated (Senior and Fleming 2006). Explicit and implicit coercion involves applying punishment or the threat of punishment to those resisting the change and uses force to make people comply. It is used widely where speed is essential, and the change initiators possess considerable power. This approach is speedy and can overcome any kind of resistance

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was carried out through a census survey which was used to establish how the staff of Sphinx Pharmaceuticals perceive the changes taking place within the organization and to determine the factors influencing their perceptions. According to Cooper and Schindler (2003) a census survey is where data is collected from all the members of a population. Mugenda and Mugenda (1999) notes that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, opinions, behaviors or values. It is easy to learn about people's opinions and attitudes through surveying as well as their expectations and intentions. Sphinx Pharmaceuticals has 50 permanent employees hence a census survey was deemed appropriate because it will give a complete picture of the perception of the employees and the factors affecting them. The small number of employees did not warrant sampling.

3.2 Data Collection

The research drew its data from primary sources. Perception is individual based hence the importance of collecting data from the primary source. Data was collected using semi structured questionnaires. The questionnaire was organized in two parts; the first part focused on general questions relating to the employee profile while the second part focused on questions relating to the changes in Sphinx. Questionnaires were administered through drop and pick method.

3.3 Data Analysis and Presentation

The questionnaires were edited for completeness and consistency and coded to enable analysis. Data collected was analyzed through quantitative analysis. Descriptive statistics including mean, percentages, frequency tables and variances were used to analyze the perception of employees and the factors influencing the perception. Due to the descriptive nature of data, the findings were presented using frequency tables, graphs and charts.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1. Introduction

This chapter presents the results and findings obtained from the questionnaire. The chapter is organized on the basis of the research objectives and presents data in the form of tables, graphs and charts. The research targeted all the permanent employees of Sphinx Pharmaceuticals. 50 questionnaires were distributed and out of these 46 employees completed and returned the questionnaires. This constitutes a 92% response rate which was considered adequate for analysis.

Employees were asked to give their opinions on the various dimensions relating to the principles of change management and rate their views on a Likert scale of 1-5 depending on the question, where 5 represented the best or highest positive sentiment and 1 represented the highest level of negative sentiment. The dimensions researched on were, Urgency for change, change vision, empowerment for change and change execution.

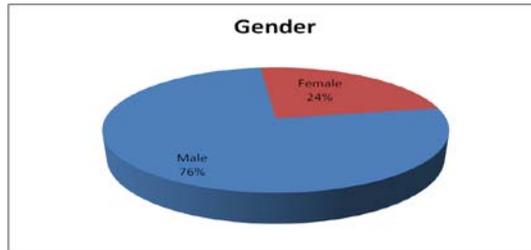
4.2. Profile of Respondents

The respondents' personal data included, level of education, age, gender, department and length of service

4.2.1. Gender

Figure 1 shows the distribution of the respondents according to their gender. From the analysis 76% of the staff are male and 24% are female.

Figure 1 Gender Distribution



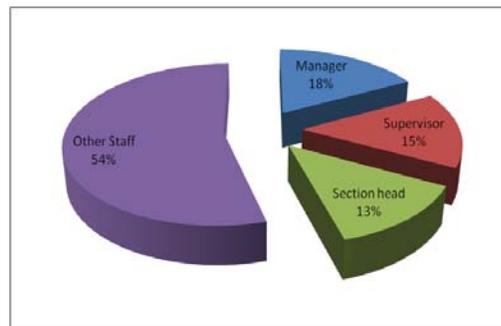
Source: Research Data

From the analysis we can conclude that most of the employees in Sphinx Pharmaceuticals are Male.

4.2.2. Position in the Company

The study sought the position of the employees in the company. Figure 2 shows the distribution according to the position in the company.

Figure 2: Position in the Company



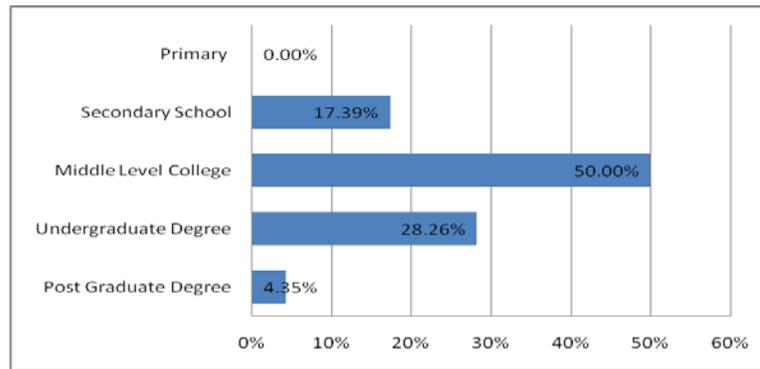
Source: Research Data

From the analysis, 46% of the staff are in management while 54% are other staff. We can conclude that there is a large representation of the management amongst the permanent staff of Sphinx Pharmaceuticals.

4.2.3. Level of Education

The respondent’s level of education is shown in figure 3. 50% of the respondents who filled and returned the questionnaires had middle level college education while 28.26% of the respondents were undergraduates. All the respondents had a minimum secondary school education.

Figure 3 Level of Education



Source: Research Data

This analysis shows that more than 80% have tertiary education, with less than 20% having only secondary education.

4.2.4. Length of Service

. Table 1 shows the length of service of the respondents.

Table 1: Length of Service

Length of Service	Frequency	Percent
Less than 1 Year	3	6.52
1 year - 5 years	28	60.87
5 year - 10 years	8	17.39
Above 10 Years	7	15.22
Total	46	100

Source: Research Data

The analysis shows that 78% of the employees have worked in the company for a period of between one year and 10 years.

4.3. Awareness of Change

The findings indicated that 98% of the employees of Sphinx Pharmaceuticals were aware of the various changes that have taken place within the organization in the preceding three years. The changes were described as follows; Recruitment of a general manager, expansion of production, changes in technology, introduction of new products and change of the organizational structure. The respondents also indicated that there has been mass resignation of experienced and qualified employees due to lack of motivation.

4.4. Urgency of Change

4.4.1. Perception of the Factors Influencing Change

The respondents were to asked to give their opinion on the extent to which predetermined factors influenced the changes taking place in Sphinx Pharmaceuticals. The range was not at all (1) to very great extent (5).

Table 2: Perception of the Factors Influencing Change

	Mean	Std. Deviation	Rank
Need to plan ahead and be competitive	4.3261	0.9900	1
Weak management	4.0000	1.3333	2
Magnitude of inefficiency	3.5652	1.4244	3
Changing environment	3.4565	1.6426	4
Changing technology	3.2826	1.3109	5
Changing for the sake of change	1.4783	1.0486	6

Source: Research Data

Employees strongly agreed that the need to plan ahead and remain competitive and weak management had the highest influence while they were moderate on the magnitude of inefficiency in the company, changing technology and environment as factors influencing change. They disagreed with factor that the company was changing for the sake of change as it was ranked least as a factor influencing the changes, showing that the employees were well informed that there is no importance of changing for the sake.

4.4.2. Perception of the Objectives of the Change Program

Respondents were asked to give their views on various predetermined objectives of the change program ranging from not important to very important.

Table 3 Perception of the objectives of the Change program

	Mean	Std. Deviation	Rank
Increase level of efficiency	4.71739	0.71997	1
Turn around Sphinx to a competitive firm	4.52174	0.96007	2
Take care of stake holder's interest	3.95652	1.21026	3
Reduce staff	1.21739	0.51264	4

Source: Research Data

As indicated in table 3 the employees had a strong opinion that, increasing the level of efficiency was the most important objective followed by turning around Sphinx to a competitive firm. The employees disagreed that reduction of staff was an objective of change, indicating their positive confidence in the change program.

4.4.3. Perception of the Communication Method

The respondents were requested to indicate in their view the predetermined means used to communicate the awareness of change.

Table 4: Perception of the Communication Method

	Mean	Std. Deviation	Rank
Grapevine (Rumors)	3.73913	1.38940	1
Through respective managers	3.21739	1.17214	2
Meetings	2.82609	1.21663	3
Memo	2.45652	1.06888	4

Source: Research Data

The findings indicate that grapevine/rumors was predominantly used to communicate the changes, while communication through respective managers was frequently used. Meetings and memos were rarely used to communicate the change. Grapevine/rumors was predominantly used as a communication which is not an efficient way since there could be information distortion.

4.4.4. Perception of the Benefits of Supporting Change

Respondents were requested to rate predetermined individual benefits to be derived by supporting the changes.

Table 5: Perception of the Benefits of Supporting Change

	Mean	Std. Deviation	Rank
Improved growth opportunity	4.28261	0.91075	1
Important training opportunity	4.04348	1.01009	2
Increased job satisfaction	3.97826	0.99976	3
Improved job security	3.47826	1.41011	4

Source: Research Data

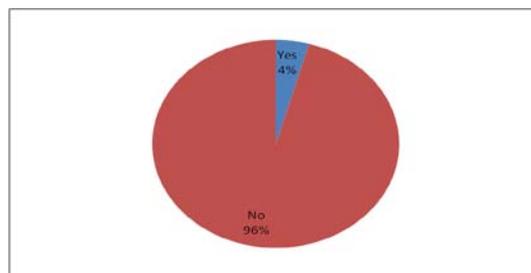
The findings indicate that the employee strongly perceived that by supporting the changes they will have improved growth opportunity, improved training opportunities and will

derive increased job satisfaction. They rated those benefits as important and highly important. The employees rated improved job security as moderately important.

4.5. Knowledge of the Mission and Vision

The respondents were asked if they knew the mission and vision of Sphinx Pharmaceuticals. 96% of the respondents indicated they knew it while 4% indicated they did not know.

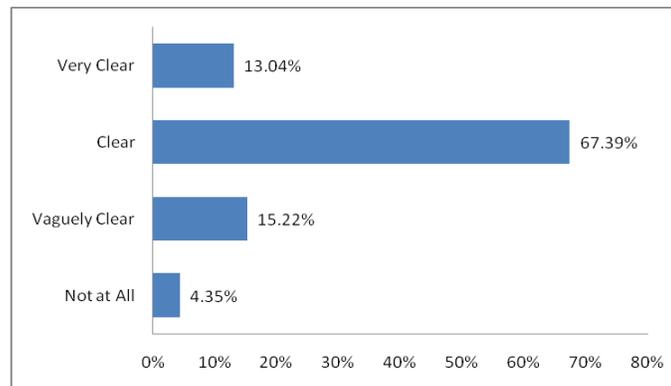
Figure 4: Awareness of the Mission and Vision



Source: Research Data

The findings also indicate that 67.39% of the respondents clearly understood the change vision while 4.35% did not.

Figure 5: Extent to Which the Change Vision was understood



Source: Research Data

The employees were further requested to give their opinion on the extent to which the vision of Sphinx met predetermined factors with the range of Not at All to Great extent.

Table 6: Perception of the Change Vision

	Mean	Std. Deviation	Rank
Is built around customers	3.93478	0.92861	1
Clear and concise	3.58696	0.93276	2
Is linked with the daily operations	3.10870	1.17810	3
Is inspirational	2.93478	1.35650	4
Is widely shared	2.82609	1.03932	5

Source: Research Data

The findings from the table show that the employees strongly perceive the change vision as being built around customers and its clear and concise with means of 3.93 and 3.59 respectively. The employees feel that the vision is linked with daily operations and is inspiration to a moderate extent. The employees feel that the change vision is widely shared to a less extent.

4.6. Empowerment to Change

The respondents were asked to give their opinion on the extent to which they agreed with predetermined issues on empowerment to change. Empowering people means allowing them to participate in decision making, expressing confidence in their ability to perform at high levels, setting meaningful and challenging goals and encouraging people to take personal responsibility for their work. The findings indicate that the management at Sphinx needs to look at the issue of empowerment, which will facilitate the change process in the organization.

Table 7: Perception of the Empowerment to Change

	Mean	Std. Deviation	Rank
I am very confident at learning and developing new skills relevant to my job	4.2826	1.2590	1
I need further training to perform my duties better	3.8696	1.4081	2
The change has been sufficiently communicated	3.3913	1.3246	3
The change process has improved my duties in the organization	3.2609	1.3733	4
The systems in place support implementation of new skills and behaviors	3.1957	1.5581	5
I am satisfied with the opportunity for advancement in the company	3.0217	1.5274	6
The change process has assisted in decision making process	2.9348	1.3400	7
I am satisfied with the way in which I can express my views about the change	2.8261	1.4803	8
I have been trained on the new systems	2.9348	1.4667	8
I am satisfied with the new working conditions	2.8043	1.2757	9
I am allowed to participate in decisions regarding changes	2.6087	1.4978	10

Source: Research Data

The findings indicate that the employees strongly agree that they are confident at learning and developing new skills, and needed further training to perform their duties better. The findings indicate lack of involvement during the change program since they neither agree or disagree on most issues raised.

4.7. Change Execution

The respondents were asked to give their opinion on the extent to which they agreed with predetermined issues on change execution.

Table 8: Perception of the Change Execution

	Mean	Std. Deviation	Rank
I feel a sense of personal satisfaction when I do my job well	4.4348	1.0034	1
I try to think of ways of doing my job effectively	4.1957	1.0027	2
I am certain of what my responsibilities are	3.7609	1.2144	3
I feel this change gives me a greater sense of control in doing my job	3.3696	1.4041	4
I have been involved in the execution of the changes	2.5652	1.4855	5
I feel these changes improve my rank	2.4565	1.3116	6
I am certain about my job security	1.9565	1.0946	7

Source: Research Data

The findings from the table below indicate that the employee strongly agree that they feel a sense of personal satisfaction when they do their jobs well and they think of ways of executing their jobs more effectively. However they strongly feel uncertain about their job security, and disagree with the fact that they have been involved in the execution of the changes and are of the opinion that the changes do not improve their ranks. This may have arisen due to lack of their involvement during the change process.

4.7.1. Perception of the Challenges faced during Change Implementation

Respondents were requested to give their opinion on the extent to which predetermined challenges were faced during the implementation of the changes.

Table 9: Perception of the Challenges

	Mean	Std. Deviation	Rank
Policies and procedures	3.7826	1.1530	1
Communication	3.5435	1.2597	2
Leadership	3.5435	1.2597	3
Organization structure	3.2609	1.3070	4
Employee involvement	3.1522	1.4902	5
Technological	2.9565	1.2641	6
Culture	2.8913	1.5381	7

Source: Research Data

The findings in table 9 indicate that the policies and procedures in the company have been a challenge to a large extent. Further communication, leadership, organisation structure and employee involvement have also been challenges faced to a moderate extent during the implementation of the changes. However culture was not perceived as a major challenge to the implementation of the changes.

4.7.2. Perception on the Effect of Change

Respondents were requested to give their views on the extent to which predetermined issues relating to the changes being implemented meant to them.

Table 10: Perception of the Effect of Changes

	Mean	Std. Deviation	Rank
New reporting structures	3.8696	1.1664	1
New way of doing things	3.8478	1.1347	2
New systems and tools	3.4348	1.2410	3
New job roles	2.8696	1.3099	4

Source: Research Data

The employees perceive that to a large extent, the changes meant new reporting structures, new way of doing things and new systems and tools with a mean of 3.87, 3.84 and 3.43 respectively. However new job roles were only perceived to a less extent.

4.7.3. Perception of the Risk of not Changing

Respondents were asked to give their opinion on predetermined risks of not changing.

Table 11: Perception of the Risk of not Changing

	Mean	Std. Deviation	Rank
Low Job security	3.4565	1.3451	1
Job dissatisfaction	3.4348	1.2588	2
Reduced Job satisfaction	3.4348	1.2588	3
Loss of employment	3.3261	1.4151	4

Source: Research Data

The findings indicate that they perceived the predetermined risks moderately with low job security being the leading risk.

4.7.4. Perception on the Resistance of Change

Respondents were further requested to give their view on predetermined factors that may have been obstacles during the change process.

Table 12: Perception of the Resistance to Change

	Mean	Std. Deviation	Rank
Misunderstanding and lack of trust	3.9348	1.2000	1
Fear of the unknown	3.8913	1.2334	2
Ignorance	3.6739	1.1166	3
Satisfaction of the status quo	3.2174	1.3151	4

Source: Research Data

Misunderstanding and lack of trust was ranked highest with a mean of 3.93 while fear of the unknown and ignorance were also obstacles in a large extent with a mean of 3.89 and 3.67 respectively.

4.7.5. Employee Perception of Methods for Overcoming Resistance to Change

Further, predetermined methods and approaches employed to overcome resistance to change were also required to be rated.

Table 13: Perception of the Methods for Overcoming Resistance to Change

	Mean	Std. Deviation	Rank
Training and education	3.6957	1.2626	1
Coercion and Authority	3.6522	1.3698	2
Effective and open communication	3.3043	1.4433	3
Manipulation	2.8696	1.5721	4

Source: Research Data

In their view the respondents indicated that training and education method and coercion and authority from the top management were the methods used to a large extent in overcoming resistance. Manipulation was also used to overcome resistance to the changes to a moderate extent.

4.8. Factors Influencing the Employees Perception to Change

Further analysis of the data through cross tabulations between general questions relating to the employee and questions relating to the changes taking place in the organization was done with the view of determining if there was a significant difference in perception among the employees.

4.8.1. Factors Influencing the Changes

Respondents within the four departments ranked various predetermined factors influencing change differently. Employees based in finance ranked the need to plan ahead and be competitive and changing environment highly, while the staff in production and quality departments ranked the need to plan ahead and be competitive and weak management as factors that may have influenced change. The employees in marketing rated the need to plan ahead and be competitive and the magnitude of inefficiency as the leading factors respectively.

Analysis in terms of the position employees held in the company also revealed differences in perception of the factors influencing change. The managers and supervisors perceived the changing environment, need to plan ahead and be competitive and the magnitude of inefficiency as major influences. The findings indicate that the section heads and other staff had uniform perception about the influences of the change where they ranked the need to plan ahead and be competitive and weak management as the major factors.

4.8.2. Communication

The findings indicate almost uniform perception among the supervisors, section heads and other staff on the means of communication which was grapevine, while the managers perceived that the changes were communicated through respective managers and to some extent through rumors. This is an indication that the managers received communication from the managing directors which was passed down to the other staff through grapevine. Further analysis indicates that there was uniform perception of the communication means based on the departments the staff belongs to.

4.8.3. Benefits of Supporting the Change

The findings indicate uniform perception of the benefits to be gained for supporting the changes among the different positions of the employees and also across the different departments which was improved growth and training opportunity. Hence the perceived benefits of supporting the change were uniform.

4.8.4. Change vision

The findings indicate that the change vision was very clear to the respondents whose length of service was above 10 years while 4% of the respondents whose length of service is below 1 year did not know the mission and vision of the company and they did not understand the change vision at all. The long serving employees understood the change vision very clearly since they knew the transition the company has undergone through.

4.8.5. Empowerment to Change

The findings indicate that all the respondents are confident at learning and developing new skills relevant to their job, however they do not agree that they have been trained on the new systems adequately since there is a uniform perception that they need further training to perform their duties better. However the managers disagree with the fact that the systems support implementation of new skills and behaviors while the other staff are indifferent. Irrespective of the level of education all respondents agreed that further training was needed in order to perform their duties better

The findings also indicate that staff who had served the company between five and ten years were satisfied with the opportunity of advancement in the company, while those who had

served for above ten years perceived dissatisfaction with the opportunity for advancement in the company. Therefore the findings show that the employees are not empowered to the change process.

4.8.6. Changes Execution

The findings indicate that there is a uniform perception on most of the issues raised about change execution; however the supervisors, section heads and the other staff feel that they have not been involved in the execution of the changes while the managers neither agree nor disagree on their involvement. Irrespective of the years served in the company the respondents are not certain of their job security. Further analysis indicates that all the respondents feel a sense of personal satisfaction when they do their jobs well irrespective of the position held and the department.

The findings further indicate that the various cadre of staff portrayed different perceptions on the challenges facing the organization during the implementation. The managers perceived that the organization structure was a challenge to a great extent while the other staff indicated it was a challenge to a less extent. There was a uniform perception among all employees that leadership was a challenge in a moderate extent. Also employee involvement posed as a challenge to the supervisors, section heads and other staff but it was posed as a challenge to a less extent by the managers, giving an indication that the other staff feel more sidelined and would prefer more involvement.

There also arose differences on the effect of the changes among the different respondents, the managers and other staff perceived the changes would bring more job roles due to the

new tool and systems, while the section heads and supervisors felt this would bring new job roles only to a small extent. Irrespective of the years served there was a uniform perception that there would be a new way of doing things. Slight differences in perception of the risk of not changing was also noted with the managers ranking job dissatisfaction as the main risk while all the other respondents ranked job security as their main risk.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Introduction

This chapter presents a summary of the research findings where the main objectives were to establish the employees' perception of changes at Sphinx Pharmaceuticals limited and to determine the factors influencing the employees' perception of the change. In order to achieve the objectives, the study examined key strategic change dimensions relating to the principles of change management through the use of questionnaires directed to all the permanent staff of Sphinx Pharmaceuticals. The chapter also gives recommendations, limitations of the study and suggestions for further study.

5.2. Summary of the Findings

The changes done in organizations greatly affect the employees to a large extent. Employees tend to resist these changes but somehow they need to cope up with the changes in order to work in the organization. The organization should consult its employees before carrying out the change for the changes to be successful.

In this research the findings indicated that most of the employees in Sphinx Pharmaceuticals are male and the majority of the staff have tertiary education. There is also a large representation of the management amongst the permanent staff of Sphinx Pharmaceuticals. Also a majority of the staff have worked in the company for a period of between one year and ten years.

The findings indicate that majority of the employees of Sphinx Pharmaceuticals were aware of the various changes that have taken place within the organization in the preceding three years. The findings show that the employees strongly agree that the need to plan ahead and be competitive and weak management at Sphinx have greatly influenced the changes taking place. The employees had a strong opinion that, increasing the level of efficiency was the most important objective of the change program. The employees disagreed that reduction of staff was an objective of change, indicating their positive confidence in the change program. The employees of Sphinx also indicated that communication was not formal since it was through rumors. The findings indicate that the employee strongly perceived that by supporting the changes they will have improved growth opportunity, improved training opportunities and will derive increased job satisfaction

Majority of the respondents indicated they knew the mission and vision of the company and clearly understood the change vision. The employees strongly perceive the change vision was built around customers and its clear and concise

The findings indicate that the employees strongly agree that they are confident at learning and developing new skills, and needed further training to perform their duties better. The findings indicate lack of involvement during the change program since they neither agree or disagree on most issues raised. The findings indicate that the management at Sphinx needs to look at the issue of empowerment, which will facilitate the change process in the organization.

The findings indicate that the employees strongly agree that they feel a sense of personal satisfaction when they do their jobs well and they think of ways of executing their jobs more effectively. However they strongly feel uncertain about their job security, and disagree with the fact that they have been involved in the execution of the changes and are of the opinion that the changes do not improve their ranks. This may have arisen due to lack of their involvement during the change process.

The findings indicate that the policies and procedures in the company have been a challenge to a large extent. However culture was not perceived as a major challenge to the implementation of the changes. The employees perceive that to a large extent, the changes meant new reporting structures, new way of doing things and new systems and tools

The findings indicate that they perceived the predetermined risks of not changing moderately with low job security being the leading risk. Misunderstanding and lack of trust was ranked the highest obstacle to the change while fear of the unknown and ignorance were also obstacles in a large extent. In their view the respondents indicated that training and education method and coercion and authority from the top management were the methods used to a large extent in overcoming resistance. Manipulation was also used to overcome resistance to the changes to a moderate extent.

In this research the findings indicate that the employees perceived their involvement in the change process as playing a prominent role in the whole process. The employees were of the

opinion that their involvement was not addressed adequately and this may have been an impediment to the implementation of the changes

There were differences in the perception of the various issues relating to change management among the various cadres of employees in Sphinx with respect to the department, years of service and the position held in the company. This is an indication that the employees are affected differently and in varying degrees by the change process leading them to experiencing the change differently and thus having different perceptions. The findings also indicated that the employees need to be empowered in order to execute the necessary changes since the findings reveal that they have not been adequately trained on the new systems and they need further training to perform their duties better and are confident at learning and developing new skills relevant to the job

Further suggestions and comments on the change process indicated that the employees of Sphinx have strong opinions and suggestions regarding the process. The respondents were of the view that they should have been involved in the whole process and that communication regarding the changes should have been enhanced from the initial stages of conception so that their input be taken into consideration comprehensively.

Majority of the respondents believed that the employers have good motives and intentions but they need to be assured of their job security. They also suggested that motivation was lacking hence the employees did not feel fully empowered to execute the changes. Also on

additional information the employees suggested that the management should avoid nepotism and treat all employees equally.

5.3. Conclusion

Ansoff and McDonnell (1999) indicate that the gap between perception and reality can substantially and unnecessarily increase the level of resistance to change and top management should therefore be alert at all times to employees reaction to change in order to implement the changes successfully. Managers must put themselves in their employees' shoes to understand how change looks from the perspective of the employees and to examine the terms of the personal contact between the employees and the company.

The findings of this study indicate that the employees of Sphinx Pharmaceuticals are fully aware that change is required in the organization to ensure it has a future in a dynamic environment. The employees are of the view that they as individuals have the ability to change, are fully aware of the need to change and desire to make change happen. They also perceive that they will gain respect and reputation within the organization for supporting the changes being implemented.

However, the employees do not feel that they have been fully involved in the change process and are not fully empowered to implement and execute the changes and they desire that the management will address the area of involvement more seriously.

5.4. Recommendations

Respondents indicated that there is need to enhance communication on the change process to the entire body of staff to ensure uniform understanding of the need of change and the

implementation process. This will ensure that all staff have the same knowledge and understanding. Particularly it is important to ensure that the employees are active contributors to the identification of the changes required and their implementation so that they can develop a stronger sense of ownership and this will enhance support for the change and aid in its faster implementation. All staff should be sensitized on the changes being implemented and the envisaged effect on the organization the changes will have

The respondents were of the opinion that they were not fully involved in the change process and require freedom to make decisions and experiment. It is recommended that the top management of Sphinx explores this area with the view to further empowering staff to facilitate implementation of change. Empowerment will require greater involvement and participation, recognition for work done, motivation, by use of reward to increase performance.

5.5. Limitations of the Study

The research was quantitative in nature and to a certain extent only identified the aggregate position with respect to the various issues raised without interrogating the quality of individual response or probing for more information through interviews. A qualitative study could be conducted in future to delve deeper into the reasons behind how and why employees perceive change management as identified in this research.

It is also acknowledged that respondents' bias may have been an inevitable part of the study given that the employees were required to give a judgment on their organization. Though, this was minimized by encouraging anonymous responses.

5.6. Suggestion for Further Study

The environment in which organizations operate is highly dynamic, the magnitude, speed, unpredictability and the impact of change are greater than ever before and organizations have to scan their environment constantly to ensure they remain competitive. Customer's needs and expectations are changing. Competition forces us to change. It seems that everything is changing at an ever increasing rate. Given the environment of change, we need a system which helps us to understand where we are, and where we are going.

It is therefore, suggested that similar studies be replicated in other organizations from the perspective of other stakeholders point of view especially from customers of organizations who are impacted by the changes organizations may introduce.

Also it is suggested that a study making comparisons between the views of top leadership and non management staff in the same organization be carried out to determine contrasts, if any exists on perceptions. The suggested studies will go a long way in validating the findings of this study.

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