STRATEGIC CHANGE MANAGEMENT PRACTICES AND PERFOMANCE OF LARGE SUPERMARKETS IN NAIROBI COUNTY, KENYA

BY

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DECLARATION

This research project is my original work and has not been submitted or presented for examination in any other university, either in part or as a whole.

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

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DEDICATION

I dedicate this project to my parents Mr & Mrs. Cornelius Mwiriki and my siblings who believed in my dreams and cheered me on.

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I would like to thank God for his sufficient grace this far and for sustaining me during the entire course.

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ABBREVIATIONS AND ACRONYMS

MEs Manufacturing enterprises

BSC Balanced Score Card

RBV Resource Based View

KPIs Key performance Indicators

SPSS Statistical Package for Social Sciences

ABSTRACT

The strategic change management practices adopted by organization may be a source of competitive advantage, which may help the organization in attaining and exceeding its desired performance. This study set to determine strategic change management practices and performance of large supermarkets in Nairobi County. The local studies reviewed focused on banks, government institutions and manufacturing organisations. Therefore our study sought to identify strategic management practices adopted by supermarkets in Nairobi County and their relationship to organizational performance. The study adopted a descriptive survey. The study population comprised of the four leading supermarkets within Nairobi County. Primary data was collected through a structured questionnaire administered to senior level managers in the study organizations. Data was analysed using statistical packages on social sciences (SPSS). The study found that the large supermarkets in Nairobi have implemented change programs. The study results found that supermarkets had used different change management strategies with most using effective communication. It was also noted that the supermarkets had adopted different strategic change management practices with majority using private label brands. Majority of the supermarkets faced challenges in change management like incompatibility to organization structure, resistance to change, cultural diversity, inadequacy of funds and ineffective leadership. The study found that the strategic management practices affected performance to a great extent. The study concludes that supermarkets in Nairobi County face various challenges in change management which affects their performance. The study further concludes that strategic change management practices affect the performance of supermarkets in Nairobi County to a great extent. The study recommends that change process should involve the participation of all employees and establishment of a culture that supports change. The study recommends further research on the relationship between strategic change management and the performance of small super markets.

CHAPTER ONE: INTRODUCTION

1.1 Background

Change is inherent in contemporary organizations and its management is not only critical to organizational success and survival but is also at the centre of organization development. Since the performance of organizations is dependent on the fit between them and their environment, then change in environment require firms to adapt to the environment. As a result, firms would change their strategy in response to the environmental changes. Strategic change management is the change within an organization necessary to reach their strategic goals and objectives (Grant, 2005). Along with important changes taking place within which organizations operate are forces impacting organizations within the context of their business operations (Thompson and Strickland, 1999). These include forces outside the organization and emanate from the external environment as well as forces within the organization itself classified as the internal environment (Stacey, 2003)

The study will be based on three theories. Wernerfelt (1984) developed the Resource Based View (RBV) theory which suggests that the resources possessed by a firm are the primary determinants of its performance, and they may contribute to a sustainable competitive advantage. The theory is relevant to the study in that it seeks to establish the strategic change management practices related to resource management that affect the performance of Large Supermarkets in Nairobi.

The theory of Organizational Change explains how change of organizational culture, structure, and design would help an organization into adopting efficient and effective change strategies. Indeed, according to McDonald (2000), Darwin's theory of survival for the fittest, has been continuously applied to the organizational theory. The Stakeholder Theory by Edward Freeman (1984) theory states that an organization is at the centre of a largely interdependent network of stakeholders who contribute to the development of the organization. The theory is relevant to this study because it will establish what practices help large supermarkets reduce resistance to implementation of change programs.

1.1.1 Strategic Change Management Practices

Strategic management is defined as that set of managerial decisions and actions that determines the long-run performance of a corporation, and includes aspects such as environmental scanning, strategy formulation, strategy implementation, and evaluation and control (Nganga, 2014). It is designed to set a firm's courses of action, identifying the strategies it will use to compete in the market-place and how it will organize its internal activities.

Strategic change management has evolved as an interdisciplinary body of knowledge. Strategic thinking is still an emerging field of study and as such embodies several different schools of thought and methods. One common feature shared by the different approaches is that strategic management is utilized by that organization to plan for the future using a range of analysis techniques and decision-making processes. As such, it has become a common activity for many types of organizations and in many industries, mostly as a result of increasingly competitive behaviour (Dent and Barry, 2004).

For an organization to sustain the momentum on normal day-to-day pressures to meet customer demands and in order to avoid situations where people will return to the methods and behaviours that they are familiar and comfortable with, it is necessary to provide resources for change (Kotter, 1996). Buchanan and Boddy (2002) noted that an enormous responsibility falls upon the change management team hence the organization should give support to the change agents in order for them to motivate others to deal with change difficulties. Change demands new knowledge, skills and competencies and as such companies engaging in change should train and re-train, have on-the-job counselling and coaching in order to encourage rather than threaten staff. For successful change process, reinforcement of the desired behaviour through rewards like increase of pay, recognition and avoiding criticisms could be important (Njenga, 2006)

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

1.1.2 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. The measure of performance can be divided into two distinct types namely; the financial function mostly announced at the end of every financial year in terms of profitability and the non-financial function mainly measured by the company staff welfare, the company participation in corporate social responsibilities, customer satisfaction, efficiency in production and ability of the company to honour in time its statutory obligations (Marangu, 2012).

Profitability is often regarded as the ultimate performance indicator, but it is not the actual performance. Performance also refers to the metrics relating to how a particular request is handled, or the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. It is the outcome of all of the organization’s operations and strategies (Venkatraman & Ramanujam, 1986).

The concept of organizational performance has been based upon the idea that an organization is a voluntary association of productive assets, including human, physical, technological and capital resources, in order to achieve a common purpose (Barney 2002). According to Burnes (2009) organizational performance encompasses financial performance (profits, return on assets, return on investment, etc.); market performance (sales, market share); and shareholder return (total shareholder return, economic value added). Performance measurement systems provide the foundation to develop strategic plans and assess an organizations completion of objectives and goals. The successful performance of supermarkets does not only depend on good economic performance, but rather on the way the management and employees work together and fulfil their activities and objectives in a joint and coordinated basis.

1.1.3 Strategic Management Practices and Organizational performance

Organizations have nowadays been under intense pressure to fundamentally change how they do business if they have to ensure their survival and competitiveness. Organizations are strongly influenced by their environment which consists of forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival.

Because the performance of firms is dependent on the fit between firms and their external environment, then change in external environment requires firms to adapt to these changes. As a result, firms would change their strategy in response to the environmental changes. The pace of global, economic and technological development makes change an inevitable feature of organizational life. Strategic change management is undertaken to achieve desired results within a specified time frame (Burnes, 2009).

Strategic change management has been linked to the organization's competitiveness and response to changes in the environment. Ansoff (1999) state that strategic changes arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions.

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. If Supermarkets are ever to experience a greater level of success in their development efforts, managers and executives need to adopt strategic management practices that enhance performance.

Organizations are becoming increasingly aware that a critical source of competitive advantage and organization performance often from strategic change in quality product and services, best strategies, adoption of advance technology and having an appropriate system of attracting and managing the human resources (Kotter, 2007). A changing retailing environment characterized by increasing competition and concerns for quality has forced Kenyan supermarkets to seek strategic change management practices to improve their operational and strategic performance.

1.1.4 Supermarkets in Nairobi County

In East Africa, Kenya continues to play the major role in the spread of supermarkets in the region. In Kenya, supermarkets have grown from a tiny niche at the turn of the millennium to 40% of the urban retail sector in 2010. Kenya is the second most advanced country in terms of presence of supermarkets in sub Saharan Africa, after South Africa. Kenya has over 406 supermarkets and 20 hypermarkets (Economic Survey, 2010). In the last ten years, the formal food and necessities retail sector has undergone massive transformation, with traditional retailers, including small shops and public markets, losing a significant proportion of the market share to supermarkets.

Nairobi being the capital city of Kenya since independence has attracted local and foreign investors in business. Supermarkets are one of the businesses that have attracted quite a number of investors (Maiywa 2013). There are at least six big Kenyan owned supermarkets, including Nakumatt (which is the largest), Uchumi, Tuskys, Naivas, Ukwala and Chandarana. Kenya‘s advancement in supermarkets is evident from the fact that it‘s top five cities (Nairobi, Mombasa, Nakuru, Eldoret, and Kisumu) have at least 165 supermarkets and 13 hypermarkets (Economic Survey, 2010).

The first supermarkets in Nairobi were Westland General Store (1960), Abrahams Self Service Store (1970) and Uchumi Supermarket (1975). According to Neven and Readon (2005), it was found that between the year 1990-2003, supermarkets grew by 18% per year. They explained the rapid growth to be emerging from increase in population in the urban areas, trade and domestic liberalization that include liberalization and stabilizing policies, import licensing removal and price liberalization.

Nairobi offers convenience for shoppers as most organizations are based there, or the workers transit through Nairobi City to their places of work and back home. Next to Kenyan Supermarkets are foreign brands: Game, a South African Supermarket and Carrefour-a French retailer. This study therefore aimed at determining the strategic change management practices in large supermarkets in Nairobi County and their effect on performance.

1.2 Research Problem

Performance of organization is dependent on the fit between the organization itself and the environment, thus it should adapt to the changing environment for survival and success. The strategic change management practices adopted by organization may be a source of competitive advantage, which may help the organization in attaining and exceeding its desired performance. The retail industry in Kenya is facing a revolution brought by competition, growth of Kenya to a middle income economy and advancement in technology.

The industry has recorded continued growth over the last decade with large supermarkets expanding to regional markets in East Africa. Uchumi Supermarkets opened outlets in Uganda and Tanzania and has its shares cross listed in Uganda Stock Exchange and Rwanda Stock. Nakumatt Holdings has outlets opened in Uganda, Tanzania, Rwanda and South Sudan, while Tuskys has outlets in Kenya and Uganda. The regional expansion is in a bid to improve their performance of these supermarkets.

Foreign retailers have continued to express interest in Kenyan retail industry. Game, a South African Supermarket opened its flagship store at Garden City Mall in Nairobi. Carrefour, a French retailer has opened an outlet at The Hub Mall in Karen, Nairobi and it has booked space in the upcoming Two Rivers Mall in Kiambu. This kind of interest in the industry shows the opportunities available, and it’s only the prepared ones enjoy the benefits of such opportunity. In order to spot such opportunities, Supermarkets need to be strategically positioned, to fill in the gap despite the challenges faced. This has forced supermarkets to undertake change programs in order to ensure survival in the sector (Kariuki, 2001).

The performance of the only listed Supermarket in Kenya, Uchumi Supermarket, has been declining; with the business making losses, and faced with governance issues (Company website) while other supermarkets like Nakumatt Holdings making huge profits and enjoying the market leadership. Tuskys was also undertaking plans to take over Ukwala two stores in Nairobi to consolidate their market and financial performance, although the move was rejected by Competition Authority of Kenya

Both performances can be attributed to their strategic management practices chosen by their leadership and adopted in their businesses. Muogbo (2013) did a study on the impact of strategic change management on organizational growth and development in manufacturing firms in Anambra state in Nigeria The study thus concluded that though strategic change management is not yet a common business practice among manufacturing firms in Anambra State, it has been identified as veritable tool for improving the competitiveness, performance levels, and structural development of manufacturing firms in Anambra State in particular and Nigeria in general.

Gichunge (2006) did a study on the effect of formal strategic change management on the performance of selected medium sized manufacturing enterprises (MEs) in Nairobi. The study found that the majority of MEs have adopted some formal strategic change management. Mwangi (2013) studied strategic management practices and performance of large pharmaceuticals in Nairobi. From the study, she concluded that there is a positive relationship between strategic practices and performance. Kariuki (2011) did a study on challenges and survival strategies of supermarkets in Nairobi Kenya. He found that that the biggest challenge faced by supermarkets is competition, and strategies such as expansion, adoption of technology in operations will give them a competitive advantage.

From the past studies conducted, no study has been conducted to identify the relationship between strategic change management practices and the performance of large Supermarkets in Nairobi County Our study will seek to answer the question, what are the strategic management practices adopted by Large Supermarkets in Nairobi? What's their effect on performance? What challenges are faced while implementing the strategic management practices?

1.3 Research Objective

The general objective of the study was to determine strategic change management practices and performance of large supermarkets in Nairobi County

1.4 Value of the Study

The study aim at adding to the theoretical foundation on strategic management practices and performance of organizations, by drawing a relationship between the practices and performance of large supermarkets in Nairobi County. It may also contribute to the RBV theory by establishing the capabilities and their role in the management of change. The findings may enrich the Stakeholder theory by investigating the role of stakeholders in strategic change programs. On the organizational change theory the study may provide information on the changes that the supermarkets have implemented and how they manage such changes for improved performance.

The study may form a body of knowledge from which scholars can get information for their academic assignments and projects. Other researchers may acquire information about a research topic from similar study conducted on the same area of research and thus form a basis for further research

The study may be used by the management of supermarkets in the development of policies that would ensure effective change management in the supermarkets. Other institutions may use the study to come up with policies that would improve change management in their firms. Policy makers and Government may find the findings of this study as a basis for policy development.

The study may provide information on the challenges and strategies in change management in supermarkets. The findings may be used by supermarkets' management to come up with corporate strategies that enable firms to remain competitive and implement change successfully.

1.5 Summary

Change in business operations is crucial to organizational survival and competitiveness in any industry anywhere in the globe. This is due to the fact that organizations are strongly influenced by their external environment which consists of economic, political and social forces. The environment is thought to provide resources key to organization sustainability and survival. The objective of the study was to determine strategic change management practices and performance of large supermarkets in Nairobi County.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

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

2.2 Theoretical Foundation

The theories discussed in this chapter are Resource Based View Theory developed by Wernefelt (1984), Stakeholder Theory developed by Freeman in 1984 and Organizational Change Theory. These theories are discussed below.

2.2.1 Resource Based View Theory

Competitive advantage of an organization is largely influenced by the distinctiveness of its capabilities. The theory of Resource Based View was developed by Wernerfelt, (1984) and suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm. In the resource-based theory, strategic planning uses organizational resources to generate a viable strategy. This means that in order to develop a strategy an organization should check on the resources available for the implementation of a specific strategy like Change strategy.

The theory provides theoretical underpinnings for understanding how resources can be managed strategically and efficiently. The theory is relevant to our study in that the researcher seeks to establish the strategic change management practices like superior resources which help the survival of supermarkets in Nairobi, which is highly competitive and very dynamic.

2.2.2 Stakeholder Theory

Organizations operate within the consent of community, and communities comprise of group of stakeholders. Stakeholder Theory was developed by Freeman in 1984. He states that the theory is about identifying the groups who are stakeholders in an organization and the need to manage them. It’s a theory of organizational management and business ethics that addresses morals and values in managing an organization has a binding legal duty to put their needs first, to increase value for them. Stakeholder theory argues that there are other parties involved: employees, customers, suppliers, financiers, communities, government bodies, political groups, trade associations and trade unions (Freeman, 1984).

According to Johnson and Scholes (1999), organizations must manage the interest of the stakeholders including public interest groups, strategic partners and public monitoring bodies. The Stakeholder theory is relevant to our study as the quality of relationships with stakeholders is key determinants to successful change management practices. Those stakeholders who are directly involved should be recruited as advocates, allies should be encouraged, opponents be neutralized, maintain dialogue with independent stakeholders and monitor and anticipate those that are not involved in the organization.

2.2.3 Organizational Change Theory

Businesses have been changing at a break neck speed, so managers must reorganize their firms to gain a competitive advantage. According to the organizational change theory, change is of utter necessity in an organization. The theory explains that change of organizational culture, structure, and design would help an organization into adopting efficient and effective change strategies. Indeed, according to McDonald (2000), Darwin’s theory of survival for the fittest, has been continuously applied to the organizational theory. In this light, Vaill (1989) points out that organizations have to implement change, when it is inevitable, or risk elimination from competition.

The theory also stipulates that organizations have to put in place change that is results driven, and an important results for businesses in a competitive environment is profitability For supermarkets, since profitability is a motivation, change of various profitability driven practices is therefore of utter essence.

2.3 Strategic Change Management Practices

In order to survive in changing business environment, organizations must adopt new strategies. Mbwaya (2012) did a study on strategic change management practices at Barclays Bank of Kenya. He identified the importance of strategic planning, timely planning and stakeholders’ involvement in reducing resistance to change. He concluded that there is no one universal approach to strategic management and therefore its practices keep evolving from time to time depending with the changes in the environment.

Nganga (2014) studied strategic management practices and performance of Dyer & Blair Investment Bank in Kenya. Mugo (2014) studied strategic management practices and performance of Kenya Revenue Authority. Both studies identified a positive relationship between strategic management practices such as visible leadership, effective customer service, customer awareness to good performance. Strategic planning was found to lead to effective company performance.

Employee involvement is a major part of high-performance work systems that have successfully transformed a large number of organisations and it has become a standard practice in many new organisations (Benson et al., 2013). It's also very crucial to successful change especially in situations that require attitudinal and cultural change. The level of involvement required in any change project is dependent on the impact of change on the people concerned. It is therefore necessary to link levels of involvement to the types of change proposed. The key is that the greater the effect on the individual, especially in terms of psychological constructs and values, the deeper the level of involvement required if successful behaviour change is to be achieved (Burnes, 2004). By staying actively involved, top-level executives demonstrate their support of a change, which will help it to succeed.

The role of communication in change management cannot be over-emphasized. Communication is the most effective tool an organization can use to obtain acceptance of a change (Senior & Fleming, 2006). Burnes (2004) argued that communication should be done to the entire workforce, it must also occur frequently and the organization should encourage its executives and middle level managers to initiate change. Communication is particularly important during all phases of the transition (Senior & Fleming, 2006).

From the studies conducted, no study has been conducted to identify the strategic change management practices and performance of large Supermarkets in Nairobi County. This creates the need for this study.

2.4 Organisational Performance

Organizational performance construct has numerous definitions based on the contexts in which it's applied. Profit making organizations for instance looks at organizational performance in terms of quantitative terms such as revenue growth, profitability, ability to cut on costs, return on investments among others. In non-Profit organizations, social and societal impact is a major measure of organizational performance. Hersey and Blanchard (1998) argued that performance has multiple meanings depending on the discipline and they have given some of the definitions based on management scientists, marketers, accountants and economists.

The complexity in measuring organizational performance is perhaps one of the wide areas of study considering the changes in environment in which organizations operate in. The measure of performance can be divided into two distinct types namely; the financial function mostly announced at the end of every financial year in terms of profitability and the non-financial function mainly measured by the; the company staff welfare, the company participation in corporate social responsibilities, customer satisfaction, efficiency in production and ability of the company to honour in time its statutory obligations (Marangu, 2012).

One of the most widely used tool for measuring organizational performance is balanced score card. The balanced Score Card (BSC) is a strategic planning and management system tool that is used in businesses, governments and non-profit organizations to improve internal and external communication, align business activities to the strategy and the vision of the organization and monitor organization performance. The balanced score card was introduced by Kaplan & Norton (1992) to evaluate whether a business is moving towards its strategic goal from four different perspective; financial, customer, internal business process and learning and growth.

The BSC aims at balancing long with short term objectives, financial with non-financial concerns and to balance internal with external environments (David 2005). Specific organizations customize the aspects of the BSC to fit in their own activities for applicability in performance measurement. The BSC has moved from a pure performance model to a full management system with applications for both public and private sector organizations (Rohm, 2002).

Key Performance Indicators (KPI) is another measure of organizational performance. KPIs represent general indicators of performance that focus on critical aspects of outputs or outcomes. The definition and how they are measured do not change often but differ across organizations (Chan & Chan, 2004). KPI's are qualitative measures used to review an organization's progress against its goals (Bauer, 2005). Those organizations that have a vision of being the most profitable company for instance will have KPI's related to profitability.

Hinks and Mcnay (1999) identified a list of 23 performance indicators for managing various facilities, including no loss of business due to failure in service, customer satisfaction, and completion of project to customer satisfaction, provision of safe environment, effective utilization of space, effectiveness of communication, service reliability, professional approach of staff and responsiveness to problems.

2.5 Strategic Change Management Practices and Organisational Performance

Management of strategic change could be affected by the state of organization and its external environment because the performance of organization might depend on the fit between organization and its external environment, the appearances of novel opportunities and threats in the external environment, in other words, the change of external environment, require organization to adapt to the external environments again (Kotter, 1996). As a result, organizations would change their strategy in response to the environmental changes.

The states of the organization will also affect the occurrence of strategic change. They tend to adopt new strategies in the face of financial distress for the purpose of breaking the critical situations. Additionally, organizations would possess structural inertia that they tend to keep their previous structure and strategy to improve organization competitiveness and performance (Kotter, 1996).

Strategic change management tends to increase with more intensive environmental changes (Trinh and O'Connor 2000). Much of the strategic change is due to the seemingly inexorable growth in retailing industry. As the retailing market have grown and reformulated, large supermarkets have been trying to understand the effects of the new environment and are under pressure to re-evaluate how they deliver their services, find strategies to survive, be competitive and improve profitability (Murray and Anderson 1996). Moreover, supermarkets have come to increasingly control key markets and heighten the general level of competitiveness among supermarkets through effective strategic change management practices to protect market share, enhance operational efficiency and improve organizational performance.

2.6 Challenges of Strategic Change Management

Strategic change management process is not a smooth sailing due to numerous challenges faced in implementation. Ability to overcome these challenges helps businesses succeed in change management. Some of the challenges as revealed by studies conducted indicated resistance to change, poor communication, lack of adequate resources and funding, ineffective management support and incompatibility of the new change with existing organization structure. Kimaita carried out a study in 2010 on strategic change management practices within Teachers Service Commission in Kenya. The study established that there are various changes that pose challenges to institutions. These include information technological innovations, political interference, social factors and consumer behaviour.

According to Dalziel and Schoonover (1998), failure to recognize barriers that arise from cultural or organizational conditions can severely impede implementation and acceptance of a change. Some challenges to strategic change management as pointed out by Dalziel and Schoonover (1998) are incompatibility with the new organizational structure i.e. outdated technical, operational and physical environment, and formal and informal company traditions with the major challenges coming. They further noted that incompatibility with the new organizational structure a major challenge that faces organizations in change management.

Ineffective change management sponsorship from senior leaders has also been identified as the primary challenge of strategic change management. An absent, invisible or unengaged sponsor does not send the correct message to employees on the commitment to the change process. Top management sets the tone thereby sending a strong message to employees about the importance of a change as an engaged and active sponsor. Failure of change management practices can be traced to poor communication according to Price and Chahal (2006). Communications are important in change formulation to implementation and review.

According to Kinuu, Maalu and Aosa (2012) inadequate and less effective communication is a major factor that impacts on the change management process. In order to pursue a desire and willingness to embrace change among employees, inspirational communication by the leadership team to persuade others to support and accept the organization's new direction should be achieved (Franken et al., 2009). Effective communication creates awareness on the need for change which may help in reducing employees' resistance to change.

Kariuki (2011) conducted a study on challenges and survival strategies of supermarkets in Nairobi Kenya. From the study findings it was evident that challenges from the competition and loses from the shop lifting and expiries of products as some critical challenges faced by most supermarkets. To enhance competitiveness and sustain performance, the supermarkets need to ensure appropriate measures are considered to entice customers. In most cases the extent of supermarkets management to serve the customers influences the performance ratings by consumers. Our study sought to add on the challenges from Kariuki's study on supermarkets in Nairobi, considering time passage.

2.7 Empirical Studies and Knowledge Gap

Muogbo (2013) did a study on the impact of strategic change management on organizational growth and development in manufacturing firms in Anambra state in Nigeria. The study concluded that though strategic change management is not yet a common business practice among manufacturing firms in Anambra State, it has been identified as veritable tool for improving the competitiveness, performance levels, and structural development of manufacturing firms in Anambra State in particular and Nigeria in general. Gichunge, (2006) did a study on the effect of formal strategic change management on the performance of selected medium sized manufacturing enterprises in Nairobi. The study found that the majority of MEs have adopted some formal strategic change management which has improved their performance.

From the study of Kariuki (2011) on challenges and survival strategies of supermarkets in Nairobi, supermarkets undertake change programs in order to ensure survival in the sector. Study findings indicated that challenges from the competition and loses from the shop lifting and expiries of products as some critical challenges faced by most supermarkets. To enhance competitiveness and sustain performance, the supermarkets need to ensure appropriate measures are considered to entice customers.

The local studies reviewed focused on banks, government institutions as well as manufacturing organisations. This created a research gap that this study sought to fill by identifying strategic management practices adopted by supermarkets in Nairobi County and their relationship to organizational performance. This study sought to add on the challenges from Kariuki's study on supermarkets in Nairobi, considering time passage and establish the strategic change management practices and their relationship to the performance of such supermarkets.

2.8 Summary

The chapter gives the theoretical foundation of this study. The study is based on the three relevant theories of resource based theory, stakeholders' theory and organization theory. Organizational performance is measured through the Key Performance Indicators (KPI) and the balanced score card. Balance score card improves the communication, align business activities to organization strategy and vision and monitor performance. The key performance indicators review an organization's progress against its goals.

The empirical studies show that organizations adopt various strategic change management practices that were found to affect their performance. Organizations face different challenges in strategic change management as revealed by studies conducted. These include resistance to change, poor communication, lack of adequate resources, lack of management support and incompatibility of the new change with existing organization structure. The studies reviewed indicate that strategic change management practices affect organizational performance. The local studies focus on different sectors other than supermarkets which creates a research gap which this study seeks to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents the research methodology of the study. It explains the research design adopted by the study. It also gives the population and sample and sampling design for the study. The chapter also describes the procedures and instruments used in the data collection and analysis.

3.2 Research Design

The study adopted a descriptive survey to assess the strategic change management in large supermarkets in Nairobi and the effect on their performance. A descriptive survey enables an investigation in which quantity data is collected and analysed in order to describe the specific phenomenon in its current trends, current events and linkages between different factors at the current time. The design was used by Lagat (2011) to investigate the strategic responses to changes in external environment by supermarkets in Kenya.

The descriptive survey was credited due to the fact that it allowed analysis and relations of variables of the study. A survey was deemed appropriate as it enabled the researcher to compare findings from different categories of study units [supermarkets] which enriched the amount of information for the study. This required a broad range of data which is possible through a survey.

3.3 Population of the Study

The target population is that population to which the researcher wants to generalize the results of the study (Mugenda and Mugenda, 2003). According to Ngechu (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated to generalize the results.

The study population comprised of the four leading supermarkets within Nairobi County (Appendix II). The selection was based on the on number of employees, annual sales turnover, total asset and profitability of the organization. The respondents were the Managing Director, General Manager, Operations Manager, Finance Manager, Human resource manager and Customer Service Managers at the head office. These are responsible for setting and implementing strategic change practices that affect the performance of their supermarkets.

3.4 Data Collection

Both primary and secondary data was collected for the study. Primary data was collected using structured questionnaire with closed questions. Secondary data was obtained from journals, magazines, company websites and other published material. The respondents were senior managers concerned with strategic change and day to day running of the business. Questionnaires were administered through drop and pick method where the respondent filled the questionnaire with the researcher picking them later.

The questionnaire included a 5-point Likert-type scale, indicating the extent to which individual questions or statements (items) reflect the intended variables and enable respondents to provide quantifiable information, that is, (1-Not at all, 2-Little extent, 3-Moderate extent, 4-Great extent, 5-Very great extent). It also involved closed questions where the respondent ticks on the item on which his/her opinion lies.

The use of questionnaire ensured the collection of data from many respondents, within a short time and with the respondents free to give relevant information because they were assured of anonymity (Mugenda and Mugenda, 2003). This method of gathering data was economical in terms of time and money that was used in waiting. It was reliable and considered accurate since the researcher had enough time to fill the questionnaires.

3.5 Data Analysis

Data was collected, tabulated and analysed for purpose of clarity, using Statistical Package for Social Sciences (SPSS) version 20. Content analysis was also used for qualitative data. The SPSS software was suitable for the study since it has the ability to handle statistical presentation with array of formulas for ease of interpretation. It can also handle a large volume of data which simplifies the data analysis procedure. The data was analysed and interpreted using descriptive statistics such as mean, standard deviation, percentages and frequencies given the quantitative nature of the data, to make inference on the practices and challenges faced by Supermarkets in Nairobi. It was effectively used by Maina (2014) in his study on Strategic Planning and Performance rating of Insurance Companies in Kenya.

The findings were presented through charts, tables and graphs. Tables are usually best for showing structured, numeric information, whereas graphs and charts are better for showing relationships and making comparisons and indicating trend. This gave a clear presentation on the findings of the study.

3.6 Summary

The study adopted a descriptive survey used by Lagat (2011) to investigate the strategic responses to changes in external environment by supermarkets in Kenya. The study population comprised of the four leading supermarkets (Tuskys, Uchumi, Nakumatt, Naivas) within Nairobi County. The study used the whole population for the study due to the small size of the population. Both primary and secondary data was collected for the study with primary data collected from a questionnaire. Data was analysed using Statistical Package for Social Sciences (SPSS) version 20 through descriptive statistics.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, presentation and interpretation. The study sought to determine strategic change management practices and performance of large supermarkets in Nairobi County. The study targeted the top four supermarkets with 24 Senior Managers at the head office involved using a questionnaire. The managers represented the functional units of the Supermarkets. The compiled questionnaires were edited to ensure completeness and consistency.

4.2 Response Rate

The study focused on 24 respondents as they were found to be appropriate for the study. The respondents comprised of Managing Director, General Manager, Operations Manager, Finance Manager, Human resource manager and Customer Service Manager at the head office of each of the four supermarkets. The response rate was good as 20 out of the 24 questionnaires were duly filled and returned. This makes a response rate of 83.33% which is excellent according to Mugenda and Mugenda (1999) as shown in figure 4.1.

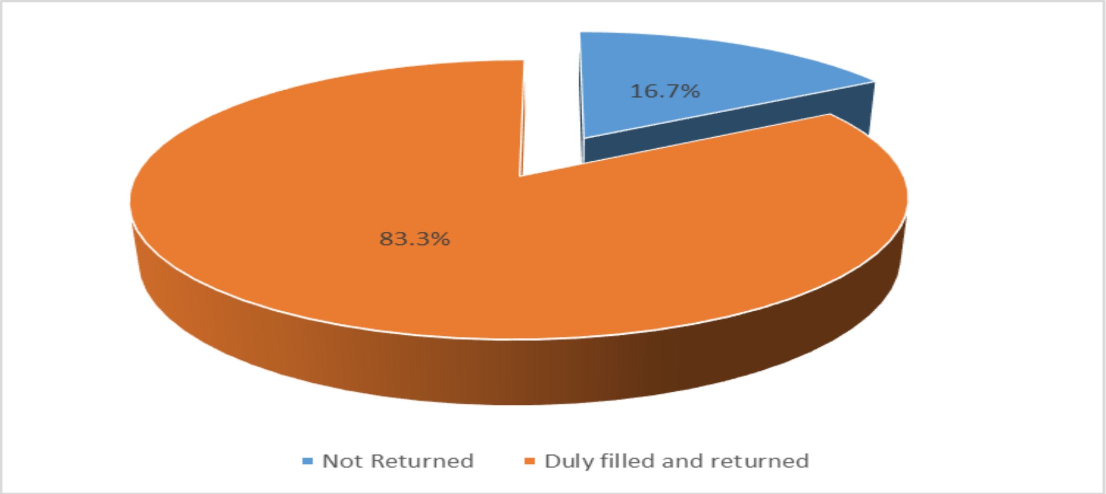

Figure 4.1: Response rate

4.3 General Information

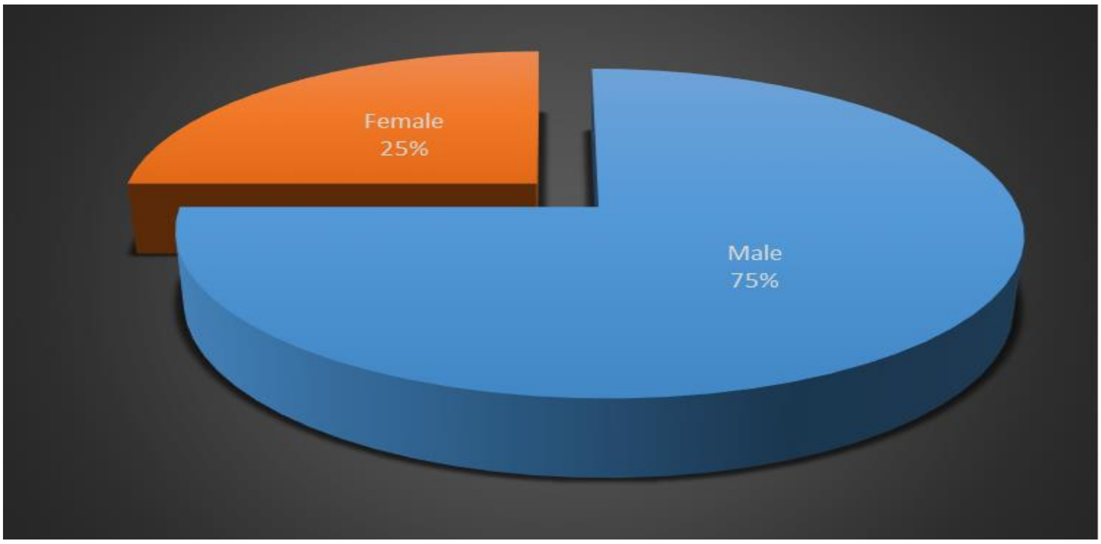

Figure 4.2: Gender of the respondents

The study sought to determine the respondents' gender and found that majority of the respondents as shown by 75% were male with the female standing at 25% as evident from figure 4.2. This is an indication that majority of the senior managers in the four Large supermarkets in Nairobi are Males.

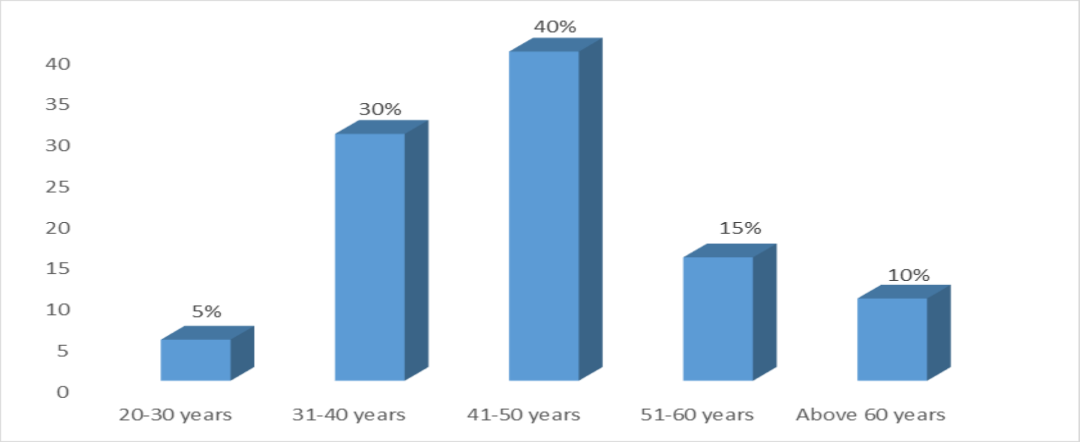

Figure 4.3: Age of the respondents

The study sought to determine the age of the respondents and therefore requested the respondents to indicate their age. From the findings shown in figure 4.3, 40% of the respondents were aged between 41-50 years, 30% indicated 31 to 40 years, 15% were aged between 51 to 60 years, 10% were aged above 60 years whereas 5% were indicated 20-30 years. This implies that most of the senior managers in the major supermarkets in Kenya are aged above 40 years. This would enable the managers to understand the change management practices and their effect on the performance of the banks.

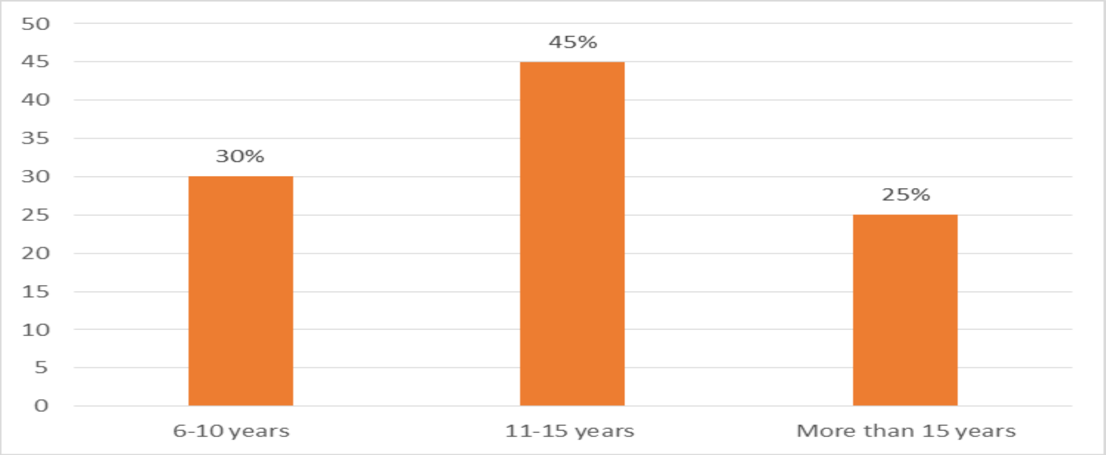

Figure 4.4: Age of the organization

From the findings on the age of the supermarkets as shown in figure 4.4, the study established that most of the respondents as shown by 45% indicated that their organizations had been in operation for 11-15 years, 30% indicated 6-10 years whereas 25% indicated more than 15 years. This implies that most of the supermarkets in Kenya have been in operation for more than 11 years.

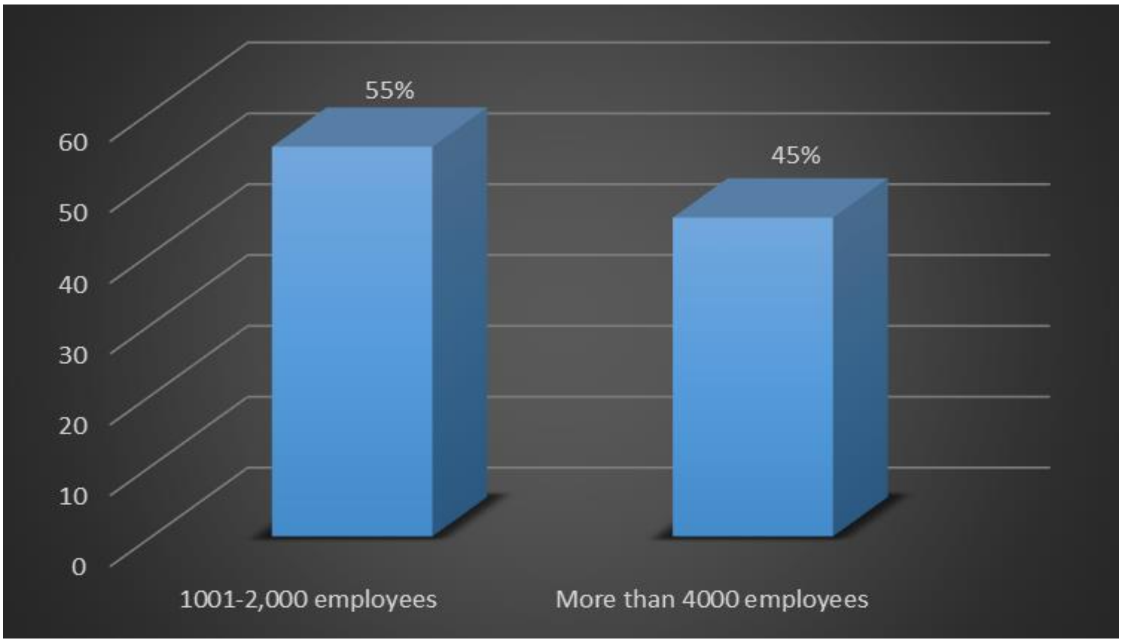

Figure 4.5: Number of employees

From the findings on the number of employees in the large supermarkets as shown in figure 4.5, the study found that majority of the respondents as shown by 55% indicated that their organizations had 1001-2000 employees whereas 45% indicated more than 4000 employees. This implies that majority of the large supermarkets in Nairobi have more than 1000 employees.

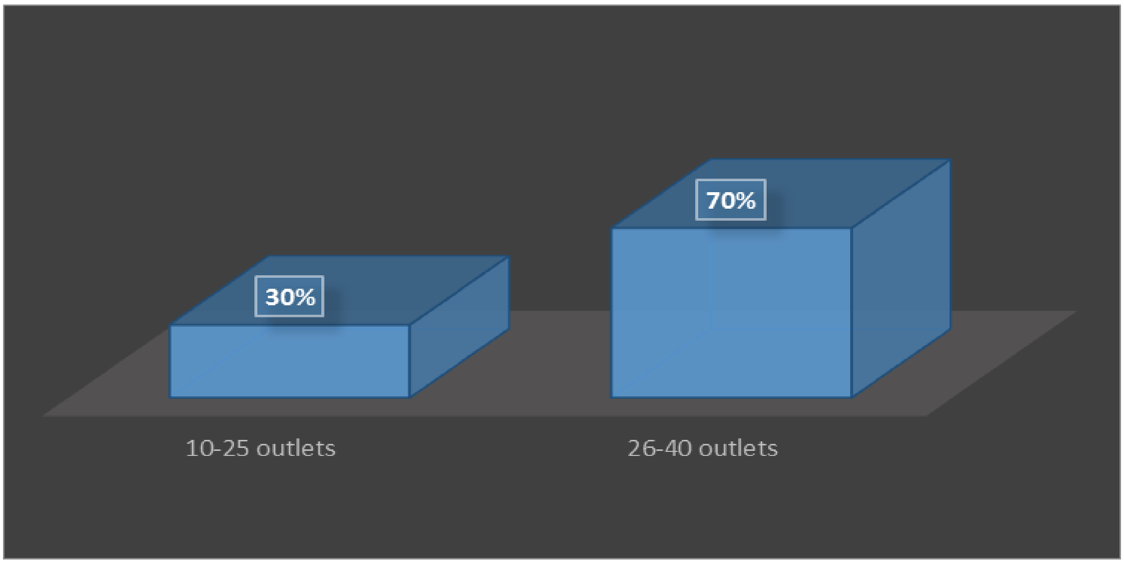

Figure 4.6: Number of outlets

From the findings on the number of outlets for the large supermarkets presented in figure 4.6, the study found that majority of the respondents as shown by 70% indicated that their supermarkets had 26-40 outlets whereas 30% indicated 10-25 outlets. This implies that majority of the large supermarkets in Nairobi have more than 26 outlets which makes them large and relevant for the study.

4.3 Strategic Change Management Practices

Table 4.1: Whether supermarket in Nairobi have implemented change programs

Opinion	Frequency	Percentage
Yes	20	100.00
Total	**20**	**100**

The findings on whether the large supermarket in Nairobi had implemented change programs are tabulated in table 4.1. The study established that 100% of the respondents indicated that their supermarkets had implemented change programs. This is an indication that the large supermarkets in Nairobi have implemented change programs.

Table 4.2: Change management strategies in supermarkets

Strategy	Percentage
Employee involvement	70
Executive commitment	55
Consultation	45
Effective communication	80
Change agents	30
Stakeholders’ engagement	60

The study sought to determine the Change management strategies used by supermarkets in Nairobi. From the findings as presented in table 4.2, majority of the respondents as shown by 80% indicated that their supermarkets used effective communication as a change management strategy. 70% of the respondents indicated that their supermarket used employee involvement, 60% indicated stakeholders’ engagement with 55% indicating executive commitment. Most of the respondents indicated that their supermarkets used consultation as shown by 45% and change agents as shown by 30%. This is an indication that supermarkets in Nairobi County have adopted different strategies in change management with majority of them ensuring effective communication.

Table 4.3: Strategic change management practices in Supermarkets

Statement	Mean	Stand. dev.
My supermarket has adopted use of private label brands	4.65	0.35
By staying actively involved, top-level executives demonstrate their support of a change	4.53	0.46
My supermarket has improved human capital management	4.32	0.34
My supermarket reviews key milestones achieved in change management	4.29	0.96
My supermarket has expanded to regional markets	4.24	1.20
My supermarket has implemented an inventory management system	4.11	0.69
My supermarket measures and rewards key initiatives to reduce employee resistance to change	4.02	0.68
My supermarket has a strategic change management policy	3.94	0.27
My supermarket recruits qualified staff and develops a relationship that facilitates effectiveness of a change effort	3.89	0.23
My supermarket has enhanced creation of awareness by developing an informal network of relationships to get information	3.82	0.29
My supermarket Rationalizes its operating process	3.78	0.57
My supermarket allocates resources to change management initiatives	3.75	0.42
My supermarket restructures quality programs that deliver expected outcomes	3.67	0.25
My supermarket has adopted use of mobile money and card payments	3.53	0.81

The study sought to establish the extent to which the respondents agreed on statements relating to strategic change management practices in their supermarkets. The findings as tabulated in table 4.3 established that the respondents agreed to a very great extent that their supermarkets had adopted use of private label brands as shown by a mean of 4.65.

The respondents agreed to a very great extent that by staying actively involved, top-level executives demonstrate their support of a change. This is shown by a mean of 4.53. The supermarkets supermarket had improved human capital management to a great extent as shown by mean value of 4.32. The respondents further agreed to a great extent that their supermarkets supermarket reviews key milestones achieved in change management as shown by mean of 4.29 while at the same time expanding to regional markets as shown by the mean of 4.24.

The respondents indicated to a great extent that their supermarkets had implemented an inventory management system as shown by mean of 4.11, measured and rewarded key initiatives to reduce employee resistance to change as shown by mean of 4.02 and had a strategic change management policy as shown by 3.94. The respondents further indicated to a great extent that their supermarkets recruited qualified staff and developed a relationship that facilitated effectiveness of a change effort as shown by mean of 3.89, enhanced creation of awareness by developing an informal network of relationships to get information as shown by mean of 3.82 while at the same time rationalizing their operating process as shown by mean of 3.78.

The supermarkets were found to allocate resources to change management initiatives to a great extent as shown by mean of 3.75, restructure quality programs that deliver expected outcomes as shown by mean of 3.67 and use mobile money and card payments as shown by mean of 3.53. This is an indication that there are many strategic change management practices adopted by supermarkets in Nairobi.

4.4 Challenges of Strategic Change Management

Table 4.4: Whether supermarkets face challenges in managing change

Opinion	Frequency	Percentage
Yes	16	80
No	4	20
Total	**20**	**100**

The findings on whether supermarkets in Nairobi face challenges in managing change are shown in table 4.4. The table shows that majority of the respondents as shown by 80% indicated that their organizations faced challenges in change management whereas 20% indicated that their organizations did not face any challenges in change management. This is an indication that majority of the supermarkets in Nairobi face challenges in change management.

Table 4.5: Challenges faced in change management

Strategy	Percentage
Inadequacy of funds	25.0
Resistance to change	62.5
Cultural diversity	43.8
Ineffective leadership	18.8
Incompatibility to organization structure	75.0

On the challenges faced in change management presented in table 4.5, the study established that majority of the respondents as shown by 75% indicated that they faced incompatibility to organization structure in managing change. Further, majority of the respondents indicated that they faced the challenge of Resistance to change as shown by 62.5%.

Most of the respondents indicated that they faced the challenge of Cultural diversity (43.8%) inadequacy of funds (25%) and Ineffective leadership (18.8%). This is an indication that the management of supermarkets in Nairobi face various challenges in managing change with incompatibility to organization structure as the major challenge.

4.5 Strategic Management Practices and Performance

Table 4.6: Strategic management practices and performance of Supermarkets

Strategic management practice	Mean	Stand. dev.
Implementing a strategic management policy	3.91	0.56
Measuring and rewarding key initiatives that help reduce employee resistance to change	4.00	1.25
Recruitment of qualified staff and developing an effective relationship with them	3.85	1.04
Implementing use of mobile money and cards for payments	3.60	0.47
Adoption of private label brands	3.95	0.61
Reviewing key milestones achieved in strategic management	3.70	0.69
Introduction of loyalty points programme	3.93	0.74
Improvement of human capital management	4.19	0.72
Restructuring quality programs that deliver exceptional service	3.86	0.71
Building brand presence through social media	3.98	0.68
Expansion of the business to regional markets	3.54	1.06

Findings on the extent to which strategic management practices influence performance of supermarkets in Nairobi as shown in table 4.6. The study found that the respondents indicated that improvement of human capital management influenced performance of their supermarkets to a great extent as shown by a mean of 4.19.

The respondents also indicated to a great extent on building brand presence through social media as shown by mean of 3.98, adoption of private label brands as shown by mean of 3.95, and the introduction of loyalty points programme as shown by mean of 3.93. It was also agreed to a great extent on restructuring quality programs that deliver exceptional service as shown by 3.86, reviewing key milestones achieved in strategic management as shown by 3.70, implementing use of mobile money and cards for payments as shown by 3.60 and expansion of the business to regional markets as shown by mean of 3.54. This is an indication that strategic management practices affect the performance of supermarkets in Nairobi to a great extent.

Table 4.7: Other strategic management practices adopted by supermarkets

Opinion	**Frequency**	**Percentage**
Yes	16	80
No	4	20
Total	20	100

The findings on whether supermarkets in Nairobi have other strategic management practices that influence performance are presented in table 4.7. The study found that majority of the respondents as shown by 80% indicated that they had other strategies whereas 20% indicated on the contrary. This is an indication that majority of the supermarkets in Nairobi have other strategic change management practices influencing performance.

The study indicated supermarkets in Nairobi create strong stakeholder relationship with suppliers and the government through regular interaction and mutually agreed terms of engagement. They also improved customer experience through revamping and renovation of the stores and widespread advertisements.

4.6 Discussions

The study established that the large supermarkets in Nairobi had implemented change programs. The findings concur with those of Kariuki (2001) who found that Kenyan supermarkets undertake change programs in order to ensure survival in the sector and overcome the challenges that come with changing environment.

The study revealed that supermarket had used change management strategies like effective communication, employee involvement, stakeholders' engagement, executive commitment, consultation and use of change agents. The study found that effective communication was the main strategy that the supermarkets used in change management. These findings were found to concur with those of Kinuu, Maalu and Aosa (2012) who found that effective communication is a major factor that impacts on the change management process.

The study found that the supermarkets adopted various strategic change management practices with the use of private label brands being the strategy adopted by majority of the supermarkets. Other major strategies included improved human capital management, review of key milestones achieved in change management, expansion to regional markets, inventory management system and measurement and reward of key initiatives. The supermarkets also adopted strategic change management policy, development of an informal network of relationships, rationalization of the change process, resource allocation and use mobile money and card payments. The findings concur with those of Benson et al. (2013) who identified employee involvement as a change management practice in organizations. However the findings differ with those of Mugo (2014), who identified other strategic change management practices like visible leadership, effective customer service and customer awareness.

The findings established that supermarkets faced challenges in change management that included incompatibility to organization structure, resistance to change, cultural diversity, inadequacy of funds and ineffective leadership. The findings concur with those of Munjua (2012) who found that the challenges during strategic change management included incompatibility to organization structure, scarcity of finances, resistance to change, cultural diversity and ineffective leadership. The study further found that incompatibility is the main challenge in strategic management which concurs with Dalziel and Schoonover (1998) who noted that incompatibility with the new organizational structure is a major challenge that faces organizations in change management.

The study found that strategic management practices influence performance of supermarkets in Nairobi to a great extent. The study concurs with those of Nganga (2014) who found that strategic management practices leads to improved performance. The findings also concur with those of Gichunge (2006) who found that formal strategic change management lead to improved organizational performance.

4.7 Summary

The study established that the large supermarkets in Nairobi have implemented change programs using different strategies. The major Supermarkets in Nairobi use various strategic change management practices with private labels being the main practice. The findings established that the large supermarkets in Nairobi face challenges in strategic change management with incompatibility coming out as the main challenge. The study found that the strategic management practices affected performance to a great extent.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this chapter was to discuss and draw conclusions and recommendations on the findings of the main objective of the study which was to determine strategic change management practices and performance of large supermarkets in Nairobi County.

5.2 Summary of the Findings

The study established that the large supermarkets in Nairobi have implemented change programs as all the respondents indicated that their supermarkets had implemented change programs. The study established that majority of the respondents indicated that their supermarkets had used effective communication as the main change management strategy. Other strategies indicated included employee involvement, stakeholders' engagement, executive commitment, consultation and use of change agents.

On the extent to which the respondents agreed on the various statements concerning strategic change management practices, the respondents agreed to a very great extent that the supermarkets had adopted use of private label brands. The respondents however agreed to a great extent on other change management practices like improved human capital management, reviews key milestones achieved in change management, expanding to regional markets, inventory management system, measurement and reward of key initiatives.

They further agreed to a great extent on strategic change management policy, development of an informal network of relationships, rationalization of the change process, resource allocation and use mobile money and card payments. This shows that the respondents agreed to a great extent on majority of the factors.

The findings established that majority of the respondents indicated that their supermarkets faced challenges in change management. These challenges included incompatibility to organization structure, resistance to change, cultural diversity, inadequacy of funds and ineffective leadership. Incompatibility to organization structure was found to be the main challenge facing the supermarkets.

On the extent to which strategic management practices influence performance of supermarkets in Nairobi, the study found that the strategic management practices affected performance to a great extent. These practices included improvement of human capital management, building brand presence through social media, adoption of private label brands, introduction of loyalty points programme, restructuring quality programs that deliver exceptional service, reviewing of key milestones, use of mobile money and cards for payments and expansion of the business to regional markets.

From the findings on whether supermarkets in Nairobi have other strategic management practices that influence performance, the study found that supermarkets had other strategies. The respondents indicated that other change management practices involved the creation of strong stakeholder relationship with suppliers and the government and improved customer experience through revamping and renovation of the stores and widespread advertisements.

5.3 Conclusion

The following conclusions were made based on the findings of the study:

The large supermarkets in Nairobi County have implemented strategic change programs. The supermarkets have adopted various strategies in managing of change with majority of them using effective communication as the major strategy. The use of change agents as a strategy in change management has not been used in majority of the supermarkets.

Large supermarkets in Nairobi have adopted various strategic change management practices. The use of private label brands is the main practice that the large supermarkets in Nairobi have adopted in managing change.

Large supermarkets in Nairobi county supermarkets face challenges in change management. Major challenges in change management in the supermarkets come due to incompatibility of change to the organization structure.

The strategic management practices in the large Supermarkets in Nairobi County affect their performance. The strategic management practices adopted affect the performance of the large Supermarkets in Nairobi County to a great extent.

The large Supermarkets in Nairobi County have adopted other strategic change management practices in order to enhance performance. The creation of stronger stakeholder relationships and advertisements are key to successful change management in the large supermarkets in Nairobi and Kenya at large.

5.4 Recommendations

The study recommends that change process should involve the participation of all employees, should be communicated clearly, frequently and through several channels, and managers should foster a change culture in their organizations.

With incompatibility to organizational culture being the main challenge in change management in the large supermarkets in Nairobi, the management should establish a culture that supports change with the change programs being in line with the organizational culture. This would make it easy for the management to manage and implement change in the supermarkets.

The study recommends that organizations should focus on taking the right measure in strategic change in an organization so as to improve organizational performance through increasing firm customer base, asset quality, quality of service, increased production and increased market share.

5.5 Limitations of the Study

The research faced a number of limitations when carrying out this study. The study targeted the large supermarkets in Nairobi which may limit the generalizability of the study. Some respondents were not be willing to fill the questionnaires. This was overcome by having a conversation with the respondents first and assuring him/her that this research is purely academic.

Some respondents took long time to complete the questionnaire however the researcher emphasized the importance of completing the questioner as scheduled. To ensure timely collection of the data, the researcher took the respondent through the questioner for more clarity.

It may be difficult to find certain type of data considered sensitive. However, the research intended to give firm assurance to the participants on confidentiality and non-disclosure of information provided. The assurance was that the information provided would only be used for academic purposes.

5.6 Suggestion for Further Research

This research study focused only on the relationship between strategic change management and performance of large supermarkets in Nairobi County. The study can be extended to the small supermarkets in another county like Nyeri. There is need for further research on the relationship between strategic change management and the performance of small super markets, with a bigger sample than is the case with this research study.

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APPENDICES

Appendix I: Questionnaire

Section I: General information

1. What is your gender? Male [ ] Female [ ]
2. What is your age?

   Below 20 [ ] 20-30 [ ] 31-40 [ ]

   41-50 [ ] 51-60 [ ] Above 60 [ ]

3. How long has your organization been in operation?

   Less than 1 year [ ] 1-5 years [ ]

   6-10 years [ ] 11-15 years [ ]

   More than 15 years [ ]

4. What is your position in the organization?

   General Manager [ ] Finance Manager [ ]

   Human Resource Manager [ ] Operations Manager [ ]

   Other (Specify)…………………………………………………………

5. How many employees do you have in your organization?

   Less than 500 [ ] 501-1000 [ ]

1001-2,000	[ ]	2001-3000	[ ]
3001-4000	[ ]	More than 4000	[ ]

6. How many outlets does your supermarket have?

   Less than 10 [ ]

   10-25 [ ]

   26-40 [ ]

   Above 40 [ ]

Section II: Strategic change management practices

7. Have your supermarket implemented change programs?

   Yes [ ] No [ ]

8. Which of the following strategies does your supermarket use in the management of change?

Employee involvement	[ ]	Consultation	[ ]
Executive commitment	[ ]	Effective communication	[ ]
Use of change agents	[ ]	Stakeholders’ engagement	[ ]

Others (specify)…………………………………………..

9. To what extent does your supermarket apply each of the following strategic management practices? (1-Not at all, 2-Little extent, 3-Moderate extent, 4-Great extent, 5-Very great extent)

Statement	1	2	3	4	5
My supermarket has a strategic change management policy					
My supermarket measures and rewards key initiatives to reduce employee resistance to change					
My supermarket recruits qualified staff and develops a relationship that facilitates effectiveness of a change effort					
My supermarket restructures quality programs that deliver expected outcomes					
By staying actively involved, top-level executives demonstrate their support of a change					
My supermarket Rationalizes its operating process					
My supermarket has enhanced creation of awareness by developing an informal network of relationships to get information					
My supermarket allocates resources to change management initiatives					

My supermarket reviews key milestones achieved in change management					
My supermarket has improved human capital management					
My supermarket has adopted use of mobile money and card payments					
My supermarket has expanded to regional markets					
My supermarket has implemented an inventory management system?					
My supermarket has adopted use of private label brands?					

Section III: Challenges of strategic change management

10. Does your organization face any challenges in managing change in your supermarket?

    Yes [ ] No [ ]

11. If yes, which of the following challenges do you face in change management?

    Inadequacy of funds [ ] Resistance to change [ ]

    Cultural diversity [ ] Ineffective leadership [ ]

    Incompatibility to organization structure [ ]

    Others (specify)…………………………………………..

12. To what extent has each of the following strategic management practices influenced performance positively in your organization? (1-Not at all, 2-Little extent, 3-Moderate extent, 4-Great extent, 5-Very great extent)

Statement	1	2	3	4	5
Implementing a strategic management policy					
Measuring and rewarding key initiatives that help reduce employee resistance to change					
Recruitment of qualified staff and developing an effective relationship with					

them?					
Implementing use of mobile money and cards for payments					
Adoption of private label brands					
Reviewing key milestones achieved in strategic management					
Introduction of loyalty points programme					
Improvement of human capital management					
Restructuring quality programs that deliver exceptional service					
Building brand presence through social media					
Expansion of the business to regional markets					

13. a. Are there any other strategic management practices that your supermarket adopts that influence performance?

Yes [ ] No [ ]

b. If Yes

(Specify)……………………………………………………………………….

………………………………………………………………………………

………………………………………………………………………………

Thank You

Appendix II: Large Supermarkets in Nairobi County

No.	Supermarket	Employees	Sales Turnover (Kes, Billions)	No of Stores	Profitability market share
1	Nakumatt Holdings Ltd	5,500	55.3 B	45	39.70%
2	Tuskys Supermarket	6,000	35.3 B	46	25.70%
3	Uchumi Supermarkets	1,700	14.4 B	34	23.50%
4	Naivas Supermarket	1,100	29.4 B	29	11.10%

The market share figures only include Nakumatt Holdings, Tusky's , Uchumi & Naivas Supermarkets

Source: Company websites, Kestrel Capital report: Uchumi-Supermarkets-Company-Update-March-2014