CHANGE MANAGEMENT STRATEGIES USED BY AON MINET INSURANCE BROKERS LIMITED (KENYA)

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DECLARATION

This project is my original work and has not been submitted for award of a degree in any other university.

Signed Date 21/11/08

Kibanga, Susan W.

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

Signed Date 24/11/2008

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DEDICATION

To my loving, patient and caring husband Patrick Kihato Mwangi, to my parents Dr. and Mrs. Kibanga Githiru who encouraged me to attain a masters degree, to my sister Lilian Kibanga, to my brother Paul Kibanga and to my nephew John Kimani – may you grow up to love and enjoy studying.

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Lastly, I thank the Almighty God who has been so good to me throughout my life and his grace which has been overly sufficient. His faithfulness and loving kindness has brought me this far.

ABBREVIATIONS

CEO	Chief Executive Officer
ADKAR	Awareness, Desire, Knowledge, Ability and Reinforcement
SIC	Standard Industrial Classification code
NPS	Net Promoter Score
GPGs	Global Practice Groups

ABSTRACT

The study aimed at establishing the change management strategies used by Aon Minet Insurance Brokers Limited in implementing the business segmentation process. The Business segmentation process is a relatively new concept in brokerage firms within Kenya. The concept works on the premise of creating business affinity groups, in which clients who are in the same industry are classified. The creation of business segments enables an organisation to be more focused on delivering not only the required services to clients, but also add value to their services by providing informed products and services of the affinity groups.

The objectives of this study were to determine the change management strategies used by Aon Minet in the implementation of business segmentation process. A case study approach was used. The respondents were 8 senior managers who formed the task force in the implementation process. Primary data was collected through interviews. The data was analysed using content analysis.

It was established that Aon Minet Insurance Brokers Limited had systematically undertaken specific steps before implementing the business segmentation process. Effective communication of the concept to the employees was a key activity in the pre-implementation stage. It was noted that at the initial stages of implementing the business process, most of the staff were sceptical about the whole process. The management had to put in place strategies to positively change this negative attitude and gain acceptance from the staff. Such strategies included: training, team building sessions and regular contact meetings between divisional heads and their staff. The researcher noted that the Kurt Lewin change model was primarily used.

The findings are invaluable to any organisation in implementing new changes. The researcher also recognises the limitation of the study and suggests further areas of research.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Insurance brokerage companies are becoming more proficient at managing their workforce. In deed, the best ones are skilled at developing and deploying talent in ways that continuously grow employees' experience, stretch their abilities, and enable higher performance. Creating a human capital management strategy that promotes talent mobility across jobs and organizational boundaries is the new imperative for companies seeking competitive advantage through their workforce (Samuel 2001). But few companies have reached this place of developing and moving talent around the organization to meet specific business objectives. While they know how to recruit, retain, and replace, they struggle with one of the most important factors in managing talent and providing opportunities to achieve, move, and grow within the company.

In part, the above situation has developed because the past decade it has been difficult for organizations trying to manage their workforce. During the booming "dot com" era, companies had to compete aggressively for the talent needed to support their rapidly growing business. When the bubble burst and budgets dried up, they frantically had to scale back, leading to layoffs and then overworked employees (Bezos 2001). Today, companies are thinking about hiring again to take advantage of new market opportunities and economic growth. Still, they remain wary about hiring too much, too fast. This has forced most business leaders to take a close look at business needs against their existing talent and become smarter in their human capital decisions.

Strategic management is the art and science of planning, formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its objectives. It is the process of specifying the organization's objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the policies and plans to achieve the organization's objectives (Burnes 2004) Strategic management, therefore, combines the activities of the various functional areas of a business to achieve organizational objectives. It is the highest level of managerial activity, usually formulated by the Board of directors and performed by the organization's Chief Executive Officer (CEO) and executive team. Strategic management provides overall direction' to the enterprise and is closely related to the field of Organization Studies (Sheelen 2000).

1.1.1 Change process

Change can be viewed as a one-off event, an exception to the normal running of an organisation and, therefore, something to be dealt on an issue-by-issue basis as it arises (Burnes 2004). On the other hand some organisations see change not as an exception but as a norm, a continuous process that forms part of the organisation's day-to-day activities.

In the face of globalization, rapid technological advancement and growing consumer demands, many organizations found themselves in a state of flux. As they attempt to stay competitive in a do-or-die marketplace characterized by constant change, corporate leaders often can lose sight of a fundamental factor affecting their success: how corporate change can influence workforce behaviour (Barry 2001).

For front-line employees, organizational change can be uncomfortable and frightening. If the company fails to explain the "what," "why" and "how" of the transition, leaving employees groping for answers in the dark, they can easily become frustrated and disengaged. As described by Pettigrew and Whipp (1991) the implementation of change is an interactive, cumulative and reformulation-use process.

To keep workers from circulating their resumes and shirking their responsibilities during these transition periods, corporate leaders need to explain why the change is taking place and how it will affect the employee population. Notably according to Aprix (2001) the most effective way to communicate the details of organizational change to the workforce is to keep the front-line supervisors and managers informed throughout the process.

Because employees deal with things such as customer demands, internal costs and product quality on a daily basis, offering specific examples of what needs to improve will relate the transition to the business goals they already understand. Maintaining those existing connections is important to create a sense of stability and confidence in the company's leaders (Aprix 2001) and minimise resistance to change.

Challenges of change are evident in various organisations implementing new management structures; employees' job satisfaction is a core challenge that negatively affects effective implementation of the change process. Most employees fear that their jobs design will be altered after change implementation and this makes them to be less contented with their jobs. Lack of effective change management strategies greatly affects smooth implementation of change since most of the organisation operations are disrupted. A decline in employees performance is also experienced and high staff turnover rate is realised when the change tempts to threaten employees' job security (Maureen 2004). Resistance to change is another challenge, which involves action taken by individuals and groups when they perceive that a change that is occurring as a threat to them. Key words here are perceive and threat. Resistance is the equivalent of objections in sales and disagreement in general discussions (Beitler 2006). Resistance may take many forms, including active or passive, overt or covert, individual or organized, aggressive or timid. For organization to overcome various challenges to change, strategic change management methods have to be applied in a way that change is accepted without disrupting organization operations.

According to Dent & Goldberg (1999), employees do not really resist the change, but they resist the loss of status, loss of pay, or loss of comfort. Managers should dispense with the phrase resistance to change and find a more useful and appropriate models for describing what the phrase has come to mean, employees are not wholeheartedly embracing a change that management wants to implement.

Change management is an ongoing process that assesses the business and the industries in which the company is involved. There are two main types of change: strategic and operational. Strategic change is concerned with organizational transformation which deals with broad, long-term and organization-wide issues. It is about moving to a future state which has been defined generally in terms of strategic vision and scope. Operational change relates to new systems, procedures, structures or technology which will have an immediate effect on working arrangements within a part of the organisation (Armstrong 2006).

Change management strategy is a combination of three main processes namely: strategy formulation, strategy implementation and strategy evaluation. This three-step strategy formulation process is sometimes referred to as determining where you are now, determining where you want to go, and then determining how to get there. These three questions are the essence of strategic planning.

Strategy formulation involves: Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro environmental. Concurrent with this assessment, objectives are set. This involves crafting vision statements, mission statements society, overall corporate objectives, strategic business unit objectives, and tactical objectives (Donald 1998). These objectives should, in the light of the situation analysis, suggest a strategic plan. The plan provides the details of how to achieve these objectives.

Strategy implementation involves: Allocation of sufficient resources such as financial, personnel, time, and technology support. Establishing a chain of command or some alternative structure such as cross functional teams. Assigning responsibility of specific tasks or processes to specific individuals or groups .It also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary. When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with legacy processes.

Strategy evaluation involves measuring the effectiveness of the organizational strategy (Davidson 1996).

Successful change requires the engagement and participation of the people involved. Change management provides a framework for managing the people side of these changes. The most recent research points to a combination of organizational change management tools and individual change management models for effective change to take place.

An early model of change developed by Kurt Lewin (1951) described management of change to involve a three-stage process. The first stage is called unfreezing which involves overcoming inertia and dismantling the existing mindset. Defense mechanisms have to be bypassed. In the second stage the change occurs. This is typically a period of confusion and transition where employees become aware that the old ways are being challenged. The third and final stage he called refreezing. The new mindset is crystallizing and one's comfort level is returning to previous levels.

A formula of change was developed by David Geicher (2000) and is sometimes referred to as Gleicher's Formula. The formula illustrates that the combination of organizational dissatisfaction, vision for the future and the possibility of immediate, tactical action must be stronger than the resistance within the organization in order for meaningful changes to occur.

The ADKAR model for individual change management was developed by Prosci with input from more than 1,000 organizations from 59 countries. This model describes five required building blocks for change to be realized successfully on an individual level. The building blocks of the ADKAR Model include: Awareness of why the change is needed, desire to support and participate in the change, Knowledge of how to change, Ability to implement new skills and behaviors and Reinforcement to sustain the change (Hiatt 2006)

Organizational change management includes processes and tools for managing the people side of the change at an organizational level. These tools include a structured approach that can be used to effectively transition groups or organizations through change. When combined with an understanding of individual change management, these tools provide a framework for managing the people side of change (Beckhard 1989).

1.1.2 Aon Minet Insurance brokers Ltd.

Aon Minet was incorporated in 1954 and is part of the Aon Corporation network of over 550 offices in 120 countries in the world. The company employs over 200 staff members with each division being fully computerised to ensure and maintain efficient top quality service. (Company profile 2007) Aon Minet has a large portfolio of corporate clients and provides cover for some of the most complex insurance risks in Kenya. The company is a service driven organisation which aspires to meet the highest standards expected by our clients. The mission is: "To provide professional Insurance and Risk Management services with the highest sense of integrity to all our customers". (Company profile 2007) The head office is in Nairobi with branches in Mombasa and Eldoret.

The dynamic business environment has forced Aon to rethink its business strategy through utilizing the human capital it has, that is, both individuals and teams. One thing which has clearly stood out is the need to manage the talents in the current members of staff to become more competent in specific fields as per international standards. It has emerged that whenever the company has to tackle a client involved in highly specialised field, more often than not the company resulted in "importing" expertise from the developed countries (AIBK 2005).

In the Insurance brokerage sector in Kenya, the general insurances are lumped together as "general Insurance" being non-life and "non-medical". The result of this is that brokers/staff handle diverse client portfolios with no chance of offering specialised services. At the same time, employee talents are largely unutilised and undeveloped. Aon Minet realized this anomaly and decided to undertake the business segmentation to address the situation (Aon Intranet 2007). Aon realised in this type of setting they were largely unable to offer customised solutions to client and needed to restructure the current customer classification to segments that would enable staff to focus on specific industry segments.

1.1.3 The concept of Business Segmentation

Business segmentation goes beyond segmenting the clients into groups but also involves changing internal structures, systems and processes to service these groups (Richarme 2004). Simply put it's a move away from "one size fits all" approach. Marketing messages and product solutions can be tailored to their specific needs. McDonald (1995) observes that segmentation is the process of splitting customers into different groups, or segments within which there are customers with similar characteristics. According to Steenkamp (2002) there are some general criteria for the establishment of these distinct groups, notable is where members of a group of customers, or segments share more commonalities with each other than with members of other groups. In this category, the segments should be large enough for organizations to mount effective campaigns and should be reachable through most media avenues.

Business segmentation has several benefits. To the business community, the clients enjoy more informed services as the staff are specialised hence they provide a complete package. Savings to the company as there is no need to bring in "expatriates" to tackle specialised industries. The company is able to develop training programmes which are specific and reduce wastage of cash through implementing general programmes. The most commonly applied factors in segmentation process are demographic, geographic, psychographic and behaviouristic. One of the newer segmentation variables is talent. Talent management is a professional term that gained popularity in the late 1990s. It refers to the process of developing and fostering new workers through on boarding, developing and keeping current workers and attracting highly skilled workers at other companies to come work for your company. Talent management in this context does not refer to the management of entertainers (Moore 1999).

Companies that are engaged in talent management are strategic and deliberate on how they source, attract, select, train, develop, promote, and move employees through the organization. This term also incorporates how companies drive performance at the individual level (Walker 1992). The term talent management means different things to different people. To some it is about the management of high-worth individuals or "the talented" whilst to others it is about how talent is managed generally based on the assumption that all people have talent which should be identified and liberated (Bellingham 2004). This term is usually associated with competency-based human resource management practices. Talent management decisions are often driven by a set of organizational core competencies as well as position-specific competencies. The competency set may include knowledge, skills, experience, and personal traits demonstrated through defined behaviours (Walker 1992). As organizational demand for talent management continues to increase, so does the need for solutions and services to support the business initiative. Technology, of course, remains a key enabler. Successful implementations are those that integrate the range of Human Capital Management processes: talent acquisition, learning management, performance management, competency management, career development and succession planning (Graham-Moore 1995).

1.2 Statement of the Problem

Aon Minet Insurance Brokers Ltd. Introduced Business Segmentation process in January 2005. This was a new strategic change, both for the company and in the industry. This strategic change posed a major challenge to the firm as it led to the transformation of the structure, systems, processes and talent management. The management of Aon faced a reluctant staff, clients who were not sure what next and also shareholders who they were uncertain of the outcome of the new change. employees are aware that the old ways are being challenged but they do not have a clear picture to replace them with new ones. What held everything together was consequently, unfrozen to propel the change process (Lewin 1951). This resulted in an unprecedented fluid situation.

The dynamics of this situation led to increased levels of anxiety and concerted effort to resist change. Folger & Skarlicki (1999) found resistance as employee behaviour that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relations. The Management of Aon Minet Insurance had to deal with this situation through use of the appropriate change management strategies.

This study will seek to answer the question: What are the strategies used by of Aon Minet to manage the change process in the implementation of the business segmentation process?

1.3 Research Objective

The objective of the study is to determine the change management strategies used by Aon Minet in the implementation of business segmentation process.

1.4 Importance of the Study

1. Human Resource managers will understand factors which influence employees to resist change and how best to tackle these.
2. Managers in the insurance brokerage sector will be able to identify and establish the best practice on how to implement the business segmentation process.

3. Policy makers and human resource development managers will learn on the importance identifying staff talents and managing them for the benefit of both staff and organisation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter focuses on review of the pertinent literature of change management strategies. According to (Polit 1999), a literature review comprises the searching, identification and understanding of information relevant to the research topic. (Dempsey 2000) explained that the researcher starts reviewing the literature once the problem has been identified. The literature review provides the researcher with information pertinent to the study and indicates what research has already been done on the topic under study. Reasons for conducting the literature review includes avoiding duplication of a previous study, enabling the researcher to develop a relevant framework for his/her research, provides ideas about the study, reveal research strategies and guide the researcher in discussing the results of the current study by comparing and contrasting specific study's results with those previously reported studies.

The evolution of the change management field stems from psychology, business and engineering. Hence, some models are derived from Organizational Development perspective whereas others are based on individual behavioural models (Moore 1999). For this reason, this section explored the major theories of change that focus on individual Change Management and Organizational Change Management. The review examined theories of change in light of scholarly research and theory particularly in the field of psychology (Hiatt 2006). The literature review is useful for developing new change management strategies and a framework for evaluation of change assumptions and methods. The theories reviewed comprise dynamic conservatism theory, individual change management theory, organisational change management theory, the Columbo change theory, resistance to change and the theory if transitional phenomena.

2.1.1 Dynamic Conservatism Theory

This theory was developed by Schŏn (1973), the theory explores the inherent nature of organizations to be conservative and protect themselves from constraint change. Schŏn recognized the increasing need, due to the increasing pace of change for this process to become far more flexible. Schön had earlier recognized the need for want which is now termed as the learning organization. The theory ideas were further expanded on within his frame work of reflection-in-action, the mapping of a process by which constraint change could be coped with.

2.1.2 Individual Change Management Theory

This theory was developed by Kurt Lewin in 1951, he described change as a three-stage process. The first stage he called unfreezing. It involved overcoming inertia and dismantling the existing mindset. Defence mechanisms have to be bypassed. In the second stage the change occurs. This is typically a period of confusion and transition. The theory explained that employees are aware that the old ways are being challenged but they do not have a clear picture to replace them with new ones. The third and final stage of change was termed as refreezing stage. The new mindset involves crystallizing and one's comfort level is returned to previous levels (Lewin 1951).

Some change theories are based on derivatives of the Kübler-Ross model (1969), from Elisabeth Kubler-Ross's book, (1997) On Death and Dying. The stages of Kubler-Ross's model describe the personal and emotional states that a person typically encounters when dealing with loss of a loved one, that is: denial, anger, bargaining, depression and finally acceptance. Derivatives of her model applied in other settings such as the workplace show that similar emotional states are encountered as individuals are confronted with change.

A Formula for Change was developed by Richard Beckhard and David Gleicher (1997) and is sometimes referred to as Gleicher's Formula. The Formula illustrates that the combination of organizational dissatisfaction, vision for the future and the possibility of immediate, tactical action must be stronger than the resistance within the organization in order for meaningful changes to occur.

The ADKAR (Awareness, Desire, Knowledge, Ability, Reinforcement) theory for individual change management was developed by Prosci with input from more than 1000 organizations from 59 countries. This model described five required building blocks for change to be realized successfully on an individual level. The building blocks of the ADKAR Model included: Awareness of why the change is needed.

Desire to support and participate in the change Knowledge of how to change Ability to implement new skills and behaviours Reinforcement to sustain the change.

2.1.3 Organizational Change Management Theory

Organizational change management includes processes and tools for managing the people side of the change at an organizational level. These tools include a structured approach that can be used to effectively transition groups or organizations through change. When combined with an understanding of individual change management, these tools provide a framework for managing the people side of change (O'Donovan 2006).

Gabrielle O'Donovan designed a strategic implementation plan for a culture transformation programme which is largely based on primary research. The first phase strategic planning and design includes a series of steps; back to the drawing board to revisit the company purpose, form the strategic management team to oversee implementation, create programme vision and define strategy, organize the workforce and design the core programme and cultural embedding mechanisms that will support it. The second phase 'strategy implementation' includes these steps; communicate vision and roll-out, manage the human landscape plus maintain momentum and solidify ground made. The final phase 'evaluation and readjustment' focuses on the measuring of results and also planning for the future.

2.1.4 The Columbo Change Theory

Systems are perfectly designed and operated to get the results they get, yet do they get the results they want, or they could potentially get? Not hardly! Systems operate the way they do, not because of what we understand, but because of what we don't understand. We are for the most part consistently victims of our own ignorance. When Buddha was asked what he was, he replied, "I am awake." Most of us are not. We just continue to deceive ourselves into believing we are awake, because to admit we were so ignorant would be more injurious to our own self-concept than we could tolerate. Verily we have become amazingly adept at self-deception to protect our own self-concept, while we remain asleep and ignorant, and accuse most everything else of ignorance and ineptitude. So, how did I arrive at this perspective and what's to do about it (Bellinger 2004).

A system is an entity which maintains its existence through the interaction of its parts. This is Bertalanffy's definition, with which many managers have become most comfortable because of its simplicity and its implications. The key element of this definition is interaction, rather than parts. Systems are more a jumble of relations rather than a pile or a lump. A system is composed of subsystems and at the same time a subsystem of one or more other systems. And, it is the interaction of the parts of a system which is responsible for its emergent characteristics. Emergent meaning that the system as a whole has properties one can not find by studying the parts, like wetness emerging from the interaction of hydrogen and oxygen in a system called water. And, as turns out, there are fundamental principles of systems, which, although they may sometimes be violated in the short term, eventually come to pass. So what does all this have to do with change management (Belinger 2004)?

Organizations are systems, and they are subject to the principles of systems. For the most part, because employees don't understand the laws of systems, they continually attempt to violate them and are frustrated when the laws assert themselves and negate their efforts. As a result they curse the system for its ignorance, as they are unable, or unwilling, to curse themselves as it would be far too injurious to their own self-concept (Belinger 2004).

2.1.5 The theory of Transitional Phenomena

The process of change is simply moving from the current way of doing things to a new and different way of doing things. Bridges (1991) believes that it is not the actual change that individuals resist, but rather the transition that must be made to accommodate the change. He stated that change is not the same as transition. Change is situational: the new site, the new boss, the new team roles, the new policy. Transition is the psychological process people go through to come to terms with the new situation. Change is external, transition is internal. Unless transition occurs, change will not work (Bridges 1991).

Morgan (1997) suggested that an understanding of the theory of transitional phenomena provides valuable insight into organizational change, and why it is met with employee resistance. This theory suggests that change will occur spontaneously only when people are prepared to relinquish what they hold dear for the purpose of acquiring something new or can find ways of carrying what they value in the old into the new.

In the event that it does not exist naturally, it may be necessary for the organization to create transitional phenomena. This would help in the "letting go" of the current way and moving forward to the new way. Morgan added that, bringing about organization change can rarely be done effectively by selling or imposing a change package, an ideology or a set of techniques. The theory of transitional phenomena suggests that in situations of voluntary change the person doing the changing must be in control of the process (Morgan 1997).

2.1.6 Resistance to Change

Managers often perceive resistance negatively, and employees who resist are viewed as disobedient and obstacles the organization must overcome in order to achieve the new goals. However in certain instances, employee resistance may play a positive and useful role in organizational change. Insightful and well-intended debate, criticism, or disagreement do not necessarily equate to negative resistance, but rather may be intended to produce better understanding as well as additional options and solutions. De Jager (2001) claimed that, the idea that anyone who questions the need for change has an attitude problem is simply wrong, not only because it discounts past achievements, but also because it makes us vulnerable to indiscriminate and ill-advised change

Piderit (2000) pointed out that what some managers may perceive as disrespectful or unfounded resistance to change might be motivated by an individual's ethical principles or by their desire to protect what they feel is the best interests of the organization. Employee resistance may force management to rethink or re-evaluate a proposed change initiative. It also can act as a as a gateway or filter, which can help organizations select from all possible changes the one that is most appropriate to the current situation. According to de Jager (2001), resistance is simply a very effective, very powerful, very useful survival mechanism. Folger & Skarlicki (1999) claimed that not all interventions are appropriate as implemented; the organization might be changing the wrong thing or doing it wrong. Just as conflict can sometimes be used constructively for change, legitimate resistance might bring about additional organizational change.

Leon Coetsee (1999) attempted to explain the nature of resistance to change through a continuum model. He stated that, in organizational development literature, acceptance of change and rejection of change are typically treated as separate, unrelated phenomena. Through his model, Coetsee argues that they are closely linked in the sense that they represent a polarity, with each being the far end of the continuum. Moving from resistance to commitment is done through sequential phases contained within the continuum.

Studies by Alvin Zander (1980) revealed resistance to change as behaviour intended to protect an individual from the effects of real or imagined change (cited in Dent & Goldberg, 1999). Zaltman & Duncan (1977) found resistance as any conduct that serves to maintain the status quo in the face of pressure to alter the status quo (cited in Bradley, 2000). Piderit (2000) explained that the definition of the term resistance must incorporate a much broader scope. She stated that past empirical research reviewed change emphases in conceptualizations of resistance: as a cognitive state, as an emotional state, and as behaviour.

The notion that employee resistance can be overcome cognitively suggests that negative thoughts or beliefs about the change exist. Piderit cited that, Watson (1982) suggested that what is often labelled as resistance is, in fact, only reluctance. Armenakis, Harris, and Mossholder (1993) explored resistance in behavioural terms but suggest that another state preceded it as a cognitive state which they called unreadness (Armenakis 2000).

Studies by Coch and French (1948) acknowledged aggression and frustration in employees as the emotional factors that caused undesirable behaviours and resistance to change. Argyris and Schon (1974, 1978) noted that resistance to change is a defence mechanism caused by frustration and anxiety (Piderit 2000).

Brower and Abolafia (1995) stated that resistance is a particular kind of action or inaction. Ashforth and Mael (1998) defined resistance as intentional acts of commission or omission. Shapiro, Lweicki (1995) suggested that willingness to deceive authorities constitutes resistance to change (Devine 2000).

Piderit (2000) claimed that, although resistance to change conceptualizations overlap, they diverge in important ways. Finding a way to bring together these varying emphases should deepen understanding of how employees respond to proposed organizational changes. Each of the three conceptualizations of resistance as a behaviour, an emotion, or a belief has merit and represents an important part of our experience of response to change. Thus, any definition focusing on one view at the expense of the others seems incomplete.

According to Dent & Goldberg (1999), employees do not really resist the change, but they resist the loss of status, loss of pay, or loss of comfort. They claimed that, it is time that we dispense with the phrase resistance to change and find a more useful and appropriate models for describing what the phrase has come to mean, employees are not wholeheartedly embracing a change that management wants to implement.

In the 1940's, social psychologist Kurt Lewin first introduced the idea of managing and removing resistance to proposed changes occurring within organizations. His early work focused on the aspects of individual behaviour that must be addressed in order to bring about effective organizational change.

Morgan (1997) stated that, Lewin suggested that any potential change is resisted by forces in the opposite direction. The idea is similar to the dialectical principle that everything generates its opposite. But within Lewin's framework, the forces tend to be external to the change, holding situations in states of dynamic equilibrium. His solution was to advocate that successful change rests in "unfreezing" an established equilibrium by enhancing the forces driving change, or by reducing or removing resisting forces, and then "refreezing" in a new equilibrium state.

The first known published reference to research on resistance to change in organizations was a 1948 study conducted by Lester Coach and John R. P. French entitled, Overcoming Resistance to Change. Their research, which generated a large body of work on the importance of employee involvement in decision making, was conducted at the Hardwood Manufacturing Company, a pyjama factory located in

Virginia. This study focused on the main questions. Why do people resist change so strongly and what can be done to overcome this resistance to change (Dent & Goldberg 1999).

In 1950, Alvin zander wrote, Resistance to Change-Its Analysis and Prevention." His article made an early distinction between the symptoms of resistance, like hostility or poor effort, and the underlying causes for the behaviour. Dent & Goldberg (1999) state, Rather than providing a systems model, Sander equates resistance in organizations to that of a psychotherapist and a patient. His primary advice for practicing managers is to know what the resistance means so that they may reduce it by working on the causes rather than the symptoms.

Zander (1999) found out that there are six reasons for resistance to change; these are; if the nature of the change is not made clear to the people who are going to be influenced by the change, if the change is open to a wide variety of interpretations, if those influenced feel strong forces deterring them from changing, if the people influenced by the change have pressure put on them to make it instead of having a say in the nature or the direction of the change, if the change is made on personal grounds, if the change ignores the already established institutions in the group (Dent & Goldberg 1999).

2.1.7 Firmographics Business Segmentation Theory.

The theory states that there are four main business segmentation techniques. The first technique is labeled as business descriptors; this attempts to classify businesses by specific descriptors, such as business revenue, number of employees, number of product lines, number of key competitors, market share, and similar items. However, many of these descriptors are not publicly available and, even more, adds little information to the segmentation goal of describing unique groups of decision makers to whom a specific marketing message could be crafted and delivered (Richarme 2004).

The second technique is labeled as type of business; it attempts to divide firms into segments with a standardized classification scheme, such as the Standard Industrial Classification (SIC) code. Though generally available from public sources, this method also provides challenges when attempting to classify businesses that have many different lines of business (Richarme 2004). The third technique, labeled location of business, examines the physical addresses of businesses and uses geography as the major clustering factor. While this approach may produce differentiated groups among organizations with one physical location, it becomes unwieldy when applied to geographically dispersed divisions, branches, or retail locations. This has implications for selling, for product delivery, for billing, for customer service, and for almost every other facet of a firm.

The fourth technique labeled as revenue, simply breaks firms into size Categories based on their revenues. This approach recognizes that even though a business might be small in comparison to others, it might also provide the organization with a more substantial revenue stream than that provided by other larger businesses (Richarme 2004).

Campbell (1998) in his business segmentation studies found out that, the underlying purpose of segmentation is to divide customers into distinct groups, such that marketing messages can be tailored to their specific needs. There are some general criteria for the establishment of these distinct groups. The groups of customers, or segments, should share more commonalities within each group than there are between groups. The segments should also be large enough for organizations to mount cost-effective campaigns and should be reachable through most media avenues

Describing consumer households in the past was simply a matter of gathering relevant demographic information and performing a cluster analysis. Demographics for households were fairly straightforward, in that the decision maker was generally identifiable without much effort, and the demographic categories were standardized to a great degree by the United States Bureau of the Census, aided by population parameters generated each decade by the Census Bureau (Morton 1998).

Organizations rapidly discovered, however, that simple demographic segmentation had severe limitations when it came to gaining a better understanding of the decision-making process that was taking place in the households. So most future thinking researchers began adding questions to their instruments to pry apart this complex process. The simple demographic-based segmentation approaches gave way to psychographic segmentation, focusing on lifestyle choices (Eakins 1999).

Organizations had a better glimpse into the minds of their consumers and were able to better tailor their marketing messages. The concept of mass customization came into vogue, with effective marketing being conducted toward smaller and more unique segments of consumers. Organizations, however, found it difficult to adapt these same segmentation concepts and techniques to the business market (Gibbons 1999).

A successful market segment has the following characteristics: measurability, accessibility, substantiality and actionability.

Measurability is the degree to which the size and purchasing power of the segments can be measured. Certain segmentation variables are difficult to measure. An illustration would be the size of the segment of teenage smokers who smoke do so to rebel against their parents (Backhard 1989).

Accessibility refers to the degree to which the segments can be reached and served. Suppose a perfume company believes that heavy users of its brand are illiterate single women who are often out late at night and frequent bars. It is possible that such individuals will be difficult to reach with traditional media (Beckhard 1989).

Substantiality is the degree to which the segments are large or profitable. A segment should be the largest possible homogenous group worth going after with a tailored marketing program (Kotler 2002). It would probably not pay, for example, for an automobile manufacturer to develop cars for people who are less than four feet in height.

Actionability refers to the degree to which effective programs can be designed to attract and serve the segments. A small airline, for example, may identify seven market segments, but its staff may be too small to develop separate marketing programs for each segment (Kotler 2002).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the method the researcher used to conduct the study. It includes design, sampling, data collection technique and procedure, data analysis and presentation.

3.2 Research Design

This is a case study. This design is considered appropriate since only one organisation is involved. It is also appropriate because an in-depth and comprehensive inquiry was conducted.

3.3 Data Collection

Data was obtained from key informants who were members of the task force charged with the responsibility of implementing the business Segmentation process. These were: Chief Executive Officer, Human Resource Manager, Marketing Director, Financial Controller, Divisional Director, Industry & Mining Division, Divisional Director, Middle Markets Division and Divisional Director, Specialty Division.

Primary data was collected through personal interview using the attached interview guide (appendix 2). Secondary data from the organisation annual board papers - HR reports, Internal newsletters and any other relevant documents.

3.4 Data Analysis

The data collected from the interview was qualitative, the content analysis method was used to analyse the data.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents results of the analysis of data collected through interviews with seven heads of divisions and the Chief Executive Officer (CEO). The interviewees consisted of the Chief Executive Officer, the Human Resource Manager, the Financial Controller, Divisional Director, Marketing and three divisional directors of the divisions involved in the business segmentation process, Industry and Mining division, Middle markets and Specialty Division. Due to the qualitative nature of data and the number of people interviewed, content analysis was preferred.

4.2 Analysis and Findings

Conception of the business segmentation process

The interview guide sought responses on how and when the business segmentation process was conceived by the company. From the responses received from the interviewees, business segmentation was conceived in August 2004. The concept of business segments has been successfully applied in the underwriting market but not in the broking market. The model has been very successful especially where the clientele consists of multinational companies coming from highly specialised insurance markets. In the developed countries you get all sorts of specialised insurance solutions. Aon Kenya also noted that the Aon global was very developed and it was time for Aon Kenya to adopt the same model and provide world competitive services.

Business reasons for implementing the business segmentation process

The informants were asked to explain the business reasons that drove the implementation of the business segmentation process. The reasons that saw the company implement the business segmentation process were the objectives set for the business segmentation process. The table below shows the various reasons for implementing the business segmentation process.

Table 1: Reasons for implementing Business segmentation process

Reason for implementation	Implication
Increased competition	• The world is becoming a global village with clients being exposed to many broking solutions. Aon was forced to rethink its product and service packaging in order to compete effectively in the face of stiff competition.
Talent management	• The company realised the need to manage and develop the existing talent among its staff instead of hiring trained professionals. • This enhanced staff loyalty and save the company cost of fresh hires.
Increased customer demands	• Clients are continually looking for high quality products and increased value addition on every product or service they purchase. • To meet this demand, Aon had to be fully informed about which products are available to clients in the different affinity groups.
Effective strategic management	• Through focus on specific business segments, the company is able to align its strategic objectives with the divisional objectives. • Business segments not meeting the strategic plans of the company are quickly identified and corrective measures applied. • The element of guessing which units are profitable or not is eliminated in totality.
One Aon	• The business segments created in Kenya were in line with the business segments found around the globe in other Aon companies, hence clients find same solutions in each country were Aon is located.

Preparations made prior to implementation

The interviewees explained the preparations made prior to implementing the business segmentation process. The Aon global model was studied by the executive and reviewed by the main board directors for approval to be introduced to the Kenyan managers. The Chief Executive Officer held breakout sessions with senior managers to get them to buy in on the idea. The first step was to review the existing divisional business plans and it was agreed that for Aon Kenya to keep ahead of the competition, there was need to change its strategy to one which can serve a cosmopolitan market. Therefore, divisional directors were required to realign their current plans to that of the company in light of the proposed changes. A task force headed by the Chief Executive Officer (CEO) was identified and it consisted of the three Division Directors of the divisions to be affected, also included was the Human Resource Manager, the Financial Controller and Marketing Director. The divisions affected were: Commercial, Minlark and Broking divisions. Objectives of the of the business segmentation process were set by the task force. A timetable was set for the implementation of the process. The Human resource manager reviewed staff capabilities in terms of qualifications and experience. The Financial controller prepared budget estimates for the whole process.

Communication strategies

The informants were asked to explain how the business segmentation objectives were communicated to staff. The process was first communicated by the CEO through the Staff bulletin board (Email based) and staff not on email, got a printed copy on the notice board giving a broad description of the changes expected to commence in January 2005. The Human Resource Manager was appointed chief communication officer for the whole process. The CEO also sent an informational circular to clients on the impending changes in the company and assured them of the best service as always. Each of the divisional Directors then held meetings with their head of departments to further sensitise them on the process. After this meeting then the divisions held divisional meetings where the staff queries were addressed, by the divisional directors. Before the actual commencement of the process, the divisions each held "retreats" out of the office to discuss what the new changes meant for them and how it was going to affect their work and working relationships.

Actions taken to empower staff to participate effectively in the implementation of the business segmentation process

The informants were asked to explain specific actins taken to empower staff to participate effectively in the implementation of the business segmentation process. First the staffs were reassured that the process was not targeting them to loose their jobs and that it was a client service focussed change. The human resources manager asked the staff to update their personal files with records of any certificates/qualifications acquired recently. Staff training was undertaken during lunch breaks to introduce staff to the new affinity groups into which clients would be divided into. Every week during the weekly divisional meetings, the staff were given updates and their comments/concerns noted. The divisional director then forwarded their feedback to the task force and appropriate action was undertaken.

Stages of the business segmentation process

Informants were asked to explain the stages through which the business segmentation process was implemented by the company. The stages in the business segmentation process are on table two here below.

Table 2: Stages in the business segmentation process

Stage	Activities
Planning	• A task force made up senior managers was set up. • This team was charged checking on the existing client groups and come up with new affinity groups in line with Aon Global Practice Groups (GPGs) • Objectives for the business segmentation were set in line with the company's strategic objectives. • Timelines for the various stages of the business segmentation process were drawn up • Creation of sub-committees to handle the more detailed operations in the whole process • Major grouping identified were: Industries & Mining, Middle Markets and Specialised clients.

Unfreezing	• This stage involved breaking up the existing groups in readiness for re-grouping into the new classifications or affinity groups. • The human resource manager compiled talents among existing staff to be deployed to handle clients in the new affinity groups. • Communication was also sent to staff regarding this stage of the process of the process and the expected "breaking up" of the old familiar divisions.
Implementation	• The company CEO was the lead change agent. • This stage was the actual placing of the clients into the newly created affinity groups • The employees identified as having specific talents in terms of qualifications and experience, were moved around to staff the newly created affinity groups. • The internal members of staff were continually updated on the progress of the process.
Re-freezing	• The newly created divisions were now called: Industry and Mining division, Specialty division and Middle Markets division. • The new staff teams underwent team building sessions both internally and away from the offices. • There was also the task of introducing the client to the new account handlers. This involved doing letters to the clients and personal visits by the assigned staff to acquaint themselves with the client.
Evaluation	• The company carries out client surveys to evaluate the effectiveness of the strategy through Net Promoter Score (NPS) on the company website. (Aon 2007) • There is also internal survey carried out on staff and are requested to respond anonymously.

Staff attitude and perception regarding the new changes

The informants were asked to describe the attitude and perception of the employees regarding the introduction of the business segmentation process. The first reaction was resistance, brought about the obvious fear of the unknown. Some perceived this as a management plan to send them home. Another group were resentful about being placed in new working teams. There was also fear of having to deal with new clients and start all over again creating new relationships, the tendency was to towards old and familiar clients, which the staff had already formed a good working rapport. Despite the reluctant compliance, the staff finally embraced the process with enthusiasm once they understood the direct benefits they would reap from it.

Senior management influence in determination of methods used in the change process.

The interviewees agreed that for the change to take place and be fully embraced by the staff, there was need for senior management intervention to give both leadership and direction of the change process. The senior management played a key role in determining the methods to be used in implementing the change. The influence of the executive management was favourable for the task force team as they knew they had the backing of the senior management in carrying out the change process. The influence of the senior managers also helped deal with the resistant that became apparent once the implementation of the business segmentation got underway.

Talent management

The interviewees noted that the business segmentation process had benefited the staff in terms of talent management. The divisional directors were able to identify high potential staff and work with the human resource department to come up with development strategies for them. The placement of staff in certain business segments was based on staff interest and identified areas of growth. Through the business segmentation process specific performance management was also more focussed, with the performance objectives being set on clearly defined parameters, for example, staff to increase the number of clients in a specific group of affinity. There was also the increased challenge on staff for self development in the type of business segment they work in. The training department was able to develop specific training programmes for staff according to the type of business in their particular segment, unlike in the past where these trainings were generalised. Staff working in specific affinity groups were also able to interact with other staff at Aon global level in working solutions to client needs hence increasing their knowledge.

Efficiency of the brokerage operations

The interviewer sought to find out if the business segmentation process had improved the efficiency of the brokerage operations. There was a general consensus by all the interviewees that it had greatly increased the efficiency. This was noted particularly in terms of elimination of duplication of work. While in the past two members of staff from different divisions would send proposals to the same client, now there was clear vision as to who handles which client groups. Also where the company realised a particular strength in an affinity group, the company now had the capacity to capitalise on such strengths. There was also a noted reduction in cost of importing workforce to deal with complex client needs, where one person handling locally could liaise with the expert using various means of communication and as such develop and learn more. It also reduced client confusion on what exactly the company was all about, the new affinity groups clearly spelt out which division is handling what type/affinity group of clients.

Benefits of the new change to the company

The researcher sought to know if introduction of business segmentation had benefited the company. The interviewees all agreed it had brought positive change in the delivery of service to clients. The issue of focussed effort towards meeting clients specialised needs unlike before where there were not clearly defined affinity groups. There was a move away from "one size fits all" approach. The staffs were able to add value to client needs, since they had more information on the insurance needs of a client in specific industries, they were also continually keeping abreast with developments of the same at a global level. Liaison with the Human resource consulting groups that is healthcare divisions and life and pensions division is more direct, as the staff in these divisions knows who exactly is dealing with which affiliate groups. Budgeting is easier and more focussed the management is able to determine which segment is more profitable and allocate resources accordingly, also they are able to project incomes with higher level of certainly.

Challenges during implementation

The interviewer sort to know what obstacles were encountered during implementation of the process. These obstacles are highlighted in table three below.

Table 3: Challenges during implementation

Challenge	Explanation
Employee resistance	• The employee did not easily embrace the change as they had to move from comfort zones with new bosses, new teams and new clients. • The management had expected this obstacle and had put in place measures to tackle this.
Manpower	• Lack of trained staff to handle the new affinity groups as the existing staffs were ill-equipped in terms of experience to handle the specialised business segments. • It also came to light that the numbers were less than the required numbers after the segmentation process. • This obstacle presented a new dimension to the whole process, considering the company did not to hire staff without proper Human Resource planning.
Information Technology	• The Information Technology staffs were required to come up with new codes for the new business segments. • The requirement for rolling over the clients into new divisions as a matter of urgency stretched the Information Technology staff to the limit • The broking staff also had a challenge to master the new system codes for the business segments.
Increased Costs	• The costs were in form of consultants hired to advise on rebuilding new cohesion in the company after the break-up caused by change process • There was also the cost of communicating to clients the new changes within the company • Training cost as there was a need staff to train staff to handle the various specialised business segments.

Time constraint	• The segmentation process demanded time from the task force to implement the whole process • On the other hand regular operations of the company had to still continue uninterrupted and ensuring this seamless workflow resulted in need to work extra hours by most members of staff.

Review of the business

The business segments are continually reviewed to ensure they are working properly and that the set objectives are being met. One of the tools used for this is the business plans which divisional directors are expected to follow and ensure implementation. These are in line with company's strategic plans and pushed down to the operational level. The human resource also does semi-annual surveys to get feedback from staff, this instrument collects data from anonymous respondents to ensure the staff are honest without fear of victimisation. The company also carries out client surveys to evaluate the effectiveness of the strategy through Net Promoter Score (NPS) on the company website, (Aon 2007).

The senior management convenes strategic meetings every ninety (90) days to check if the segmentation is still in check and there is no deviation from the set objectives. The managers are supposed to update on the status of various accounts and any new issues encountered in handling clients. This also includes any prospects, which are vetted for perfect fit into the existing affinity groups. There are monthly management and production reports which give feedback on the productivity of the divisions and problems can be detected early. The main board reports also report regularly on the status of new segments, the positives and negatives of the affinity groups.

Perception of various stakeholders

The interviewees were also asked to give feedback on the perception of various stakeholders regarding the introduction of the business segmentation process. They agreed the shareholders noted improved returns due to the new business strategy, the company had effectively penetrated the market. The customers were happy the new affinity groups were easily defined and were receiving top class service. The value added to their needs was also remarkable, they were also happy that the service teams were more informed about the needs of their industries. Internally, there was zero duplication of work and hence increased efficiency in working. Employees were also happy since they now appreciated the business segments and saw the benefits of the same, both to the company and as individuals in terms of personal growth and development.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was designed with the objective of establishing the change management strategies used by Aon Minet Insurance Brokers Limited in the implementation of business segmentation process. Data was collected from key informants that comprised of senior managers.

5.2 Summary and Conclusions

The analysis in chapter four gives an indication of the strategies used by Aon in implementing the business segmentation process. The process was important if the company was to stay ahead of competition and also reposition itself in the market. The business segmentation process in the insurance brokerage is a new concept in the brokerage sector which is useful to any organisation keen to achieve its strategic goals especially in terms of client growth. This study was an attempt to fill in the gap knowledge on the best practice in change management when implementing a business segmentation process.

5.2.1 Steps in the Process of Implementation

The key steps used by the company in implementing the business segmentation were:

1. Setting up the task force, headed by the Chief Executive Officer.
2. Introducing the business segmentation to the Divisional directors
3. Reviewing the existing business segments and identifying new business segments
4. Breaking up the existing business units
5. Identifying Aon Global Practice Groups (GPGs) and setting up affinity groups in line with these.
6. Realigning divisional business plans to accommodate this new business strategy.
7. Placing of the clients in the new affinity groups, moving staff around into the newly created divisions.
8. Refreezing the new divisions and new teams.
9. Evaluating the process

The above steps were specific to this process and applicable to the brokerage company, and do not necessarily have a universal applicability. The guidelines of Kurt Lewin in change management is very important in providing general guidelines for implementing the business segmentation but each organisation must modify its own approach as appropriate.

5.2.2 Communicating the Concept to the Employees and Buy in

This was a very important activity in the whole implementation process. Without effective communication channels being in place, even a well designed business segmentation process might not achieve its specific goals. Aon Minet Kenya has put in place various communication channels to ensure that every member of staff understands what the business segmentation is all about and the objectives the company wants to achieve through the process. The main channels of communication used by the brokerage company are:

1) Training
2) Memos and bulletin boards
3) Breakout sessions and team building sessions
4) Divisional staff meetings and Sub-unit staff meetings
5) In-house magazine
6) Aon global magazines

It has also established and encouraged the use of multiple communication channels. As such the message of the importance of the business segmentation can be communicated to staff in different ways, hence enhancing better understanding and in turn this results in acceptance and embracing of the new business segments. Improving employee awareness must be a deliberate and continuous effort.

5.2.3 Objectives of the Business Segmentation Process

The implementation of the business segmentation process has to be focussed on the objectives behind the segmentation process. Aon Minet Kenya had identified client focus and talent management as the main objectives of the process. If the company loses focus on these two main objectives then the process was not effective. Constant checks had to be done by the task force team to ensure they are achieved.

5.2.4 Strategies for Maintaining the Newly Created Business Segments

The business segments require constant monitoring by way of reviews and where need be modifications in the structures set. There is also need to keep the staff motivated and focussed as they deal with "new" client groups. The client groups have to be continually reassured of value added in provision of services, while the staff have to exhibit career development and increased knowledge in their every day work. In order to achieve these goals effectively the company has put in place the following strategies:

1) Commitment at all levels, starting from the top management and main board
2) Continuous training, coaching and mentoring of staff
3) Open door policies where staff have access to their managers
4) Development of organisational business plans and goals
5) Staff and client surveys

The information feedback from the above channels ensure that the segmentation process is a success. For example where clients want to shift across divisions the issues are tackled early and thus the structure of the segments are maintained.

5.2.5 Experiences and Perception of Employees

As expected of any change programme, the introduction of the business segmentation process at Aon Minet Kenya has revealed experiences and employee perceptions that are worth noting. The Business segmentation process involved changing internal structures, systems and processes relating to client service (Richarme 2004). Simply put it is a move away from "one size fits all" approach.

The initial reaction by staff was resistance, brought about the obvious fear of the unknown. Some perceived this as a management plan to send them home. The staffs were also unsure of how to relate with new bosses and new teams. There was also fear of having to deal with new clients and start all over again creating new relationships, the tendency was to towards old and familiar clients, which the staff had already formed good working rapport.

The brokerage firm realized the importance of developing positive employee perception and put in place strategies to enhance and sustain these. Some of the strategies include: rigorous training of staff and coaching, peer group leaders to head various sub-units in the divisions. There is also the obvious empowerment and development of talent identified. This is done through specialised training abroad or appointment as the company representative in any one of the various Aon Global Practice Groups (GPGs).

5.3 Suggestions for Further Research

The study was a case study of only one organisation. More studies should therefore be done on the challenges faced by organisations when implementing change in client classification through use of f business segmentation process.

A more complete study is recommended on the impact of adopting business segments in service related organizations, not only in the insurance brokerage sector but also in other industries.

5.4 Recommendations for Policy and Practice

This study found that the introduction of new changes in the form of business segmentation was not a simple task. Before embarking on implementation of the business segmentation process the organisation needs to carry out an evaluation of its leadership and organisational readiness to embrace this change.

The right leadership

The leader of the business segmentation process must be a senior executive who possesses the title and authority necessary to institute strategic change and who is also strongly committed to the process. Such a leader must understand the business segmentation process thoroughly and its particular details, before selling the ideas to other managers.

The leader must be visionary and have the end in focus of what the organisation should look like after the process is done. This vision must be clearly communicated to all the staff, starting with senior management and members of the task force. The leader's personality should be charismatic enough to draw the support and enthusiasm of others involved in the process. He must be ready to continually sell the vision and persuade buy in through facts of the change.

Organisational readiness

The company must recognise the need for the strategic change. The nature of the business segmentation process including the resulting, change in internal structures, systems and processes. The staff in the organization must believe that the management and leader of the change process is wholly committed to it. The organization must have the financial and human resources required to implement the business segmentation process.

The organization must be focused on the fact that this process also affects clients and strategies must be put in place to address client queries or any issues raised. This means the clients must be valued highly and one of the key objectives in this whole process was to satisfy their needs through value addition.

At Aon Minet Kenya all the above recommendations were found to be in place, however the study recommends continuous training of staff on change management. This is a global phenomena and changes will be expected in any organization that is growing and seeking to stay relevant in the market, preparing staff to expect changes and how to handle these changes is imperative for all staff not only for the management staff.

5.5 Limitations of the Study

This study centred on the change management strategies used by Aon Minet Kenya in the implementation of the business segmentation process. Since it is a case study it suffers a shortcoming in that the results of this study cannot be generalised to other organisations. Another limitation is that the interview method of data collection is a very persuasive method. If the responses are not corroborated by other sources of information, the responses might not be as true as they are given by the interviewees. The responses given by the key informants might be biased. Another limitation was the lack of time of by the key informants, getting interviews with all the targeted respondents was not easy due to work related engagements.

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APPENDIX 1: COVER LETTER

Date: 19th September 2008

The Respondent
Aon Minet Insurance Brokers Ltd.
P. O. Box 48279 - 00100
NAIROBI

Dear Sir/Madam

RE: LETTER OF INTRODUCTION

I am a postgraduate student in the School of Business, University of Nairobi pursuing a Master of Business Administration (MBA) Degree program. In order to fulfil the degree requirements, I am currently undertaking a human Resource research project on **"Change management strategies used by Aon Minet Insurance Brokers Limited (Kenya)".**

I kindly request your assistance by availing time for an interview (no more than 30 minutes) which will be based on the interview guide enclosed herein. Any documentations, strategic plans or reports that you may have that are relevant to this topic of study may be availed to me at your discretion.

A copy of the final report will be made available to you at your request.

Your assistance will be highly appreciated. You can contact me on the number below to schedule the interview at your earliest convenience. Please be assured that the information will provide is strictly for academic purposes.

Yours faithfully,

Kibanga, Susan W.
0722636996 or ext 312

Cc. Prof. P. O. K'Obonyo
Academic Supervisor

APPENDIX 2 : INTERVIEW GUIDE

Personal Details

(1) For how long have you been working for Aon Minet? (Yrs) ....

(2) What is your current position in the Brokerage company?..........................

....

(3) Indicate the Department/Section of the company you are currently working in...

....

Implementation of the Business Segmentation Process

(4) (a)When was the process of business Segmentation conceived by the company?

....

....

(b) How was the process of business Segmentation conceived by the company?

....

....

....

(5) What were the business reasons that drove the business segmentation process in Aon Minet?

....

....

....

(6) What preparations did you make prior to its implementation? (The preparation in terms of policies & procedures, communication to employees etc.)

....

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(7) How did you communicate the business segmentation process objectives to the staff?

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(8) What specific actions did you take to empower employees to participate effectively in implementation of the business segmentation process?

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(9) What are the stages through which the business segmentation process was implemented by the company?

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(10) How would you describe the attitude and the perception of the employees regarding the introduction of the business segmentation process?

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(11) To what extent did the Senior Management influence the determination of methods to be used in the implementation of business segmentation process?

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(12) To what extent has the introduction of business segmentation benefited employees in terms of talent management?

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(13) To what extent has the Business segmentation improved the efficiency of the brokerage operations?

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(14) Do you think that the introduction of Business Segmentation has benefited the Company?

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(15) What are the obstacles that you have experienced during the implementation process?

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(16) Are there any measures/strategies which have been put in place to:

(a) Provide feed back on the working of the new business segments?

....

....

....

(b) Determine corrective measures to be taken in case of deviation?

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(17) To what extent has the perception of the following stakeholders about the performance of the company changed since the introduction of the new business segments?

(a) Shareholders..

(b) Customers...

(c) Internal process...

(d) Employees...

Thank you for your time and participation in this study.