STRATEGIC CHANGE MANAGEMENT PRACTICES AT BROOKSIDE DAIRY COMPANY IN KENYA

BY

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

NOVEMBER 2010
DECLARATION

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

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This management research project has been submitted for examination with my approval as university supervisor.

Signed........................................... Date........12-11-2010..........

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DEDICATION

To my parents and the entire Nginga family for the continued support during this most demanding season.
ACKNOWLEDGEMENT

I would like to acknowledge the following persons whose contributions facilitated the completion of this project.

First, I thank the Almighty God for the gift of life and for giving me the skills, acknowledge and energy to be able to complete this paper.

Special thank you goes to my supervisor Dr. John Yabs for shaping the project idea into a meaningful form, and for his consistent and insightful reviews. Without his encouragement and patience, it would have been difficult to complete this project.

To all of you whom I cannot mention by names wherever you are I say a big THANK YOU!
ABSTRACT

Change is inherent in contemporary organizations and its management is not only critical to organizational success and survival but is also at the crux of the field of organization development. Brookside Company is currently facing competition from other industry players and this has seen the company make several changes in order to compete in the market. Some of the changes that have occurred in the company include acquiring ISO certification, expansion of product line into the Tanzanian market (Mtindi and Mazilla), introduction of digital accessory point of sale connected to the server at the head office, and establishment of production plant in Kampala Uganda. Further, the Kenya Dairy Board has approved plans to have a milk drying factory in Kiganjo. They have also made several acquisitions such as Spinknit and bought the Delamare brand. These issues have not received attention from scholars up to date hence the need for the present study. This study sought to determine the strategic change management practices adopted by Brookside and the factors influencing strategic change management practices in the organisation.

This was a case study of Brookside. Primary data was collected using semi-structured questionnaires. The respondents were three managers from the company. Data was analysed using content analysis where the data was gathered and presented into themes (as outlined by the objectives) and analysed in prose form.

The study found that several strategic change management concepts were followed by the company as it sought to manage the change process. The study concludes that the company follows the change process as espoused in the theories of change management. The study concludes that the factors are organisation culture, teamwork, leadership, resistance to
change, stakeholder influence and organisation structure. The study recommends that the company should do more as concerns the training and development of staff in order to change their mindsets so as to effectively implement change processes. The company should invest more in communicating their intended change processes in good time and in the right manner so that the employees can own the process. The study suffers from one major limitation. Since it was a case study, it limits the applicability of the findings to the entire industry. The study recommends that future studies should perform surveys in the industry so as to reveal the industry practice as far as strategic change management is concerned.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations deal with change on a day-to-day basis as do people. Change is inherent in contemporary organizations and its management is not only critical to organizational success and survival but is also at the crux of the field of organization development (OD). Along with important changes taking place in the social fabric within which organizations operate are vital forces impacting organizations within the context of their business operations. These include forces outside the organization and emanate from the external environment as well as forces within the organization itself that we classify as the internal environment (Stacey, 2003).

Strategic change is defined as a difference in the form, quality or state over time in organization's alignment with its external environment. This study will use the definition of strategic change used by Watson (2003). The author defines strategic change as changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantage and synergy. Considering the definition above, strategic change could be affected by the state of firms and their external environments. Because the performance of firms dependent on the fit between firms and their external environment (the appearance of novel opportunities and threats in the external environment), then change in external environment require firms to adapt to the external environment. As a result, firms would change their strategy in response to the environmental changes. The state of firms will also affect the occurrence of strategic change. For example, firms tend to adopt new strategies in the face of financial distress for the purpose of breaking the critical situations. Additionally,
organizations would possess structural inertia that they tend to keep their previous structure and strategy (Dent and Barry, 2004).

1.1.1 Strategic Change Management

Strategic management is defined as that set of managerial decisions and actions that determines the long-run performance of a corporation, and includes aspects such as environmental scanning, strategy formulation, strategy implementation, and evaluation and control. It is designed to set a firm's courses of action, identifying the strategies it will use to compete in the market-place and how it will organize its internal activities. Strategic change management has evolved as an interdisciplinary corpus of knowledge. Strategic thinking is still an emerging field of study and as such embodies several different schools of thought and methods. One common feature shared by the different approaches is that strategic thinking is utilized by that organisation to plan for the future using a range of analysis techniques and decision-making processes. As such, it has become a common activity for many types of organizations and in many industries, mostly as a result of increasingly competitive behaviour (Dent and Barry, 2004).

Strategic change management is the change within an organization necessary to reach their strategic goals and objectives. It is incumbent on leadership to communicate the company's strategic goals and objectives in order create willingness to change among those concerned for them to accept the new arrangements. In essence organizations would want everyone to buy in to the change; however, the important issue is to win over what Beckhard and Harris (1987) refer to as critical mass of individuals or groups whose active commitment is necessary to provide the energy for change to occur.
For an organization to sustain the momentum on normal day-to-day pressures to meet customer demands and in order to avoid situations where people will return to the methods and behaviours that they are familiar and comfortable with, it is necessary to provide resources for change (Kotter, 1996). Buchanan and Boddy (1992) noted, an enormous responsibility falls upon the change management team hence the organization should give support to the change agents in order for them to motivate others to deal with change difficulties. Change frequently demands new knowledge, skills and competencies and as such companies engaging in change should train and re-train, have on-the-job counselling and coaching in order to encourage rather than threaten staff. For successful change process, reinforcement of the desired behaviour through rewards like increase of pay, recognition and avoiding criticisms could be important.

Change management is not a distinct discipline with rigid and clearly defined boundaries. This is because the theory and practice of change management draw on a number of social science discipline and traditions. The task is complicated by the fact that the social sciences are interwoven and so the challenge is to range wide enough to capture the theoretical foundations of change management, without straying so far in to its related disciplines that clarity and understanding suffer (Burnes, 2009). Although visions and strategies can be crucial in shaping the life of organizations, it is only when some facet of the organization is changed that they advance from being mere possibilities to become reality. This is a two way street. Visions and strategies shape and direct change; they indicate what needs to change and where and create the conditions and climate within which change takes place. On the other hand, because visions and strategies only become reality through the actions of the organization, it is these changes, these actions, which shape visions and strategies.
Care should be taken during this process as complacency and declaring success too fast, poor communication, weak leadership, inappropriate culture and political infighting could deny the organization the intended benefit of change (Kotter, 1996). Some of these benefits include new and well implemented strategies, acquisitions that lead to achieved expected synergies, business re-engineering leading to short and less costly processes, down-sizing that lower the costs and quality programs that deliver hoped for results. Strategic change management assists managers in developing wider views of the future, as it affects their organisation and provides deeper insights than are otherwise available during the analysis of the external environment.

Organizations need to change constantly due to the magnitude, speed, impact and unpredictability of change that are greater than before, for example, local markets have become global markets and protected markets have become opened markets to fierce competition. Arguably, the biggest challenge facing managers today is globalization: the creation of a unified world market place, how to achieve sustainability in a world of dwindling natural resources and increasing environmental pollution; how to manage an increasingly diverse workforce; and at a time when business leaders are considered less trustworthy than ever before, how to manage ethically. This necessitates need for strategic change management.

1.1.2 Dairy Industry in Kenya

The Kenya Dairy industry has been heralded as a key driver of the government's Economic Recovery Strategy and important to the achievement of vision 2030. The industry recorded a significant growth in the year 2007 with a production of 3.8 billion litres of milk and revenue
of $810 million. Presently, the dairy industry is regulated by the Kenya Dairy Board. Kenya is shown to have the potential to satisfy its own market and to export dairy products having the largest and well developed dairy herd in Sub-Saharan Africa (Kenya Dairy Board, 2010). Brookside Dairy Company has been a key contributor to the National economic growth and development. The company is currently the leading dairy in Kenya with a daily throughput of 700,000 litres of milk per day leading in creation of employment and payment of annual taxes (Brookside, 2010).

As Brookside dairy Company environment becomes increasingly competitive and complex, it must be alert and flexible to remain competitive. It faces major competition from the New Kenya Creameries Cooperative (New KCC) and Githuguri Dairy Company. Complacency within the company can lead to inertia or failure. Organizations that do not remain competitive will often begin a gradual downward trend in financial performance and must adopt strategic change management to continue being competitive in the market.

### 1.1.3 Brookside Dairy Company

Brookside Company is a Kenyan owned enterprise with a 17 year heritage of success and has fully fledged operations in Kenya, Uganda and Tanzania. The Company started its operations in 1993 soon after the liberalization of the dairy sector in Kenya. It is currently the leading dairy in Kenya with a daily throughput of 700,000 litres of milk per day. It have a workforce of 1530 employees whose skills are upgraded with technological change and process and distribute a wide range of products, which include fresh pasteurized milk, cream, butter, yogurt, lala, ghee, and long life milk products (Brookside, 2010).
The company was formally registered under the Co-operatives Societies Act on 26th November 1996. Since inception, quality has been the driving force behind the company’s growth making it gain competitive advantage over its rivals such as New Kenya Creameries cooperative, Githunguri Dairy company among others. This is coupled with overwhelming support from the farmers as well as the consumer population. In order to secure a solid base in procurement of raw milk, it aims to establish collection centers countrywide. Already some are commissioned namely Kiganjo in Nyeri, Eldoret and Ol- Kalou.

As stated in its mission statement, it purchases all available quality milk from contracted farmers, processes and distributes quality milk products to the customers both locally and regionally. This is achieved through proper management of available resources, use of modern technology and keeping abreast with the local and global trends in development of the dairy industry. The company’s catchment areas range from Eastern Province, through the Central Province and Rift Valley Province. In each of the designated collection routes, a field officer equipped with testing facilities, grades milk daily as per set parameters. The milk is thereafter transported to the factory within three hours after milking. At the factory milk reception, milk is graded again and any milk that fails the set standards is automatically rejected and drained.

The company’s products are sold locally and exported to other parts of the Eastern Africa, Common Market East South Africa and South Africa Development Corporation blocs, and as far as the Middle East. The company is firmly committed to the development of the regional livestock sector through partnership with other stakeholders who include government and non-governmental organizations and have heavily invested in world class milk production.
processes to guarantee our consumers world-class products (Online, www.brookside.co.ke Accessed on 25\textsuperscript{th} July 2010).

The Brookside Company have network of milk collection and cooling centres throughout Kenya including Eldoret, Kiganjo, Sabatia in Eldama Ravine, Ol Kalou, Muki in North Kinangop and Wakulima in Nyeri ensuring support for a cross section of Kenyans. Brookside management firmly believes that to attain the best quality dairy products, only the best quality milk should be taken in. For this reason, the quality management system has been built around a grass to glass principle whereby it enforce very strict quality and safety standards throughout the company milk supply chain right from the farm level to the consumer.

Brookside Dairy invests heavily in helping farmers practice good animal husbandry under a field extension program geared towards enforcing stringent hygienic standards for the best quality milk (Online, www.brookside.co.ke Accessed on 25\textsuperscript{th} July 2010). The dairy industry is facing challenges in management leading to low performance of its capacity. This implies that it needs an overhaul in it management due to increasing change of environment and therefore a need for strategic change management practices in the dairy firms to realize their potential and prevail in the market.

1.2 Statement of the Problem

Change management is used to ensure that the human aspects of introducing new processes and technology are addressed. These include creating an organizational structure aligned with new strategies and processes; having jobs and skills sets that support the new organizational
direction; employing effective communications strategies; ensuring customers, suppliers and other stakeholders understand and support the effort, and minimizing resistance to change (Bauer, 2009).

Milk production in Kenya is dominated by small-scale producers located mainly in the Rift Valley, Central and Eastern provinces. Various production systems, which mainly rely on rain-fed agriculture, are used (Kenya Dairy Board, 2010). Marketing of milk is done through the formal and informal sectors. The formal sector in Kenya comprises of the following licensed milk dealers; 64 mini dairies, 78 cottage industries, 1138 milk bars, 757 primary milk producers and 27 milk processors. Brookside, New KCC, Githunguri Dairy, and Limuru Fresh are among the key milk processors.

Brookside Company is currently facing competition from other industry players and this has seen the company make several changes in order to compete in the market. Some of the changes that have occurred in the company include acquiring ISO certification, expansion of product line into the Tanzanian market (Mtindi and Mazilla), introduction of digital accessory point of sale connected to the server at the head office, and establishment of production plant in Kampala Uganda. Further, the Kenya Dairy Board has approved plans to have a milk drying factory in Kiganjo. They have also made several acquisitions such as Spinknit and bought the Delamare brand. These issues have not received attention from scholars up to date hence the need for the present study.

There are a number studies that have been done on strategic change management practices. For instance, Bwibo (2000) carried out a study on strategic change management practices within non-governmental organizations in Kenya. Ongaro (2004) focused on Kenyatta
National Hospital while Onguso (2008) did a comparative study of the practices on National Water Conservation and Pipeline Corporation. Further, Gekonge (1999) focused on the companies listed on the Nairobi Stock Exchange. Thus, little attention, if any, have been accorded to the Brookside dairy from researchers. This is the gap the present study sought to bridge by answering the following research question: what are the change management practices adopted by Brookside Dairy Company and what challenges does it face in managing change?

1.3 Objectives of the Study

i. To determine the strategic change management practices adopted in Brookside Dairy Company.

ii. To establish the factors influencing strategic change management practices at Brookside Dairy Company.

1.4 Significance of the Study

The findings of this study will be important to the management of Brookside Dairy as they will help them understand the importance of management of strategic change as they seek to increase penetration in the East African market. The study will also provide an insight to the industry players in understanding the challenges they are likely to face when implementing strategic change in their organizations and what strategies are adopted in overcoming the challenges and the benefits of indulging in strategic change management.

Findings of the study will also be important to scholars and other researchers who may be interested in understanding the strategic change management in the dairy industry. To other
organizations, this study will bring up the best strategic change management practices which can be borrowed and applied to other sectors of the economy by those facing similar challenges and opportunities arising from changes in strategy. The study will be significant to the government as it will offer an insight to the various factors that influence change management practices which can inform strategic change management in other Government institutions.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter outlines the literature and authorities on strategic change management. Issues on strategic change management have been critically reviewed focusing on the concept of strategy and strategic change management practices and factors that affect strategic change management practices.

2.2 Strategic Change Management

Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level (Wilson, 2002). A somewhat ambiguous term, change management has at least three different aspects, including; adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all the three aspects. For an organization, change management means defining and implementing procedures and technologies to deal with changes in the business environment and to benefit from the unfolding opportunities (Deem and Brehony, 2005).

Successful adaptation to change is as crucial within an organization as it is in the natural world. Just like plants and animals, organizations and the individuals within them inevitably encounter changing conditions that they are powerless to control (Dent and Barry, 2004). The more effectively you deal with change, the more likely you are to thrive. Adaptation might involve establishing a structured methodology for responding to changes in the business environment (such as fluctuations in the economy, or a threat from a competitor) or establishing coping mechanisms for responding to changes in the workplace such as new policies, or technologies (Mintzberg et al, 2003). The key benefits of change management
include; helping one to recognize the power of human dynamics in a change process, acting as a map for guiding action and helping stay on course rather than getting caught up in the complexity and tumult of change and thirdly, it can help you develop a relationship necessary to maximize effectiveness of a change effort (Kotter, 2005).

Organizational change management is a careful planning, organization and execution of an alteration from the norm to the unknown which will require thinking and doing things differently. The entire process has to involve people from the beginning to the end by making the stakeholders buy into the change process and own the process (Drucker, 1954). Change must be managed because it is disruptive and alters the equilibrium of operations. It results in a paradigm shift and causes variations in the status quo. It is vital to carefully manage change for the good of the people affected and the organization. Good change management yields good results (Miles, 1997). The pace of change is ever increasing—particularly with the advent of the internet and the rapid deployment of new technologies, new ways of doing business and new ways of conducting one’s life. Organizational change management seeks to understand the sentiments of the target population and work with them to promote efficient delivery of the change and enthusiastic support for its results.

Change can be looked at in two levels; the first level is generic enough to apply to any type of change. It is mostly targeted at understanding the human response to change and creating effective strategies for engaging people to achieve change. The second level of change management includes strategies that are specific to a particular type of change (Nickols, 2006). There are two related aspects of organizational change that are often confused. Organizational change management is concerned with the hearts and minds of participants
and target population to bring about changed behavior and culture (Thompson and Strickland, 1999). The key skills required are founded in business psychology and require “people” people. The other aspect of organizational change is the organizational design where roles, skills, job descriptions and structure of workforce may be designed. Typically, this is more analytical and directive activity, suited to tough skinned human resources professionals. Organizational change management issues are often under-estimated or ignored altogether. People issues collectively account for majority of change effort failures.

Change management is perhaps one of the biggest challenges that managers face in today’s organizations. In order to stay competitive in the current market, an organization has to remain open, adaptable and ready for change. Creating new processes, keeping up with market demand and keeping employees motivated and open to change can be a struggle. With the right change management tools, organizational structure and leadership style, organizational change is possible and can be successful (Ansoff, 1999).

Both internal and external forces can drive changes. External factors that might lead to needed change are market shifts and new and emerging technology. Internal factors that may lead to needed change may include employee level productivity, employee morale and executive level decisions. Change within any organization creates greater uncertainty and fear. The more significant the change, the greater the fear, uncertainty and resistance will be. It is critical then that the leadership in the organization take the time to explain the upcoming changes and put employees at ease as much as possible. According to McShane and Von Glinow (2002), “People resist change because they are worried that they cannot adopt the new behaviours.”
models of change attempt to help leaders and managers understand change and guide their organizations through the process. This literature reveals some models designed to clarify the process of change, individual acceptance rates, and steps for implementation. Rogers (2003), for example, describes how individuals accept rates of change in different ways and at different rates in his research on adoption of innovations. An innovation represents any change, large or small—including an idea, practice, procedure, or objects—perceived as new to an individual. The recipient’s reaction to change depends on his or her perception of the degree of newness. Communication methods and systems influence how and when the change is adopted.

Change of change occurs in stages, which Rogers (2003) describes as awareness of the change, interest in the change, trial, the decision to continue or quit, and adoption of the change into one’s life. Five categories of individuals have been identified on the basis of their acceptance of change: innovators, early adopters, early majority, late majority, and laggards. Innovators thrive on change; early adopters seek challenges and generally like change; the early majority prefer to observe the impact of change on innovators and early adopters prior to making a deliberate decision to change; the late majority are sceptical, suspicious, and occasionally change only as a last resort; and laggards are small, steadfast resisters who often reject change completely.

Models of change management followed a relatively simple three step process that involved evaluating and preparing a firm for change, engaging in change, and solidifying the change into the fabric of employees’ daily lives. Lewin’s (1951) classic model, for example, models unfreezing, movement, and refreezing. Unfreezing entails assessment of the
current state and readying individuals and organizations for change. Movement occurs when individuals engage in the change process. Refreezing anchors new ways and behaviours into the daily routine and culture of the firm. More extensive, multistep frameworks have evolved that include leadership, employee involvement, rewards, communication, and more. Models by Kotter (1996) and Ulrich (1998), for example, suggest the importance of leadership and vision, forming guiding coalitions, communicating, motivating and empowering others, and anchoring new approaches in the firm’s culture. The three change models are shown in Table 1.

Table 1: Change Models

<table>
<thead>
<tr>
<th>Lewin's Model</th>
<th>Ulrich 7-Step Model</th>
<th>Kotter's 8-Step Model</th>
</tr>
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<tbody>
<tr>
<td>Unfreeze</td>
<td>Lead change</td>
<td>Establish a sense of urgency</td>
</tr>
<tr>
<td>Movement</td>
<td>Create a shared need</td>
<td>Form a guiding coalition</td>
</tr>
<tr>
<td>Refreeze</td>
<td>Shape vision</td>
<td>Create vision</td>
</tr>
<tr>
<td></td>
<td>Mobilize commitment</td>
<td>Communicate the vision</td>
</tr>
<tr>
<td></td>
<td>Change systems and</td>
<td>Empower others to act</td>
</tr>
<tr>
<td></td>
<td>structures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitor progress</td>
<td>Plan for and create short-term wins</td>
</tr>
<tr>
<td></td>
<td>Make change last</td>
<td>Consolidate improvements and create more change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Institutionalize new approaches</td>
</tr>
</tbody>
</table>

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

Critics of these models cite failure to recognize the complexity of change, simplistic assumptions of success should one follow the rigid steps in order, failure to recognize the human factor, and lack of preparedness for resistance, to name a few (Gilley, 2005). Nadler (1998) stated, “the reality of change in the organizational trenches defies rigid academic models as well as superficial management fads.” Hence, the importance of the leader’s role in driving change is clear.
Chandler (1962) recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Chandler (1962) also stressed the importance of taking a long term perspective when looking to the future. He showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. Selznick (1957) introduced the idea of matching the organization's internal factors with external environmental circumstances. This core idea was developed into what we now call SWOT analysis by Edmund Learned and Kenneth Andrews, and others at the Harvard Business School General Management Group (al-Rousan and Qawasmeh, 209). Ansoff (1999) built on Chandler's work by adding a range of strategic concepts and inventing a whole new vocabulary. He developed a strategy grid that compared market penetration strategies, product development strategies, market development strategies and horizontal and vertical integration and diversification strategies. He felt that management could use these strategies to systematically prepare for future opportunities and challenges. Drucker (1954) stressed the importance of objectives. This evolved into his theory of management by objectives (MBO). According to Drucker (1954) the procedure of setting objectives and monitoring progress towards them should permeate the entire organization, top to bottom.

2.3 Strategic Change Management Practices

Management literature frequently proposes the use of a set of managerial practices in order to facilitate the management of organizational change processes. A study by Raineri (2010) analysed differences in perception in the use of such practices, between change strategists and change receptors, and the impact these practices had on the outcomes of organizational change programs and on organizational results, in a sample of 90 organizations in Chile.
Results showed that, for the same change processes, change strategists reported a higher use of change management practices than change receptors. Results also showed that, during organizational change processes, firms used more frequently practices related to the change preparation stage in comparison to practices related to the change implementation stage. Finally, results showed that, after controlling for organizational size, change program intensity, and service versus manufacturing industries, the use of change management practices had a significant impact on the accomplishment of the change program objectives and deadlines, but results did not show an impact on perceived organizational outcomes (changes in sales, financial results of the firm, operational productivity, and employee performance).

Zou and Lee (2008) investigated the relationship between change management practices and cost performance of construction projects. Multiple one-way ANOVA and linear regression were performed to investigate the effectiveness of individual change management practices elements and overall change management practices implementation in controlling project change cost, respectively. The results showed that individual change management practices elements had different levels of leverage in helping to control project change cost and that using change management practices was helpful in lowering the proportion of change cost in project actual cost.

Brown et al., (2003) presented a case for a model specific to public sector organisations as concerns change management. The authors argued that a hybrid model of new public management (NPM) is able to deliver superior outcomes for employees as well as political and public stakeholders. They argued that such a model takes the advantage of the best of
both bureaucracy and more egalitarian styles of management through the development of a relational culture while balancing its outcomes through the adoption of a balanced scorecard that focuses on finance, operational efficiency, customer/stakeholder satisfaction and human resources management.

Mugo (2006) did a case study of Kenya Power Lighting Company (KPLC) in a bid to examine the strategic change management practices from 1995 to 2004 when some of the major changes took place. The objectives of the study were to identify the change management models used by KPLC, factors that influenced the change management practices and methods used to control resistance to change. The case study relied on qualitative data gathered through interviews with KPLC senior managers who gave insights into the study subject. Analysis of the data was through content analysis. The study established that KPLC had three strategic change programmes in the period studied. It used both planned and emergent change management models in managing its strategic change. Both internal and external factors played major roles in determining how the change was managed. Resistance to change was encountered and diverse methods were used to control the resistance to change. The study identified that some of the change programmes were successful while one of the programmes was still ongoing in 2004 and was being carried out in a very turbulent environment.

### 2.4 Factors That Influence Change Management Practices

The outcome of any change process is influenced by a number of factors. Among them are culture, resistance, leadership, teamwork, and stakeholders’ politics. The total sum of shared values, attitudes, beliefs, norms, expectations and assumptions is defined as culture in an
organization. Thompson and Strickland (1999) argues that there must be a fit between strategy, structure systems staff, skills, shared values and style for strategy implementation to be successful. Organizational culture and values held by managers and other employees within an organization are key in influencing on strategies of change. Johnson and Scholes (2002) referring to culture as routines, note that such routines which give an organization a competitive advantage may act as bottlenecks when implementing change. When planning for change it important to identify such routines and change them.

Resistance to change is a multi-faceted phenomenon, which introduces delays, additional costs and instability into a change process (Ansoff and McDonnell, 1990). Resistance can either be behavioural or systemic. Behavioural resistance is exhibited by individuals, managers or groups because of parochial self-interests, misunderstanding and lack of trust, or low tolerance to change. To overcome this problem there is need on the part of those implementing change to understand the needs of employees and for employees to understand the change plan and be part of it.

Systemic resistance originates from passive incompetence in managerial capacity to carry out change. The capacity required to implement change is normally more than the existing capacity. Management requires planning and developing the needed capacity by integrating management development into change process and stretching the implementation period for as long as is necessary. Rogers (2003) noted that if change involves challenging existing power arrangements resistance to change is inevitable. To deal with such resistance, they propose use of some techniques which include education and communication, participation and involvement, facilitation and support, manipulation and co-option.
Leadership is one of the most enduring universal human responsibilities. The practice of leadership is sufficiently similar across historical eras and civilizations (Kanter, 1996). She goes on to state that many leaders of historical renown and many contemporary leaders of traditional institutions succeed by focusing on the need of their own organization and by being the best advocates of their own groups. For any meaningful change to take place the support and inspiration of leadership is absolutely necessary. In doing so, leaders follow various methods to achieve these objectives. Garvin and Roberto (2005) argue that for any change to stick leaders must design and run an efficient persuasion campaign. Like a political campaign, persuasion is leading differentiation from the rest.

An efficient change leader provide opportunity for employee to practice desired behaviour repeatedly while personally modelling new ways of working and providing coaching and support. Johnson and Scholes (1999) contend that management of change is often directly linked to the role of a strategic leader. Leadership is the process of influencing an organization in its effort towards achieving an aim or goal. A leader is not necessarily someone at the top of an organization, but rather someone who is in a position to influence others. The leaders’ role includes creating vision, empowering people, building teamwork and communicating the vision. The three roles of a leader, path finding, aligning and empowering.

According to Oakland (1993) a team is a group of people with the appropriate knowledge, skills and experience who are brought together specifically by management to tackle and solve a particular problem usually on a project basis. They are cross functional and multi-disciplinary. Oakland (1993) argues that team approach to change implementation removes
artificial organizational barriers and encourages openness. Teams share common goals and help to focus energy by emphasizing self-control on participants. Teams that are cohesive, that interact co-operatively with members possessing compatible personality characteristics and that are operating under mild to moderate pressure appear to be most effective.

Stakeholders support is essential for any change programme. Stakeholders have different interests and powers. Achieving universal support is challenging and politics set in. Hill and Jones, (1992) see organizations politics and tactics that strategic managers and stakeholders engage in to obtain and use power to influence organizational goals and change strategy and structure for their own interests. In this political view of decision-making, obstacles to change are overcome by compromises, bargaining and negotiations between managers and coalition of managers to settle conflict over goals by the use of power. Kanter et al, (1996) holds the view that the first step to implementing change is coalition building, which involves those whose involvement really matters. Specifically, stakeholders must support any change programme for it to see the light of the day.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents the research design and methodology of the study. In this stage, most decisions about how research was executed and how respondents were approached, as well as when, where and how the research was completed. The chapter therefore entails the way the study was designed, the data collection techniques and the data analysis procedure.

3.2 Research Design

For the purpose of this study, a case study was adopted since the unit of analysis was one organisation. This was a case study aiming at getting detailed information regarding strategic change management practices adopted in dairy companies, a case of Brookside Dairy Company. According to Yin (2003), a case study allows an investigation to retain the holistic and meaningful characteristics of real life events.

Kothari (2004) noted that a case study involves a careful and complete observation of social units. It is a method of in-depth study rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other inter-relations. Primarily data collected from such a study is more reliable and up to date.

3.3 Data Collection

The study collected primary data using a structured interview guide. The interview guide contained both closed ended questions and open ended questions. These questions were derived from literature and based on the objectives of the study. Appendix 2 shows the sample interview guide which was used to gather the data.
The interviewees were the General Managers. Three managers were interviewed in a bid to determine the change management practices in the organisation. The interviews were carried out in the head office in Nairobi between August 2010 and September 2010 at the appropriate times chosen by the respondents.

3.4 Data Analysis

The collected qualitative data from the interview guides were analyzed using content analysis. Content analysis is defined as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends. It provides the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings.

Content analysis generated qualitative report which is presented in a continuous prose. The results are presented in terms of themes outlined by the objectives of the study. To perform the analysis, the interviews were recorded and later transcripts written from the interviews. These transcripts were later exported to MAXDA 10, a qualitative data analysis tool. This was then used to perform the analysis.
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the results of data analysis. Three general managers of Brookside Company Limited were interviewed. The results are presented in three sections: demographics, strategic change management practices, and factors influencing change management practices.

4.2 Demographic Information

Three general managers took part in the study. These were the Group General Manager, General Manager Sales and Marketing, and General Manager Milk procurement and Extention. Thus, the departments focused on were the Operations, Sales and Marketing, and Milk Procurement and extention. In terms of the number of years the managers had been working in the company, it was noted that 2 of the managers had worked in the company for a period of 7-10 years while the other manager had worked in the company for a period of 4-6 years.

4.3 Strategic Change Management Practices

The managers were asked to describe the change management practice in their organisation. It was noted that the managers were in agreement that the company management was committed in effecting the changes in the organisation. They cited that the top management had the will, the motivation and the right mindset to effectively manage the change process in the organisation.
The managers cited that the company examined external trends, issues and problems confronting it. The company also identifies and discusses actual or potential crises or major opportunities. This is done through a rigorous SWOT analysis by the management in all the departments. It was also noted that team work is encouraged by the management during the change process. Communication of the new vision is important to any change management process. The managers noted that the company creates a vision and strategy to help guide the change effort and ensures this is shared with the employees by continuously using available channels to communicate the vision and strategy.

The study also found that the company eliminates the obstacles to the planned change, modifies the systems and structures that undermine the change vision as well as focus on results rather than the activities. It was also noted that the company encourages reasonable risk-taking and non-traditional ideas and actions. This allows for more innovation from the employees.

It was also noted that the company plans for visible short-term improvements in performance. These are referred to as the quick wins in literature. The company also recognises and rewards people who make the wins possible through both financial and non-financial reward measures. It also monitors and adjusts strategies in response to problems in the change process. This enables the company to be realistic to the prevailing situation. The company also aligns all the policies, systems, structures and practices to fit in each other and the change process.
In terms of hiring, promoting and developing people who can implement the change process, it was noted that not much hiring is done for purposes of the implementation of change process. The management uses the available human resources and only develops them through training. The study noted that the company reinvigorates the change process through new projects, themes and change agents. It was also noted that the company articulates the connection between new behaviours and organisational success. Further, it was noted that the company creates processes to ensure leadership development and success.

4.4 Factors Influencing Change Management Practices

The managers were asked to state the factors that influence strategic change management practices in the organisation. One of the factors was identified as the culture of the organisation. Culture frequently echoes the prevailing management style. Since managers tend to hire people just like themselves, the established organizational culture is reinforced by new hires. The management understands that people are usually comfortable with the current organizational culture. For people to consider culture change, usually a significant event must occur. They reiterated that when people in the organization realize and recognize that their current organizational culture needs to transform to support the organization's success and progress, change can occur. The management cited that the culture of the organisation was a major obstacle to change management in the organisation as the culture of employees had not changed a lot. This has made the change management in the organisation a tough call for management.
The second factor was cited as teamwork. Teams are important to facilitate organizational learning, in establishing common goals, and in providing support to accomplish these goals. Effective inter- and intra-departmental teams provide the organization with the synergism which is essential in becoming and remaining more competitive. Teamwork has become a natural way to complete tasks. Employees are rewarded to a greater degree based on organizational and team performance and their contributions in achieving desirable organizational changes. The company seems to have blended successfully the relevant traits of what is called individualistic and communitarian capitalism. The management cited that teamwork had speeded up the management of change in the organisation.

The third factor as identified by the managers was leadership. Selecting the right leadership style to influence the effectiveness of change is important if large organizational change is to be successful. Different leadership styles to consider include visionary/inspirational leaders, commanding leaders, situational leaders, people-oriented and task-oriented leaders. The right leadership style might change as the situation changes within an organization. A visionary/inspirational leadership style should be used when a leader is trying to move people towards a shared dream. However, a coaching leadership style might be used to effectively connect what a person wants with organizational goals. A commanding leadership style gives clear direction and is useful in cases of emergency. The situational leadership model suggests that leaders change their style of leadership based on how ready their followers seems to be. When drastic organizational changes are involved, having leaders who are people-oriented as opposed to task-oriented will be better able to anticipate the needs of the employees as they motivate and enable them to change. It was noted that leadership had been instrumental in
shaping the course of change in the organisation. With the leadership of the company focusing on people-oriented style of leadership, it has been helpful in managing the change process.

Resistance to change was also identified as a major factor that influenced change management process in the organisation. Almost all people are nervous about change. Many will resist it - consciously or subconsciously. Sometimes those fears are well founded - the change really will have a negative impact for them. In many cases, however, the target population for the change will come to realise that the change was for the better. Resistance is often identified as the leading reason for the failure of most organisational change. Resistance is a concept almost every organisation has come to expect. Resistance has become so pervasive in organisations undergoing change because leaders expect resistance instead of readiness and manage the change accordingly. It was noted that resistance at Brookside emanated from some of the managers as well as from the employees. The resistance was mainly against more automation as some felt that their roles may fall redundant.

Another factor observed by the management as influencing the change process in the organisation was stakeholders. A stakeholder can be defined as a group affected by change. The intensity of stakeholder reaction to change initiatives is proportional to the expected changes in their position and the extent to which the goals of the intervention match stakeholder goals. Stakeholder motivation to participate in the change or to hinder the implementation is greatly influenced by their assumptions about the conceivable changes. Stakeholders can influence the change process either by influencing managerial decision-
making or by not providing the necessary resources for the change. Capability to influence defines the salience of stakeholder from a managerial point-of-view. Resource dependence theory suggests that power accrues to those stakeholders who control resources crucial to the organization. At Brookside, it was noted that the stakeholders were more involved in the change process. The respondents cited that all the stakeholders were involved during the whole change process.

The managers also identified organisational structure as one of the factors that influence strategic change management in the organisation. Structural change is seen as a way to meet the challenges of the future that face many organisations. While some writers agree that broad-ranging structural change may not always transform an organisation or enhance its performance, others claim that innovation will be a major source of competitive advantage to organisations, particularly when they introduce into their structures the qualities of speed, flexibility, adaptability, agility and integration. The study revealed that at Brookside, some of the structures were change to have less bureaucracy and a more inclusive and open structure to enable change management in the organisation.

4.5 Discussion of Findings

The results in the study show that the company practiced change management in more or less the same way as the theory suggests. The process mirrored more on the 8 step model provided by Kotter (1996) as well as that of Ulrich (1998). This shows that the company used more of the steps provided by the theory in change management. These results also coincide with those of Raineri (2010) who opined that firms use more frequently practices related to
the change preparation stage in comparison to practices related to change implementation stage.

The findings on the factors influencing implementation of change management coincide with those of previous scholars. For instance, as far as the influence of culture is concerned, the results confirm those of Johnson and Scholes (2002). The results on teamwork coincide with the proposition made by Oakland (1993) on the importance of teamwork in change management. Leadership was also a significant factor and this confirms the findings of Garvin and Roberto (2005). Thus, the results in this study are consistent with both theory and empirical findings on the same.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

5.1.1 Change Management Practices

The study found that the management was committed in effecting the changes in the organisation. The top management had the will, the motivation and the right mindset to effectively manage the change process in the organisation. The company examined external trends, issues and problems confronting it. The company also identified and discusses actual or potential crises or major opportunities. This was done through a rigorous SWOT analysis by the management in all the departments.

It was also noted that team work was encouraged by the management during the change process. Communication of the new vision was important to any change management process. The company created a vision and strategy to help guide the change effort and ensures this is shared with the employees by continuously using available channels to communicate the vision and strategy. The study also found that the company eliminates the obstacles to the planned change, modifies the systems and structures that undermine the change vision as well as focus on results rather than the activities. It also encourages reasonable risk-taking and non-traditional ideas and actions.

It was also noted that the company plans for visible short-term improvements in performance. These are referred to as the quick wins in literature. The company also recognises and rewards people who make the wins possible through both financial and non-
financial reward measures. It also monitors and adjusts strategies in response to problems in the change process. This enables the company to be realistic to the prevailing situation. The company also aligns all the policies, systems, structures and practices to fit in each other and the change process. The study noted that the company reinvigorates the change process through new projects, themes and change agents. It was also noted that the company articulates the connection between new behaviours and organisational success. Further, it was noted that the company creates processes to ensure leadership development and success.

5.1.2 Factors Influencing Strategic Change Management

One of the factors that influence strategic change management in the organisation was identified as the culture of the organisation. The second factor was cited as teamwork. The third factor as identified by the managers was leadership. Resistance to change was also identified as a major factor that influenced change management process in the organisation. Another factor observed by the management as influencing the change process in the organisation was stakeholders. The managers also identified organisational structure as one of the factors that influence strategic change management in the organisation.

5.2 Conclusions

The study sought to establish the change management practices of Brookside Limited. It was noted that several strategic change management concepts were followed by the company as it sought to manage the change process. The study concludes that the company follows the change process as espoused in the theories of change management. Most of the steps in the
change management models available in the literature were noted in the change management as practiced by the company.

The study also sought to determine the factors influencing strategic change management at Brookside Limited. The study concludes that the factors are organisation culture, teamwork, leadership, resistance to change, stakeholder influence and organisation structure.

5.3 Recommendations for Policy and Practice

The study established how the company carries out the strategic change management process in the organisation as well as the factors that influence the process. The study therefore makes the following recommendations:

The company needs to do more as concerns the training and development of staff in order to change their mindsets so as to effectively implement change processes. In fact, it is important that the company makes new hires in some of the positions if it is to experience less resistance to change.

The company should invest more in communicating their intended change processes in good time and in the right manner so that the employees can own the process. This can help in speeding up the outcome of the process and to increase innovation.
5.4 Limitations of the Study

There were a number of limitations that affected the outcome of the study. For instance, data was collected from only one institution in Nairobi and not the whole industry. This may limit the applicability of the findings to the entire industry or other industries.

The other limitation was time factor as it was not possible to cover all the dairy companies within the time given to carry out the research. These issues may limit the applicability of the research findings to the entire industry.

Financial resources were another limitation. The research demanded a lot of printing, bindings, typesetting, and data collection. All these activities needed money and this was a challenge to the researcher.

5.5 Suggestions for Further Research

The study noted that Brookside has managed change in the manner suggested by most of the change management theories. But despite these attempts, the change process has not been much successful. There is therefore need for researchers to carry out more studies to establish why change management practices do not meet their targets but from a psychological view. Change may not be forthcoming because of the psychology of those involved in the change process. Such studies may inform the behaviours relevant to managing change in organisations.
There is need to replicate this study to other sectors in order to establish whether the same results would hold in other sectors of the economy especially in the manufacturing or banking sectors.

The study recommends that future studies should perform surveys in the industry so as to reveal the industry practice as far as strategic change management is concerned. This will provide a more useful data for policy makers and industry players.
REFERENCES


APPENDICES

Appendix I: Letter of Introduction

August, 2010

Brookside Dairy LTD,

P.O Box 236,

Ruiru.

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

I am a student at the University of Nairobi pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I am conducting a research project on STRATEGIC CHANGE MANAGEMENT PRACTICES AT BROOKSIDE DAIRY COMPANY. The focus of my research will be Brookside Dairy Company and this will involve use of questionnaire to be administered to members of your management team.

The information that will be provided will be used for academic purpose only. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

Miriam Njeri Nginga.
Appendix 2: Research Interview Guide

Section A: General Information
1. Name of department.

2. What is your designation in the department?

3. How long have you worked in this company?
   - Less than 3 years [ ]
   - 4-6 years [ ]
   - 7-10 yrs [ ]
   - 11-15 yrs [ ]
   - Above 15 years [ ]

Section B: Strategic Change Management Practices at Brookside Limited

4. How can you describe the change management practice in your organisation?

5. Kindly assess the change management process in your organisation based on the key below:
   1= means strongly disagree
   2 = Disagree
   3= Neutral
   4= means agree
   5= means strongly agree

Brookside Company ........... (Tick in the appropriate box below using the keys above)

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<td>Puts together a group with enough power to lead the change</td>
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<td>Gets the group to work together effectively as a team</td>
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<td>Ensures that it is a shared vision and strategy</td>
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eliminates obstacles to the planned change
modifies systems or structures that undermine the change vision
Encourages reasonable risk-taking and non-traditional ideas and actions
focuses on results rather than activities
plans for visible short-term improvements in performance (quick “wins”)
visibly recognizes and rewards people who make the wins possible
monitors and adjusts strategies in response to problems in the change process
aligns all policies, systems, structures and practices to fit each other and the change vision
hires, promotes and develops people who can implement the change vision
reinvigorates the change process through new projects, themes and change agents
articulates the connection between new behaviours and organizational success
creates processes to ensure leadership development and succession

Section C: Factors Influencing Change Management Practices at Brookside
6. What factors influence strategic change management practices in the organisation?

7. Evaluate the extent to which the following factors influence change management process at Brookside Limited.
Key
5 means very large extent
4 means large extent
3 means neutral
2 means Low extent
1 means Very low extent

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Thank you