DECLARATION

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

Signature: ....................................................  Date: .................................

PETER GICHERU WACHIRA

D61/73390/2009

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

Sign: ....................................................  Date: .................................

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DEDICATION

I dedicate this work to my beloved wife, children, relatives and friends. Thank you for encouraging me to complete my studies.
ACKNOWLEDGEMENTS

I take this opportunity to thank God for this opportunity. I also want to extend special
gratitude to my supervisor Dr. John Yabs, KTDA staff for information that embraced this
report. Your guidance, encouragement and refining this work are commendable.
ABSTRACT

While many organizations have derived substantial benefits from innovation, and competitive advantage success implementing the required changes is far from assured, with many organizations reporting disappointing results due to missed objectives, unexpectedly high costs, and turmoil caused by the changes. The mission of KTDA is to provide effective management services to the tea sector for efficient production, processing and marketing of high quality tea and investing in related profitable ventures for the benefit of shareholders and other stakeholders. To adequately achieve the objectives, KTDA has undertaken various changes in areas of management, decentralization and technology. This study was motivated by the need to assess how change management has been practiced at KTDA its the effects and impacts on the overall company performance. To achieve this objective, the study collected data from the staff at KTDA through interviews. The data collected was analysed using content analysis and the findings presented in a prose form.

The study found that KTDA has undergone through a restructuring process where several changes have been done in management, staff positions, re-adjustments of the staff renumerations, decentralization, technological advancements, product/services, changes in peoples attitudes, expectations and behaviour and also business units that have evolved into subsidiary companies. The changes have been effective and led to improved performance and profitability of KTDA. The study recommended that changes be communicated to the staff members to minimise resistance and enhance acceptance, policies be readjusted to reflects provisions of the newly enacted constitution of Kenya and the subsidiary units be empowered as autonomous bodies.
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CHAPTER ONE : INTRODUCTION

1.1 Background of the Study

While many organizations have derived substantial benefits from innovation, and competitive advantage success implementing the required changes is far from assured, with many organizations reporting disappointing results due to missed objectives, unexpectedly high costs, and turmoil caused by the changes. Besides the continuous need for organizations to re-invent themselves and for developing new products and services (O'Sullivan, 2003), over the past decade the main emphasis worldwide has been on improving quality. To satisfy their need for innovation, many organizations have adopted total quality management (TQM) or similar quality improvement methodologies that call for a continuous effort to improve services, products, processes, and operations to better satisfy customer needs.

The required changes may also call for employee empowerment in decision making, a team approach to identify, prioritize targets for improvement, including changes to organization values and culture. Although there has been a significant amount of success with TQM, managers have realized that in many cases there is need for more dramatic improvements in productivity, competitiveness and profitability. This can be accomplished by major paradigm shifts which focus on value-added activities as well as other underpinnings for successfully implementing the strategic change management in the organization (O'Sullivan, 2003).
One meaning of “managing change” refers to making changes in a planned and managed or systematic fashion. External events may also necessitate organizational change. Hence, the second meaning of managing change - the response to changes over which an organization exercises little or no control (e.g., a rapid rise in the price of oil, devaluation of the national currency, civil unrest, new legislation, and so on). The recognition of the need for timely adjustment to external events has given rise the concept of the “learning organization”, one capable of continuous adaptation to the changing external environment. Finally, change management refers to an area of professional practice and the related body of knowledge that has grown up within and around this subject, mainly as a result of experience in the private sector. There are many models for change management: business schools offer instruction in its theory and practice and consulting firms offer a variety of services to facilitate change. Change management is based on a certain recipe that are in contrast with the top-down models in that they aim to introduce a new behavior at work, allowing people to witness the benefit for the organization and, thus, based on the evidence, internalize the change in their ‘ways of working’.

1.1.1 Change Management

The change management model assumes that the changes in the organization can be captured by one or a few objectives (Thompson and McEwen, 1958). But what if the change-process involves multiple changes simultaneously? This question leads the discussion into a path discussing hierarchies of objectives or complexity. Therefore, it is often assumed that the strategic management effort solves a single business problem or situational challenge. In most modern theories of managing change, the goal-setting and objectives have been substituted by the vision as a driver for planned change. The vision
plays a central role in modern change management as an abstract organizing and driving force creating meaning and motivation in the change process (Kotter, 1996; Beer et al., 1990; Li, 2005; Kaplan and Norton, 2007). But even though we may have changed language from talking about objectives and planning to talking about vision – the vision's role in the strategic hierarchy as well as its’ role in substituting the plan in the generic planning process, it is still tied to the core assumptions in the planning and achievement of strategic balance.

Strategic management and now leadership cannot live without it. The concept of vision encompasses the critique of the rationality assumption in planning given by Simon (bounded rationality), March and Olsen (garbage can, organized anarchy), Charles Lindblom (muddling through), Quinn (logical incrementalism), etc. by taking planning and control to a level of higher abstraction – without giving it up. The planning assumption has been criticized on almost every aspect, but is still there as a foundation because of the strong links to the concept of strategic balance and managerial control. If the strategic balance is given up, then the idea of strategic management is given up – and in consequence managerial control and responsibility are given up.

Internal power play constantly questions the status quo. Individual executives motivated by their own values and interests as well as by functional or subsystem affiliation may influence the organizational goal structure. External forces may employ different methods to influence an organization, and effect changes in its goal structure. These include social norms, legal constraints, pressure campaigns, and board of director membership with its direct access to the organization and its decisions.
Change management entails thoughtful planning and sensitive implementation, and above all, consultation with, and involvement of, the people affected by the changes. If you force change on people normally problems arise. Change must be realistic, achievable and measurable. These aspects are especially relevant to managing personal change. Before starting organizational change, ask yourself: What do we want to achieve with this change, why, and how will we know that the change has been achieved? Who is affected by this change, and how will they react to it? How much of this change can we achieve ourselves, and what parts of the change do we need help with? These aspects also relate strongly to the management of personal as well as organizational change.

The employee does not have a responsibility to manage change - the employee's responsibility is no other than to do their best, which is different for every person and depends on a wide variety of factors (health, maturity, stability, experience, personality, motivation, etc). Responsibility for managing change is with management and executives of the organization - they must manage the change in a way that employees can cope with it. The manager has a responsibility to facilitate and enable change, and all that is implied within that statement, especially to understand the situation from an objective standpoint (to 'step back', and be non-judgmental), and then to help people understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Increasingly the manager's role is to interpret, communicate and enable - not to instruct and impose, which nobody really responds to well.

Management training, empathy and facilitative capability are priority areas - managers are crucial to the change process - they must enable and facilitate, not merely convey and
implement policy from above, which does not work. You cannot impose change - people and teams need to be empowered to find their own solutions and responses, with facilitation and support from managers, and tolerance and compassion from the leaders and executives. Management and leadership style and behavior are more important than clever process and policy. Employees need to be able to trust the organization. The leader must agree and work with these ideas, or change is likely to be very painful, and the best people will be lost in the process.

1.1.2 Kenya Tea Development Agency

The history of KTDA is as rich as the tea it produces. It dates back to 1957, when the first small-holder tea factory was set up at the foothills of Mt. Kenya in Ragati, Nyeri County. The factory was managed through a management agreement with multinational tea companies. On June 30, 2000 KTDA (the Authority) was transformed into a private company, KTDA (the Agency) Ltd and registered under the Companies Act. The year 2010 saw the re-structuring of the Agency, leading to the establishment of KTDA Holdings Limited and KTDA Management Services (MS) Limited, a subsidiary of KTDA Holdings Limited. KTDA (MS) currently manages 65 tea processing factories spread in all tea growing regions across Kenya.

The agency works with tea factories to manage costs, by offering extension services to the farmers on their tea farms, manage tea production processes and invest prudently in order to secure the farmers’ financial future. This is demonstrated by the fact that all KTDA-managed tea factories have been ISO: 9001:2008 certified for efficient management systems while more than 90% of the factories have attained the more comprehensive ISO
22000:2005 for Food Safety Management System. The over 562,000 small-scale tea farmers are individual shareholders of the factory companies, which in turn are corporate shareholders of KTDA Ltd.

Kenya Tea Development Authority was formed through legal notice No.42 of 1964. This took over the liabilities and functions of the former Special Crops Development Authority (SCDA) to promote and foster the growing of tea in small farms. KTDA is committed to effective management services to the smallholder tea sub-sector in the production, processing and marketing of high quality tea for the benefit of the farmers and other stakeholders.

The mission of KTDA is to provide effective management services to the tea sector for efficient production, processing and marketing of high quality tea and investing in related profitable ventures for the benefit of shareholders and other stakeholders. Its vision is to be the leading management and marketing company of high quality tea products and services in the world. Its key goal and objective is to meet and exceed the customers' expectations in providing quality products and associated services. The Agency currently manages 65 factories in the small-scale tea sub-sector in Kenya. There are twelve (12) board members who are elected by the farmers and two (2) executive directors. The KTDA Board appoints the ten (10) top management staff (KTDA, 2011).

It the organization has several departments that offer different services. The different services offered at KTDA include; factory unit management, tea sales and marketing, financial, legal, secretarial, engineering, information and communication technology. In order to keep pace with the ever changing business environment and maintain market leadership,
KTDA has established a research and development department that is focused on initiatives for cost reduction such as process automation, source of alternative forms of energy, efficiency in utilization of resources and enhancement of product value, quality and safety.

1.2 Research Problem

The majority of today’s change programmes are not launched in a timely, structured and synchronous manner, due to an inherent lack of organizational understanding relating to their means of achievement. Whilst this has been particularly evident within private and public organizations, it has also been perceived as a problem industry wide, a view that has been reinforced by global companies acquired over the past five-year period. Companies typically struggle to manage change in a cost-effective manner, due to mismanagement of the significant issues relating to pre-launch, through comprehensive planning in advance of specific programme actions. Conversely, insufficient understanding of the development context, in particular, the constraints embedded in bureaucratic systems, organizational culture and the structure of human interactions can be a stumbling block to change management processes.

The vital importance of change management in today’s competitive climate has been widely investigated. While the need for successful change management is intensively proclaimed by “expert” consultants, the response for some time has been regarded as falling short of what is required. The heavy emphasis in the literature on a rational-linear approach to understanding organizational change overlooks the significance of the cultural and political dimensions of organizational life. This research has highlighted systemic-multivariate view of change by investigating internal change agents’ that is managers’, accounts of the barriers
to change management. It addresses the limitations of change management by attending to the perceptions of managers that is those actors who generally determine organizational priorities and make crucial resource allocation decisions.


The researcher has sought to bridge the knowledge gap on the impacts of change management in the organizational performance by focusing on the Kenya Tea Development
Agency as the scope of the study. He will be interested in finding out how KTDA as an organization has handled change management. The study will attempt to find out how the management staff has taken approach to reconfigure the organization’s roles, responsibilities, structures, outputs, processes, systems, technology or other resources to foster the performance of the organization. The study aim at answering the question, how does KTDA practice change management for effective performance?

1.3 Research Objective

To determine Kenya Tea Development Agency’s change management practice for effective performance.

1.4 Value of the Study

This research study will be of great importance to KTDA since it will outline how change management has been handled in the organization. This creates the room to analyze the issues which need to be given attention so that effective performance of the organization can be promoted. The research study will also help the government in creating policies on change management and guidelines on the major factors for consideration in the formulation of management policies.

The final report of this study will emblaze Change Management practice at Kenya Tea Development Agency (KTDA) and other tea growing companies in Kenya. It’s finding will form part of future reference material for researchers and will provide more literature on change management in organizations. It will also provide a basis from which more studies can be done on change management and organizational performance.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical perspective, principles of change management, changing of skills and influencing strategies and leadership sections. The chapter in general drills and expounds on change management in a typical organization. It highlights the strategies and earlier connotations of the earlier scholars on change management in organizations.

2.2 Change Management

Organizational change is an empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995), after the deliberate introduction of new ways of thinking, acting and operating (Schalk, Campbell and Freese, 1998). The general aim of organizational change is an adaptation to the environment (Piderit, 2000) or an improvement in performance.

This definition encompasses many situations that should be distinguished by applying certain dimensions to establish ‘typologies of change’. We will refer to the scope of change, because it is one of the most used variables in literature to design change typologies. That way, changes can be defined along a continuum starting in low scope or evolutionary changes to high-scope or strategic ones. With the aim of making the use of this dimension (scope) easier, we will describe both extremes of the continuum, but we should always keep in mind that real changes are not a pure type but a mixture (Nadler & Tushman, 1990).
First, we will describe evolutionary, incremental, or first order changes. These are small changes that alter certain small aspects, looking for an improvement in the present situation, but keeping the general working framework (Nadler & Tushman, 1990). The second type of changes are strategic, transformational, revolutionary or second order ones. They are radical transformations, where the organization totally changes its essential framework (Nadler and Tushman, 1990), looking generally for a new competitive advantage (Hutt, Walker and Frankwick, 1995) and affecting the basic capabilities of the organization.

On one hand, resistance is a phenomenon that affects the change process, delaying or slowing down its beginning, obstructing or hindering its implementation, and increasing its costs (Ansoff, 1990). On the other hand, resistance is any conduct that tries to keep the status quo, that is to say, resistance is equivalent to inertia, as the persistence to avoid change (Maurer, 1996). So, inertia and thus resistance are not negative concepts in general, since change is not inherently beneficial for organizations. Even more, resistance could show change managers certain aspects that are not properly considered in the change process (Waddell and Sohal, 1998).

As the speed of change continues to increase, change management is a fundamental competency needed by managers, supervisors, human resources staff, and organization leaders. This shift in values systems in business today explains why, more than any other factor, change management is not simply an important competency or task for major change projects. Change management for large change projects is the most important and frequently cited success factor overall - even above and beyond the actual business solution.
Organizations leaders must consider the impact of this shift in values on their ability to manage change. If your company has embraced these new values or you have a large population of employees that foster these new values, then change management is not an option for successful change, it is a requirement. Second, change management as a discipline must now address both the organization and the individual. As a change agent or change management practitioner, it is no longer sufficient to implement general organizational change management activities like communications and training. Individual change management models are necessary to address the value systems that drive individuals to hold on to their current way of doing work. This shift in values creates an interesting dilemma and potentially serious issues for managers wanting to introduce top-down changes or large change initiatives.

Organizations today are under siege from a variety of areas, but perhaps the one that has created the largest impact is the need to improve performance. When all organizations are faced with absorbing change at an ever-increasing rate, the ability to improve performance while undergoing change is critical to long-term success. In order to increase one's ability to be effective in this effort, an organization needs to look at several interrelated dynamics, including: how employees make the connection between what they do, and how they do it; the clarity of understanding around principles and organizational values; understanding the fact that structure drives behavior; and planning by outcomes.

2.3 Principles of Change Management

No single methodology fits every company, but there is a set of practices, tools, and techniques that can be adapted to a variety of situations. What follows is a “Top 10” list of
guiding principles for change management. Using these as a systematic, comprehensive framework, executives can understand what to expect, how to manage their own personal change, and how to engage the entire organization in the process.

Address the “human side” systematically: Any significant transformation creates “people issues.” New leaders will be asked to step up, jobs will be changed, new skills and capabilities must be developed, and employees will be uncertain and resistant. Dealing with these issues on a reactive, case-by-case basis puts speed, morale, and results at risk. A formal approach for managing change — beginning with the leadership team and then engaging key stakeholders and leaders — should be developed early, and adapted often as change moves through the organization. This demands as much data collection and analysis, planning, and implementation discipline as does a redesign of strategy, systems, or processes. The change-management approach should be fully integrated into program design and decision making, both informing and enabling strategic direction. It should be based on a realistic assessment of the organization’s history, readiness, and capacity to change.

Start at the top. Because change is inherently unsettling for people at all levels of an organization, when it is on the horizon, all eyes will turn to the CEO and the leadership team for strength, support, and direction. The leaders themselves must embrace the new approaches first, both to challenge and to motivate the rest of the institution. They must speak with one voice and model the desired behaviors. The executive team also needs to understand that, although its public face may be one of unity, it, too, is composed of individuals who are going through stressful times and need to be supported. Executive teams that work well together are best positioned for success. They are aligned and committed to
the direction of change, understand the culture and behaviors the changes intend to introduce, and can model those changes themselves. At one large transportation company, the senior team rolled out an initiative to improve the efficiency and performance of its corporate and field staff before addressing change issues at the officer level. The initiative realized initial cost savings but stalled as employees began to question the leadership team’s vision and commitment. Only after the leadership team went through the process of aligning and committing to the change initiative was the workforce able to deliver downstream results (Anastasia, 2006). Involve every layer. As transformation programs progress from defining strategy and setting targets to design and implementation, they affect different levels of the organization. Change efforts must include plans for identifying leaders throughout the company and pushing responsibility for design and implementation down, so that change “cascades” through the organization. At each layer of the organization, the leaders who are identified and trained must be aligned to the company’s vision, equipped to execute their specific mission, and motivated to make change happen.

Make the formal case. Individuals are inherently rational and will question to what extent change is needed, whether the company is headed in the right direction, and whether they want to commit personally to making change happen. They will look to the leadership for answers. The articulation of a formal case for change and the creation of a written vision statement are invaluable opportunities to create or compel leadership-team alignment.

Three steps should be followed in developing the case: First, confront reality and articulate a convincing need for change. Second, demonstrate faith that the company has a viable future and the leadership to get there. Finally, provide a road map to guide behavior and decision
making. Leaders must then customize this message for various internal audiences, describing the pending change in terms that matter to the individuals. A consumer packaged-goods company experiencing years of steadily declining earnings determined that it needed to significantly restructure its operations — instituting, among other things, a 30 percent work force reduction — to remain competitive. In a series of offsite meetings, the executive team built a brutally honest business case that downsizing was the only way to keep the business viable, and drew on the company’s proud heritage to craft a compelling vision to lead the company forward. By confronting reality and helping employees understand the necessity for change, leaders were able to motivate the organization to follow the new direction in the midst of the largest downsizing in the company’s history. Instead of being shell-shocked and demoralized, those who stayed felt a renewed resolve to help the enterprise advance (Anastasia, 2006)

Create ownership. Leaders of large change programs must over perform during the transformation and be the zealots who create a critical mass among the work force in favor of change. This requires more than mere buy-in or passive agreement that the direction of change is acceptable. It demands ownership by leaders willing to accept responsibility for making change happen in all of the areas they influence or control. Ownership is often best created by involving people in identifying problems and crafting solutions. It is reinforced by incentives and rewards. These can be tangible (for example, financial compensation) or psychological (for example, camaraderie and a sense of shared destiny).

Communicate the message. Too often, change leaders make the mistake of believing that others understand the issues, feel the need to change, and see the new direction as clearly as
they do. The best change programs reinforce core messages through regular, timely advice that is both inspirational and practicable. Communications flow in from the bottom and out from the top, and are targeted to provide employees the right information at the right time and to solicit their input and feedback. Often this will require over communication through multiple, redundant channels.

Assess the cultural landscape. Successful change programs pick up speed and intensity as they cascade down, making it critically important that leaders understand and account for culture and behaviors at each level of the organization. Companies often make the mistake of assessing culture either too late or not at all. Thorough cultural diagnostics can assess organizational readiness to change, bring major problems to the surface, identify conflicts, and define factors that can recognize and influence sources of leadership and resistance. These diagnostics identify the core values, beliefs, behaviors, and perceptions that must be taken into account for successful change to occur. They serve as the common baseline for designing essential change elements, such as the new corporate vision, and building the infrastructure and programs needed to drive change.

Address culture explicitly. Once the culture is understood, it should be addressed as thoroughly as any other area in a change program. Leaders should be explicit about the culture and underlying behaviors that will best support the new way of doing business, and find opportunities to model and reward those behaviors. This requires developing a baseline, defining an explicit end-state or desired culture, and devising detailed plans to make the transition.
Company culture is an amalgam of shared history, explicit values and beliefs, and common attitudes and behaviors. Change programs can involve creating a culture (in new companies or those built through multiple acquisitions), combining cultures (in mergers or acquisitions of large companies), or reinforcing cultures (in, say, long-established consumer goods or manufacturing companies). Understanding that all companies have a cultural center — the locus of thought, activity, influence, or personal identification — is often an effective way to jump-start culture change (Jones, Aguirre and Calderone, 2004).

Speak to the individual. Change is both an institutional journey and a very personal one. People spend many hours each week at work; many think of their colleagues as a second family. Individuals (or teams of individuals) need to know how their work will change, what is expected of them during and after the change program, how they will be measured, and what success or failure will mean for them and those around them. Team leaders should be as honest and explicit as possible. People will react to what they see and hear around them, and need to be involved in the change process. Highly visible rewards, such as promotion, recognition, and bonuses, should be provided as dramatic reinforcement for embracing change. Sanction or removal of people standing in the way of change will reinforce the institution’s commitment (Anastasia, 2006)

A strong relationship exists between organization’s performance and effective change management. In top-performing companies (those with or defined as achieving higher revenue, above-average customer loyalty and above-average profits), 60% of employees responded that “change is handled effectively in my organization” compared to 16% of employees in below-average performers. Organizations that effectively plan for and
communicate change, while allowing their people to become actively involved in the change process, are taking positive action to ensure their workforce is adequately prepared and positioned to perform at higher levels (Anastasia, 2006).

2.4 Change Skills and Influencing Strategies

An over-reliance on external catalysts and a failure to develop line managers skills in the change arena this amounts to a belief that our managers just do not have the capability and capacity to implement change. This reflects on their self-esteem and further promotes the negative attitude amongst top team direct reports and their people that senior management do not think they are good enough and cannot be trusted to introduce change. Once there is commitment to up-skill the business leaders, managers and team leaders, the real focus has to be on what can we do to give them the power to influence the change process for the better. What do we need to do to develop our people to become the drivers, the change champions and enthusiasts to install improvement? (Jones, Aguirre & Calderon, 2004)

Perhaps surprisingly, managers usually live up to the demands of the task and are highly competent in what they do. Otherwise you would not employ them. But the issue is, do our managers and technical experts have the real expertise to know when change is working and when it needs a drive to sustain the momentum required? Whatever technical specialism supports your organization, what is critical is that all professional technical staff need the meta-skills of interpersonal and behavioral skills that support their day-to-day tasks (Jones, Aguirre & Calderon, 2004).
2.5 New Skills Drive Superior Performance

The thinking and techniques that took organizations and their management teams to their current level of performance will not be sufficient to take them to the next level of functioning that the modern economy demands. There is a need for technical specialists, such as accountants, IT professionals, project managers, consultants, quality and manufacturing engineers, auditors, governance and risk consultants, to commit to practice to complement their technical skills with behavioral mastery, which includes change leadership, facilitation, using motivation, persuasion, conflict management, influence bargaining and negotiation to promote a climate of change continuous improvement and political maneuvering and managing turf wars (Grant, 2004).

Change skills start with working with people, understanding their motivations, engaging with them and influencing them to look at things differently. I think we can all see the importance of this in the context of moving macro corporate change programmes forward, as well as on the micro level with personal development. Most of us enable change to take place not through the use of authority and being assertive, but by relying on the Meta skills of influence and persuasion. It is a shame if we have to rely on our job titles or senior rank. All too often, only a small percentage of any work forces have received training in this soft skills arena, and yet it is an area where rapid learning is experienced, which does have a major impact on personal effectiveness in driving improvement. Staffs are trained to develop their technical skills in their core competence; but the execution of their roles and their
effectiveness is achieved not by just demonstrating this facility, but also the behaviors and skills that support them (Jones, Aguirre & Calderon, 2004).

2.6 Leadership and Interpersonal Persuasion

Without leadership there is no change. The best in persuasive techniques, negotiation, conflict management, influence strategies and psychometrics is central to this process. It is a cycle of learn, rehearse, practice, reflect. Those who drive change probably project much more of a creative transformational style than their less visible transactional types who prefer to focus on short-term managerial and administrative style. We believe that those who are transformational in nature probably are quite independent, will challenge the status quo and look for new ways of working. Personal traits are definitely instrumental in shaping change projects. A slow-moving mechanical style that focuses on analyzing and measuring everything never achieves a great deal; and even if it does, it does so in spite of failing to provide a lead to the team. The versatile, high-achieving, inspiring individual who focuses on team development will always come out the winner. You may ask yourself how many managers in your organization reflect these desirable characteristics (Grant, 2004).
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a blueprint of the methodology that will be used by the researcher to find answers to the research questions. In this chapter the research methodology is presented in the following order, research design, target population, sampling procedure, data collection methods, instruments of data collection and the pilot study. The section also explains how data was analyzed to produce the required information necessary for the study.

3.2 Research Design

The research study adopted a case study approach. A case study design is most appropriate since a detailed analysis of a single unit of study is desired as it provides a focused and detailed insight to phenomenon that could otherwise be unclear. This is advocated by Young (2000) who acknowledge that a case study is a powerful form of qualitative and quantitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study.

It is a method that drills down, rather than cast wide. This may not be possible with other methods of study. Case study was chosen as it enabled the researcher to have an in-depth understanding of the phenomenon in KTDA.
3.3 Data Collection

The study used primary data for the purpose of analyzing the factors influencing change management on organization’s performance at KTDA. The data was collected through interview guide. This entailed a face to face encounter with the respondents who were the staff at KTDA.

To enhance the effectiveness of the method, the researcher made prior liaison and communication with the relevant people to facilitate the interviews. This saved on the time. The same approach also avoided unnecessary delays and made sure that the researcher went to the respondents when they were available and never missed them. This saved on travel costs as well. During the interview the researcher noted the important points said by the respondents. He also varied and expounded the meaning of the questions to the respondents to make them more simpler and easier for the respondents to answer.

3.4 Data Analysis

The data for this study was analysed through content analysis. Content analysis is a systematic and objective means of describing and quantifying phenomena It is also known as a method of analysing documents. Content analysis allows the researcher to test theoretical issues to enhance understanding of the data. Through content analysis, it is possible to distil words into fewer content related categories. It is assumed that when classified into the same categories, words, phrases and the like share the same meaning.

Content analysis is a research method for making replicable and valid inferences from data to their context, with the purpose of providing knowledge, new insights, a representation of
facts and a practical guide to action. The aim is to attain a condensed and broad description of the phenomenon, and the outcome of the analysis is concepts or categories describing the phenomenon. Since, the data collected was purely qualitative content analysis was deemed appropriate for this study. The data was presented in prose, where the responses were organized by the researcher into paragraphs so as to make generalizations and permit conclusion making.
CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This study was motivated by the need to study the change management practice at KTDA with an aim understanding how the organisation handles change management for effective growth and achievement of good performance. This chapter is a blueprint on how information collected from KTDA staff was analysed and presented.

4.2 Demographic information

4.2.1 Academic qualification

The study collected data from the staff at KTDA headquarters in Nairobi. The respondents were found to be at different levels of academic qualifications. The study established that some had post graduate qualifications, graduates and professional qualifications. This high qualifications of the staff at KTDA reflects the high potential of the staff at KTDA.

4.2.2 Position in the organization

The respondents who took part in this study held different positions in the organization, as per their designations and areas of work. Some were project economists, accountants, engineers, ICT managers, Administrative managers, marketing managers, legal officers, human resource managers, Corporate communication, Auditors and some support staff. Thus the data for this study was a good representative of the population of the KTDA.
4.2.3 Duration of service at KTDA

The respondents indicated they had been working in KTDA for different periods and some in various sections within the organisations. The study established that some had worked with KTDA for more than 25 years, and other between 5-15 years. Majority of the respondents had worked with KTDA for more than 10 years implying that they had good experience with the organization. The study also established that most of the respondents age was between 36-45 years while a few were above 50 years.

4.3 Involvement in decision making in your organization

From the interviews with the respondents the study noted that most of the respondents were involved in decision making while others provide information that influences the way decisions are made in the organization. The respondents were involved in decision making in the folloeing areas, project planning and management, sourcing of project funds, staff recruitment and placement, adoption of relevant technology, financial management, products diversification and market preferences. Other respondents were found to be assisting in areas of organisitional policy formulation and implementation. This implies that decision making process in KTDA is highly participatory.

4.4 Changes in management at KTDA

The respondents quoted that there were changes in KTDA on decision making and other organizational activities. The respondents quoted changes such as the restructuring (re-organisation) decentralization (creation of regional offices), technological advancements,
product/service changes, changes in peoples attitudes, expectations and behaviour. Also KTDA has established business units that have evolved into subsidiaries.

4.5 Areas where the changes have been effected

The changes have been effected in several areas. On administration, the changes effected are on structures, policies and reward systems which are now based on performance. Recruitment for senior managements has changed from permanent to renewable contract terms based on performance. The office services has been outsourced. Procurement of major items and services has been done on the basis of entering to long term supply contracts and service level agreements.

Several subsidiary companies have been formed as business unit. They are KTDA Management Services (KTDA MS), to oversee tea management services that include farm extension services, processing of tea in the factories, marketing of made tea and payment to the farmers. Majani insurance brokers that handles all insurance services for the KTDA group, Chai Trading and Clearing company based in Mombasa, that handles all clearing and warehousing services for the KTDA group. Greenland Fedha a micro finance company offering credit facilities to tea farmers and staff. KTDA Power company, to supply cheap, clean and reliable electric power to the KTDA tea factories and sell any excess to the national grid. Power to be generated from small hydro schemes on various rivers within tea growing areas in the country. KTDA Foundation, to manage and monitor Corporate Social Responsibilities (CSR) initiatives within the KTDA group.
On technological advancement, the organization has adopted use of emails as official mode of communication and done away with office memorandums and circulars. Also workflow systems has been implemented. Payment to farmers, services provider is done through electronic fund transfers, and others by M-Pesa. Majority of process in the tea factory operations have been automated. At the farm level weighing of green tea leaves has also been computerized by way of use of electronic weighing solutions and tea carrying trucks are monitored by vehicle tracking systems.

On governances issues changes have been done on mode of elections for farmers representatives. Eligibility is now based on set level of academic qualification and volumes of tea delivered.

4.6 Leadership team response towards the change initiative

The changes made in KTDA were received positively by the leadership. The leadership took the role of implementing the positive changes while controlling any adverse effects from the changes. The leadership empowered the divisional heads and recruited new staff from outside. It also realigned staff positions creating general manager, managing director and renumeration adjustments. The management also brought external consultants to assess various strategies that could be created within the organization.
4.7 Employees response to changes in management

The employees responded to the changes in management in different ways. From the findings, some of the employees left their jobs, others switched jobs while others were motivated and have taken up more challenging positions in the organization. Some staff enrolled to institutions of higher learning to upgrade their skills.

4.8 Management response to employees response

The respondent highlighted several management responses. From the study findings, the management reacted differently to the reactions of the employees on the changes made to the organization. The management gave exit package to the leaving employees, carried out job evaluations and as a result some jobs were merged, enriched while others were scrapped. This realignment resulted in new working conditions where staff remuneration packages were enhanced and also new staff recruited. The organization has also developed a career progression path and training needs assessment.

4.9 How has the changes affected the overall performance

The changes in KTDA have affected overall performance in different ways. The study established that changes have helped KTDA to remain relevant and a key player in Tea industry. It has also expanded in other strategic areas especially in finance, insurance, warehousing, power generation among others. From a general view, the changes in management have improved performance and profitability. This is evident since now tea is the leading foreign exchange earner in the country after overtaking tourism and horticulture.
4.10 Visible impacts of the change initiatives in various departments

There are some visible impacts of change initiatives in KTDA. The respondents cited that the organization is now enjoying increased income generation, increased staff morale and motivation. The productivity of the staff has also gone up and staff turnover has been on decline trend as a result of the change initiatives.

4.11 How to improve performance of the organization

The respondents cited that inorder to improve the performance of the organization there is need to continually review effectiveness of every change initiated and respond appropriately. The changes should be communicated to facilitate acceptance by the employees and managers for effective implementation. There is need to address the subsidiaries companies as stand alone companies. Also the subsidiaries need some autonomy when generating their business ideas. The corporate governance need to be addressed for example the gender rule and board meetings management.

4.12 Other areas which require change initiatives

The respondents pointd other areas which require change initiative. These include governance, conformance to new constitution for example effecting the two thirds gender concerns among others.
4.13 Effectiveness of change management

The respondents indicated that the already made changes have been effective in bringing out about improvement in management. This was because the company has grown in turnover and business initiatives. The company has witnessed new subsidiary company which creates increased revenue to shareholders. The bureaucracy has also been shortened and the company has also grown in terms of size.

The company’s subsidiary units have continued to offer good services to the KTDA groups and are now offering services to the general public. The Majani insurance brokers now offers general insurances brokerage services to the public. The KTDA(MS) has managed the tea factories well and payments to the farmers have been on an increasing trend for the last five years. The subsidiary has extended its services beyond our Kenya bounders to Rwanda where it is managing two (2) tea factories on behalf of a private investor. KTDA Power as a subsidiary of KTDA has also entered to a Power Purchase Agreement (PPA) with Kenya Power and Lighting company for purchase of excess power being generated at its Imenti Small hydro scheme in Meru County.

4.14 Discussions of the study

The study noted that decision making at KTDA is highly participatory. The staff are involved in decision making process in different processes such as project planning, management, strategies and technology. This findings highly reflect the mission of KTDA of providing effective management services to the smallscale tea sector of the Kenya for
efficient production, processing and marketing of high quality tea and investing in related profitable ventures for the benefit of shareholders and other stakeholders (KTDA, 2011).

The study noted that KTDA has had changes in management and its operations. There is the restructuring/re-organisation) or administrative changes, technological advancements, product/service changes, changes in peoples attitudes, expectations and behaviour and business units that have evolved into subsidiaries. These changes in management concur with those of Piderit, (2000) that general aim of organizational change is improvement in performance.

The proposed changes have been successfully effected in all aspects of organization. On administration, the changes effected are on structures, policies, budget and reward systems. On technical changes the changes have been on production processes. Other changes have been on organizational structures affecting staffing, education on corporate governance and connecting with decision making with other players in Tea industry.

The changes initiated were received differently by the staff members of KTDA. The leadership responded positively to the change initiative by implementing the proposed changes, controlling any adverse effects of the changes, empowering divisional heads, recruiting new staff, realigned staff positions, creating positions of general managers and managing directors to head the subsidiary units. On the other hand the employees reactions were diverse. Some left their jobs, others resisted, others switched jobs to other positions while others took up more challenging positions in the organizations. To counter the adverse reactions of the employees, the management gave exit packages to the leaving employees, reviewed staff realignment and renumerations together with the terms and conditions of the
employees. Anastasia, (2006) recommended that highly visible rewards, such as promotion, recognition, and bonuses, should be provided as dramatic reinforcement for embracing change.

The changes initiated by KTDA affected the overall performance of KTDA differently. This reflects the original observations of Grant, (2004) that change initiatives bring about improved performance. The changes helped KTDA to remain relevant in the Tea industry in Kenya through expansion in finance, insurance, warehousing, power generation among others which have improved performance and profitability.

Some of the tangible and visible impacts of the change initiatives at KTDA include increased income generation, increased staff morale and motivation. The productivity of the staff has also gone up as a result of the change initiatives.

Although there has been improvement in organization. The performance of the organization can be improved further by continually reviewing effectiveness of every change initiated. The change initiatives need to be communicated to all across the organization to enhance effectiveness of implementation. Also more changes can be done in other areas such as in governance and conformance to new constitution provisions. According to Anastasia, (2006) strong relationship exists between organization’s performance and effective change management thus more changes will lead to more improved performance.

According to Jones et al. (2004), the understanding that all companies have a cultural center, the locus of thought, activity, influence, or personal identification is often an effective way to jump-start culture change. This concurs to the study findings that the changes initiated at
KTDA have been effective in improving the performance of KTDA. There is increased turnover and business initiatives, new subsidiary company which has increased revenue to shareholders.
CHAPTER FIVE : SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was motivated by the need to assess the change initiatives in the management of KTDA. This was purposed to give an in-depth understanding of the changes in management. This was core in bringing new policies and changes which could guarantee improved performance.

5.2 Summary of findings

The study collected data from respondents who are staff of KTDA at its headquarters situated at Moi Avenue in Nairobi. The respondents had varied levels of academic qualification ranging from postgraduate, graduate and specialised professional qualifications. This is an indicator that KTDA has highly qualified personnel.

The respondents who took part in this study held different positions in the organization, Project Economists, Accountants, Engineers, administrative manager, legal officers, Auditors, support staff—a good representative of the population of the KTDA. The respondents had worked with KTDA for between 5-25 years with majority of those interviewed having worked for more than 10 years. From a general view majority of the respondents had worked with KTDA for more than 10 years implying that they had good experience with the operations of KTDA.
5.3 Conclusion

The study concludes that decision making process at KTDA are highly participatory especially on project planning, management, strategies and technology.

The study concludes that KTDA has had changes in management and its operations. This is mainly on restructuring (re-organisation) or administrative changes, technological advancements, product/service changes, changes in peoples attitudes, expectations and behaviour and business units. The changes have been effected in most processes of KTDA majorly on structures, policies, budget and reward systems.

The study noted that KTDA change initiatives have been successful. There is expansion in finance, insurance, warehousing and power generation which have improved performance and profitability.

5.4 Recommendations

The study found that different staff members received the change initiatives differently. The study recommends that the changes be communicated to the staff members to minimise resistance and enhance acceptance.

The study found that the are new subsidiaries. To realise improved performance, the study recommends that subsidiaries be granted some autonomy especially when generating their business ideas.
The study has found that some items in the new constitution have not been complied with. Thus the study recommends that changes be effected to reflect the provisions laid in the new constitution such as two thirds gender concerns.

The study findings indicate some resistance from employees working at KTDA due to the change management. The study recommends that the management re-adjusts the terms and conditions of the employees and staff to reduce turnover and resistance in the organization.

5.5 Suggestions for further studies

The study collected data from the managerial staff working at KTDA. The changes, effects and reactions of the change management at KTDA could be different in other organizations. This study therefore recommends that similar studies be done on change management in other organizations for deeper understanding of the phenomenon under research.
REFERENCES


Anastasia N. Strategic (2006), Change Management at Procter & Gamble, Unpublished MBA project, University of Nairobi.


Appendix I: Letter of Authorization

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

DATE: 28/9/2012

TO WHOM IT MAY CONCERN

The bearer of this letter, PETER CICHERU WACHIRA

Registration No. 061/7339/2009

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

[Stamp and signature]

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE
### Appendix ii: Interview Guide

#### Respondent’s Profiles

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Sex</th>
<th>Male</th>
<th>Female</th>
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<tbody>
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<td></td>
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<table>
<thead>
<tr>
<th>Academic Qualification</th>
<th>‘O’ Level</th>
<th>‘A’ Level</th>
<th>Bachelors Degree</th>
<th>Post Graduate</th>
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<tbody>
<tr>
<td>Age (Years)</td>
<td>Below 25</td>
<td>26 – 35</td>
<td>36 - 45</td>
<td>Above 45</td>
</tr>
<tr>
<td>Years in KTDA Ltd</td>
<td>Below 5</td>
<td>6 – 10</td>
<td>11 - 15</td>
<td>Above 15</td>
</tr>
</tbody>
</table>

1. Are you involved in decision making in KTDA Ltd.
   - Yes {   } No {   }

   If yes, which area ……………………………………………………………………………………………………………………………
   ……………………………………………………………………………………………………………………………
   ……………………………………………………………………………………………………………………………

2. Have you witnessed changes in management at KTDA?  Yes {   } No {   }

42
3. If yes, what changes in management has KTDA Ltd initiated?

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4. What areas have the changes been effected?

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5. How has the Leadership team responded to the change initiative?

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6. How has the employees responded to changes in management?

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7. How did the management respond to employees responses?

8. How have the changes affected the overall performance of KTDA Ltd?

9. What are the visible impacts of the change initiatives in various departments?
10. What would you recommend to KTDA as a staff with regard to measures of change management that can be applied to improve performance of KTDA Ltd?

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11. Where else should the changes be effected in KTDA Ltd?

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12. Is the changes in management in KTDA Ltd effective? Yes {   }  No {     }

Give reasons, …………………………………………………………………………………
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