CHANGE MANAGEMENT PRACTICES BY NOKIA KENYA

BY

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DECLARATION

I hereby declare that this is my original work and has not been submitted to any other institution for examination or academic purposes.

Signature... Date...

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

Signature...................................... Date..

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DEDICATION

I dedicate this project to the memory of my late father, Austin Ngunjiri Kinyua. Dad, you remain my biggest inspiration in life, and I will carry your teachings and guidance with me for the rest of my life.

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ABSTRACT

Life has one thing which is constant- change. A look at any organisation that has been in operations for years, change is evident. It is therefore very important for any organisation to equip itself with the knowledge of this important aspect of its operations. How an organisation handles change largely determines its future success. This study is done on Nokia Kenya, a mobile telephone company that operates in a very dynamic industry. Being the market leader in sales and market share, Nokia Kenya has seen a steady decline in its operations and a steady growth in its competitors. Nokia Kenya is a branch of its parent company domiciled in Finland. As such, decisions on strategy and direction are top down. Strategy and change decisions made at global level. The focus of the study is to establish the change management practices by Nokia Kenya. The research design was based on a case study which involved a detailed investigation of the company. Primary data was gathered from an interview of senior management of the company. Respondents were Nokia Kenya employees. Data was collected and analysed to facilitate comparison among the respondents. Results of the study conclude that Nokia Kenya change management practices are in line with global strategies. Nokia Kenya faced huge challenges in the change management process and this was especially for the Nokia Kenya staff. These challenges lead to high staff turnover and for the employees who remain, low staff morale is the result.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Many organizations are occasionally faced with challenges that force them to adjust or change (Burnes, 2004). The implications of change processes are often under-estimated by senior management and therefore not managed adequately.

The goal of management is to build and maintain sustainable competitive advantage and to maximize shareholder value. Organizations have to change to align themselves to changes in their environments. The purpose of change is to ensure that organization is effective and headed in the right direction. The focus of operational change is on excellence in whatever the organization does. Purpose of operational changes is to ensure the organization is efficient.

1.1.1 Change Management

Change can be defined as a transition from one state to another with focus on being different (Burnes, 2004). Change is the only constant in today's life for individuals and organizations. 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.

Change management is 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. This perspective views change management as a process. Change management is a structured and systematic approach to achieving a sustained change in human behaviour within an organization. This views change management from people's perspective.

Organizational change has been described as an episodic activity that starts at some point, proceeds through a series of steps, and culminates in some outcome that those involved, hope is an improvement over the starting point. It has a beginning, middle and an end. If environments were perfectly static, if employees' skills and abilities were always up to date and incapable of deteriorating and if tomorrow was always exactly the same as today, organizational change would have little or no relevance to managers. The organizational environment is turbulent, requiring organizations to undergo dynamic change if they are to perform at competitive levels (Pearce and Robinson, 1991).

Change management practitioners, who to the large consulting firm model of organizational change, are seen as advocating the rational-linear view of organizational change, while the theoreticians are perceived as supporting the systemic-multivariate view of organizational change (Modahl, 2000). It is commonly observed among the advocates of the rational-linear view of organizational change that there is an optimum solution for organizing labor, raw materials and capital and for adopting new organizational practices. Within this view, the focus has been primarily on the contingencies necessary for the success and effectiveness of implementing organizational change. Situational models of contingencies, under which different approaches to change assume one-best-way across business contexts or timescales (Kotter, 1995), present an ideal model of what happens in organisations at different points in time or in different contexts.

Although a contingency approach to organizational change has encouraged practitioners to consider aspects of their environment, technology and size as a basis for deciding on the appropriate paths of change, it delineates deterministic assumptions about the nature of change in organizations, presents inadequate appreciation of the role of choice, beliefs and power and neglects the fact that organizations are collections of diverse interests (Dawson, 1996). According to Burnes (1998) there are three schools of thought that form the central planks on which change management theory stands.

First, the individual perspective school, which assumes that individual behaviour, results from his interaction with the environment. Human actions are conditioned by expected consequences and behaviour is rewarded to be repeated and vice versa. Psychologists argue that behaviour is influenced by external stimuli.

Second, the group dynamics school, which argues that individuals' behaviour is a function of group environment. Individuals behave in a way that conforms to group pressure, norms, roles and values. Change focus in such a case should be on influencing group norms, roles, and values to bring about successful change.

Third, the open systems school whose focus is on the entire organization. It sees the organization as being composed of different sub systems, which are the goals and values sub systems, the technical subsystem, the psychological sub system and the managerial subsystem. A change in one part of the system has an impact on other parts of the system. Change can therefore be achieved by changing the sub systems but one then needs to understand the interrelationship of the subsystems.

The Attribution Theory advanced by Heider, (1999) states that "behaviour is determined by a combination of perceived internal forces and external forces" (Mullins, 1999). This means that if the employees feel that the upcoming changes are likely to upset their current state in terms of loss of money, job security, disruption of their social patterns or the fear that they may not be able to cope with the new changes, then they are likely to resist and to be negative about it. However, if they believe that the change is for their own benefit, then, they are likely to go along with it.

1.1.2 Mobile Telephony Industry in Kenya

The mobile phone industry is one of the fastest growing industries in Kenya. The industry is regulated by the Communications Commission of Kenya (CCK). According to CCK, the number of registered mobile phone subscribers was over 30 million in December 2012. The rate of mobile phone penetration in Kenya is 63%. The industry has four major players at present. These operators are Safaricom, Airtel, Orange and Yu

The mobile industry's rapid growth can be credited to the convenience and affordability of using the mobile cell phone. The first mobile phones were introduced in the country in the late 90s and the cheapest handset was retailing at KES 30,000. Today, a mobile phone can retail as low as KES 1,000. It is now possible to communicate for as little as KES 1 for an SMS using a mobile phone

1.1.3 Nokia Kenya

Nokia has been in operations over the past 150 years. It started as a paper mill company in south-western Finland. Over the years Nokia has made rubber boots, car tyres, generated electricity and even manufactured TVs. In 1992, Nokia launched its first digital handheld GSM (Global System for Mobile communications) phone, the Nokia 1011. Nokia currently has about 98,000 employees globally.

Nokia in Kenya started operations through its distributors. Nokia officially registered its Kenya branch and opened offices in Kenya in the year 2007. Today, Nokia is the market leader in sales percentages in the Kenya market commanding 35% of the sales in May 2013. Unit sales for mobile phone and smart phones were 466,000 in May 2013.

As at December 2012, there were four operators in the Kenyan market. Of the total number of registered lines of just under 31 Million subscribers Safaricom had a giant market share of 64%, followed by Airtel 17%, Yu 10%, and Orange 8%

1.2 Research Problem

Organisations that do not adapt to the ever changing operational factors are eventually relegated to playing catch up to their competitors, others are absorbed into larger entities via mergers or acquisitions or simply dissolved into a collection of corporate assets and liabilities (Schaffer, 1992).

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. If organizations are to experience a greater level of success in their development efforts, its leadership needs to have a better framework for thinking about change and an understanding of the key issues which accompany change management. Change management is linked to the organization's competitiveness and response to changes in the environment

As organic systems, organizations are forced to align their limited internal resources in order to adapt to the changing forces in the external environment to ensure their competitiveness and survival. This adaptation is a source of problem to nearly all organization because change is always a source of dilemma. This is because there is a general desire by organizations to change in order to remain competitive, adopt more effective and efficient technology and methods on one hand, while on the other hand there is a general tendency for organizations to resist change because they desire to remain stable and predictable in terms of output, costs and finance. The desire to understand how organizations deal with this dilemma makes change management an interesting subject of this study.

The Nokia Kenya is worth studying because it exists in a changing global environment with increasing competitors, changing customer tastes, diminishing resources, increasing technology and changing demography. Scott (1995) maintains that these forces in the turbulent environment requires for organizational fitness which can only be guaranteed by ease with which organizations adapt to the changing environment. Most organizations implementing change are usually faced with challenges of imbalances in the domain of power, resources, information, benefits, trust, loyalties, scope, commitment and internal corporate conflict Kanter (1989).

There have been studies done by other researcher on strategic management change. Kariuki (2009) did a study on systemic change management at Kenya revenue authority. Focus of this study was systemic change management in a public corporation in Kenya.

Otwori (2008) looked at strategic change management at the Corporative Insurance Company of Kenya Limited. This was a study of an organisation in the complex insurance industry.

Kasima (2004) researched on the change management practices and resistance to change in the multinational oil companies in Kenya.

All these studies have however not covered a global company operating in Kenya, in a very dynamic industry with very high staff turnover due to global organisational change necessitated by competition. This leads to the question: what are the change management practices at Nokia?

1.3 Research Objectives

The objectives of this study were:

i. To determine the change management practices by Nokia Kenya.

ii. To determine the challenges of change management practices by Nokia.

1.4 Value of the Study

The study would help the researcher to gain problem solving skills as well as the skills of academic report writing. The researcher would also benefit through the communication and writing skills that will be gained by the time the research project is completed. In the academic field, future researchers can use the study as a reference point if one is researching on change management and related topics.

The results of the study will be important to the practitioners in the management levels in contributing to the existing body of knowledge.

The study will be useful to other multinationals that open branches and /or subsidiaries in Kenya operation with a global strategy in all markets. The study will highlight the area where they need to place more emphasis when driving the change management agenda locally.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is devoted to review the existing literature on change management practices and resistance to change. It will review what is already known and will also assist in guiding on what study should focus on in change management.

2.2 Theoretical Foundation

The change management is based on Prosci PCT Model (Project Change Triange) - the application of the tools, processes, techniques and principles for managing the people side of the project or initiative to achieve a desired outcome (Jeff, 2006). While the Project Management corner is focused on the tasks related to designing and developing a solution, the Change Management corner's focus is how to encourage employees to embrace and adopt that solution. Many times, this corner is what is missing when a project is implemented and meets technical requirements, but does not deliver the ultimate value to the organization (Collins, 2001).

The tools, processes, techniques and principles that make up Change Management are aimed at helping each impacted employee move from their own personal current state to their own personal future state. It is individuals changing how they do work that ultimately results in a project or initiative delivering value to the organization. There are many characteristics of the individual current state and individual future state that can impede or inhibit successful change the Change Management corner of the PCT Model provides a systematic approach to addressing these issues (Pearce and Robinson, 2003).

2.3 Change Management Practices

The change management practices are related to various things managers do as they handle various aspects of change and practices involved as discussed below:-

Focus on the change Agenda. Change processes are by nature complex, but they must have clear priorities in order to be manageable. Excessive complexity and an inconsistent focus make execution of program difficult. Management need to they ask themselves what the right change would be. Companies must systematically define what the focal points of the change will entail and what, as a result, those focal points will not entail.

Another critical factor for the success of a change process is top management credibility Simons (1999). As they design change, a company's top management must ask, what it can credibly implement, and what changes it can commit to. Further management must look at the type of change that can fit for the organisation style so it can support properly.

Designing the right change management. Change programs and projects have to make sense from the beginning, when the actual idea of change came in to place. The feeling that a change is right for a company and the necessary sense of urgency to secure its realization will only occur if it is clear that the change has been tailored to the company and its particular business situation Bruch and Ghoshal (2003). Change is only possible when it is contextualized against the backdrop of a company's particular past and present Pettigrew (1987).

Change processes are only successful if they fit a company's current culture. Traditions, norms and shared values within a company must be included the deliberations regarding the selection of a change program Heracleous (2001). Certain change processes cannot be executed in more bureaucratic cultures, while other types of processes simply are not compatible with team-oriented or innovative/ dynamic organizations Bruch and Ghoshal (2004b). In addition, the basic process of designing the program for a particular change should also account for a company's energy. Different types of change programs will be effective with companies characterized by comfortable inertia than for companies with other types of energy, such as change tiredness, high productive energy or resignative inertia Bruch and Ghoshal (2003, 2004a).

Management Decisions – Doing Change Right Once the question of which change program is right for a company at a particular point in time has been answered, the management must also systematically make decisions that will ensure that the change will be implemented successfully and have a permanent impact. Acceptance, attention, effective change agents as well as momentum and sustainability are all key in this regard Davenport and Beck (2000) and Kotter (1996). Without these factors, change processes will not be put in motion, make headway only with great difficulty or have a fleeting or even negligible impact Weick (2000).

Organization Acceptance and Attention. Insufficient acceptance is often considered to be the major source of resistance within organizations and the key reason why change initiatives fail and persists to haunt even in future. Well thought-out acceptance within employers and employees is based on an approach that integrates everyone involved in a way that promotes commitment and desire to change. As organizations continue to experience changes even the slightest, management must ensure that employees see that the change process has priority, is beneficial, is permanently present and that key information is not lost within the chain. So key levers of attention management include effective branding, in-depth, personal, top management communication and demonstrative, regular monitoring Davenport and Beck (2000).

Momentum and sustainable change management effects. One key factor for implementing change is having the right people to sell, implement, and drive the program from start to finish. One of the reasons change processes fail is because companies underestimate the importance of the individuals involved in the change and their interaction Kotter (1996). Change management loses momentum when a company does not address the issue of its own organizational energy. Organizational energy reflects the extent to which a company has mobilized its potential in pursuit of its goals Bruch and Ghoshal (2003, 2004a). Problems associated with energy during change manifest themselves as either insufficient urgency during the beginning phases of, a loss in momentum during or the reversal of positive impact after a change program. Change initiatives in turbulent environments are filled with unexpected transitions that managers must deal with to secure a change effort Brown and Eisenhardt (1998).

Three things can be done to avert these typical pitfalls. First, the required urgency for initiating a change can be achieved through a large number of visible, tangible activities such as consultations. Second, the primary means for maintaining momentum for a change is to strategically revitalize and refocus on the change. Third, integrating the result of the change into existing organization structures and systems should safeguard the long-term impact of a change

2.4 Challenges of Change Management Practices

Perhaps the two greatest challenges facing organisations today are leadership and change in management: recruiting, retaining and most importantly developing managers, and successfully managing organisational change (Burnes, 2003). What faces those charged with bringing about changes in organizations is much more of a mess than a difficulty. There is evidence to suggest that the universal, prescriptive model of change management is inadequate to describe the diversity of approaches actually used by organizations (Collins, 2005).

According to Lippitti (2007), when strategy fails to achieve expected results it is often because the strategy execution was flawed. The failure to execute is a major concern of executives because it limits organizational growth, adaptability, and competitiveness. Executives are not judged by the brilliance of their strategy, but by their ability to implement it. Pryor, *et al* (2007), stated that without coherent, aligned implementation, even the most superior strategy is useless. Unfortunately, most strategic planning efforts fail during this crucial phase wasting significant resources already invested.

Lippitti (2007) argues that in the rush to act on strategy, too little attention is paid to finding the best implementation initiatives. Shortcuts such as repackaging existing projects which appear to support the new strategy, cannot work because while strategic plans can be copied, execution cannot be duplicated. Execution must address the intangibles of cross functional integration, reward systems, and cultures as well as the tangibles captured in most planning documents. For many firms, false starts, delays and confusion characterize implementation.

2.4.1 Organizational Structure

According to Pearce and Robinson (2003), an organizational structure is the division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organization to ensure organizational effectiveness. Structure balances the need for specialization with need for integration. It provides a formal means of decentralizing and centralizing consistent with the organizational and control needs of the strategy.

An organization is necessary if strategic purpose is to be accomplished. Thus, organizational structure is a major priority in implementing a carefully formulated strategy. If activities, responsibilities and interrelationships are not organized in a manner that is consistent with the strategy chosen, the structure is left to evolve on its own. If the structure and the strategy are not coordinated, this may result in inefficiencies, misdirection, and fragmented efforts.

Rantakyro(2000) states, to implement chosen strategies, there are many important decisions to make such as how to structure the company. The organizational structure has to support the strategies. Structuring the organization involves decisions about how to coordinate activities, relationships, and communication among the internal stakeholders. The organization can be structured by focusing on functionality, products, markets, projects or cooperation.

2.4.2 Organisational Leadership

According to Boomer (2007), without a strong leadership in a professional firm, constructive change is not possible. Strategy is formulated at the top of the firm, but executed from bottom up. Thus, alignment within the firm is required in order to execute strategy. Majority of firms fail to execute because they do not focus resources on priorities and in majority of cases, employees have not been informed of the strategy.

Pearce and Robinson (2003) argue that, while structure provides overall framework for strategy implementation, it is not in itself sufficient to ensure successful execution. Within the organizational structure, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation. In this context, two basic factors encourage or discourage effective action-leadership and culture. Two leadership issues of fundamental importance here are the role of the Chief Executive Officer (CEO) and the assignment of key managers.

The CEO is the catalyst in strategic management. He or she is most closely identified with and ultimately accountable for a strategy's success. In most firms, CEOs spend 80%of their time in developing and guiding strategy. The nature of the CEO's role is both symbolic and substantive in strategy implementation. First, the CEO is a symbol of the new strategy. His or her actions and perceived level of commitment to a chosen strategy, particularly if the strategy represents a major change, exerts significant influence on the on intensity of subordinate managers' commitment to the implementation process (Pearce and Robinson, 2003).

Secondly, the firm's mission, strategy and key long term objectives are strongly influenced by the personal goals and values of its CEOs. The CEO represents an important source for clarification, guidance and adjustment during implementation. The writers argue that, successful strategy implementation is directly linked to the unique characteristics, orientation and actions of the CEO (Pearce and Robinson, 2003)

According to Pierce and Robinson (2003), a key concern of top management in implementing strategy, particularly if it involves a major change, is that the right managers are in the right positions for the new strategy. Confidence in the individuals occupying pivotal managerial positions is directly and positively collated with the top management's expectation that the strategy can be successfully executed. Some of the characteristics to look out for include ability and education, previous track record and experience, personality and temperament. These, combined with gut feeling and top managers' confidence in the individual, provide basis for this key decision. One practical consideration in making key managerial assignments when implementing strategy is whether to emphasize current (or promotable) executives, or bring in new personnel. This is obviously difficult, sensitive and a strategic issue.

2.4.3 Organizational Culture

Pearce and Robinson (2003), stated that, culture is a set of important assumptions (often unstated) that members of an organization share in common. These shared assumptions (beliefs and values) among members of an organization set a pattern for activities, opinions and actions within that firm. The important assumptions are sufficiently central to the life of an organization so as to have a major impact on it.

Culture is a strength that can also be a weakness. It's strength because it eases and economizes communication, facilitates organizational decision making and control, and may generate higher levels of cooperation and commitment in the organization. This results in efficiency. The stronger the culture, the greater the efficiency. However, culture becomes a weakness when important shared believes and values interfere with the needs of the business, its strategy and the people working on the company's behalf. To the extent that the content of a company's culture leads its people to think and act in inappropriate ways, culture's efficiency will not help achieve effective results. This condition is usually a significant weakness because it is hard to change culture content. A company's culture can be a major strength when it is consistent with the strategy and thus can be a powerful driving force in implementation. However, a culture can also prevent a company from meeting competitive threats or adapting to changing economic and social environments that a new strategy is designed to overcome. According to Johnson and Scholes (2002), social processes can also create rigidities if an organization needs to change their strategy. Resistance to change may be legitimized by the cultural norms.

Managing the strategy-culture relationship therefore requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit between those change and the organizational culture, (Pearce and Robinson, 2003).

According Johnson and Scholes (2002), within any organizational structure, what makes organizations work are the formal and informal organizational processes. These processes can be thought of as controls on the organizational operations and can therefore help or hinder the translation of strategy into action. Processes range from formal controls (systems, rules and procedures) through social controls (culture and routines) to self-controls (personal motivation of individuals). According to Pearce and Robinson (2003), the structure is not the only means of getting things organized to implement a strategy.

Reward systems, planning procedures, information and budgetary systems are other examples that should be employed.

According to Meyer and Stensaker (2006), organizations need to develop capacity for change, by allocation and development of change and operational capabilities that sustain long term performance. They argue that making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term, and capabilities to maintain daily operations. Johnson and Scholes, (2002) stated that resource management and development must support an organization's strategies.

2.4.4 Resistance to Change

Industrial progress finds one of its greatest handicaps in the frequent resistance of both management and workers to change of any sort (McNurry, 1973). Hultman (1979) writes that unfortunately, when the word resistance is mentioned, we tend to ascribe negative connotations to it. This is a misconception. There are many times when resistance is the most effective response available. Leigh (1988) also writes that resistance is a perfectly legitimate response of a worker and Zaltman and Duncan (1977) cite Rubin saying that resistance should be used constructively. When managed carefully, these advantages can in fact be utilised by the organisation to greatly assist change.

First of all, resistance points out that it is a fallacy to consider change to be inherently good. Change can only be evaluated by its consequences, and these cannot be known with any certainty until the change effort has been completed and sufficient time has passed (Hultman, 1979).

To this end, resistance plays a crucial role in influencing the organisation toward greater stability. While pressure from external and internal environments continues to encourage change, resistance is a factor that can balance these demands against the need for constancy and stability. Human systems remaining in a steady state encourage processes and specialisations to stabilise, consolidate, and improve which allows the organisation a level of predictability and control. Thus, the system is able to gain a certain momentum or rhythm that is also critical for organisational survival (Albanese, 1973; Hultman, 1979,). While these maintenance needs are widely recognised, the emphasis in the literature certainly remains on the requirements of change and dynamism. The challenge therefore is to find the right balance between change and stability; avoiding the negative impact of too much change while ensuring stability does not become stagnation.

As understanding of resistance has become increasingly clear, it has also become apparent that people do not resist change, rather they resist the uncertainties and potential outcomes that change can cause. Resistance to a change is not the fundamental problem to be solved. Rather, any resistance is usually a symptom of more basic problems underlying the particular situation. Resistance can therefore serve as a warning signal directing the timing of technological changes (Judson, 1966).

Resistance therefore plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps plain wrong. Either way, it is the organisation's method of communication, therefore attempting to eliminate resistance as soon as it arises is akin to shooting the messenger who delivers bad news. Specifically, management can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful as a symptom if management diagnoses the causes for it when it occurs rather than inhibiting it at once (Bartlett and Kayser, 1972).

A further advantage that resistance contributes to the change process is an influx of energy. Psychologists have long understood the danger of apathy or acquiescence when there is a need for growth and development. Where a workplace is marked by apathy or passivity, implementing change is a very difficult task (Litterer, 1973). With resistance and conflict comes the energy or motivation to seriously address the problem at hand. Where energy is lacking, change is often uncreative, sparsely implemented, and inadequately utilised. Where resistance is at play, there is a need to examine more closely the problems that exist and consider more deeply the changes proposed. Once again, though, a balance must be maintained. Where conflict becomes too great, it may assume the focus of the energy causing the issues created to recede into the background. Consequently, authors speak of an optimal level of motivation (Thomas and Bennis, 1972) that will serve the change process and possibly improve its outcome.

In addition to injecting energy into a change process, resistance also encourages the search for alternative methods and outcomes in order to synthesise the conflicting opinions that may exist. Thus resistance becomes a critical source of innovation in a change process as more possibilities are considered and evaluated. Often a particular solution is known to be favoured by management and consequently does not benefit from a thorough discussion. Under such circumstances, acceptance is built in, and the organisation's growth and change is limited to the diagnostic and prescriptive capabilities of those who proposed the change (Albanese, 1973).

In combination, these aspects of resistance make a persuasive case for re-evaluating the classical understanding of resistance. Equally, they call into question the assumption that a change effort that is met with little resistance should be automatically deemed a good change. The legislative process, for example, is predicated upon resistance playing a crucial role in ensuring the best possible laws are produced. Resistance, in the form of rivalry between at least two parties, injects energy into the process and sparks debate where opinions differ. Resistance encourages greater scrutiny of legislation. It prompts the search for a variety of alternatives and evaluates these with greater rigour. It also means that the implementation process will be considered carefully, thereby improving the adoption of these changes by the general public.

Imagine then, a situation where new legislation that considerably alters an established law is enacted by parliament via a process that is marked by little resistance. It would not certainly raise concerns that the new law has not been adequately scrutinised, nor had the benefit of vigorous debate. If the process of implementation is not well thought out, it may only be sparsely adopted by the general public, rendering the law ineffective.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will look at the research design, the data collection methods and will also review the data analysis methods that will be used for the study.

3.2 Research Design

The research was conducted through the case study method at Nokia Kenya. Case study gives a detailed investigation of a single subject. Through this method the researcher is able to obtain in-depth knowledge of challenges faced by Nokia Kenya in implementing change management programs. Other studies on strategic management change that have used this method include Kariuki (2009) and Otwori (2008)

3.3 Data Collection

In this case study, primary source of information was used in the collection of data. Primary data will be done in way of interview guide. The interview guide was in two parts, first being to gather individual data from respondent and secondly being open ended questions for the change management practices and resistance to change. Use of a standardized interview guide allows for comparison of results among the respondents. Those targeted were mainly senior staff of the company. This included the heads of the following seven departments: Finance, Sales, Logistics, Retail, Solutions and Services, Product Marketing, and Marketing.

3.4 Data Analysis

Content analysis was used to analyse the respondent's views on the challenges of implementing change management programs at Nokia Kenya. The advantage of using content analysis is that it allows grouping of collected data into various groups for easier analysis which is a continuous process. Main purpose of content analysis is to study existing information in order to determine factors that explain a specific phenomenon. On receiving the interview guide from the respondents, the data will be checked to ensure completeness, consistency, accuracy and uniformity. The data will then be tabulated to facilitate data analysis through content analysis.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter provides an analysis of data collected from the field. The data was qualitative in nature and therefore content analysis was used. The chapter will analyse the response rate for those targeted by the study by the research design.

The data was collected through an interview guide. The target was senior Nokia Kenya employees. There was a response rate of seven, representing 100% response rate. The results were of a qualitative nature and were analysed to compare the responses among the different respondents.

The data collected was analysed and organised into four major broad categories. The results of each of these are analysed below.

4.1.1 Organisational Structure

The Nokia organisational structure is based on the strategic pillars, which are: Devices, Here, NSN and Advanced Technologies. Each pillar has its own operational function structure. These include Sales, Marketing, Finance, Care and Communication. Additionally, the organisation structure is arranged geographically. These geographic areas are global, region, area, and lastly local office. Nokia Kenya is a local office. Most of the staff has two reporting lines. The first being the functional head and the second being the local area manager. Most functional heads are in the regional offices, as they support several Nokia offices.

The flat organisation structure encourages communication and faster acceptance and ownership of the changes that come with organisational changes. All respondents agreed that they were involved in changes that affected their own responsibility area on a day to day basis. They were however, not consulted and not involved in major decisions that affect the long term future of the organisation.

4.1.2 Organisational Leadership

The study established that organisational leadership is important in achieving overall organisational goals. Poor communication of change practices by top global management was identified as a factor that leads to resistance. When global strategies are poorly communicated, employees do not understand the need for change. Change is then viewed negatively and employees are suspicious of the changes as they do not view these as beneficial.

Good leaders encourage open communication, making change implementation easier to drive among employees. When a good leader opens lines of communication, employees build trust and loyalty. This is very important, as employees who believe in their leader fully, are aligned to his decisions and planned changes. Effective charismatic leaders are capable of communicating a vision and mobilizing the energy necessary for a turnaround. When a good leader is leading the change, everyone quickly picks up on it and any ambiguity regarding what is taking place is quickly removed. The results are multiplied when this leadership role is being exercised by the entire organization.

4.1.3 Organizational Culture

The study identified that the organization's culture is an essential contributor to the change management process. Organizational culture is the personality of the organization and is comprised of the assumptions, values and norms. Members of an organization soon come to sense the particular culture of an organization. Nokia is a company with a strong culture and distinct ways of doing things.

4.1.4 Resistance to Change

The study established that resistance to change plays a crucial role in drawing attention to aspects of change that may be inappropriate. The respondents indicated that resistance to change negatively affected the management of the mobile industry since it was faced with difficult in adopting new strategies in the industry. The respondents further indicated that the company should embrace new changes in the industry which will to a greater extent contribute to better performance.

Resistance to change at Nokia Kenya was mostly out of the fear of the unknown. Organisational changes are viewed with negativity and apprehension. The changes made and not communicated well and effort not made to sell ideas to all within the organisation. Some respondent felt that the overall company chief operating officer has personal interest and not company interest first.

4.2 Discussion

All the four categories discussed above are importance in managing the change process. From the respondents, each seemed to have their own ranking of importance of the factors. This leads to the conclusion that in the change management process, top management must put equal emphasis on each factor. Further, a factor may be important to one employee and to another, may not be so important.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the findings gathered from the analysis of the data as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the questionnaires. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and recommendations for action are also given.

5.2 Summary of Findings

Nokia is a brand that is widely accepted and loved. There is a lot of pride that Nokia employees have in being associated with the well known worldwide brand. Due to the need to adapt to the ever changing environmental factors, the organisation has been forced to make very tough business decisions.

Organisational leadership was identified consistently as the most important factor in driving organisational change. Organisational leadership and how it manages its communication with largely determine how the new changes in strategies will be accepted and implemented and fast they will be executed.

Constant change in the strategy was identified as a negative. The respondents felt the company needed to give each strategy time to work. Constant changes in the organisation lead to demoralised staff that is unable to drive effectively the plans as laid out by management. Employees are constantly looking at options available to them for opportunities outside the organisation, as they are not sure of the stability and long term plans in Kenya.

Organisational structure was identified as an important tool to guide the change management process. Being able to communicate directly to one's own direct supervisor was commended by all respondents. The Nokia organisational structure is in line with the overall strategy of the organisation. The study established that organizational structure affects change management to a great extent. The respondents were in agreement that there must be a good organisation structure and hence change management. The study established that poor organizational structure causes resistance among some employees and employee tend to refuse new responsibilities brought about by change in management.

On organisational leadership, it was clear from the study that organisational leadership affects change management to a very great extent. The respondents were also in agreement that the mobile industry, strategy and key long term objectives are strongly influenced by the personal goals and values of its management.

5.3 Conclusions

From the above discussion the study concludes that organisation structure affects change management in the institution. Division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organization ensures organizational effectiveness which enables changes management.

The study also found organisational leadership affects change management in the mobile industry

The study finally concludes that system resistance to change poses a challenge to change management in the mobile industry. Resistance plays a crucial role in influencing the organisation toward greater stability. While pressure from external and internal environments continues to encourage change, resistance is a factor that can balance these demands against the need for constancy and stability.

5.4 Limitations of the Study

The study focused on the current employees still working at Nokia. As the focus of the study was change, and the change management practices at Nokia, it would have been useful to expand the data collection. It would have been useful to also include past employees of Nokia who left the organisation directly as a result of the change management practices. Those who were interviewed may not have been negatively impacted by the change directly A proper study on change with focus on one organisation should be much broader in its data collection.

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APPENDIX I: INTERVIEW GUIDE

Part A

1. How long have you been at Nokia?
2. Where were you working before Nokia?
3. What is your position at Nokia?

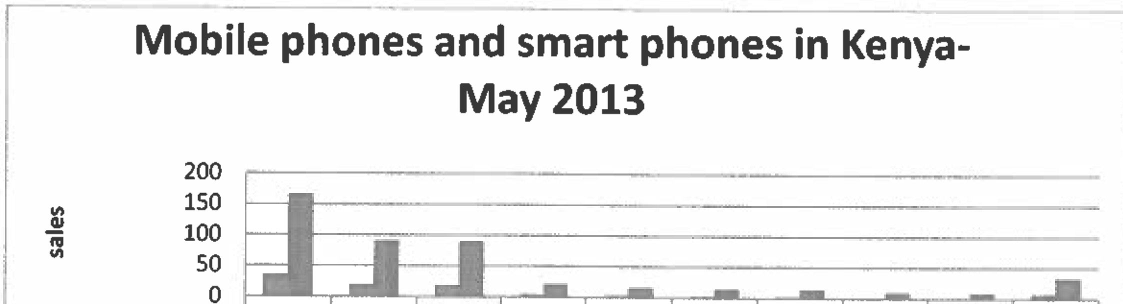
Part B

1. Explain the nature of the organizational structure in Nokia?
2. What are the change management practices that have been put in place by Nokia?
3. What are the challenges facing change management practices in Nokia?
4. Explain how organizational leadership influence implementation of changes in the management of Nokia?
5. How does organisational culture affect change management in Nokia?
6. How does resistance to change affect the management of Nokia?
7. What are the effects of change management in Nokia?
8. What decisions are made before implementation of change management in Nokia?
9. Were the changes in the organisation accepted by staff members and what was done by management to ensure all staff accepted and supported the changes?

APPENDIX II: LIST OF TABLES

Operator	Prepaid	Post Paid	Total
Safaricom Limited	19,621,431.00	192,814.00	19,814,245.00
Airtel Networks Kenya Limited	5,101,480.00	103,799.00	5,205,279.00
Essar Telecom Kenya Limited	3,225,753.00	1,519.00	3,227,272.00
Telkom Kenya Limited	2,480,687.00	4,271.00	2,484,958.00
TOTAL	30,429,351.00	302,403.00	30,731,754.00

Source: CCK, quarterly report, December 2012



	NOKIA	TECNO	SAMSUNG	ITEL	FORME	BIRD	LG	G-TIDE	ALCATEL	OTHERS
Sales %	35.7	19.7	19.4	4.5	3.5	3	2.9	2.1	2	7.2
Sales Units 000	166	92	90	21	16	14	14	10	9	34

Source: GFK market report May 2013

APPENDIX III: LETTER OF INTRODUCTION

Maurice Kinyua Ngunjiri

P.O. Box 33363, 00600

Nairobi, Kenya

Dear sir/madam,

Re: Change management practices by Nokia Kenya.

I am an MBA student in the School of Business, University of Nairobi. In partial fulfilment of the requirements of the degree of Master of Business Administration, I am conducting this academic research project.

You have been selected to form part of the study. I request your assistance in completing the enclosed interview guide. The results of the study are for educational purposes only and will be treated with utmost confidentiality

Thank you