APPLICATION OF KAIZEN AS AN INTERNATIONAL APPROACH TO MANAGING CHANGE BY UNGA HOLDINGS LIMITED

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DECLARATION

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

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This research project has been submitted for examination with my approval as University Supervisor

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DEDICATION

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ABSTRACT

Change is a constant reality in life and businesses being a part of everyday life are affected by the ever changing dynamics of the business environment. Effective change management is therefore a fundamental requirement in any organisation's survival or success in the current world. . Most organizations have adopted a planned change management so as to address the threats and the weaknesses and capitalize on the opportunities and strengths as they implement change. Different tools and methods have therefore been developed to drive and manage changes in the organizations by different scholars such Lewin and Kotter have developed a three stepped and eight stepped approaches to change management. Japanese companies however seemed to use a different approach to change management and this led to their companies such as Toyota becoming very competitive in the global market. They named this tool Kaizen which is derived from Japanese words ' Kai' and 'zen' which mean 'change' and 'good' respectively. The study sought to establish the international change management practices adopted through Kaizen and the challenges encountered at Unga Holdings Limited. The research design used for the study was a case study and five interviews were carried out using an interview guide. The findings of the research showed that although top management initiated the changes at Unga Holdings, there was continual involvement and support of all the employees and key stakeholders in the application of Kaizen in the change management programmes. This included from the formation of the vision and mission statements to the continual monitoring and evaluation of the performance of the organization.

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

PDCA	Plan- Do-Check-Act
SDCA	Standardize-Do-Check-Act
QCD	Quality, Cost, and Delivery
TQM	Total Quality Management
JIT	Just-In-Time
TPM	Productive Maintenance
UHL	Unga Holdings Limited

DEFINITION OF KEY TERMS

Kaizen   Japanese for "improvement", or "change is good". Continuous incremental improvement of an activity to create more value with less waste.

Gemba   means 'real place' or the place where real action takes place

Muda   Waste

CHAPTER ONE
INTRODUCTION

1.1.1 Background of the study

In the current world of business fundamental and incremental changes are constantly occurring in the internal and external environment of organizations. This threatens the survival of organizations that may have been inexistence for many years and termed as stable or infallible. One of the primary functions of management is organizing and using the available resources in ways, which minimize or eliminate the impact of adverse changes and capitalize on the favorable opportunities brought by change.

Prudent managers therefore have realized the need to anticipate, recognize, plan and implement adequate changes in a timely manner which ensures financial and operational efficiency, effectiveness and success. The adaptation to change is reflected through continuous product innovations, service excellence and the general management practices of the firm in an industry. Hoskisson (2004), maintain that to maximize long term effectiveness, organizations must develop the capacity to cope with daily events in the environment and with the external events that are both unexpected and of critical importance.

To effectively deal with the change, emphasis has been put on management techniques which focus on employee involvement and empowerment through teamwork approach and interactive communications. However in 1980s Japanese companies in quest for global commitment demonstrated greater commitment to these management techniques

and the philosophy of continuous improvement than Western companies did. For such a philosophy the Japanese used the term Kaizen. This Japanese concept of change management was exported to other countries. In the beging, Japanese companies such as Toyota were the only ones who implemented Kaizen in their subsidiaries. Over time, other organizations have also adopted this concept. Unga Holding Limited adopted the use of Kaizen to improve its performance in 2007. This was after the milling market liberalization which led to increased competition in the industry. The case study focused on determining the success of Kaizen as a change management strategy for Unga Holdings Limited.

1.1.2 Concept of International Business

Bennett (2011) defines international business as commercial activities across national frontiers that concerns the international movement of goods, capital, services, employees and technology; importing and exporting; cross border transactions in intellectual property via licensing and franchising, investment in physical and financial assets in foreign countries; and the import to one foreign country of goods from a second foreign country for subsequent local sale.

Businesses engage in international business in order to expand sales, acquire resources from foreign countries, or diversify their activities Anderson (1993). Specific reasons for expanding businesses abroad may include the saturation of domestic market, discovery of lucrative opportunities in other countries, the need to obtain materials, products and technologies not available in the home country. According to Casvusgil et al (2010) the force behind the development of international business is the concept of globalization.

Technology has made it possible to access various markets in the globe within a very short time. This has largely influenced companies to expand their market share to other countries other than the parent country.

1.1.3 Kaizen within International Context

In 1986 the book Kaizen*: The Key to Japan's success* was published; since then the term Kaizen has come to be accepted as one of key concepts of management. In the first decade of the twenty-first century Toyota Motor Company surpassed General Motors to become the top automotive manufacturer in the world; its success was highly attributed to Kaizen.organizations worldwide from manufacturers, hospitals, banks, software developers and Governments have championed change in the institutions using Kaizen philosophies, mindsets and methodologies. The names of these strategies have been changing over the decades depending on the organizations adopting names such as continuous quality improvement and total quality management, to just-in-time and operational excellence, to six sigma and lean manufacturing (Imai 2013)

Other than Toyota, other organizations have adopted Kaizen to manage change and improve their production successfully. Some of the organizations are Walt Disney which used Kaizen aiming to exceed customer expectations, Alpagatas the largest manufacturer of textiles and sports shoes in Argentina and a joint venture partner with Nike USA used Kaizen to address the quality issues and Leyland Trucks Ltd , Britain's leading commercial vehicle company used Kaizen to introduce changes that led to its productivity. Kaizen is a low- risk change management approach because the organisation can go back to the old way without incurring large costs. According to Imai

(2013), Masaaki Imai, Chairman of Kaizen Institute, introduced the concept of 'Gemba Kaizen'. Gemba in Japanese means 'real place' or the place where real action takes place. In the manufacturing sector, Gemba is the factory, while in the service sector; Gemba refers to administrative offices.

Imai (2013) emphasizes on management involvement in maintenance of the current systems and improvement towards the desired for Kaizen to succeed. He further emphasizes that processes must be improved for results to improve. Failure to achieve planned results indicates a failure in the process. Process oriented approach hence should be applied in the introduction of the various Kaizen strategies: the plan- do-check-act (PDCA) cycle; the standardize-do-check-act (SDCA) cycle; quality, cost, and delivery (QCD); total quality management (TQM); just-in-time (JIT); and total productive maintenance (TPM).

1.1.2 Management of Change

Change is an intentional attempt aimed at improving the operational effectiveness of the organization. Burnes (2004) notes that change can be viewed as an ever present feature of organization at both operational and strategic levels. According to Nadler (2006) change can be categorized into two; strategic and operational. Strategic change occurs mainly at corporate level and involves fundamental changes in the business of organization and its future direction. It is concerned with vision, mission, values and corporate philosophy with the aim to achieve organizational effectiveness. Operational change occurs mainly at business level and involves routine activities within the organization to achieve

4

efficiency. Operational changes are often proactive measures to adapt to industry changes or to improve processes for competitive advantage.

Doyle (2012) defines change management as the application of the set of tools, processes, skills and principles for managing the people side of change to achieve the required outcomes of a change project or initiative. As such, the skills required to lead, manage and implement change are being incorporated into the existing expectations, roles and responsibilities of managers and other employees. Lack of understanding of change implementation techniques and the inability to modify one's management style or organizational functions are cited as barriers to success (Gilley, 2005).

Transformational change requires change within the existing paradigm and organizational routines; it entails a change in the taken for granted assumptions and the way of doing things. It is a fundamental change within the organization requiring a shift in strategy, structures, systems, processes and culture. Brightman (2001), define change as a cyclical process. They further note that change management cycles go through the process of understanding the current situation, determining the desired state and developing a change plan, enlisting others and developing a critical mass and tracking and stabilizing results. It also involves the process of coming up with a vision and planning how to achieve the vision.

1.1.3 Milling sector in Kenya

The milling sector in Kenya is very competitive, mainly because of its low entry barriers.

All that is needed is a small mill and a source of grain to become a competitive player (Windmill 1997). With the entry barriers this low, and the flour being a staple food for the country, it all boils down to pricing. Majority of the Kenyans in the rural areas use the local posho mills for their flour needs while majority of the large milling firms are confined to the major Kenyan towns. Though Kenya is an agricultural country, there are regular shortages of grains which are the raw materials for the millers. The shortages lead to fluctuating prices which adversely affect the operations of the industry.

The Flour Milling Industry is characterized by many key features which distinguish it from other sectors of the economy. With turnover and earnings driven primarily by market share and capacity utilization, the major determinant of success among its players is organic growth and cost leadership (Owuor, 2009). The level of competition that exists within the industry is extremely high. The success of each individual company is dependent on its ability to gain market share and this has made the industry players to go through various lengths to increase capacity and to manage their costs. (Rotich 2013)

1.1.4   Unga Holding Limited

Unga Holdings Limited is one of the leading Human and Animal Nutrition companies in Kenya; it is a subsidiary of Unga Group Limited. Unga Group Limited was established in 1908 by the late Lord Delamare primarily to manufacture and market wheat flour. Unga Group Limited was publicly listed at the Nairobi Stock Exchange in 1956. Today, Unga Group is headquartered in Nairobi and is the holding company for Unga Investments Limited who own Unga Holdings Limited. Unga Holdings Limited has four operating companies - Unga Limited (human nutrition), Unga Farm Care (EA) Limited (animal

nutrition and health), Unga Millers (Uganda) Limited (human and animal nutrition) and Bullpak Limited (paper packaging). Unga Limited has mills in Eldoret and Nairobi; Unga Farm Care has manufacturing facilities in Nakuru and Nairobi. These facilities are supported by well-equipped analytical laboratories (Mutai, 2013).

Unga Holding Limited has a reputation of observance of very strict and ethical procedures in procurement of raw materials, production, sales and distribution hence superior brands. For over 60 years Unga Farm Care (EA) Ltd an affiliate company of Unga Holdings Limited manufactures and distributes quality animal nutrition products as the market leader in the industry. The company markets four major product categories: feeds, minerals, premixes and animal health products. Unga Limited's major Maize brands targeted at the emerging market for healthy foods. and in the wheat category there is family of specialty home baking flours

In mid 90s Unga Holdings Limited underwent through change process that was necessitated by the liberalization of the Kenyan economy leading to increased competition which threatened Unga's core markets. Though the change was necessary, the methods used were either too drastic and the change drivers not well thought out for a company as big as Unga. This resulted to a huge fall in the profits of the company culminating in a Kes708 million loss in 1998.(Gichohi 2007). In 2007, Unga decided to start adopt the use of Kaizen as a continuous improvement hence a change management tool. Since then the management has shown complete commitment to this Japanese mode of change management to change its fortunes.

1.2   Research Problem

Change management is the process that requires a planned and structured approach to help align an organization with the changes in the operating environment. It involves the organizational and behavioral adjustments that must be made to accommodate and sustain change. The objective is to maximize the collective benefits for all people involved in the change and minimize the risk or failure of change. To ensure that the organization achieves its objectives of change- maintain or increase its market share, improved efficiency and revenue generation and market leadership change management is an effective tool that ensures that these goals are achieved

Unga Holdings Limited adopted the Japanese approach Kaizen which advocates creation of a vision of the future and moving towards it in incremental steps at all levels of organization. Japanese are able to use this process, which has given them the reputation of a nation that makes ambitious long term plans which they have slowly, relentlessly and successfully achieved.

Several studies have been done on change management different scholars. Gichohi (2007) noted that as a result of the market liberalization, Unga Holdings Limited had to undertake a change in order to survive. There was need for a complete overhaul of past strategies Unga hence resulted to changes in its organizational structure, lay-offs of non-essential staff, changes in the credit policies, adoption of new channels of distribution, selling non-core assets, ceiling the wage bill and cost leadership. The adoption of a liberal credit policy resulted in cash flow and liquidity problems, heightened provisions of bad

debts and expensive external financing arrangements hence worsening the company's indebtedness. Unga Holdings also suffered from reduced staff morale, staff resistance, job insecurity and retrenchment which led to loss of necessary skills especially in production and distribution functions.

In the year 2007 Unga adopted the use of Kaizen as a change management tool. Kariuki (2013) did a study on Kaizen and organizational culture in manufacturing firms in Kenya; she concluded that there was a positive correlation between continuous improvement practices and organizational performance in the manufacturing sector. This was evidenced by waste reduction in production, lower product and service costs during production and distribution, increase operational efficiencies in their value chain and increase innovations (new ideas, products & services). To this end, this study seeks to address the question has Unga Holdings Limited been successful in the application of Kaizen as an international approach to managing change?

1.3   Research Objective

The objective of this study was to establish the application of Kaizen as an international approach to managing change by Unga Holdings Limited.

1.4   Value of the study

For the scholars, the study provides additional information to the body of literature in the field of use of Kaizen as a change management tool hence transformation of Kaizen practices; various scholars can also conduct a study to verify the study's findings

For Managers the study findings will provide useful and pertinent information and that would enable them to consider adopting Kaizen as a change management tool in Kenyan organizations with understanding of the challenges to expect.

The study will help understanding the use of Kaizen by giving insights to the best practices to adopt and manage change the milling sector. Other studies on "Kaizen" as a change management too have been done mostly in developed world and done in other sectors other than the milling Industry in Kenya.

The study will be useful to management of Unga Holdings in implementation of decisions the effectiveness of Kaizen as a change management tool in order to enhance positive opportunities and minimize disruptive aspects. Managers implementing Kaizen in change transition can use the study to detect potential challenges to change and adopt the appropriate strategies to manage change.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter covers the literature review and explores the theoretical foundation of the study, Kaizen, change management, and challenges of change management and practices to adopt in managing change.

2.1 Theoretical Foundation of the Study

Many scholars have developed different models of change management that organizations may adopted when faced with change. In 1951 Kurt Lewin a social scientist introduced the three-step change model. He viewed behavior as a dynamic balance of forces working in opposing directions. (Mitchell 2012). Normandin (2012) further noted that according to Lewin, the driving forces facilitate change through pushing employees in the desired direction, while restraining forces hinder change by pushing employees in the opposite direction. Lewin noted that the forces must be analyzed and used the Lewin's three-step model can help shift the balance in the direction of the planned change.

Lewin (1951) breaks down change management in a three stage model these stages are : unfreeze stage which is based on the assumption that most people make an active effort to resist change. In order to overcome this tendency a period of thawing of unfreezing is initiated through motivation for employees to see change is needed. The second stage is

the transition stage, at this stage change is initiated and the company moves into transition which may last some time. Adequate leadership and reassurance is necessary for a successful process. After change has occurred and has been successfully implemented and accepted, the company stabilizes again and the staff refreezes as they operate under the new guidelines. This is the stage Lewis called refreezing stage when the equilibrium is attained.

Change management is influenced by changing paradigms in the field of management of organizations. Kanter (1992) states that the models of change process tend to share three basic stages. The first stage involves questioning the organizations current state and dislodging accepted patterns of behavior. The second stage is a state where new approaches are developed to replace suspended old activities. The final stage consists of institutionalizing the new behaviours and activities. There are many change theories that have been conceptualized on how successful change happens. The theories serve as a testimony to the fact that change is real and can be observed and analyzed through various steps and changes.

According to Kotter (1996), major change efforts have helped organizations adapt significantly to shifting conditions, improved the competitive standing of others and positioned a few for a far better future. For change to be effective, two critical aspects must be looked into by the organizations management, the business dimensional and the people dimension. The business change elements that the management must consider the following five elements, the need for change, that is, why the change is necessary, the change strategy, the scope and objectives of the change and the business processes

change, systems and structures, this will show the levels of the change. Change management can either be planned or emergent.

An emergent change is viewed as a continuous open ended and unpredictable process of aligning and realigning the organization to its changing environment. It recognizes the need for organizations to align their internal practices to the external conditions. Under this approach, change cannot be characterized as a rational series of decision making activities and events. Change is not a series of linear events within a given period but rather a continuous process. It emphasizes on bottom up approach. Grundy (1993) defined emergent change as change which is marked by rapid shifts in strategy, structure or culture or in all three.

Nelson (2003), states that change cannot be relied upon to occur at a steady state, rather there are periods of incremental change sandwiched between more violent periods of change which have contributed to illusion of stability once assumed to be the case. Although the discontinuous approach to change is still employed in recent change initiatives Duncan,(2001), there seems to be a consensus among contemporary authors that benefits from discontinuous change do not last long Bond,(1999). According to Luecke (2003), this approach allows defensive behaviour complacency, inward focus and routines which again creates situations where major reform is frequently required.

Planned change view organizations as a process of moving from one fixed state to another through a series of preplanned steps (Garvin, 1998). It emphasizes on top down

approach and distinguishes change that is conscious as opposed to change that was brought about by accidents or impulses. Burnes (2004) explains that planned change involves common sense, hard work which is applied diligently overtime, a systematic goal; oriented approach, and valid applied knowledge about organizational dynamics and how to change them. It places high value on democratization of organizations through power equalization through five main approaches, empowering employees to act, creating openness in communications, facilitating ownership of the change process and its outcomes, promotion of culture of collaboration and promotion of continuous learning.

Given the dynamic work environment that exists in most organization, understanding planned change and its components for success is a necessary skill for managers involved in implementing short and long term strategic objectives. Bossidy (2003), suggests that the value placed on knowing how to manage is increasing. Leadership, effective communication and teamwork are among the most important elements for planned change Hewison(,2003). The role of leaders is multifaceted. Schifalacqua, (2009) states that an impassioned champion is essential in all change models because they provide inspiration, visions and support to everyone involved. Further, Murphy (2006) suggests that leaders should be seen as team players with the same goals as the rest of their team, rather than as stereotypical organizational leaders.

2.3 Kaizen Ideologies

Kaizen deals with managing change and is a methodology used to improve manufacturing operations, on a continual and incremental basis following the right steps by establishing a plan to change whatever needs to be improved, carrying out changes on

a small scale, observing the results and evaluating the results and the process and determining what has been learned. This approached is premised on the assumption that employees are the best people to identify room for improvement since they are involved in the processes in action all the time. This is achieved by motivating employees through rewards for their contribution to constantly improve their surrounding Imai (1986). Kaizen involves everyone in the organization from top management, to managers then to supervisors and to workers.

According to Imai (2013) Kaizen operates at the individual level, or through groups or quality circles which are specifically brought together to identify potential improvements. This encourages team work or cell production since the improvements could form part of team's aim. The main features of Kiazen are based on improvement based on focusing on small changes rather than radical changes that might arise from research and development. Further, ideas come from the workers making them less likely to be radically different hence easier to implement.

Kaizen focuses on employee involvement and empowerment through interactive communication and teamwork approach and on improving job design. This enables them to improve their global competitiveness and demonstrate greater commitment to continuous improvement compared to the western companies. Hammond(1991) . According to Imai (1986), the philosophy assumes that "our way of life deserves continuous improvement" Thessaloniki (2006) notes that Kaizen improvements have a process focus therefore they generate a process-oriented thinking which is people-

oriented, and is directed at people's efforts. Rather than identifying employees as the problem, emphasis is given that the process is the target and employees can provide improvements by understanding how their jobs fit into the process and changing.

According to Imai (1996), today's managers often apply sophisticated tools and technologies to deal with problems that can be solved with a common sense, low cost approach. Kaizen however involves setting standards and then continually improving those standards, providing the training, materials and supervision that is needed for employees to meet those standards on an on-going basis. Kaizen is also emphasizes on which begins with the customer, noting that customers' views are continuously changing and standards rising hence the need for continuous improvement.

2.2.1 Kaizen within International context

Resht's (1998) based on theoretical contributions and experience concluded that "Kaizen-oriented suggestion systems are transferable to non-Japanese cultural environments." In transitional countries in Eastern Europe, the Kaizen seems to be easily transferable as a change management tool because the employees of these organizations are eager to learn advanced technologies and management systems imported from abroad in order to survive in the international competition Bruijin,(2010). Tasie (2009) in his study on the use of Kaizen in Nigeria, Ghana, Zimbabwe, and Kenya, comes to the concluded that if African countries are to use Kaizen to improve their management styles efficiently and effectively, caution must be applied otherwise these tools in the absence of the requisite group cohesion, organizational loyalty and flexibility in attitude, may at best serve only a window dressing purpose.

Ishiwata (2009) studied the implementation of Kaizen in Africa and in particular in Ethiopia and noted that there are challenges because in African countries have a socialistic nature where power is mainly concentrated in the hands of a top manager. Whereas Kaizen's the basic concepts are to empower the workers. Further, Ishiwata argues that the sources of the loss in productivity in Africa are mainly found outside the company. There are delays in the delivery of materials and sudden interruptions of orders from retailers and traders. Given this, Ishiwata suggests that there needs to be improvement in business networking, both backward and forward, if business productivity is to improve for most African manufacturers.

2.4 Challenges of Change Management

Change is usually implemented for positive reasons but employees often respond negatively towards change and resist change efforts. Kline (2007) explains that this is because change fosters uncertainty about the future, stimulates fear about job loss, status quo and is naturally threatening. Employees do not resist all change, only change that they do not understand or that they see as psychologically or economically threatening. Hayes (1996). According to Kottler (1996), one of the reasons change processes fail is because companies underestimate the importance of individuals involved in the change and their interactions. Carnall (2007) noted that it would help if people understand what is to be achieved, why, how and by whom.

A continuous training module for employees in new areas of operation is put under change department. Most organizational changes have some impact on informal networks in the organization. Breaking-up a closely knit work-group or changing social

relationship can provoke resistance. Informal groups fear that their cohesiveness or existence is threatened by change. This is true when group members feel a strong sense of belongingness to the group and perceive that their group is superior to others (Kotter, 1996). Social reasons for resistance include new organizational set-up requiring new social adjustments which are not liked by people due to stress and strain. Most workers fear that the new set-up will be less satisfying than the present set-up.

Change processes that aim to change the culture of the organization are difficult to operationalize because of the inherent difficulty in uncovering the informal systems that guide people's behaviour Robinson (2002).Organizational culture refers to a set of shared values, belief, assumptions and practices that shape and guide members   attitudes and behaviour in the organization. Most of them are more theoretical than practical hence using a mix of insider knowledge and experience makes it challenging for organization to manage change.

2.5 Managing Challenges of Change

Some of the practices used to overcome challenges include communication, employee participation and involvement, management support and commitment, training, negotiations and manipulation. Communication is regarded as highly important in the successful implementation of the change processes, because it is used as a tool for announcing, explaining and preparing the change Daly,(2002). Communication is essentially viewed as the collective interactive process of generating and interpreting messages between people within the organization through either directional (one-way) or bidirectional (two-way).

The communication strategy is perceived as a mechanism to clarify the facts to stakeholders of what is going to change, why and what benefits they can expect to derive from the change. Open communication provides for feedback, input, complaints and for the full involvement of all personnel in the change process. The impetus of the change process is to rely on people. This requires management to communicate with people, communicating the vision, the strategy, training and development Michelman (2007). Viable communication counts for an increase in not only individual receptiveness but also organizational change preparedness.

2.6 Empirical Studies

According to Kariuki (2013) there is small proliferation of Kaizen in Africa due to the limited number of players who bring in the practice. Individual companies have not managed to be the major force in transferring Kaizen, the activities of organizations such as Kaizen Institute, Japan International Cooperation Agency (JICA), Asia Productivity Organization and International Labour Organization (ILO) have been considered vital in transferring the Kaizen method to Africa.

Shaari (2010) noted that the implementation of Kaizen has been challenging because of a lack of synergy between the requirements of Kaizen and the work ethics of local industrial workers. Kaizen practices are embedded in the Japanese culture which is difficult to transfer to organizations abroad. The dysfunction of the Kaizen management techniques occurs when the organization is insensitive to domestic cultures of foreign manufacturing companies. Kaizen is said to be premised on the assumption that what works in Japan has to be uniformly implemented in other countries, and Japan insists that foreign-owned companies must emulate its management system.

Nderi (2012) in her study sought to establish the relationship between Kaizen implementation and operations performance improvement in Kenyan manufacturing firms. The researcher concluded that there was a strong positive relationship between Kaizen implementation and operations performance improvement. This implies that companies that implement Kaizen are likely to improve their operations performance hence achieve the change they were seeking for.

Gichohi (2007) studied change management in Unga and noted that the change idea was rushed and based on fear and panic hence lacking objective analysis of the internal and external environment. He further proposed that there was misdiagnosis of the problem; hence wrong solutions were prescribed the leading to disastrous consequences. The change design and implementation seemed to have been inadequately handled and given a text book approach rather on underlying organizational culture and dynamics - day to day core issues and functionalities were ignored and so was the communication strategy. Staff resistance was also observed due to the failure by the consultants and the Group's Board to adequately involve the staff in the change process, leading reduced staff morale and organizational performance and compromised the success of the whole process.

The adoption of Kaizen as   a change management tool by Unga Holdings Limited in the year 2007 was meant to address the issues that came about during the change management. This study seeks to address the implication of the application of Kaizen as an international change management tool by Unga Holdings Limited and the success or failure thereof.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes various aspects of research methodology that the researcher employed in this study. These include the research design, data collection and data analysis.

3.2 Research Design

The research was conducted through a case study method. It was aimed at getting detailed information regarding using Kaizen as a change management tool in Unga Holdings Limited. Case study can be defined as a form of qualitative analysis where one organization is studied and it gives detailed investigation of a single subject. According to Kothari (2004) a case study involves a careful and complete observation of social events. It is a study that focuses on the depth rather than breadth and places more emphasis on full analysis of a limited number of events or conditions and their interrelations. Primarily, data collected from such a study is more reliable and up to date.

According to Cooper and Schindler (2006) a case study provides a very focused and valuable insight to phenomena that may otherwise be vaguely known or understood. Case study designs are the most appropriate research designs because it is a study of a single unit hence it facilitates intensive study and analysis of scenario. Further they note that Case study most likely provides more realistic responses than a purely statistical survey. Case study is a one approach that supports deeper and more detailed investigation and answers how and why

questions. This research design was successfully used by Rotich (2013), Maroko (2013) and Ogwora (2006) among others.

3.3 Data Collection

To meet the objectives of the study, the researcher collected relevant primary data and secondary data. Secondary data was obtained from the financial statements, training schedules, employees' goal sheets, key skill area matrix and the project charter. In-depth interviews were conducted with interviewees who were five heads of key departments in Head office and charged with change implementation. The key departments were; Information Technology, Operations, Human resource, Finance and Marketing. The interview guide used probing questions covering issues on use of Kaizen as a change management tool. This facilitated a more in-depth interaction with the interviewees of the study.

3.4 Data Analysis

Content analysis was used to analyze the data collected. Nachmias and Nachmias, (1996) note that content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of message and using the same to relate to trends. Further Mugenda (2003), emphasizes that content analysis is the systematic qualitative description of the objects or material of the study. It involves observation and detailed description of objects, items or things that comprise the study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter discusses the findings of the study based on the analysis and interpretation of primary and secondary data collected through interviews. The researcher collected primary data from five interviews through in depth interviews using an interview guide with open - ended questions. The procedure involved personal interactive interviews conducted by the researcher. The interviewees included the Group Finance Director, Group Human Resources Manager Information Technology Manager, National Sales Manager and Group Operations Manager. The findings of the study are presented into two sections according to the objectives namely; the extent of application of Kaizen as an international approach to managing change and identify practices to adopt in managing change.

4.2 Application of Kaizen as a Change Management Tool in Unga Holdings Limited

The interviewees were asked if Unga Holdings Limited had a formal change management plan which they confirmed that the organization started using Kaizen as a change management tool in year 2007.They noted that they worked closely with consultant from Kaizen institute who assist in preparation of the organization strategic objectives, which were then deployed to the staff members. Change programme was mainly to respond to external threats which had led to decreased profitability of the organization. The goals included increasing organizations profitability and sales volumes through increased brand loyalty and reduce production waste by employing efficient methods of production. The interviewees acknowledged that the top

management initiated the change process and all employees were informed and involved in the change programme.

The top management formulated a strategic vision in line with the shareholders needs and a five-year strategic plan was developed by the senior management team. The vision was communicated to all the employees and urgency built to get them to cooperate by involving them from the initiation period of the change programme. According to the interviewees, in the year 2007, a workplace strategy to eliminate waste and reduce costs in plant maintenance, inventory management and in all other areas of the organization was adopted through the use of Kaizen as a LEAN manufacturing system at two production sites. They further advised that Kaizen was chosen because its essence was that the people that perform a certain task were the most knowledgeable about that task; consequently, by involving them and showing confidence in their capabilities, ownership of the process was raised to its highest level. In addition, the team effort encouraged innovation and change and by involving all layers of employees, the imaginary organizational walls disappeared to making for productive improvements.

The interviewees mentioned that the change management team formed consisted of a pillar heads for each site, the heads of department, key staff members and the old staff who had witnessed different management styles, heads of informal teams who have influence on the others and active aggressive individuals who are ready for change. The team members were empowered to undertake their responsibilities in the change process. The heads of department were strictly responsible for their departments. According to the interviewees all reports and progress of their department reflected as departmental objectives which were set by analysing weaknesses and areas for improvement. Goals were then set for each employee ensuring that they played part in the achievement of the company objectives.

The interviewees noted that Unga Holdings Limited adopted Kaizen activities which started with standardizing operations and activities, followed by measuring the operations (find cycle time and amount of in-process inventory), then gauging measurements against requirements after which innovation to meet requirements and increase productivity followed and finally standardized the new, improved operations. These activities are continuous circle and are known as Shewhart cycle, Deming cycle or Plan- Do-Check-Act (PDCA). When goals were not met, root cause analysis was done using five whys in which the user asked a series of five 'why' questions about a failure that occurred basing each subsequent question on the answer to the previous. The aim was to establish the root cause of failure and solve it. Use of fishbone diagram was used so that the whys are visualised as well as tables.

The interviews advised that in the year 2010, Unga Holdings adopted the use of continuous improvement tools also known as '9 Tools'in all plants these included: process flow charts, Pareto analysis, run charts, data collection, histograms, scatter analysis, checklist ,a cause and effect diagram, control charts, that used by the teams to detect problems , facilitate processes and implement proposal, Thessaloniki (2006) **.** The use visual management as a concept, practice or tool was promoted through individuals and teams to help people identify problems and promote empowerment. The practice of visual management involved clear display of tangible objects (gembutsu), charts, lists, records of performance, so that both management and workers were continuously reminded of all the elements that made the visual controls hence made it easy for everyone to identify the

state of a normal or abnormal conditions, thus provided operators and management visibility into performance.

Team work was highly encouraged and visual controls were used to track performance and captured the team effort rather than the individual. Visual controls usually lead to visual management, which was used to replace the bureaucratic monitoring systems. Emphasis was laid on proactive actions, rather than blaming. The visual workplace improved safety, made critical information available at a glance, gained immediate measurable results which included reduced floor space, decreased process time and machine down time, kept everyone informed of production schedules, daily attendance, inventory levels, reduced search time by as much as fifty percent, reduced inventory as much as ten to thirty percent and raised morale and on-time delivery. Peer monthly reviews were done to ensure that the teams were continually improving and innovations were rewarded. The teams that were able to meet all the standards and live Kaizen were given tokens of appreciation therefore motivating the staff to embrace change.

The Group Human Resources Manager noted that the staff spent most of their time focusing on their key skill areas because the overall skill score is a very important component to the achievement of their goal score. The lower lever staffs were expected to have Kaizen and the technical skills while the middle level managers and the top management have the management, Kaizen and technical skills. These skills are developed and managed through the training within industry program which involves the job instruction training, job methods training and job relations training. Evaluations of these key skill areas are done on quarterly basis and the action plans are drawn which forms the basis of the training needs analysis which is used in coming up with the training programs.

In the year 2011 Unga Holding Limited adopted staff performance appraisal process called Hoshin Kanri (Focused Direction) which contains a set of measurable target with critical success factors that is reviewed on a monthly basis. This model of performance management is structured in a way that the goals for the organization goals are deployed to the Group Managing Director, then to the General Managers and are further deployed down to the plant level such that every staff in the organization has a goal that is linked to the General Managers goals. The reviews are conducted both at the central support office and at the plant level. The heads of various departments at the plant level are reviewed by the Plant Manager who is in charge of the plant and the Plant Manager and the Production Manager on the other hand are reviewed by the General Manager. Some of the strategies for the Plant Manager are linked to the plant overall strategy and this is where there is a link between the overall strategy and the specific goals of the plant manager. The commitment by the plant to carry out a strategy related project is done through the company project charter.

The interviewees mentioned that external consultants conduct regular audits on the innovations and projects aimed at improving operations were done on annual basis. They said that the strategic plan is reviewed monthly by the senior management team by analysis of all objectives which have a timeline and a summary of the report is generated for activities to be done for the month. Standard operating procedures were drawn for all departments to ensure continuity and consistency. The interviewees acknowledged that the change programme at slow but successful. They added that a rewarding system had been set up. The staff and departmental appraisals are conducted monthly basis. Daily review of targets using real time system introduced at the institution is also used as a monitoring tool of the progress. Those

employees and departments that achieved their set targets are rewarded annually by giving them certificates of recognition, gifts and bonuses.

To reduce costs and dependence on the cleaners, the interviewees advised that Unga Holdings Limited adopted a tool called 5S in Kaizen and localized it to 6S/K. 5S is considered a tool of lean that combines with other lean tools such as Kanban, Kaizen, Total Productive Maintenance. The 6S/K are Sort (Kuchagua), Set(Kusanifisha), Shine(Kupanga), Standardize(Kusanifisha), Sustain(Kudumisha) and Safety(Kusitirisha) — these are the 6S system's basic steps that Unga Holdings Limited employ at the workplace organization and standardization. Based on a simple set of visual cues, the 6S/K Visual Management helps you quickly locate tools, materials, information and quantity limits, identify issues before they become problems and create ownership for your operators. This proven set of techniques will also help you improve quality, reduce changeover time, improve safety, improve employee morale and reduce storage costs, cycle time and machine down time. Peer monthly audits are conducted using a sample guide in appendix 4 and quarterly senior management audits for the whole organization.

4.3 Challenges of using Kaizen as a change Management Tool

The findings of the study revealed that various challenges were encountered in the implementation of Kaizen as a change management tool. One of the major challenges identified in the study was resistance to change. Interviewees attributed the resistance to a number of factors which included; fear of job loss, holding on to status quo, inadequate training, poor communication and frequent changes of work schedule. The effects of

resistance as interviewees noted was slow service to customers, delay in implementation and additional costs. Other challenges noted during interview discussions were; financial limitations, structural, social constraints and internal politics. The study established that the study organization had embraced a number of change management practices as pointed out by the interviewees. Results revealed that the organization had embraced well-structured change department constituting of change

Kottler (1996), noted that one of the reasons change processes fail is because companies underestimate the importance of individuals involved in the change and their interactions Thessaloniki (2006) notes **t**he successful implementation of Kaizen is highly dependent on the active involvement of the entire workers as well as management staff across spans of activities with special emphasis placed on nurturing the culture of continual small improvements, which overtime would yield large results. In Africa, however power is very much concentrated in the hands of top managers' workers motivation to improvement and change in the organization were limited. Interviewees noted that Unga Holdings Limited being a company in African and managed by Africans was not exempted from this challenge. This caused some employees de-motivation leading to stage managed performance as they did their tasks to score their goals at the end of each month.

Awareness creation among the management and employees took much time leading to confusion in the organization. Some departments also embraced Kaizen faster than others and this caused to disharmony and rivalry within the departments. The interviewees said that Unga Holdings Limited being a milling company, different departments had employees with different levels of literacy, majority of the employees however did not have high literacy

levels and hence they faced a problem of weak human resources. Kaplinsky (1995) Noted that continuous improvement requires a seamless extension of training and skills development to the entire workforce; it was difficult for miller to implement such a training system for the entire workforce. A consultant was therefore hired to facilitate the trainings using different methods for the different departments and levels of production.

The interviewees also noted that another challenge they experienced was short term focus where employees were focused on immediate performance sometimes at the expense of the future. There was also lack of upward mobility due to the structure Kaizen brought where people are encouraged to be experts in their areas of operation. The operations manager also said that though employees were 'the experts'in their gembas they had a tendency of inattention to details which added to management's problems. In addition, some supervisors had misconceptions about continuous improvement and still expected instant results, whereas in reality it takes time before the benefits of Kaizen become visible in some areas. Pennink(2007). In some circumstances, the managers knew the concept and tools; however, translating these ideas into practices and internalizing kaizen as a company-wide movement remained a very complex undertaking.

4.4 Discussions

Change management entails thoughtful planning and sensitive implementation, and above all, consultation with, and involvement of, the people affected by the changes. When managers force change on people normally problems arise. Change must be realistic, achievable and measurable. Sunstein(2008). Unga Holdings Limited has been involving all the staff members in the setting up of all their goals in line with the company goals. In

the appendix 2, the sample goal sheet clearly shows the expected deliverables of the employee, if the goals are well set and achieved by majority of the employees, the company would also meet its goals and objective.

One of the main reasons why Unga adopted Kaizen was to remain competitive in the milling industry, the management wanted to increase sales and its profit margins. Appendix 3 shows that Unga Holdings has been consistently posting profits from the years 2006 and sales have been continuously increasing when 2006 is used as a base year. In an industry where profit margins are very low, the only way to sustain a profit over time is through continuous improvement of the operations to lower the costs of operation. Through the years 2007 to 2013, sales have more than doubled and the net profits have increased by more than three times over the same period. However the gross profit margins have been decreasing from 15% in 2007 to 9% in 2013. Unga Holdings Limited has therefore attained its aim of increasing sales, reducing costs and hence able to remain competitive in the milling market.

In line with the theories of change, Unga adopted planned change model with well calculated steps, in line with the Lewin's three step theory, Unga Holdings Limited management started with unfreezing the conditions so as to reduce change resistance from employees. At the stage is the transition stage, the change was initiated and the company moved into transition which was still ongoing as at the time the researcher was doing the research. As change occurred and was successfully implemented and accepted, the company stabilizes again and the staff refreezes as they operate under the new

guidelines. This is in line with the Kaizen continuous improvement where once a change is done the organization moves forward and never returns back to its original place.

According to Masaaki (1986) , for kaizen implementation to take place at any place of work, on job training for workers must be done on regular basis so as to maintain quality production in that organization. Unga Holdings Limited management placed a lot of emphasis on the training noting that trained workers perform better than un-trained workers in quality production of products. Masaaki further emphasized that team work was important in getting the workers to produce synergy at their place of work. Unga Holdings Limited has dedicated staff members who concentrated on training staff members both new and old on the Kaizen principles on continuous basis.

Kaizen lays a lot of emphasis on team work for a successful implementation. To improve teamwork Unga Holdings Limited introduced a culture which they called PaTaMu. This is an acronym for mixture Swahili and Japanese words "pamoja tuangamize muda" meaning together we eliminate waste. The company pledge was done and all the employees are expected to master it and live by it as it emphasizes on team work and continual improvement. On at least monthly meetings, the pledge is recited by the employees as they hold hands to symbolize their commitment to each other and to the organization.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses from the interviewees were based on the objectives of the study. This study therefore sought to establish the application of Kaizen as an international approach to managing change by Unga Holdings Limited.

5.2 Summary of findings

The purpose of the study was to determine the how Unga Holdings Limited had applied Kaizen as an international change management tool and the challenges they faced in managing change. The research design used for the study was a case study. The researcher interviewed five key people involved in the change management. These included the Group Finance Director, Group Human Resources Manager, Group Operations Manager, Information Technology Manager and a Plant Manager. The findings of the research showed that the change process was initiated from the top management. However, there was communication to all employees and key stakeholders on the necessity of the change. External consultants were hired to assist in the training of the change management teams who then trained other employees in the change programme exercise.

A vision was formed after several meetings of the change management team and was communicated throughout the institution. A pledge that emphasized on team work and continual improvement was developed and rehearsed on monthly basis in all the five sites. There was participation and involvement of potential resistors to change to reduce the risk of resistance to the change process. External consultants were involved in the regular audits and senior management team met monthly to review the set objectives which have a timeline. The management then held quarterly strategic meetings where they reviewed the performance of the organization and the effects of the implemented changes. These meetings were usually held before Board of Directors quarterly meetings so as to ensure that the board is aware of what is happening in the organization.

According to the interviewees, the challenges encountered by the organisation in implementation of the changes included human resistance which was overcome by the involvement of people in the change process and including the potential resistors in the change management team. Organisational resistance was also experienced and this was solved by redefining the organisational hierarchy with a clear line of command. Another challenge resistance from the customers and distributors whose terms and conditions were changed as the organization sought to improve its operations. In an environment of stiff competition, there was need to ensure that Unga Holdings Limited was able to balance between payments terms that favor the organization and those that favour the market. For example, the distributors would like to pay as late as possible while Unga Holdings Limited would want to collect cash. Cash and Bank Guarantees were therefore

introduced to deal with the risk of bad debts and also allowing manageable credit limits for the customers and distributors.

Communication was carried out in the study organization through internal email, memos and formal meetings were the most preferred channels of communication. Communication helped to dispel rumours of losing job and explain clearly the objectives of change to all employees. Findings also revealed that the organization adopted other practices like top management support, who played key role in crafting objectives of change, communicating urgency of change and approval of budgets on change process. The employees were also equally engaged in the change process which helped increase ownership during implementation of change. Lastly, coercion was used by the management as last resort to deal with active resistance from employees who were adamant to accept change and causing unnecessary delays to the change process.

5.3 Conclusion Summary

Based on the researchers findings at Unga Holdings Limited, Kaizen can be used an international change management tool because it is wholesome and addresses all the aspects of planned change management. For example, it emphasizes on inclusion of the employees in driving change, empowerment, recognition and reward of the successful changes and measurable goals and objectives. However, there is need to train all workers on Kaizen for them to be empowered to implement it as an international change management tool. The training will also give them understanding of the Kaizen tools that are need to drive the continual change in the organization. There is need to have a training register to capture trained and non-trained workers for the purpose of planning

and also the new staff members need to be inducted into Kaizen before they formally start working in the organization. This will ensure that the culture is continued and that all staff members are aware of what is expected of them in the entire organisation. The top management should support the training and allocate a budget for the trainings.

For Kaizen to be successful, the management team must support it since no kaizen can be implemented without the guidance and directions of the top management. For example, Kaizen advocates that change is driven by the people doing the work, if the management is not ready to support the changes proposed by the employees, then Kaizen is not practical in such a set up. Management need to allocate time for kaizen activity every week to sustain it implementation. Management need to buy the required kaizen material especially the soft boards for pinning kaizen information at Gemba. Management should provide guidance, to kaizen quality standards to the rest of the workers.

Due to the fact that most of the employees in the milling sector are semi-illiterate, use of other languages like Kiswahili to communicate the principles of Kaizen and the expectations of the employees may help in passing information. This would be supported by the use of the boards which give visual pictures of the expected deliverables for each employee. Team work is also essential in the implementation of change through Kaizen. Most processes are dependent on each hence a flop in one leads to a flop in the entire process.There is need to set aside personal opinions and embrace every person idea. Hence, the need for team leaders to create a win- win situation in group discussion to

avoid division within the team which is brought by winner takes it all. Team work had the greatest influence in the implementation of kaizen.

5.4 Recommendations for Policy

The findings of this study support Kaizen as an international change management tool studies and literature on universalistic change management practices for successful implementation of change. Based on the review of the interviews carried out, the researcher found out that change management practices as advocated by Kaizen recognise the complexity of change in its context and content combined with an involving and engaging different leadership style tend to result in successful change implementation through Kaizen.

Leaders also need to develop an ability to build the capability of teams and individuals they are working within the implementation of change. Change managers in organisations should have a clear vision and develop a roadmap on how to manage people through change process. Preparing people is critical if success is to be realised. A comprehensive framework to integrate all the change programmes should be developed so that all change programmes are aligned and synchronised with organisations' visions and mission statements and overall organisations' objectives.

5.5 Limitations of the study

The study may have some weaknesses inherent in using interview guide for data collection purposes. The interviewees may suffer from personal biases, some joined the organization after the implementation of Kiazen and may not represent the opinion of the

study organization. Depending on personal factors like feelings, emotions, attitude towards Kaizen change management approach, the interviewees may give personal opinions which might not reflect the company's views and may withhold some information which is important for the study. Further the data was collected through interviewing the Heads of key departments at Head office hence emplolyess, middle level managers and other stakeholders were not incorporated in the research to give their views.

5.6 Suggestions for Further Study

The study sought to determine the success of application of Kaizen as an international change management tool in Unga Holdings Limited. There is need for a similar study to be replicated in other organizations in Kenya practicing Kaizen as a change management tool and its integration with the Kenyan culture.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

Section A: Personal details

1.   Name: (optional)

2.   Department

3.   Position

4.   Number of years worked

5.   What is (Are) your role in change management?

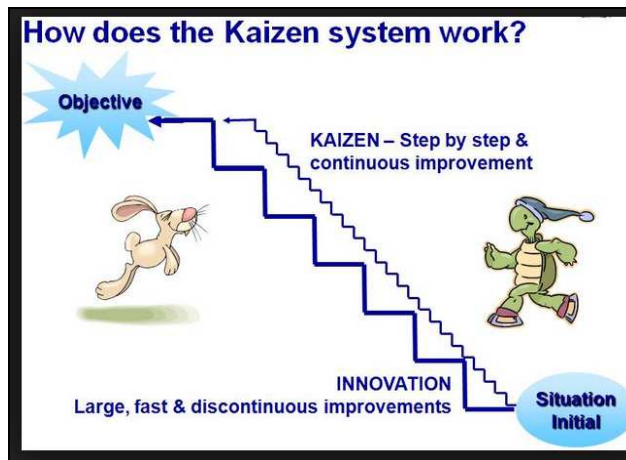**Section B: Nature of change**

1.   Does Unga Holding have a change management plan?

2.   Are you involved in driving or implementation of change(s)

3.   How is the organizational change communicated to staff?

4.   Which staff levels take part in the formulation of the organization change?

5.   What are change(s) that have been implemented in Unga Holdings Limited?

6.   Has Kaizen been of use in driving changes in operations of the organization?

7.   Which tools in Kaizen have you used to drive change?

8.   What kind of impact does Kaizen have on change(s) on the financial aspect of the organization?

9.   How often does the organization review its change plan?

10.   How often are the staffs reviewed?

Section C: Challenges in use of Kaizen as a change management tool

11.   What are the main challenges encountered in managing change?

12.   Please explain how the management of the organization tried to minimize challenges of change management that arose due to organization design?

13.   Please explain how the management of the organization tried to minimize challenges of change management that arose due to organization culture?

14.   Which other methods did the management in the organization put in place to overcome change management challenges?

15.   How has Kaizen been useful in managing the challenges?

APPENDIX II: SAMPLE GOAL SHEET

Goal Sheet

Process owner:										Date Created:	
Designation:										Date Last Update:	
Grade			Grade 2 & below								

S.No	Goal Code	Type of Goal	Goal	Type (I or D)	Weightage	Unit of Measure	Current (2013-14)	Target (2014-15)	Target Type	Frequency of Report	Key Strategies/ Actions (How to achieve Goals)
1	D1	I		D	25%	Days		1.00	Flat	Daily	
2	D2	I		I	20%	%		100%	Flat	Daily	
3	D3	R		D	15%	Hours		1.00	Flat	Daily	
4	M1	I		I	15%	%		85%	Step	Monthly	
5	D4	R		D	10%	Hours		2.00	Flat	Daily	
6	M2	R		I	10%	%		85%	Flat	Monthly	

Sheet1 / Sheet2 / Sheet3

Ready   100%

How does the Kaizen system work?

Objective

KAIZEN – Step by step & continuous improvement

INNOVATION
Large, fast & discontinuous improvements

Situation Initial

APPENDIX III: FINANCIAL ANALYSIS

Financial reports

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
			Unga Holdings Financial Records						
			For the Period 2005 to 2013						
	000'								
Turonver	7,558,509	7,305,958	7,675,347	9,450,824	11,643,639	11,524,454	13,214,442	15,976,763	15,759,078
Cost of Sales	6,669,568	6,515,949	6,903,246	8,049,947	10,513,939	10,304,269	11,594,019	14,607,072	14,373,535
Gross Profit	888,941	790,009	772,101	1,400,877	1,129,700	1,220,185	1,620,423	1,369,691	1,385,543
GP %	12	11	10	15	10	11	12	9	9
Operating Profit	33,479	142,427	156,665	564,016	260,439	335,101	631,070	512,569	662,243
Net Profit	72,542	64,601	133,610	373,661	185,192	236,173	441,043	348,195	508,020
Fixed Assets	1,949,388	1,750,476	1,607,109	1,823,246	1,732,684	1,644,583	1,622,280	1,765,368	2,481,195
Current Assets	1,923,331	1,839,693	2,110,260	2,938,282	3,832,857	3,415,909	4,082,689	4,640,963	5,820,205
Inventory	1,141,516	834,754	982,522	1,197,245	2,270,794	1,958,201	1,926,221	2,115,489	3,172,479
Current Liabilities	1,654,379	1,304,461	1,347,809	1,538,044	2,085,012	1,344,363	1,618,796	1,967,953	3,166,864
Total Assets	3,872,719	3,590,169	3,717,369	4,761,528	5,565,541	5,064,420	5,708,897	6,410,259	8,316,927
Shareholder's Equity	1,407,401	2,196,610	2,318,989	2,964,046	3,146,387	3,364,703	3,744,951	3,989,218	4,503,915
Cashflow from operating activities	75,835	227,802	171,663	573,233	(16,081)	162,392	595,735	(56,889)	411,617
Cashflow on CAPEX	4,967	(29,908)	(32,273)	(325,012)	(31,314)	(44,990)	(105,338)	(270,059)	(359,441)
Opereting CF-CAPEX	70,868	257,710	203,936	898,245	15,233	207,382	701,073	213,170	771,058

Ratio Analysis

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Return on Owners Equity	5.15%	2.94%	5.76%	12.61%	5.89%	7.02%	11.78%	8.73%	11.28%
Profit Margin	0.96%	0.88%	1.74%	3.95%	1.59%	2.05%	3.34%	2.18%	3.22%
Sales Growth		-3%	2%	25%	54%	52%	75%	111%	108%
Asset Turnover	1.95	2.03	2.06	1.98	2.09	2.28	2.31	2.49	1.89
Day's Inventory	62.47	46.76	51.95	54.29	78.83	69.36	60.64	52.86	80.56
Inventory Turnover	6.62	8.75	7.81	7.89	5.13	5.89	6.86	7.55	4.97
Current Ratio	1.16	1.41	1.57	1.91	1.84	2.54	2.52	2.36	1.84
Free Cash Flow		2.64	(0.21)	3.40	(0.98)	12.61	2.38	(0.70)	2.62

Unga Holdings Limited Financial Performance