

**STRATEGIC CHANGE MANAGEMENT
AT THE NATIONAL CEREALS AND PRODUCE BOARD**

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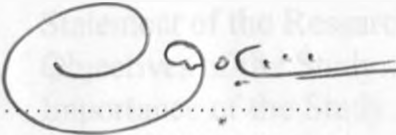
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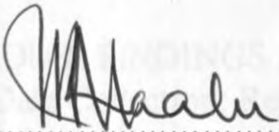
DECLARATION

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

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

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ABBREVIATIONS

CEO	Chief Executive Officer
CSRP	Cereals Sector Reform Programme
FMA	First Mover Advantage
GCK	Grain Corporation of Kenya
GOK	Government of Kenya
KSHS	Kenya Shillings
N	Number of Respondents
NCPB	National Cereals and Produce Board
SCA	Sustainable Competitive Advantage
TSC	Technical Service Contractors (Change Agent- Agriconsult Ltd. in association with ACIL Australia Pty Ltd)

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ABSTRACT

The magnitude, speed and direction of environmental change is increasing at an unprecedented rate. As Burnes (1996) notes, public bureaucracies and monopolies are changing hands to the private sector or having the competitive market structure transferred into them. Firms that enjoyed legislative protection have had to rise to the challenges of change. Evolution and re-evolution of change strategies is now the norm rather than the exception. The operating environment is such that Makadok (1998) says that in today's faster-paced hyper-competition it is becoming difficult to sustain competitive advantage for any length of time.

It is against the background of a chaotic environment and the struggle by public institutions to stay afloat in the hyper-competitive scenario with their patently rigidly demarcated sets of dos and don'ts that this study undertook to analyse the change at the National Cereals and Produce Board (NCPB). It is acknowledged that a good strategy/plan may lead to fruition, a bad strategy may be a try but no strategy is a disaster situation.

The focus of the study was the strategic management process of NCPB with the main objectives of the study being;

- (i) To examine the operating business environment and its influence on the changes at NCPB.
- (ii) To establish how the changes at NCPB were arrived at.
- (iii) To establish the changes that occurred.

The main objective of the change/restructuring process at the NCPB was to transform it from a government social service provider to a commercialised entity that does not rely on the treasury for financing. Both primary and secondary data was used. Primary data was obtained from thirty respondents who were involved in one way or another in the change. The consultants who were hired to guide the change appear to have settled on the use of the four-phase change model developed by Bullock and Batten in 1985. Cummings and Huse (1989) hail this method as having broad applicability to most change situations.

The findings revealed that the highest rated force pressuring change was the need to plan ahead; this was rated at 93.3% as being important. The conclusion from this being that what was needed was the adoption of strategic planning that would have focused the organization on building a sound future. The next highly rated force was the customer focus. An appreciation of the customer was sinking in and there was pressure to embrace the customer more robustly.

From the research findings the external forces that were pressuring the change at the NCPB can be summarised as; legislative, that is the abolition of the monopoly status of the NCPB in 1993. There were consequent forces that resulted from the liberalization the main one being competition. The findings show that the internal forces for change revolved around a deficiency in the organizational structure, processes and systems that were incompatible with the dictates of the existing business climate. The systems were both rigid and stagnant with the change agent recommending a culture transformation. The GOK referred to the management as weak. The change consultant summed the general management as deeply lacking in commercial business orientation.

The vision of the NCPB that guided the restructuring was, "**To be the leader in all aspects of grain handling and marketing in Kenya and beyond**". However, from the research data it is noted that of the thirty respondents only seven representing 23.3% were able to get the vision statement right. None of the respondents from the field including senior field managers were able to get the vision statement right. The interviewees indicated that the contents of the final report by the change agent were never directly communicated even to key managers. This revelation was quite startling and revealing on the deficiency of the communication process.

The research revealed that there was average support for the change at both the top management and lower cadre staff levels. Both levels of staff were rated average in support by 60% of the respondents. The lack of enthusiastic support from senior management was thought to emanate from suspicion; this was especially so since the changes were being pressured by foreign aid donors. According to the research findings 70.3% of the

respondents indicated that resources were availed reluctantly, 26% indicated that resources were readily availed while only 3.7% indicated that resources were very readily availed. This revelation bolstered the results that indicated that the support from the top management was less than enthusiastic, it was a dull average.

Of the factors that influenced resistance, fear of demotion or retrenchment was rated highest at 80% strong and above in contribution. The research revealed that to counter resistance, there was greater preference in using communication at a rating of 60% followed by education and training at 50% rating. However, the research also found that resistance was not deliberately analysed and targeted for address.

The research found that culture change was rated as being very important, with 63.3% of the respondents indicating an above average importance rating. The change consultant indicated that prominence of the customer underlined the thrust of culture change.

Reinforcement of the change was found to have been very poor. The observation is further amplified by the trading results that indicated successive improvement for three consecutive years after the commencement of the change. Then there was a relapse that is demonstrated by a reverse on the gains that had been made. Good reinforcement or achievement of permanent learning would have yielded in the adoption of a strategic posture that would have militated against the slide to under-performance.

The change process was rated by the respondents as being **51.3%** successful. The findings show that there was under-communication, this was clearly a draw back. Most respondents did not even know the vision of the change. This position was so despite the use of knowledgeable change experts who used a tested theoretical model and were reputed as having guided a similar change in a grain handling organization in Australia. The competence of the change agent may not be in doubt or question but the environmental context of the Kenyan scenario may have had a profound negative impact.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Government of Kenya in its Sixth National Development Plan covering the period 1989 to 1993, states that, "since the early 1980s, it has become clear that too much official involvement in marketing and pricing may induce operational inefficiencies. Furthermore, parastatals and nationwide monopolies such as the National Cereals and Produce Board (NCPB) have not achieved the objectives for which they were set, namely: price and income stabilization for farmers, efficient and nationwide distribution of commodities to the consumer without government subsidy. In almost all cases, the performance of these monopolies has remained poor due to lack of competition and weak management". The paper went ahead to propose that "to overcome the limitations in the present agricultural marketing system, major restructuring involving gradual liberalization will be carried out over the next five years."

The Sixth National Development Plan appears to have set the stage for the restructuring of NCPB and even specified the areas to be reformed as including; areas of general management, rationalization of the buying network, financial restructuring and improvement in the monitoring of the market conditions. The government then advanced the view that diversity of participants in the cereals sector held the key to the future development of an 'efficient and competitive' agricultural sector. By the end of 1993 the cereal sector was fully liberalized ushering in a barrage of competitors. According to Grant (1990), a firm protected by barriers to entry of new firms forms a monopoly in which it can appropriate in profit the full amount of the value it creates. In this definition, firms supplying identical product with no restrictions on entry or exit constitute perfect competition.

The new competitive space opened new challenges to NCPB, which found that former sectoral supporters such as grain millers became the most aggressive competitors. The challenges called for

new pragmatic and focused initiatives that could reverse the pressures that had been imposed on the NCPB structure.

In the Kenya Government's Economic Reforms for 1996 - 1998 contained in, *The Policy Framework Paper*, of 16th February, 1996, the government undertook to transform NCPB into a commercially viable entity -free to make independent commercial decisions; the paper stated that experts would be engaged for this purpose. The experts were expected to begin work by June 1996, based on terms of reference agreed with the World Bank. Principles governing this commercialization including expanding the private sector role in maize marketing, and the interim operating rules for NCPB had been finalised.

Ikiara et al (1993) observe that policy reforms in the Kenyan agricultural sector emphasized liberalization of the grain market and removal of price controls for all agricultural commodities. The government readily agreed to realign export crop prices to world market prices, but reforms in the grain marketing system proved difficult to implement. Ikiara et al further note that though the implementation of reforms since 1991 was not characterized with public controversy, the implementation record was not impressive and was characterized by considerable official ambiguity and covert and overt resistance. They continue to observe that while the government gave the impression that it was not opposed to reforms in the agricultural sector, only half-hearted efforts were made to implement them. They cite the case of the NCPB where they report that the government insisted on some central regulation for 'food security' reasons and there was an on and off removal of controls until 1993 when the grain sub-sector was fully liberalized.

Nyangito (1999) notes that the liberalization of trade in the grain led to increased import of food stuffs into Kenya and this enhanced competition. This situation accelerated the pace of reforms by bringing into light a new set of corporate challenges that, Hamel and Prahalad (1989) could describe as a way to stage the acquisition of new competitive advantages, a way to identify the focal point for employees' efforts. There arose a need for rapid change in management capability and a re-orientation of the entire mind-set in order to design strategies in response and implement them.

After the liberalization of the grain sector at the end of 1993 the next phase was to integrate the NCPB into the new operating environment. The change or restructuring envisaged in the *GOK Policy Framework Paper of 1996* was commenced in July 1996. Consultants were hired to guide the change and from the inspection of the reports that they made it appears that they followed the four-phase pattern developed by Bullock and Batten (1985). The pattern by Bullock and Batten follows from: (1) Exploration phase. Organization explores the need to make changes and commits resources to planning the change. The change process at this phase involves: Creating awareness of the need for change (urgency); searching for and commissioning the change agent. (2) Planning phase. Involves collection of information for problem diagnosis, establishing the change goals, designing actions to achieve the goals and getting backing from key decision makers in support of the proposed change. (3) Action Phase. This involves establishing appropriate arrangement to manage and guide the change process, building support for the actions to be taken (managing resistance to change), evaluating the change and incorporating adjustments. (4) Integration Phase. This is the final stage that involves solidifying the change into the body fabric of the organization. It involves reinforcing new behaviour through feedback and reward systems, gradually decreasing reliance on the change agent, diffusing the successful aspect of the change throughout the organization, training all organizational members to monitor the changes and improve further on them.

According to Burnes (1996), the Bullock and Batten's model of change gives the change consultant/agent a more directive and a less developmental role. He argues that those involved are more dependent on the change agent for provision of solutions and help to implement them. The focus of the change is therefore on what the change agent can do for and to those involved, rather than on seeking to get the subjects to change themselves.

Cummings and Huse (1989) hail this model as having broad applicability to most change situations. However, it is one thing to have a proven and tested theoretical model and another to successfully implement it. This paper seeks to study the change management process at the NCPB through an in-depth step by step analysis of the main factors that influenced and impacted on the change and examine its strategic implications.

1.2 History of the National Cereals and Produce Board

According to archival records at the National Cereals and Produce Board (NCPB) its origin can be traced to the Second World War period i.e. 1939-1945. The task then was to handle grain from the white settlers that was destined for the army barracks. The name of the institution then was Maize and Produce Control Board.

In 1958 the name was changed to Maize Marketing Board (MMB). Central Province Marketing Board (CPMB) and Nyanza Province Marketing Board (NPMB) were the principle agents of MMB. CPMB was soon after transformed to Kenya Agricultural Produce Marketing Board (KAPMB), while NPMB became West Kenya Produce Marketing Board (WKPMB). In 1966, KAPMB and WKPMB were merged. The merger yielded Maize and Produce Board (MPB) whose mandate was to handle maize and other produce except wheat, which was being handled by the Wheat Board (WB). On 1st July 1979, the Maize and Produce Board was amalgamated with the Wheat Board to give rise to the National Cereals and Produce Board (NCPB).

In 1985 NCPB became a statutory body through the enactment of the NCPB Act (Cap 338) by Parliament. The Act created a monopoly that handled all the surplus (marketable) grain in the country and among others controlled the physical grain movement. The restrictive policy extended to price controls that saw procurement and sales prices being gazetted by the government. By law NCPB was required to purchase all grain on offer and due to this role played by NCPB, it developed a wide storage infrastructure composed of bag and bulk storage facilities with a combined storage capacity of about 2 million metric tones. This matched against a total marketable grain volume of about 1.4 million tones, leaves at the very least a surplus capacity of 600,000 tones

According to the government in the Sessional Paper No. 1 on Economic Management for Renewed Growth of 1986, by the 1980s the need to reform the cereals sub-sector in a bid to improve on efficiency had become abundantly clear. The sub-sector was fully liberalised in December 1993. The liberalization together with the shrinking resources of the government coupled with greater levels of turbulence that were experienced accelerated the need for change

1.3 Statement of the Research Problem

Every change comes in its unique way and its successful implementation is related to the set of values, resources and skills of the firm and the demands of the prevailing environment. Change can cause painful upheavals, bring anguish, inflict a feeling of loss of control, stir a sense of helplessness and arouse anxiety (Kanter, 1984; Hamel and Prahalad, 1994; Kotter 1996). Kazmi (2002) does indicate that change is not linear i.e. it cannot be worked on a mathematical formula basis with a set of variables that will always yield a fixed answer for their combination. Aosa (1996) also points out the necessity of carrying out change within the context of the unique environmental challenges within Africa. Given that the change experts engaged to guide the change process at the NCPB were from the developed world namely; Australia, it is important to document how the change was carried out and to seek to understand the enormity of the problem that required the input of international experts to solve.

Strebel (1996) contends that change management whether in the private or public sector is a daunting exercise that is often elusive. His studies reveal that only between 20-50 percent of the organizations that undertake change report success. Whereas, the estimates are from the developed world there is a need to document and build estimates from the developing world such as Kenya

With the removal of the legislative structures that previously ensured that the NCPB had a monopoly in the grain market in Kenya; the unfolding competitive environment necessitated the need to change by adopting strategies that confer greater competitive advantage. There is a need to establish how the NCPB evolved strategies adapted to the new operating/regulatory environment, what peculiar challenges were encountered in the change process, and how these were addressed. Worth studying also is the role of the government in the change process and how facilitative it was or was it the originator of the change and an impediment at the same time due to the conflicting roles that it plays. This is important against the background of reports by such analysts as Ikiara et al (1993) who cite NCPB as one of the institutions where the government sent mixed signals on its commitment to change.

1.4 Objectives of the Study

The objectives of the study are:

- (i) To examine the operating business environment and its influence on the changes at the NCPB.
- (ii) To establish how the changes at the NCPB were arrived at.
- (iii) To establish the changes that occurred at the NCPB.

1.5 Importance of the Study

Most parastatals that undertook changes in the 1990s had different approaches from that of the NCPB, the approach mainly consisted of the government selling part of its share holding e.g. at Kenya Airways, Kenya Power and Lighting or divesting completely like in Milling Corporation. The government chose to retain 100% ownership of the NCPB. With the grinding poverty in Kenya and the multitude of stakeholders that have direct interest in the operations of the NCPB, it is most likely that the NCPB will continue being regarded as a strategic parastatal owing to its role of maintaining the country's strategic grain reserves. With this kind of a scenario, there arises the need to carefully study the changes at the NCPB as they will benefit a wide range of stakeholders, including:

- (i) The government-since it initiated and funded the change programme it would be interested in the entire conduct and success of the exercise.
- (ii) Local strategic management researchers, scholars and managers-what were the peculiar challenges in this particular case that needed the involvement of foreign experts.
- (iii) Farmers, grain consumers and grain traders-who would wish to visualise how the ensuing changes affect their interests.
- (iv) The NCPB management-who will be interested in systematically following the conduct of the change as one way of evaluating it and as a base for conducting future change programmes.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Business Environment and Organizational Change

Kotter (1995) lists the major economic and social forces driving change as: the increasing pace of technological changes that is hinged on the information technology and a more developed transport network, greater international integration through greater liberalisation and reduction of trade barriers, maturity of markets in the developed countries and stagnation of growth hence the trend towards seeking international/global markets for opportunities. The fall of communism and socialism also catalysed more privatisation and heralded increased competition. The resultant effect according to Kotter, has been globalisation and increased competition. Globalisation has diminished the shield or insulation that firms formerly enjoyed. Peters (1994) sees the ensuing change as going beyond tradition.

Kanter (1984) talks of the phenomenal change in the environment as originating from such sources as: the labour force, patterns of world trade, technological changes and political realignment. The forces mirror those advanced by Kotter (1995) with the only difference being that Kanter adds the people dimension (labour), this may be for good reason given that she appears focused on the response to the changes. Her solution lies in the people to make decisions in response to the changes. Interestingly even though Kanter's observations were made in 1984- at least five years before the collapse of communism and socialism that were central to the cold war, the mention of political forces by Kanter, gives concurrence to the reason advanced by Kotter (1995) on the influence of politics on business.

Kazmi (2002) sums up the business environment as being; complex, dynamic, multi-faceted with far reaching impact. Kazmi adds that the traditional approach to strategic management has had its emphasis on control, order and predictability. But the environment is proving to be more unpredictable uncertain and non-linear. The environment can be summarized as characterized with ever recurring changes and herein lies the challenge for business managers.

Burnes (1996) says that the magnitude, speed, unpredictability and impact of change has become greater than ever before. New products and processes are appearing in the market at an ever-increasing rate. Boundaries are shrinking as globalization takes centre stage. The source of the next competition may not even be within imagination. Burnes says that protected markets are opening up while public bureaucracies and monopolies are changing hands to the private sector or having the competitive market culture transferred into them.

2.2 Evolving a Strategy

Hamel and Prahalad (1989) say that companies that have risen to leadership invariably began with ambitions that were out of proportion to their resources and capabilities. But they created an obsession with winning at all levels. Hamel and Prahalad term this obsession "strategic intent". The concept of strategic intent encompasses an active management process that includes; focusing the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using intent consistently to guide resource allocations. They sum up strategic intent as capturing the essence of winning:- It provides consistency to short-term action while leaving room for reinterpretation as new opportunities emerge.

According to Hamel and Prahalad (1989), many companies are more familiar with strategic planning than they are with strategic intent. They say that planning typically acts as a "feasibility sieve". Strategies are accepted or rejected on the basis of whether managers can be precise about "how" as well as "what" of their plans. Are the milestones clear? Do we have the necessary skills and resources? How will competitors react? Has the market been thoroughly researched? They see inflexibility in management's thought pattern as a drag to strategy, they say, "In one form or another, the admonition "Be realistic!" is given to line managers at almost every turn. While strategic intent is clear about ends, it is flexible as to means. Strategic intent implies a sizable stretch for an organization. Current capabilities and resources will not suffice. This forces the organization to be more inventive, to make the most of limited resources

Hamel and Prahalad (1989) contend that the dichotomy between formulation and implementation is familiar and widely accepted but the strategy hierarchy undermines competitiveness by fostering an elitist view of management that tends to disenfranchise most of the organization. Employees may fail to identify with corporate goals or involve themselves deeply in the work of becoming more competitive. Hill and Jones (2001) say that top-down strategy is normally transformational while bottom-up is gradual. Kanter (1997) indicates preference for incremental change that is smoother, more continuous and will come from change leaders from the inside instead of radical change that is forced from outside.

Hamel and Prahalad (1989) say that after studying organizations that had surrendered, they invariably found senior managers who, for whatever reason, lacked the courage to commit their companies to heroic goals - goals that lay beyond the reach of planning and existing resources. The conservative goals they set failed to generate pressure and enthusiasm for competitive innovation or give the organization much useful guidance. Financial targets and value mission statements just cannot provide the consistent direction that is a prerequisite for winning competitive war.

2.3 Corporate Strategy and Competitive Advantage

According to Montgomery and Collis (1998), most executives think they're getting the alignment of their corporate strategies right, 'when in fact they are not'. They mistakenly enter businesses based on similarities in products rather than similarities in the resources that contribute to competitive advantage in each business. Organizational structures and systems should be tailored to the needs of a particular strategy. Relatedness is about resources, not just about products.

Montgomery and Collis (1998) summarise the conditions that will create value as:

- Corporate strategy is guided by a vision of how a firm, as a whole will create value.
- Corporate strategy is a system of interdependent parts. Its success depends not only on the quality of the individual elements but also how the elements reinforce one another.
- Corporate strategy must be consistent with and capitalize on, opportunities outside the company.

As brilliant as any one strategy might be, it won't necessarily work well for all companies. That's because every company starts at a different point, operates in different context and has fundamentally different kinds of resources. Montgomery and Collis (1998) aver that, there is no single, universal best prescription in strategy. What prevails is the logic of internally consistent corporate strategies tailored to a firm's resources and opportunities. When corporate strategy adheres to this logic, a company can create a meaningful corporate advantage. Stabell and Fjeldstad (1998) add that, a position of competitive advantage cannot be chosen directly, but must rather be attained by appropriate actions in terms of scope and in terms of attempts to modify the drivers of cost and value.

Grant (1998) sees the primary purpose of strategy as to guide management decisions towards superior performance through establishing competitive advantage, he further sees strategy as acting as a vehicle for communication and coordination within the organization. Strategy is described by Grant (1998), as a way of creating and sustaining competitive advantage. Strategy is a means of aligning the management of the company with the changes in the environment. Hill and Jones (2001) say that for managers to succeed in changing a firm, the firm's strategy and structure must fit the new competitive environment

On the other hand competitive advantage is seen as the essence of competitive strategy. It encompasses those capabilities, resources, relationships and decisions which permit an organization to capitalize on opportunities in the market place and to avoid threats to its desired position (original source could not be traced but, the materials were found in a summary of class notes)

The ingredients of successful strategies according to Grant (1998) are, clear goals, understanding the competitive environment, resource appraisal and effective implementation. He goes further to say that the principles are not new citing that over 2000 years ago Sun Tzu wrote.

Know the other and know yourself.

Triumph without peril

Know Nature and know the situation

Triumph completely

Makadok (1998) has identified two perspectives of strategy models: (1) The traditional perspective, which one might call the "sustainability model" of strategy which argues that building competitive advantages in a way that makes them sustainable is the very heart of the strategist's job and the ultimate purpose of strategic management, (2) the other perspective argues that sustainable advantage has become outdated and may have worked well in the past in an oligopolistic setting. But, in today's faster-paced, hyper-competitive; - it is increasingly difficult to sustain competitive advantage for any length of time. Therefore the purpose of strategy is not to build and then defend large sustainable competitive advantages, but rather to create a constantly changing series of small temporary competitive advantages; thereby keeping competitors off balance.

Williamson (1997) after studying the competitive scenario in Asia states that, it is better to be always first than always right, he observes that, senior managers in emerging Asian multinationals argue that by being first mover into markets, they can enjoy the advantages of having first pick of pertinent sites and other resources. First movers are also able to establish their products and brands quickly and cheaply –well before marketing channels become cluttered with competing messages. Although this strategy may lead to some mistakes, its practitioners point out that it gives them time to make corrections. As the C.E.O. of a large Asian company puts it, "when you go in early, you are not always right, but you have time to correct. If you're a late comer, you have to hit a hole in one. There isn't any time for detours and mistakes; unless you get it right the first time, you'll never catch up". On the other hand, Lieberman and Montgomery (1998), while not entirely disagreeing with Williamson, they say that, the bulk of the First Mover Advantage (FMA) literature focuses on the potential for pioneering firms to acquire superior resources and capabilities. Early entry into an emerging market may facilitate such accumulations. But pioneers often miss the best opportunities, which are obscured by technological and market uncertainties. In effect, early entrants may acquire the 'wrong' resources, which prove to be of limited value as the markets evolves.

An organization has a foundation for sustained competitive advantage when it possesses skills or resources that provide superior value to customers and that are difficult to imitate (Slater and Narver, 1998). In a turbulent environment, the more enduring advantage is ability to anticipate evolving customer needs and to generate new value creating capabilities based on that knowledge

(D'Aveni, 1994; Leonard-Barton, 1995). Aaker (1989) adds that unless there is an advantage over competitors that is not easily duplicated or countered, long-term profitability is likely to be elusive. Hamel and Prahalad (1989) advance the view that resourcefulness is the foundation on which new competitive advantages are built

Hamel and Prahalad (1989) argue that imitation may be the sincerest form of flattery, but it will not lead to competitive revitalization. Strategies based on imitation are transparent to competitors who have already mastered them. Moreover successful competitors rarely stand still. Greiner (1998) adds that managers, too often find it is tempting to choose solutions that were tried before but that actually make it impossible for a new phase to emerge.

Aaker (1989) observes that long term success involves creating, managing, and exploiting assets and skills that competitors find difficult to match or counter. This involves a three-step process: (1) identifying relevant skills and assets by observing successful and unsuccessful firms, key customer motivations, large value - added items, and mobility barriers; (2) selecting those skills and assets that will provide an advantage over competitors, will be relevant to the market, and will be feasible, sustainable and appropriate for the future, and (3) develop and maintain those assets and skills and neutralize those of competitors.

A firm's resources are said to be a source of competitive advantage to the degree that they are scarce, specialised, appropriable (Amit and Schoemaker, 1993) valuable, rare, difficult to imitate or substitute (Barney,1991). Knowledge, values and belief are resources that create sustainable competitive advantage in so far as they are valuable rare and difficult to imitate (Spender, 1995; Barney, 1986; Fiol 1991). Sustainable Competitive Advantage (SCA) could result from such factor as a low cost strategy, a presumptive move, size or economies of scale, technological skills, personnel skills, access to capital and other resources (Aaker, 1992; Caves, 1971; Horst, 1972; Levy, 1988)

Multiple strengths are needed in order to compete successfully (Aaker, 1989). An analysis of customer motivations should help evaluate as well as identify SCAs. In nearly all cases, a SCA should result in either a point of differentiation or a price advantage that is valued by the customer.

A business should look for strategies that are sustainable when a competitor is inhibited or otherwise unable to respond. The product may be a commodity, in which case a key success factor for most firms tends to be achieving low production costs and an effective distribution system. It is important to anticipate what assets and skills will be needed as conditions evolve (Aaker, 1989). Assets and skills will generate SCAs only in the context of the appropriate strategies and the right competitive environment (Aaker, 1989). Beam (1990) states that there are three basic ways to compete namely, on the basis of delivery (including convenience), quality (including service) or price. Commodities and undifferentiated products (maize, wheat) tend to sell on the basis of price.

Goold (1991) says that establishing a formal strategic control process that adds value is not easy. He argues that it is much harder to agree to a few non-financial targets that measure strategic progress than to specify key financial objectives. It is also often more difficult to know how to react to missed strategic targets than to missed budgets. For strategic decisions to achieve any measure of success there must be sound management capability, Ansoff and McDonnell (1990) advance a set of mutually supporting components that recognize general management capabilities these being:

- (i) Qualification and mentality of key managers
- (ii) Power structure
- (iii) Systems and organization structure.
- (iv) Capacity of general management to do managerial work.

Firms may have skills in accumulating and organizing resources; but these are irrelevant if resources are not utilized efficiently (Majumdar, 1998). A firm's strategic plot reflects some continuity in its activities; it contributes to competitive advantages by providing a long-term context to which constituents can attribute meaning to specific investments and projections. Projections are controlled images projected in social interaction through communication to secure favourable evaluation (Schlenker, 1980). In so far as the interpretations of constituents create preference for some firms over others favourable interpretations are a source of advantage (Rindova, 1999)

2.4 Understanding Change

Hill and Jones (2001) define strategic change as a move from a present state to a future state that increases competitive advantage. Ansoff and McDonnell (1990) observe that changes have become increasingly complex, novel and discontinuous from past experience. Equally the change challenges have increasingly become simultaneous; the need for revival of entrepreneurship, for response to the increasing intensity of global competition, and for societal involvement in determining how the firm is to be run is more critical now than before. Another characteristic has been acceleration of both incidence and diffusion of change. Ansoff summarises the consequences of the acceleration of change as:

- (i) An increasing difficulty in anticipating change sufficiently in advance to plan timely response.
- (ii) The need for increased speed of implementation of the response.
- (iii) The need for flexibility and timely response to surprises which could not be anticipated in advance.

Beam (1990) says that strategic discontinuities must be anticipated; he adds that they can't be identified from trends alone because, unlike trends, they represent a break from what was done in the past, not a projection of the past into the future. Strategic discontinuities are particularly traumatic for firms that have been market leaders for long periods of time. It is tempting to restrict analysis of competitive threats only to direct competitors - even very successful strategies need to be carefully reviewed at least annually to make sure they aren't vulnerable to a strategic discontinuity.

Koch (1995) proposes that a new strategy has to be adopted to real-life relationships between people (employees, customers, suppliers and so forth) gradually introduced, and crafted and re-crafted as circumstances change. This not only emphasises the fact that strategy is not a one stop-point matter, but does require the people to understand and believe in it. Koch laments that strategy development is rarely done by the right people, while Strebel (1996) says that, change management isn't working as it should. He contends that the wide spread difficulties have at least one common root, that is, that managers and employees view change differently. Both groups seem to know that vision and leadership drive successful change, but far too few leaders appear to recognize

the ways in which individuals commit themselves to bring about change. Top level managers are said to see change as an opportunity to strengthen the business by aligning operation with strategy, to take on new professional challenges and risks, and to advance their careers. For many employees, however, including middle managers, change is neither sought after nor welcomed. It is disruptive and intrusive. It upsets the balance. Strebler, concludes that, "employee often misunderstands or worse, ignore the implications of change."

The market a company dominates today is likely to change substantially. There is no such thing as "Sustaining" leadership; it must be regenerated again and again (Hamel and Prahalad, 1994). Given that change is inevitable, the real issue for managers is whether that change will happen belatedly, in a crisis atmosphere, or with foresight, in a considered manner; whether the transformation agenda will be set by a company's more prescient competitors or by its own point of view; whether transformation will be spasmodic and brutal or continuous and peaceful.

Hamel and Prahalad (1989) say that the painful upheavals in so many companies in recent years reflect failure of one-time industry leaders to keep up with accelerating pace of industry change. Restructuring and re-engineering: - while both are legitimate and important tasks, they have more to do with shoring up today's businesses than with building tomorrow's industries. Any company that is a bystander on the road to the future will watch its structure, values and skills become progressively less attuned to industry realities. Such a discrepancy between the pace of industrial change and the pace of company change gives rise to the need for organizational transformation. A company's organizational transformation typically includes downsizing, overhead reduction, employee empowerment, process redesign and portfolio rationalization. When a competitiveness problem (stagnant growth, declining margins, and falling market share for example) can no longer be ignored most executives 'pick up a knife' and begin the painful work of restructuring. The goal is to carve away layers of corporate fat and amputate under-performing business. Masquerading behind terms like re-focusing, de-layering, de-cluttering and right sizing (why is the "right" size always smaller?), restructuring always results in fewer employees (Hamel and Prahalad, 1994).

Key industry events provide occasions for restructuring, these include major technological developments, the entry of a resourceful and determined competitor, changes in regulatory

infrastructure, or dramatic shifts in consumer preferences (Madhavan et al, 1998). Specific industry events provide opportunities for firms to attempt to improve their positions in the industry network. Some industry events, such as fundamental regulatory reform or radical technological change potentially change the basis of competition in an industry. Firms may find that they need access to a different set of resources. They may be forced to initiate a new set of relationships with a different set of partners (Madhavan et al, 1998).

The direction of structural change is characterized as being either structure-reinforcing or structure-loosening. Madhavan et al (1998) say that the answers to the following three questions help to determine whether an event is potentially structure-reinforcing or structure-loosening:

- (1) How does the event affect the currently accepted bases of competition in the industry?
- (2) Who does the event potentially benefit?
- (3) Who initiated the event?

Structure-reinforcing events serve to strengthen the position of the current dominant players - because they typically sustain rather than disrupt current industry trajectories. Structure-reinforcing events are likely to be initiated by those same dominant players. Structure-loosening events tend to benefit peripheral players who use the events to strengthen their positions, and are less likely to be initiated by dominant industry players (Madhavan et al, 1998).

Majchrzak and Wang (1996) do not see restructuring as being in vain though they sound cautious by saying that; business process re-engineering depends on how well managers create a collective sense of responsibility. Re-structuring by process can lead to faster cycle times, greater customer satisfaction, and lower costs, but only if the organization has a collaborative culture. Combining the boxes of the organization chart alone will not create such a culture.

Hamel and Prahalad (1994) fault managers for not changing when they should have. They say, "Despite excuses about global competition and the impact of productivity enhancing technology, most layoffs at large U.S. companies have been the fault of senior managers who fell asleep at the

wheel and missed the turnoff for the future.” Hamel and Prahalad (1994), pose the following two sets of questions regarding a company’s strategic focus as presented in Table 1 below.

Table 1: Operation Focus

Today	In the Future
Which customers do you serve today?	Which customers will you serve in the future?
Through what channels do you reach customers today?	Through which channels will you reach customers in the future?
Who are your competitors today?	Who will your competitors be in future?
What is the basis of your competitive advantage today?	What will be the basis for your competitive advantage in the future?
Where do your margins come from today?	Where will your margins come from in the future?
What skills or capabilities make you unique today?	What skills or capabilities will make you unique in the future?

Developing a point of view about the future should be an ongoing project sustained by continuous debate within a company, not a massive one-time effort. Unfortunately, most companies consider the need to regenerate their strategies and reinvent their industries only when restructuring fails to halt the process of corporate decline (Hamel and Prahalad, 1994). Competing on the basis of their capacity to learn is fundamental to the way Asia’s emerging competitors do business. Sukanto Toroto, Chairman of the Raja Garuda Mas group in Indonesia; one of the world’s largest wood-pulp producers –says, “They (westerners) underestimated our learning capacity; originally we knew little; asked endless questions of our consultants and suppliers, so by the end of the day we know- and adapted- it all.” Montgomery (1998) adds that no company’s strategy can endure without the continual pressure to improve.

Ansoff (1990) goes further to say that, "experience has shown that, when planning calls for a discontinuous change in general management capability (particularly in managers mentality, culture or power structure), implementation of the plan encounters strong organizational resistance. Unless measures are taken to reduce -overcome and manage resistance during the implementation process, planning is likely to become a process of paralysis by analysis."

According to Ansoff and McDonell (1990), the management system used by a firm is a determining component of the firm's responsiveness to environmental changes because it determines the way that management perceives environmental challenges, diagnoses their impact on the firm, decides what to do, and implements the decisions. The role of external change in creating competitive advantage is not simply in conferring advantages and disadvantages on otherwise passive firms. Competitive advantage depends on the firm's ability to respond to change. Ability to identify and respond to opportunities is the core of management capability which is called 'entrepreneurship' (Grant, 1980).

2.5 Management of Strategic Change

Hill and Jones (2001) propose the following steps in change management process: determining the need for change, determining obstacles to change, implementing the change and finally evaluating the change. Kanter (1997) on her part says that the change management process will require; tuning into the environment, challenging assumptions, crafting a vision, using diplomatic skills to get favourable responses (this builds coalitions of backers), keeping the action moving by handling interference/resistance, maintaining the momentum, incorporating emergent developments and never losing sight of the overall goal. According to Hill and Jones (2001) the change process will begin by determining the need for change this involves determining the gap between the desired company performance and the actual performance.

Prasad (1989) says that the need for change will be generated by factors that may be internal or external to the organization. Identification of need for change depends on gap analysis, that is the gap between the desired state and the actual state of affairs in the firm. The elements of the organization that should be changed will be largely determined by the needs and objectives of the

change. Prasad, adds that normally changes will be required in three major elements: organization structure, technology and people. Planning will occur in light of the first two elements, the planning includes; who will bring change, when to bring change and how to bring change. This is followed by assessing the change forces, the force field' concept advanced by Kurt Lewin has found wide application as it weighs those forces that favour and those that are counter change and estimates the new equilibrium position. If the driving forces are stronger than the restraining forces or the latter can be converted favourably then the change can be implemented. After implementation of the change, there is need for feedback and follow-up actions, "to ensure that the change programme is progressing in the right direction without producing dysfunctional effect" (Prasad, 1989).

Aosa (1996), points out the need to synchronize the management and implementation of change with the context within which such a change is being carried out. He says that the unique environmental challenges that make up the context of management in Africa especially needs to be considered. The developments that took place in management reflected changes mainly within developed countries. The context of management in Africa has been shown to be different and this has had an effect on management.

Burnes (1996) summarises the main approaches to change as: planned change and emergent change. Planned change is based largely on the pioneering work of Kurt Lewin in the 1950s and involves a sequence of predictable and pre-planned steps. The emergent approach is more recent and dates back to the 1980s, it starts with the assumption that change is continuous, open-ended, and unpredictable process of aligning and re-aligning an organization to its changing environment.

Prasad (1989) says that management of organizational change is a complex process. He says that since there may be many negative aspects of change and pockets of resistance to change, change should be undertaken in a carefully planned manner. Prasad proposes the following interlinked steps to planned change:

- (i) Identifying the need for change
- (ii) Identifying elements to be changed
- (iii) Planning for change
- (iv) Assessing change forces

- (v) Implementing the change
- (v) Obtaining feedback

Kotter (1996) proposes eight stages for creating and managing major change, these being:

- (1). Establishing a sense of urgency.
- (2). Creating the guiding coalition.
- (3). Developing a vision and strategy.
- (4). Communicating the change vision.
- (5). Empowering broad based action.
- (6). Generating short term wins.
- (7). Consolidating gain and producing more change.
- (8). Anchoring new approaches in the organisation's culture.

Kanter et al (1992) put forward their formulation for managing change that they refer to as the Ten Commandments for Executing change:

- (1). Analyse the organization and its need for change.
- (2). Create shared vision and a common direction.
- (3). Separate from the past.
- (4). Create a sense of urgency.
- (5). Support a strong leader role.
- (6). Line up political sponsorship.
- (7). Craft an implementation plan.
- (8). Develop enabling structures.
- (9). Communicate, involve people and be honest.
- (10). Reinforce and institutionalise change.

Kanter (1984) observes that the most effective strategies emerge from an iterative process where the organization learns through a series of incremental commitments rather than through formulation of total strategies. Kotter (1996) avers that successful change goes beyond

conventional management as is known and practised by most managers; it involves leadership that seeks to establish direction, align peoples' aspirations, motivate and inspire people. Kotter (1996) outlines errors that lead to failure as: allowing too much complacency, failing to create a sufficiently powerful guiding coalition, underestimating the power of vision, under-communicating the vision, allowing obstacles to shield the new vision, failing to create short-term wins, declaring victory too soon and neglecting to institutionalise the change in the corporate culture.

Kanter (1984) acknowledges the variability of what needs to be done in response to change, because the response does depend on the particular organization and industry. However, the common thread in her view lies in the need for innovation- this innovation thrives in flexibility which she reckons, increases the capacity for effective response. The fast paced environmental changes call for constant re-planning focused on tactics as well as long range direction as opposed to the familiar 'static strategic planning' concludes, Kanter.

Kanter (1984) observe that the work place has been fundamentally transformed such that the sharp distinction between management and worker is no longer visible. The unquestioned authority of the manager has been replaced with negotiation. Other linguistic terms such as participative management, affirmative action, flexitime etc have emerged. Kanter goes on to air the view that change has moved from the time when organisations were causing the change in the environment (1960s) to organisations needing to sense change. Change has itself changed, approaches that were used successfully in the change process have had to embrace fundamental change themselves.

The literature review starts with examining the business environment and how it relates to change. The macro environmental factors that are responsible for change are outlined as: the rapid technological advancement, greater liberalisation, maturity of markets in developed countries, complexity in consumer demands and political re-alignments especially after the collapse of communism. The subject of evolving a strategy has been examined with particular reference to the concept of strategic planning and strategic intent being reviewed. Strategic intent is said to capture the essence of winning and implies a sizeable stretch of the

organisation's resources. On the other hand strategic planning is more on maintaining strategic fit.

Corporate strategy and competitive advantages are seen as the essence of organizational change. A good corporate strategy is described as one that confers superior customer value and utilises resources effectively. Competitive advantage is also related to the general management capability. Change is described as a move from an existing state to a future state that increases competitive advantage. Change management may follow the planned or emergent approach. The emergent approach seeks to address change of a continuous "chaotic" nature. Planned

change on the other hand seeks to address change in a relatively stable environment and it involves predetermined steps that are systematically followed from identifying the need for change, implementing the change and evaluating the change. The issue of resistance to change is also given prominence and focuses on how people and systems react to the changed situation and how new relations are evolved and managed.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This is a case study design where the unit of study is the National Cereals and Produce Board (NCPB). Case study design is most appropriate when detailed analysis for a single unit of study is desired. Case studies do provide very focused and valuable insights to phenomena that may otherwise be vaguely known or understood.

3.2 Data Collection

The study involved collecting primary and secondary data. This being a case study, the focus is on carrying out an intensive study of the changes at the NCPB. To achieve this, a cross section of employees starting from the top management, through the middle management and the lower cadre workers were interviewed. All the persons interviewed were selected from people who were already in employment during the change period. The research aimed at getting interview reports from a total of thirty individuals. The sample of thirty is thought to be sufficient to authenticate the views presented and enable the use of intensity in the content analysis. As for the lower cadre of staff the mode of selection was purposive or judgmental, as it was based on selecting individuals with the capacity to comprehend and be able to fill the questionnaire.

The procedure to get the questionnaires filled involved the researcher personally dropping the questionnaire discussing the purpose of the questionnaire and going through it with the interviewee briefly. The questionnaire was then left behind for the interviewees to familiarise with before filling in. Apart from personal, individual interviews the researcher also used focus group discussions. Some of the interviewees chose to fill the questionnaire and forward it. Most of the interviewees filled the questionnaire in the presence of the researcher

The questionnaires in appendix II was developed using an integration of change models advanced by Kanter (1984); Kotter (1996) and Prasad (1989). Among the key aspects that are

captured by the questionnaires is: (1) analysis of the need for change-creating urgency and awareness; (2) developing shared vision; (3) implementing the change-getting change leaders, lining political sponsorship, forming coalitions, empowering, aligning organization structures with the change; (4) involving people, rewarding wins, detecting resistance and overcoming it; (5) institutionalising, cementing or reinforcing the change; (6) evaluating and controlling the change as well as maintaining the change momentum.

Secondary data was obtained from the reports that were made by the change consultants referred to as the Technical Services Contractors (TSC) that were engaged to guide the change process and from correspondences and material records relating to the change.

3.3 Data Analysis

Both the primary and secondary data collected was qualitative. Considering the nature of data, content analysis is the best suited method of analysis. Nachmias and Nachmias (1996) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. This approach has been used previously in similar research papers like the one by Koigi (2002). Strauss and Corbin (1990) do back the use of qualitative data, they argue that the method is scientific as the data collected can be developed and be verified through systematic analysis. The qualitative method can be used to uncover and understand what lies behind a phenomenon under study. It can also be used to gain quite some fresh material even in what was thought to be known. There are also cases like the one under study i.e. the change process at NCPB that may be difficult to convey in quantitative terms. Construction of scales has been undertaken as a way of facilitating quantification using intensity systems.

The stated aim of the data analysis is to treat evidence fairly by relating causal relationships to produce compelling analytic conclusions that rule out alternative interpretations i.e. can stand reliability test.

CHAPTER FOUR: FINDINGS AND DISCUSSION

This section details the findings of the research as captured using the questionnaire attached in appendix II. The main areas that are discussed are creating urgency that involves understanding the forces that were compelling the change and how the same were articulated to create a conducive environment to undertake the change. Objectives follow in the sequence as they underline the overall purpose of the change. Communication though not a change sequence item, is next. Communication is a vital link process that starts before the change and ought to be maintained long after the change has been achieved. Next is the issue of involvement of the various types and levels of stakeholders. Reaction to the change then follows. The reaction details the forms of resistance to change that was experienced and how the same were overcome. Culture and its impact/influence on change is featured next followed by an item on the change agent. Findings on how the changes were reinforced follow, this aims at establishing how whatever changes were arrived at were cemented or ingrained into the organization. The final section is on evaluating the change. The evaluation aims at establishing the changes that occurred and if there are still any gaps that require change.

Most of the primary data has been summarised and presented in the form of tables that reflect the intensity of importance of the various attributes and factors under consideration. The findings from secondary sources are presented alongside those from the primary data.

4.1 Data Collection: Response Rate

The study involved collecting primary and secondary data. Secondary data was obtained from the terms of reference that commissioned the changes, the GOK Policy Framework Paper on Economic Reforms for 1996-1998, GOK's National Development Plan for 1989-1993, the final report by the change agent (TSC) and other relevant correspondences and material records.

The procedure to get the questionnaires filled involved the researcher personally dropping the questionnaire, discussing the purpose of the questionnaire and going through it briefly with the interviewees. The questionnaire was then left behind for the interviewees to familiarise with

before filling in. Apart from personal, individual interviews the researcher also used focus group discussions. Some of the interviewees chose to fill the questionnaire and forward it. Most of the interviewees filled the questionnaire in the presence of the researcher. Among the interviewees who chose to complete the questionnaire on their own and forward it the return rate slowed, refer to Table 2, below. Responses that were received late were excluded as the data compilation commenced upon receipt of thirty validly completed questionnaires.

Table 2: Primary Data Response Rate Figures

Category/Position of Respondent	NO. of Questionnaires Given Out	No. Collected/ Received Back
Retired heads of department	2	2
Current heads of department	8	6
Middle level managers based at the HQ	6	4
Area managers	2	2
Other area representatives	5	4
Depot managers	5	5
Junior field staff	13	7
TOTAL	41	30

The overall response rate was 73.2%. The response rate was lowest among the junior field staff, the reason was that some were not able to complete the questionnaire fully. Nevertheless they did provide some very useful information during group discussions. The junior staff were also able to present the position as they saw it i.e. they were not overly influenced with written reports.

4.2 Creating Urgency

According to the respondents, the liberalisation of the cereals sector that was completed in December 1993 resulted in increased competition and erosion of NCPB's market share. Another factor that was cited as influencing changes was the cross-border flow of grain principally maize that mainly moved into Kenya from Uganda and Tanzania. The response from NCPB to competition was slow or non-existent. This position was so because the stated government policy as espoused in the GOK Development plan for 1989-1993 was that the functions of the NCPB were to be limited to the maintenance of strategic reserves and to act as buyer and seller of last resort. It further indicated that over 75% of the market would be left to private traders, millers and co-operative societies.

The GOK policy position left the NCPB with a huge idle capacity. Only about a quarter of the 20 million bags by 90 kilograms capacity was in active use. The costs of maintaining the excess capacity of about 15 million bags was becoming excessive on both the NCPB and the government that was still subsidising the operations of NCPB. The subsidy by GOK in the period 1989-95 was a whopping Kshs 9.7 billion.

Other factors in the environment that catalysed need for change that were cited by the respondents and were also in the secondary sources are:

Under the Structural Adjustment Programme – conditions that were a reform prescription by donors, the GOK was under pressure to both cease trading activities and to improve the efficiency of its enterprises.

Political changes of the early 1990s influenced more changes in the social and business arena. This typically shifted customer expectations to a higher level. The NCPB had all along been left behind in the monopoly mode of controls and the false insular of being invincible as a government department. This led to most grain dealers losing faith in it. There was also increased vibrancy of the competition. This led to a growing need for the NCPB to align its operations with the existing business realities.

There was general chaos in the cereals sector since liberalisation appeared to have been haphazardly implemented. To correct the anomaly there was need for a systematic change. The

TSC report notes that earlier on there was the Cereal Sector Reform Programme (CSRP) started in late 1980s that was supported by the European Commission whose restructuring was designed to reduce overhead and operational costs of NCPB through downsizing in order to make the operations of NCPB "financially viable".

The TSC report notes that the CSRP registered some success in terms of improved efficiency. Also improved was the framework for separation of subsidised social functions and commercial operations. However, the underlying problem of the "political demand" for uneconomic trading activities persisted with large trading losses being experienced. GOK was noted as either being unwilling or unable to compensate the NCPB on a timely and full basis for the losses.

Hamel and Prahalad (1989) say that any company that becomes a bystander on the road to the future will watch its structure, values and skills become progressively less attuned to industry realities. Such a discrepancy between the pace of industrial change and the pace of company change gives rise to the need for organizational transformation. After years of not responding to the change in the grain industry, NCPB was in need of transformation.

The change agent further notes that the structural changes in the Cereals Sector of the early 1990s resulted in liberalization whose consequences were:

- (i) Many smaller and medium sized traders entered the cereals market creating a highly competitive environment. The traders' operations were low cost due to low overhead costs
- (ii) Rapid expansion of the informal milling sector- this increased the incidence of by-passing the formal marketing chain.
- (iv) A significant number of operators were undertaking seasonal arbitrage operations in the cereals market.

The respondents were asked to rate on a five-point scale the factors that necessitated change in the NCPB. The results of the rating are summarised in Table 3. The purpose was to find out both the dominant internal and external forces that were driving the change and establish their relative level of importance.

Table 3: Forces/Factors that Necessitated Change

Factor	Very Important %	Important %	Significant %	Moderate %	Insignificant %	N
Need to Plan ahead	67.0	26.3	0.0	6.7	0.0	30
Local Competition	23.3	26.7	20.0	10.0	20.0	30
Regional Competition	10.0	23.3	20.0	26.7	20.0	30
Response to Customer Needs	50.0	30.0	6.7	13.3	0.0	30
Government Directive	38.0	20.6	20.6	6.9	13.8	29
Magnitude of Loss Making	40.0	30.0	10.0	16.7	3.3	30
Weak Management	3.5	10.3	31.0	24.2	31.0	29
Change for the Sake of it	0.0	0.0	7.1	3.6	89.3	28

Source: Research Data

From the research data in Table 3 above, the factors that were rated as being important to very important in necessitating change are: the need to plan ahead is rated highest at 93.3%; response to customer needs follows with 80.0%; magnitude of loss making 70.0%; government directive 58.6%; local competition 50.0%; regional competition 43.3%; while, change for the sake of change was not seen as a valid consideration

Of note is the fact that the terms of reference for the change agent had very specific requirements for the change experts to produce plans for the immediate future and the long term.

The TSC report identified the challenges that the NCPB faced as:

The overall quantity of marketable surplus grain was static or falling. This was as a result of intense competition from independent traders, increasing population of consumers and the general decrease in land put under grain production

The level of competition was becoming more intense and was poised for further intensification. NCPB faced the danger of being confined to the highest cost, highest risk sector of the market.

Pressure was also coming from the freer policy regime for external trade including regional trade with adjacent countries and trade with countries outside the East African region

From the finding it does appear that there were economic, social, political, competitive and management deficiency factors that were compelling the change. The forces can be summarised as:

- ◆ The magnitude of loss making by NCPB (refer to Table 4 below for details on the magnitude of loss in the period immediately prior to the commencement of the Change). GOK faced tight budgetary constraints and was unable to continue subsidising the 'inefficiencies' of the NCPB
- ◆ The extent to which the domestic grain market had become competitive, reducing margins from trade. After the liberalisation of 1993 both traders and farmers were able to access end-consumers or millers directly without the intermediary use of NCPB
- ◆ NCPB had a management with deeply ingrained non-commercial culture. The non-commercial culture was an accumulation of monopolistic tendencies that characterised the operations of the NCPB prior to the liberalization of 1993.

Table 4: GOK Subsidy to NCPB from 1989 to 1995

Year	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Subsidy KSH Millions	622.0	1354.6	1574.2	1795.5	1779.0	2620.0

Source-NCPB Commercialisation Project-Restructuring and Business Plan Report

Total subsidy for the period 1989-1995 was Kshs 9.7448 billion.

Kotter (1994) does emphasise on the need to adequately create urgency by identifying and discussing crises, potential crises or any emergent major opportunities. Kotter proposes that the level of crises be elevated to a level that it gets to a flash point in-order to catapult the corrective reaction. In the case of the NCPB urgency was apparently taken only to the level of identifying the change forces. Complacency may have come in thus eliminating the chance to elevate the urgency to a higher pedestal that is necessary in rallying resources especially the human resource in tackling change.

The findings on what was the force behind the need for change are consistent with the literature by Hill and Jones (2001) who see the primary purpose of strategy as aligning the management of a company with the changes in the environment. Madhavan et al, 1998 capture the consolidation of the reasons that were driving change at the NCPB where they say that key industry events provide occasions for restructuring, these include the entry of resourceful and determined competitors, changes in regulatory infrastructure or dramatic shifts in customer preferences.

Because of the policy that required NCPB be buyer and seller of last resort of grain as at the beginning of the liberalization, the competitiveness of NCPB was progressively eroded as the NCPB stood by. As Hamel and Prahalad (1989) observe any company that becomes a bystander on the road to the future will watch its structure, values and skills becomes progressively less attuned to industry realities. The discrepancy will give rise to organizational transformation. The transformation typically includes, downsizing and overhead reduction. The NCPB was at this point.

Even though the GOK had indicated weak management at NCPB as one of the reasons for change and the change agent summed the management has having a deeply ingrained non-commercial culture, the respondents who rated weak management, as being important as a factor necessitating change were only 13.7%. The rating by the respondents is inconsistent with the GOK position, the change agent's observations and literature that observes that most competitive down-turns that need transformational change are as a result of weak management, management that fell asleep at the wheel and missed the tumoff point.

The most probable reasons for the respondents not perceiving the management as being weak was that there was a high sense of loyalty, lack of appropriate benchmarks and a bureaucratic structure with hierarchy of authority which was such that the top could not be seen as being weak. Another reason could be that the staff did not have the full information on the performance of the organization and what the impact was. Self denial may have played a part by engaging in what Kotter (1994) refers to as 'happy talk' that gives a false sense of security.

Kotter (1994) avers that visible crises can be enormously helpful in catching people's attention and pushing up urgency levels. Major change is said to be impossible for major organizations until the problems become severe enough to generate significant losses. However, experienced and able change leaders have been known to 'create a crisis' that rallies support for urgent change. From the research findings no effort was directed in creating urgency or arousing dissatisfaction with the state that existed.

Change arises from pressures from two kinds of forces broadly termed as external and internal forces to the organization. Prasad (1989) say that for an organization to achieve its change objectives, it must be well equipped to integrate the internal and external change forces. However, integration achieved at a particular time becomes irrelevant when there is a change in one of the forces or both.

From the research findings the forces that were pressuring the change at the NCPB can be summarised as, legislative, that is the abolition of the monopoly status of the NCPB in 1993. There were consequent forces that resulted from the liberalization the main one being competition.

The findings show that internal forces for change revolved around a deficiency in the organizational structure, processes and systems that were incompatible with the dictates of the existing business climate. The systems were both rigid and stagnant with the change agent recommending a culture transformation. The GOK referred to the management as weak. The change consultant summed the general management as deeply lacking in commercial business orientation.

4.3 Objectives of the Change

The TSC identified its major objective as guiding NCPB to successfully convert into a commercial operator in grain trade. To achieve this objective it was stressed that NCPB would have to undergo a complete transformation of its corporate culture, its commercial strategies, its physical operations and its financial management systems.

On their part the research respondents were asked to rate the various possible objectives based on how their impact manifested itself during the change process. Table 5 bears a summary of the findings. The aim of the study here was to gauge the convergence of the objectives as articulated

Table 5: Objectives of the Change Programme

Factor	Very Important %	Important %	Significant %	Moderate %	Insignificant %	N
Turnaround to Profitability	86.6	6.7	6.7	0.0	0.0	30
Give NCPB Independence	27.6	55.2	13.8	0.0	3.4	29
End Government Subsidies	30.0	23.4	23.4	10.0	13.3	30
Reduce Staff	17.2	24.1	27.6	20.7	10.3	29
Increase Competitiveness	56.7	36.6	3.3	3.3	0.0	30
Reduce Costs	66.7	30.0	3.3	0.0	0.0	30
Facilitate Competition	13.8	20.7	13.8	17.2	34.5	29
Donor Conditions	23.4	53.3	10.0	6.7	6.6	30

Source: Research Data

N-Number of Respondents

According to the research data above, the change objectives that were rated as being visibly important followed the order: reduce costs rated at 96.7%; turnaround the NCPB and increase it's

competitiveness tied at 93.3%, give NCPB independence at 82.8%, the move was a donor condition 50.4%, end government subsidies at 50.4%, and reduce staff was rated at 41.3%. The objective of facilitating other players into the market that was contained in the government policy paper was least visible as an objective of the restructuring programme. In fact this objective was in direct conflict with the main objective of commercialising the NCPB, it thus does not surprise anyone to note that this objective was largely sidestepped.

According to the TSC report the Mission Statement Objective adopted was, *"To provide responsive, high quality service to all customers, including the Government of Kenya, aid agencies, producers, millers, traders and consumers."*

The TSC target of the change/restructuring programme was to commercialise NCPB with the aim of attaining profitability by the third year after the inception of the commercialisation/change i.e. by 1998/99 season.

On the other hand the factors and objectives set out in the GOK's Policy framework paper of 1996 for the restructuring of NCPB singled out the need to:

- ◆ make NCPB commercially viable.
- ◆ restructure NCPB based on terms of reference agreed with the World Bank.
- ◆ expand private sector role in the grain sector.
- ◆ ensuring smooth transition from a strictly GOK service provider to a commercial entity.

The TSC had cost savings as one of its principle objectives in the restructuring process. To achieve cost savings, the TSC recommended a depot closure programme. The depot closure was seen as underpinning a major reduction in overall staffing levels with associated non-personnel expenses and other accompanying direct expenses. The above objectives are what Burnes (1996) refers to as necessitating a retrenchment strategy. He says that such a strategy which involves cutting back on the number of employees and activities undertaken and is usually embarked on when an organization is in trouble or faces adverse market conditions.

4.4 Communication

4.4.1 Vision

The vision of the NCPB that guided the restructuring was, **"To be the leader in all aspects of grain handling and marketing in Kenya and beyond"**. However from the research data it is noted that of the thirty respondents only seven representing 23.3% could get the statement right. All the seven respondents who got the vision statement right are resident at the head office. This scenario points at the level and effectiveness of communication between the head office and the field. The corporate objective was, *"To achieve the highest level of commercial performance and to maximize the value of business and assets in providing quality service to its clientele and the people of Kenya at large"*.

The importance of a vision in change strategy cannot be overstated. Hamel and Prahalad (1994) refer to vision as developing a common point of view on the future. Among the errors that Kotter (1994) identifies as leading to failure in the change is underestimating the power of vision

4.4.2 Information Flow

Burnes (1996) says that one way of avoiding uncertainty that can be caused by change is to establish a regular and effective communication process. The purpose of the communication is to inform those who will be affected by the change, for this reason the communication should be honest. Communication does also help overcome fear and rally support for the change.

TSC report proposed elevated internal communications as vital elements in instilling a new approach.

The TSC proposed a communication programme initiated at the Board of Directors level and directed at the various stakeholders. The communications programme was to include written material from the Managing Director directed to Chief Executives of milling companies, major producers and producer groups. The report also recommended the use of media releases and press conferences. The report further recommended the use of producer information meetings to be held at appropriate locations. Industry participants were to be mobilised to attend such forums. The

report emphasized that NCPB makes direct communication or specific presentations of business proposals to the large-scale clients.

The change agent's report underscored the need for GOK to issue a comprehensive statement addressing the various stakeholders giving firm intentions and commitment to the change programme. The report pointed out that this was important in facilitating change in public perception. Such policy statement was to be in addition to the other publicity activities by NCPB. However, from the interviews conducted, the GOK never publicised the change and this was cited as the reason that political interference continues to manifest itself in the operations of NCPB.

The TSC report recommended the immediate communication to staff regarding the commercialisation/restructuring process using the company newsletter. The respondents were asked to rate the use of the various media to communicate the change message. Table 6 below summarises the findings. The importance of the media in use helps in identifying to which public the focus of the communication is.

Table 6: Medium used to communicate the Change Messages

Media	Not Used %	Rarely Used %	Frequently Used %	Predominantly Used %	N
Internal Circulars	0.0	16.7	40.0	43.3	30
Meetings	6.7	33.3	53.3	6.7	30
Company Newsletter	13.3	40.0	43.3	3.3	30
Mass Media	43.3	56.7	0.0	0.0	30
Grapevine/Rumours	30.0	6.7	43.3	20.0	30

Source: Research Data

Preference of medium used for communication as per the research data in Table 6 is: internal circulars rated at 80.3% as above average use, followed by rumours or grapevine at 63.3%, meetings rated at 60.0%, while the mass media had the least incidence of use with a zero rating

above the half mark. The interviewees indicated that the contents of the final report by the change agent were never directly communicated to even key managers. This revelation was quite startling and revealing on the communication process

4.4.3 Effectiveness of Communication

The research respondents rated the effectiveness of the communication as being average. The rating was poor 16.7%, average 53.3% and very effective at 10%. It is visible from the medium used as per the research, that the focus of the communication was largely the internal publics. The change agent's proposals were that the entire spectrum of stakeholders be addressed. However, the external stakeholders seem to have been ignored, this raises the issue of business culture and adoption commercial business focus. The customer outside the boundary of the organization should have been recognised for being the prime mover for the attainment of successful commercial performance.

4.4.4 Use of Symbols, Patterns and Settings

The TSC report indicates the need to break away from past associations of a legislated regulatory role. It further noted the need to use all available means to dissociate the restructured organization from past preconceptions. As a means of giving a clear visible message to staff, customers and other stakeholders the team suggested a name change from National Cereals and Produce Board (NCPB) to "GRAIN CORPORATION OF KENYA" (GCK). This name was viewed as capturing a new corporate image and capturing the kind of organization envisioned by the mission statement adopted for the commercialisation. The TSC identified the possibility of achieving further operation economies through relocation of the head office to a smaller premises to match the anticipated reduced staffing level and also boost the symbolic outlook of the change.

4.5 Participation/Involvement

Kotter (1996) avers that successful change goes beyond conventional management as is known and practised by most managers; it involves leadership that seeks to establish direction, align peoples' aspirations, motivate and inspire people. The research sought to know the degree of involvement amongst different levels of staff and also how the external stakeholders (non-NCPB) were involved or consulted over the changes. Table 7 below presents a consolidation of the findings.

Table 7: Participation

Item	Low		High	
	%	%	%	%
Initiated at Top Level	10.0	33.3	30.0	26.7
Initiated at Operational Level	20.0	36.7	40.0	3.3
Involvement of Other Stakeholders	26.7	10.0	63.3	0.0
Ignoring of Opinions of Other Stakeholders	3.3	23.3	56.7	16.7

Source: Research Data

The research data in Table 7 shows that 56.7% of the thirty respondents viewed the changes as being initiated at an above average level at the top management level. 43.3% of the respondents viewed the changes as being initiated at the operating level. The report by the consultant does not indicate what volume of data was sourced from where. While the consultants had their offices at the head office they did visit the field to source data for their work.

On the participation of other stakeholders (outside the NCPB) the respondents indicated a fair level of involvement at 63.3% just above average. However, the rate of ignoring the opinions of the stakeholders was rate at 33.4%. This may be an indication that the external publics were not highly regarded.

4.5.1 Extent of Support for Change

The research sought to know the enthusiasm for the change that was evident amongst the various staff cadres. The cadres were divided into two i.e. top management and lower cadre staff.

The findings indicate that there was average support for the change by both the top management and the lower staff level. In both the cases of the top management and lower cadre staff, the rating was 60% for average support. On commitment to change, the TSC report notes that there could have existed within the stakeholders some lack of confidence in the performance of the liberalisation reforms. This position is not surprising given that the changes were largely initiated outside the NCPB. This average level of support is indicative of possible selective support of the various aspects of the change. The level of support will also manifest itself in the resistance to change. One would expect the management to drive the change and as such be very enthusiastic about it. This was however not the case, the probable reason being that even though the changes were necessary and overdue, there were external pressures from donors that were pushing for the implementation hence the reluctant support from management.

4.5.2 Commitment of Resources to Support Change

Closely related to support for change is the commitment of resources to change. The more freely and willingly resources are availed the greater the visibility of support for the change.

According to the research findings 70.3% of the respondents indicated that resources were availed reluctantly, 26% indicated that resources were readily availed while only 3.7% indicated that resources were very readily availed.

In summary the research data shows that resources were availed in a rather reluctant manner to facilitate and promote the change process. It should be noted that there were two groups that were in possession of the resources; one was the government that mainly controlled the monetary resources for financing the change process. The other was the NCPB that had the bulk of the technical and personnel resources.

4.6 Reactions to Change

4.6.1 Factors that Influenced Resistance

Whittington (1993) says that managers and other staff may recognize the need for change and yet refuse to learn. This resistance to change may not be stupid, but may be based on a very shrewd appreciation of personal consequences entailed by the change. Resistance to change is seldom openly voiced especially when an organization is in dire need for revitalisation. However resistance will manifest itself in increased costs of implementation of the change and delays that are not satisfactorily explained.

Table 8: Resistance Factors

Attribute	Non-existent %	Weak %	Moderate %	Strong %	Very Strong %
Misunderstanding & Lack of Trust	0.0	20.0	20.0	26.7	33.3
Fear of Inability to Develop Skills	3.3	16.7	53.3	23.4	3.3
Ignorance	6.7	30.0	30.0	23.3	10.0
Fear of Demotion or Retrenchment	3.3	10.0	6.7	43.3	36.7
Fear of the Unknown	6.7	10.0	13.3	40.0	30.0
Fear of Social Displacement	6.7	20.0	36.7	30.0	10.0
Parochial Self Interest	13.4	23.3	23.3	30.0	10.0
Satisfaction with existing State	3.3	13.4	53.3	20.0	10.0

Source: Research Data

The research data in Table 8 indicates that of the factors that may have contributed significantly to resistance to change, fear of demotion or retrenchment that was rated at 80% as being strong and

above, followed by fear of the unknown at 70% and misunderstanding and lack of trust at 60%. Fear of demotion or retrenchment was rated highest as this was not just a threat given that by the time the change was commenced in 1996 already 821 staff had been retrenched according to the report by the consultants.

4.6.2 Methods used to Overcome Resistance

The respondents were asked to rate the various methods that were used in countering resistance to change. Table 9 below gives a summary of the ratings by the research respondents

Table 9: Overcoming Resistance

Method	Not Used at All	Negligible	Moderate	Frequently Used	Used Very Much
	%	%	%	%	%
Training & Education	10.0	16.7	23.3	20.0	30.0
Communication	3.3	10.0	26.7	23.3	36.7
Use of Local Change Leaders	33.3	26.7	23.3	10.0	6.7
Promise of Reward	23.3	10.0	33.3	20.0	13.4
Use of Reward	46.7	16.6	20.0	16.7	0.0
Ignoring	46.7	23.3	16.7	10.0	3.3
Manipulation	30.0	30.0	23.3	6.7	10.0
Coersion & use of Authority	26.7	23.3	33.3	10.0	6.7

Source: Research Data

From the research data in Table 9 above the method to overcome resistance that was dominantly used was, communication at the rate of 60% followed by training and education at 50%. It may be due to the relatively lower cost implication that the communication mode was preferred. It should

be recalled (see 4.4) that the mode of communication that was predominantly used, was internal circulars and meetings, all these are relatively cheap.

Other than training and education, the other methods that were used in a descending order of predominance of use are: promise of reward at 33.4% followed by manipulation, coercion and use of authority, use of local change leaders and use of reward all at the rating of 10.7. The least used was voted as ignoring the resistance until it dies a natural death.

The visibility of use of the various methods to counter resistance was cited as: Promise of reward – employees were promised that after the changes and the down sizing of the staff complement, the remaining employees' salaries would be increased substantially; manipulation – the salaries promised were never increased as promised thus rendering the promise to take the dimensions of a manipulation; coercion and use of authority – there was a voluntary early retirement scheme and certain cadres of employees were encouraged to go for it. There was however a caution that those that did not utilise the opportunity to take the generous benefits would be declared redundant at the end of it all. Ignoring the resistance until it dies off naturally was least visible, after all it is difficult to see and quantify what is not there. As it is resistance is seldom openly voiced or exhibited and if it is ignored no one can be justifiably loud about it having been ignored.

According to Strebel (1996) change is disruptive and intrusive. It upsets the balance. Strebel further argues that managers should put themselves in their employees' shoes and look at the change from the perspective of the employees. Unless managers define the change terms and persuade employees to accept them, it is unrealistic to expect the employees to buy into the changes that seek to alter the status quo. From the research findings no deliberate attempts were made to understand the concerns of the employees hence resistance was an expected outcome as per the postulates of Strebel (1996).

On reducing painful repercussions from the retrenchment the TSC recommended:

- (i) Avoidance of unnecessary unemployment
- (ii) Making an on-going use of accumulated skills
- (iii) Close involvement and participation of staff to ensure smooth reduction of staff

The staff who were **2834** as at 1st September 1996 were reduced to **977** by the end of 2002

Resistance to change is seldom openly voiced especially in situations that call for the change in order to revitalise or turnaround an organization. However, resistance will manifest itself in delays and increased costs of implementing the change. The reasons for resistance are myriad and range from uninformed selfish motivated fears to more genuine personal concerns such as in the case where job losses are likely. The research sought to know from the respondents if there was resistance and the probable reason for the resistance. The findings have been summarised in table 8. The findings appear to be in agreement with the argument by Ansoff (1990) that resistance emanates from a mismatch between the new strategy and the existing management capability.

According to Burnes (1996), the best way of creating the willingness to change or overcoming resistance rests in involving and aligning people with the change. This requires that the people be made aware of the pressures for change, be provided with regular feedback on the progress and honest and regular communication be sustained throughout the change and beyond. Communication does help overcome any fears that may be associated with the change and also encourages facilitation of the change rather than result in sabotage. This goes to confirm that by using communication in overcoming resistance the process was within the acceptable norms.

Ansoff (1990), on his part sees resistance as arising from the difference between the new or desired capability profile and the existing capability. Therefore, to manage the resistance the change process should be managed in a way that anticipates, minimizes and controls the resistance. To be able to anticipate the resistance profile, it is mandatory that a resistance survey be carried out prior and during the change. The form of resistance that Ansoff anticipates was captured in table 8 under fear of inability to develop relevant skills. This factor was rated lowest in importance with a strength of just 27.7%. It is most likely that capability was a more objective measure and as such did not elicit much attention.

Apart from fear of demotion or retrenchment that was real and not an imaginary threat, the other factors that bordered on the absurd or parochialism scored highly. This bolsters the observation that resistance is not always an open and rational objective reaction. Nevertheless, the devastation that resistance can cause to a change process may be enormous and as such all forms of resistance must

be nipped in the bud otherwise the prospect of taking disastrous proportions is real. However, according to the research findings no effort in profiling and actively seeking to tackle the problem of resistance is discernible.

4.7 Culture and Organizational Change

Burnes (1996) says that no organization has a static culture. As the external and internal business environment of the organization change so will the culture. He observes that organizations may at times find their culture inappropriate or even detrimental to their business needs. Kotter (1994), defines culture as norms of behaviour and shared values among a group of people. He says that because of its near invisibility, culture is difficult to address directly. When new practices made in a transformation effort are incompatible with the existing culture then the change will most likely falter. The research sought to know the importance that was attached to culture in the change process and also to establish the various cultural aspects that were targeted for change and their level of importance. Table 10 gives a summary on the importance attached to the various culture aspects that were to be addressed by the change.

4.7.1 Level of Importance Attached to Culture Change

According to the research findings culture was fairly important with the research respondents indicating an above average level of importance of 63.3%. The Consultant's report gives prominence to customer focus culture and gives the thrust of this as being in development of a systematic approach to customer satisfaction and total quality service, which must start from the top level of the organization.

Culture shift from NCPB's previous concentration which was based on undertaking mandatory social functions to operating in a private sector like environment would require strong customer focus and whole corporate culture transformation aimed at achieving the highest possible level of customer satisfaction stated the consultant's report.

Table 10: Culture Aspects

Aspect of Culture	Not Important %	Slightly Important %	Average %	Important %	Very Important %
Reorienting Perception on Business	3.3	3.3	3.3	23.3	66.7
Adopting Private Sector like Approach	0.0	6.7	13.3	33.3	46.7
Improving on Decision Making	3.3	3.3	13.4	33.3	46.7
Rewarding Performance	6.6	20.0	16.6	30.0	26.7
Managing Time	10.0	3.3	16.7	43.3	26.7
Allowing Free Flow of Information	3.3	16.7	20.0	33.3	26.7
Reducing Managerial approval Layers	6.7	16.7	13.3	43.3	20.0
Scrapping Bureaucratic Structures	13.3	16.7	13.3	43.3	13.3
Empowering Staff	13.3	20.0	33.3	23.4	10.0
Making the Customer the Focal Point	0.0	6.7	6.7	0.0	86.6

Source: Research Data

The research reveals that the aspects of culture that were regarded as important and very important are; reorienting perception on business at 90% of the thirty respondents; making the customer the focal point 86.6%; adopting private sector like approach to business 80% and improving on the decision making process 80%. Other aspects that were of importance are: managing time 70%; reducing management approval layers at 63.3%; allowing free flow of information 60%; rewarding performance and scrapping bureaucratic structures were both rated at 56.7%, while the least rated was empowering lower level staff at an importance rating of 33.4%. The significance of the

relatively high ratings that the various aspects of culture have, serves to bolster the apparent importance that was attached to culture (Table 10).

The culture of using committees was cited as having pervaded the NCPB. While Prasad (1989) points out the merits of using committees as being promotion of participation and the pooling of knowledge and experiences to arrive at better decisions, in the NCPB the committee culture was thought to be the biggest contributor of slow decision or indecision. The culture was seen as promoting inaction by dissipating the point where the final authority and responsibility rests. This culture resulted in a sub-culture referred to as 'survival by inaction' within the management. Survival by inaction simply rested on the logic that in a public organization like NCPB without tight performance targets, the gravest mistake that could result in one getting fired was an act of commission, thus managers perfected the art of inaction or omission. A contributory factor to this culture may have been inadequate capacity among the managers to execute their work. This culture is one of the cultures that was targeted for change so that the organization could be aligned with its commercial objectives.

From the research findings it can be deduced that the culture in the NCPB was inwardly focused, over-centralised, slow in decision-making and amenable to political manipulation. The change agent's report sums the culture as 'deeply lacking in commercial orientation'. All the above referred culture aspects were undesirable traits that needed to be changed in order to make the overall culture compatible with the changes.

4.8 The Change Agent

Prasad (1989) argues that when major change is required, then it is desirable that an external change agent be used to guide the change. The reason being that the new practices may require some specialized expertise that may be underdeveloped in the organization. The other merit of using an external change agent is that the agent is in a position to view the organization from a total systems point of view and is much less affected by organizational norms. The biggest holdback is that the external change agent may take considerable effort to decipher the problems or may be systematically insulated from getting to the bottom of the problem.

Kotter (1994) proposes four key quality characteristics for a change agent or what he refers to as a guiding coalition. He proposes that there be enough key players in the team such that those left out cannot easily block progress, this aligns position power. The team should have the desired level of technical expertise. The team ought to have enough people of credibility, this is important in selling the new view point and finally the team should have individuals with proven leadership who can inspire and drive the change.

The change agent selected to guide the NCPB was selected as per the terms of reference, which required that the consultant be experienced in guiding similar change in a grain-handling set-up. This seemed to exclude local expertise, as the country was yet to handle similar change in the grain industry. The team of consultants that was hired was ACIL Australia PTY Ltd in association with Agriconsult Ltd and was referred to as Technical Services Consultants (TSC). ACIL Australia had the reputation of having participated in the restructuring of New South Wales Grain Handling Authority of Australia in 1989. The exercise transformed the Authority into a viable private sector like entity, since renamed NSW Grain Corporation.

The TSC commenced work on 2nd September 1996 and delivered an inception report on 30th September 1996. The TSC then proceeded with the joint diagnosis with NCPB and delivered its final report/proposals on 29th November 1996. The methodology used in the diagnosis was SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) of NCPB's business environment.

In the Kenya Government's Economic Reforms for 1996 - 1998 contained in, *The Policy Framework Paper*, of 16th February, 1996, the government undertook to transform NCPB into a commercially viable entity -free to make independent commercial decisions; the paper stated that experts would be engaged for this purpose. The experts were expected to begin work by June 1996, based on terms of reference agreed with the World Bank.

From the motions of the change process at the NCPB there is no evidence of anything peculiar or of such enormity in scope or any other technical complexity that would have required

international/foreign experts' involvement. However, the involvement of the World Bank and the setting up of a condition that the expert to be engaged would have practical experience in a similar change in a grain handling organization seems to have foreclosed the chance for local experts to guide the change.

The research respondents who were in favour of a foreign change agent indicated that given the political climate that existed a local change expert would have been easily sucked into the muddle of the politics. They argued further that since institutions had somewhat been rendered dysfunctional, the point of view of a foreigner from the west (or white) was necessary to crystallize the need for the change and rally support for the new direction. It was also argued that the government lacked the total commitment to the change and as such it was necessary for sustained pressure to be maintained and this would have appropriately come from change agents without direct allegiance to the Kenya Government.

Table 11: Use of External Change Agent/Consultant

Factor	Weak/Low		Very Strong		
	%	%	%	%	%
Appropriateness of External Change Agent	16.7	30.0	0.0	36.6	16.7
Value Added by Agent	6.7	36.7	26.7	16.7	13.3
Level of Coalitions between Agent & Sponsors	3.3	16.7	70.0	6.7	3.3
Level of Working Coalitions with Stakeholders	23.3	20.0	46.7	6.7	3.3
Level of Capacity to carry on -Built by Agent	16.7	36.7	33.3	6.7	6.6

Source: Research Data

The research data as shown in Table 11 indicates that the respondents viewed the use of the external change agent as being appropriate. The use of the agent's appropriateness was rated at 53.3% level of above average in importance. However, the thirty respondents indicated a rather low rating of

30% in response to the question on the level of value added by the change agent. The level of capacity built by the change agent for the staff to continue with the change was rated very low at 13.3%. The low capacity built may have influenced the low rating on the value added. This observation reinforces the observation that the change agent used the four-phase model developed by Bullock and Batten. This is more so given the assertion by Burnes (1996) that the focus in this model is on what the change agent can do rather than in seeking to involve the subjects to learn and carry on with the change.

4.9 Reinforcement/Institutionalization of the Change

Change is about learning, which if truly successful should result in permanent adoption of the desired behaviour. Both the classical and the operant theories of learning advanced by Pavlov and Bernard Skinner respectively emphasise the need for reinforcement in a learning /change process. While the classical theory holds that learning is conditional, Pavlov advanced the view that this conditional response has to be reinforced in order to have the benefits of the desired behaviour.

Skinner on the other hand sees reinforcement as resulting from the consequences of a behaviour. The consequences become the reinforcer. The resulting strategies of reinforcement are: 1 positive reinforcement, 2 negative reinforcement or avoidance learning, 3 extinction, and 4 punishment. Given the central role occupied by reinforcement of change, this section examines how the change process at the NCPB was reinforced. The report by the change agent does not expressly indicate the reinforcement strategies that were to be used to maintain the change process on course. However, there are discernible features in the report that may have been intended to maintain the change momentum, these include:

Proposal for the repeal of the 1985 NCPB Act (Cap 338) and its replacement with a more appropriate legislation Change of NCPB's name to Grain Corporation of Kenya (GCK)

Training of personnel so as to equip them with the skills necessary to maintain the change momentum.

Joint action planning and implementation of the proposals that involved the extended stay of some members of the consultancy team.

The question of reinforcement was particularly poorly responded to by the research respondents, this was understandably so because most were unable to discern any deliberate effort directed towards reinforcing the change. Nevertheless, training through seminars and workshops that mainly targeted management staff, and the amendment of some of the operating procedures so as to conform with the change were cited as the visible reinforcement elements.

The outcome of the change took the path predicted by Kotter (1996) who argues that if the change is not anchored in the organizational culture, the old culture will reassert itself. In the case of the NCPB the old culture reasserted itself after the third year. One of the most recent clear cases of the old culture reasserting itself is a maize procurement price review circular issued by the NCPB management on 29th November 2002. The procurement price was raised to kshs 950 from kshs 800 per 90-kilogram bag. To reflect the hangover of the monopoly days when the price for a season was officially gazetted in the Kenya Gazette, the price was backdated to start applying from the beginning of the financial year i.e. from 1st July 2002. The consequence was that farmers who had sold their produce to the NCPB on a willing buyer willing seller basis were called to pick more money 'arrears'.

The above prevailed despite the fact that during the period when the maize was bought the NCPB was selling its maize at prices of between kshs 700 and kshs 850 a bag. Worse still the NCPB was still smarting from a loss of kshs 2.2 billion. Had there been proper and deliberate reinforcement or anchoring of the new commercial culture perhaps such an imprudent action would not have reasserted itself. Kotter (1996) states that neglecting to institutionalise the change in the corporate culture is one of the errors that lead to failure of the change

4.10 Evaluation of the Change Programme

Kanter (1984) observes that the most effective strategies emerge from an iterative process where the organization learns through a series of incremental commitments rather than through formulation of total strategies. This mode of learning arises from continuous evaluation of the progress of the change. The research respondents were asked to indicate the extent to which formal evaluation of the change was carried out and their assessment of the overall success of the change. Table 12 presents the summary of the findings.

Table 12: Evaluation

Factor	Weak/Low		Very Strong			N
	%	%	%	%	%	
Formal Evaluation of Change	43.3	36.7	16.7	3.3	0.0	30
Frequency- f	0	4	20	6	0	30
Overall Success Level	0.0	13.3	66.7	20.0	0.0	

Source: Research Data

From the research data above it is clear that the formal evaluation of the change was hardly done or was low. This indicates some form of indifference towards the change programme on the part of the NCPB management and the GOK that had sponsored the changes. It would appear that the interest of GOK may have centred on ending subsidies to the NCPB and the change programme was a soft way of effecting the 'divorce'. It is little wonder that one of the objectives set out by the policy framework paper of 1996 by GOK was to promote private sector participation in the cereals sector.

The respondents were asked to rate the overall success level of the entire change. The summary of the result is presented on table 12 above. To arrive at a figure that represents the scoring by all the respondents weighted average was computed as follows:

$$\text{Weighted average} = \frac{\Sigma((4 \times 30) + (20 \times 50) + (6 \times 70))}{30} = 51.3\%$$

The overall success of the change as per the research findings was rated as being average. This may be interpreted that there were successes in some aspects while some aspects did not succeed. It is debatable as to whether the success level of 51.3% was satisfactory. The ultimate verdict on success depends on the specific benchmarks adopted for evaluation.

Table 13: NCPB's Trading Results for 1997-2002

Year	1997/98	1998/99	1999/2000	2000/01	2001/02
Ksh Millions Profit/(Loss)	(723.5)	(605.75)	(380.77)	(795.07)	(2,197.38)

Source: Progressive Performance Trend Report by NCPB

From Table 13 on trading results, it is clear that there was progressive improvement in the performance of the NCPB for three successive years after the commencement of the change. This improvement is attributable to the change. Unfortunately, possibly due to poor reinforcement or the total lack of it, there was a relapse after the third year with the situation worsening further in the financial year 2001/02. While one may point at a combination of other environmental forces as influencing the performance either way, it should be appreciated that a good and successful change strategy would have had an enduring effect and would have acted like an insurance that would have been able to leverage the negative environmental threats. After all the essence of strategy is in it being regenerative i.e. capable of evolving new successes even as conditions change.

4.10.1 Success/Milestones

The major successes that were cited by the respondent are

Substantial reduction in operating costs – expenditure budgets were reduced significantly (by almost 40%) this also relates to reduction in staff costs due to reduced numbers. Greater efficiency was realized in the logistics and movement of grain reducing further on costs.

New business ventures (diversification) undertaken – the NCPB opened up to new businesses especially in the area of providing grain handling services and leasing out excess storage space.

Retrenchment of staff without causing any industrial unrest – staff were reduced from 2834 to 977 and all this was done quietly, what other organizations have not been able to achieve without politicisation.

4.10.2 Areas that Still Need Attention

The respondents sighted the following areas as still being in need of attention if the change/commercialisation of the NCPB is to be fully successful:

Decentralisation of decision-making alongside empowerment of all levels of staff – decision-making is still concentrated at the corporate head quarters thus slowing down response to opportunities. The culture of concentration on controls as opposed to having specific performance targets is still rampant and should be addressed.

The delineation of the GOK social functions and the commercial functions of the NCPB need to be fully and deliberately done without reservation - the separation of the social functions is yet to be fully and properly documented. The result being that the positioning of NCPB still remains as government service provider in the eyes of the public.

Political interference needs to be eliminated – because of lack of clear and deliberate demarcation of the government social roles and the NCPB commercial functions political interference in such areas as pricing pronouncements by politicians that tends to favour farmers is common. The result being that NCPB very often purchases grain at above market prices and disposes the same at correspondingly low prices.

Stakeholders need to be sensitised on the change at NCPB – most stakeholders are confused as to what the role of NCPB is, this is because the changed role was never communicated well to them. There is thus a need to sensitise them and get their understanding and support to be able to operate effectively.

Bold steps need to be taken to embrace a true and complete culture change – as is evident from the findings there is still a hangover of the culture that prevailed during the monopoly days. The culture is rooted in a bureaucratic structure. Customers are yet to be fully appreciated and very frequently when they are desperate for services or goods such as grain in times of shortage they are literally bullied. This needs to change such that customer needs are addressed or if there are shortages then they be treated with empathy.

GOK needs to urgently repeal the 1985 NCPB Act (Cap 338) and replace it with an Act that is responsive to the new/changed operating environment and that provides the proper legal underpinning for the new role.

CHAPTER FIVE: SUMMARY OF FINDINGS AND CONCLUSIONS

The objectives of the study were to: examine the operating business environment and its influence on the changes at the NCPB, to establish how the changes at NCPB were arrived at and to establish the changes that occurred. In order to arrive at the results the study examined the key strategic change process motions by use of a questionnaire directed at persons who were involved in the change in one way or another and the gathering of secondary data related to the change

5.1 The Business Environment

According to Kazmi (2002) strategic management is about knowing the external environment and establishing linkages to it. The linkages are the strategies. From the research data and the other reports it is clear that the need for fundamental change in the NCPB existed. If anything the change was overdue. The implications of delayed response were that the forces compelling the change were overwhelming while the capacity to carry the change had not been adequately developed. The multiple forces increased the complexity of the problem at hand.

After the liberalization of the cereals sector in 1993, NCPB appears to have lost the first mover advantage (FMA). The situation that prevailed in NCPB is what Beam (1990) refers to as strategic discontinuities. He says that such strategic discontinuities are particularly traumatic for firms that have been market leaders (sole operators) for long periods of time.

The environmental forces that impacted heavily and forced the need for change according to the research findings can be summarised as:

- (i) Increased political and social changes in the early 1990s that sought greater economic and social liberties culminating in liberalisation.
- (ii) Removal of entry barriers resulted in increased and intense competition from new entrants into the cereals business.
- (iii) Inability of the GOK to continue "subsidising" NCPB's losses
- (iv) Pressure from development partners for the government to cease trading activities

- (v) Entry and exit of cereals into and out of Kenya compounded problems in the cereals market bringing in chaos in a previously patently quiet and controlled market.

According to the research findings there was compelling pressure for transformational change in NCPB if it was to remain competitive. NCPB was in urgent need of aligning itself with the changes in its business environment.

5.2 The Change Process

An inspection of the change consultant's report reveals that the changes were meant to be structural i.e. they combined administrative and people changes. The changes were arrived at through a systematic process of:

Perception of the problem: Perception of the problem was done by the GOK which states in the 1989-93 development plan that there was a need to restructure the NCPB in areas of general management and finance.

Recruitment of change agent: The change agent referred to as Technical Service Contractor (TSC) which was a team from Agriconsult Limited in association with ACIL Australia Pty Limited, was hired in mid 1996.

Commencement of work: The TSC team commenced work on 2nd September 1996 and started by diagnosis which involved inspection of secondary data on NCPB. They delivered an inception report on 30th September 1996.

Joint diagnosis: After the initial feedback, the change agent commenced joint diagnosis with the client. The method for analysing both the external and internal environment that was adopted is the SWOT (strengths, weaknesses, opportunities and threats) analysis.

Final report: On 29th November 1996 the TSC presented the final report. The report contained the strategies to be implemented and the implementation action plan.

Some members of the change agent's team extended their stay for the purpose of joint implementation of the strategies and possibly readjustment of the strategies to align them with emergent realities.

Throughout the process, the change agent emphasised the need for communication to the various stakeholders and this was to be carried out by the NCPB management and GOK. In the diagnosis process the TSC team visited various NCPB sites in the company of NCPB management and collected information from the staff at these sites. From the research data it is evident that the change agent had a very keen focus on the technical business aspects. This is clear from the in-depth analysis of the various business environmental factors that impacted on the NCPB.

There was a strong feeling within the staff that NCPB was very strategic and central to the food security in Kenya such that its position did not face any real threat. This was evidenced by the low commitment in creating the urgency for the change and in the support for the change that can be rated as lukewarm in the prevailing circumstances.

The people factors of the change seem to have been relegated to the periphery as there was no effort to identify and use local change leaders, no reward system for the change was put in place and there was no deliberate inquiry into the concerns of staff over how the change would affect them. The other obvious gaps that were left by the change are:

- (i) Not adequately addressing the issue of capability in the general management of NCPB.
- (ii) Not adequately carrying out a resistance diagnosis and putting in place counter resistance measures.
- (iii) Not building the capacity for evaluating the change strategies, institutionalising the change and appropriate strategic responses.

The result of these gaps is that the NCPB relapsed to a situation of increasing under-performance, increasing the need for a 'new strategic plan'.

It is clear from the motions of the process that this was a planned strategic management process that intended to move the NCPB from a dependent monopoly to an independent commercial operator. The systematic approach indicated the understanding of the change agent of the theoretical requirements of planned change.

5.3 Changes that Occurred

Ansoff (1990) says that experience has shown that when planning calls for a change in general management capability (particularly managers' mentality, culture or power structure), implementation of the plan encounters strong organizational resistance and unless measures are taken to overcome and manage resistance during the implementation process then planning is likely to become a process of paralysis by analysis. It is generally acknowledged that planning consumes lesser resources and does not result in fundamental physical translocation of tangibles. Implementation of strategies on the other hand will always result in huge financial and other resource outlays, this is besides appearing to intrude on the established physical order. It is for this reason that one is inclined to judge a good strategic plan with the final result. However, as Goold (1991) says, it is not as easy to rate the success of a strategy as it is in evaluating financial targets. Strategic change is hard to evaluate and measure especially the intangible elements like organizational culture. For this reason there should be no illusion on success, Kotter (1996) does caution that in a change process it may be a grave error to declare victory too soon.

From the research findings a success rate of 51.3% was attained. This is just past the half way mark. It underscores the fact that at least some changes occurred if not successfully then at least to the halfway mark.

The changes occurred are summarised as:

- (i) There was significant reduction in costs coupled with rationalization of the staff complement. The NCPB staff population was reduced from 2834 to below 1000 without causing any industrial unrest.
- (ii) Diversification was undertaken and this resulted in enhanced utilization of resources that were in the possession of NCPB.
- (iii) GOK discontinued subsidies to the NCPB and NCPB has managed to survive on its own since then.
- (vi) The NCPB staff were reawakened to the realities of the business environment as being competitive and with no respect to sleeping giants. This resulted in adoption of a higher level of commercial culture.

5.4 Conclusion

The stakeholders were intellectually ready for the change since they understood the rationale of the change. Unfortunately the intellectual preparedness may have created complacency on the part of management. Even if change is legitimate on the basis of environment forces and the knowledge by those involved that the change must occur anyway, there is a need to communicate effectively and honestly on the consequences of the change. Change will be more successful or will rally support if there is an elevated level of urgency or sense of crisis. If the necessity and consequences of the change are under-communicated, the change effort will be systematically obstructed.

The market that a company dominates can change substantially over a very short time span despite the advantages that the firm may have had. Innovation and creativity should be the essential skills that any serious company should invest in. The skills will help sustain the company in times of discontinuous change. This underscores the need for greater investment in strategic intent as opposed to strategic planning. But whether public institutions have the flexibility to exercise in innovation and creativity? Is a question that begs for answers in the drive for the revitalisation of these institutions.

From the model of change that was adopted i.e. planned change model it can be concluded that the business environment then was perceived as being stable and relatively predictable. This may have been so since the liberalisation of the sector had only been effected only two years earlier such that even the competition was just grouping itself and learning the tricks of the game. One of the case demonstrations of the painful learning was the giant Unga Millers Limited who after attempting grain trade soaked themselves into losses in the period around 1997-1998 and apparently to date they are yet to fully recover.

Financial turnaround target was not achieved though results indicated improved performance for about three years i.e. up-to the 1999/2000 season before taking a turn for the worse. From this, it can be concluded that reinforcement was seriously needed to sustain the improvements that had been realised. The outcome of the change took the path predicted by Kotter (1996) who argues that if the

change is not anchored in the organizational culture, the old culture will reassert itself. In the case of the NCPB the old culture reasserted itself after the third year.

Lack of the formal evaluation and appropriate institutionalisation may be placed on the NCPB management, as Sukanto Toroto, chairman of the Raja Garuda Mas group in Indonesia, one of the world's largest wood-pulp producers says, "They (consultants from the west) underestimated our learning capacity; originally we knew little; asked endless questions of our consultants and suppliers, so by the end of the day we know- and adapted- it all." Apparently the NCPB was not inquisitive enough to be able to extract maximum value from the change consultants. Montgomery (1998) adds that no company's strategy can endure without the continual pressure to improve.

Better levels of success would have been achieved with greater focus on people. The focus on people would have included an analysis and understanding of their concerns. This would have helped in countering resistance whether passive or otherwise. By focusing on people it would have been easier to introduce and anchor the new/desired culture.

The change agent was without doubt experienced and well versed with the requirements of a change process. But of equal gravity is the consideration of the context within which the change is to be implemented. Had local change experts been used they would have perhaps crafted change strategies that would be more roundly responsive to the business environment and other social variables.

If change is not effectively communicated and reinforced, then what follows is the painful watch of the erosion of the distinctive advantages of the organization. When the consequences of the missed opportunity to change in good time become real, in most cases the business environment will have changed substantially. This can lead a company to a situation of being perpetually on the run. This position is so because the NCPB currently finds itself in a position of needing new strategic direction and in the process the change report has somehow got out with the reception comments that it contains most of the solutions to the problems that bedevil it.

5.5 Recommendations

A number of issues arise from the study and thus bring about the following recommendations

- (i) The issue of changes in the public sector should be looked at critically with a view of giving it ownership. This is so because it is difficult to pinpoint who owns the change and who it will benefit in the short and long term. This arises out of the observation that the change at NCPB was not evaluated formally and the GOK has never to date amended the necessary legislation to legitimise the change.
- (ii) Change consultants should demystify the change process and equip organizational members with basic skills to diagnose and maintain the change on course. Otherwise given that change is normally packed with uncertainties, mistrust may result and lead to successive failures.
- (iii) Due to the dynamism and complexity of change, change should be treated as an ongoing process and not a one off event.
- (iv) In change situations involving such public sector institutions as the NCPB, it is desirable to use a change management model that seeks to involve people by equipping them with tools and skills to carry on with more change after the change agent has left. For this reason the Bullock and Batten model should be avoided in preference of the Action Research model of Kurt Lewin.

5.6 Limitations

Every study does encounter some level of limitations and this is because of the scarcity of resources. The major resources that are required for such studies are: time, backup personnel and finances. Scarcity of any of these resources translates to narrowing down the scope of the study and in the process some vital areas may be under-covered.

One of the biggest limitations was that it was not possible to get even a single member of the team of the change agents. On completion of their assignment they went back to Australia. If available their input would have been invaluable.

Some of the staff earmarked for interview had a limitation on comprehension. This comprised mainly of junior staff. It does happen that this is the category of staff that was the main target of retrenchment. The unhindered articulation of their views would have made the report even more robust.

Much as effort was made to reach for interviewee as far a field as possible this was not entirely possible due to time and other resource constraints.

Apart from reaching two senior staff that had retired on completion of their contracts, it was not possible to reach the junior staff, the bulk of whom were retrenched. The views of the retrenched would have added more insight into the study.

5.7 Suggested Areas for Further Research

Change is such that it can never be said to have been mastered, this is because the environment is dynamic and it continuously presents new challenges, opportunities and other peculiarities. A limitation in resources also curtails the scope of a study such as this one. This results in the emergence of areas of interest that may require further study so as to give more completeness and greater understanding of the entire study area. Areas suggested for further study are:

A study should be undertaken amongst the retrenched to get their views and feeling of the process of change management, this may help in understanding their concerns in a more direct way and facilitate in the design of future change programmes that involve significant staff layoffs. Equally a study on the effects on such aspects as motivation, feelings on job security and their effect on the overall performance of the employees that are retained after a massive retrenchment exercise may help to understand how to design successful change programmes.

A study to establish the success rate of restructuring in both public and private firms in Kenya should be undertaken with the aim of comparing the results and establishing if there are differences, and if any, then what the source of these differences is.

APPENDIX I

NATIONAL CEREALS AND PRODUCE BOARD

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P.O. Box 30586
NAIROBI
KENYA

OUR REF: NCA/3/11

YOUR REF:

March 26, 2003

TO: MANAGING DIRECTOR

FROM: SERVICES MARKETING MANAGER/AREA MANAGER

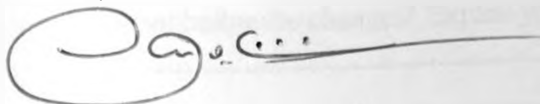
RE: PERMISSION TO USE NCPB IN CASE STUDY

I am undertaking a study on Strategic Change Management in Kenyan Parastatals and wish to be granted permission to use the change process that occurred in NCPB since early 1990s for the case study.

The study will involve conducting interviews among staff who participated in the exercise. Attached is a list of personnel I have targeted to interview. It is my hope that the resulting report will be of use even to the Board. If you will not mind I do wish to avail a copy of the report to you for your appraisal and comment.

I look forward to your authority and support

Thank you.



E. M. OGWORA
SERVICES MARKETING MANAGER/AM
EMO/jkm

C: Human Resource Manager

APPENDIX II

QUESTIONNAIRE

PART I

CEREALS SECTOR CHANGES

1. Are you aware of the strategic/structural changes that occurred in the cereals sector from the mid 1990s?
.....
.....
.....
2. What in your view necessitated the changes?
.....
.....
.....
.....
.....
.....
3. In your view were the changes necessary? Explain
.....
.....
4. Is there any aspect that needed change that was not exhaustively handled/addressed? Explain/List.
.....
.....
5. Did the changes impact positively or negatively on NCPB that was the sole grain marketing agent before the changes? Explain your answer.
.....
.....
.....

PART II

CHANGES AT NCPB

1. The following were the possible forces/factors that necessitated change, may you rank their importance on the scale (1) Very important (2) Important (3) Significant (4) Moderate (5) Insignificant

(Enter your rating, the same level of rating may apply to more than one factor)

(i) Need to plan ahead and remain competitive	1	2	3	4	5
(ii) Threat from local competition	1	2	3	4	5
(iii) Threat from regional competition	1	2	3	4	5
(iv) To respond to customer needs	1	2	3	4	5
(v) It was a government directive	1	2	3	4	5
(vi) The magnitude of loss making at NCPB	1	2	3	4	5
(vii) Weak management at NCPB	1	2	3	4	5
(viii) Change for the sake of change	1	2	3	4	5
(ix) Others - namely: -----					

2. Rate the following objectives of the change programme? i.e. what was the change meant to achieve? Use the scale (1) Very important (2) Important (3) Significant (4) Moderate (5) Insignificant

(i) Turnaround NCPB into profitability	1	2	3	4	5
(ii) Give independence to NCPB	1	2	3	4	5
(iii) End government subsidies	1	2	3	4	5
(iv) Reduce staff	1	2	3	4	5
(v) Increase competitiveness of NCPB	1	2	3	4	5
(vi) Reduce costs	1	2	3	4	5
(vii) Assist other players into the grain market	1	2	3	4	5
(viii) Comply with donor conditions	1	2	3	4	5
(ix) Others-list-----					

3. How was the awareness of change communicated? Rate using the scale (1) Not used (2) Rarely (3) Frequently (4) Predominantly used

(i) Official circulars	1	2	3	4
(ii) Meetings	1	2	3	4
(iii) Company newsletters	1	2	3	4
(iv) Mass media	1	2	3	4
(v) Grapevine (rumours).	1	2	3	4

4. Was the new vision clearly articulated and understood? (Tick one) (1) Very clearly (2) Clear (3) Moderately (4) Vaguely (5) Not at all
- May you write down the vision-----

5. To what extent were the changes initiated at the top management level? (Tick one)
(1) Not at all (2) Rarely (3) In most cases (4) In all cases
6. To what extent were the changes initiated at the operating/depot level (Tick one)
(1) Not at all (2) Rarely (3) In most cases (4) In all cases.
7. Were the concerns of key stakeholders taken into account and were they extensively consulted? (Tick one) (1) Not at all (2) Rarely (3) Occasionally (4) Frequently (5) Always
8. Were any interests and opinions of some stakeholders ignored or taken for granted? (Tick one) (1) Not at all (2) Rarely (3) Occasionally (4) Frequently
9. Was the level of communication throughout the change process effective, open and honest? (1) Not at all (2) Somewhat (3) To some degree (4) To a large degree (5) Satisfactory.
10. Was there use of symbols, patterns and settings? i.e. what visible outward or physical attributes accompanied the change? (Outline)

11. Did top management appear to support the change process? (Tick one)
(1) Not at all (2) A bit (3) To some extent (4) On most occasions
(5) Enthusiastically
12. Did the rest of the staff support the changes? (Tick one)
(1) Not at all (2) A bit (3) On some instances/aspects (4) On most aspects
(5) Enthusiastically
13. How did the change affect staff? (Tick one)
(1) Positively (2) No effect (3) Negatively
14. For the answer to (thirteen) above, the effect was? (Tick one)
(1) Insignificant (2) Moderate (3) Significant (4) Very significant

- 15 Rank the following factors on their strength/contribution to individual resistance to change Use the scale (1) Non existent (2) Weak (3) Moderate (4) Strong (5) Very strong
- | | | | | | | |
|--------|--|---|---|---|---|---|
| (i) | Misunderstanding and lack of trust | 1 | 2 | 3 | 4 | 5 |
| (ii) | Fear of inability to develop relevant skills | 1 | 2 | 3 | 4 | 5 |
| (iii) | Ignorance | 1 | 2 | 3 | 4 | 5 |
| (iv) | Fear of demotion or retrenchment | 1 | 2 | 3 | 4 | 5 |
| (v) | Fear of the unknown | 1 | 2 | 3 | 4 | 5 |
| (vi) | Fear of social displacement | 1 | 2 | 3 | 4 | 5 |
| (vii) | Parochial self interest | 1 | 2 | 3 | 4 | 5 |
| (viii) | Satisfaction with existing state | 1 | 2 | 3 | 4 | 5 |
| (ix) | Other factors-list----- | | | | | |

- 16 Rank the following factors on their importance and use in overcoming resistance. Use the scale (1) Not used at all (2) Negligible (3) Moderate (4) Frequently used (5) Used very much
- | | | | | | | |
|--------|---|---|---|---|---|---|
| (i) | Training and education | 1 | 2 | 3 | 4 | 5 |
| (ii) | Communication | 1 | 2 | 3 | 4 | 5 |
| (iii) | Use of local change leaders | 1 | 2 | 3 | 4 | 5 |
| (iv) | Promise of reward | 1 | 2 | 3 | 4 | 5 |
| (v) | Use of reward | 1 | 2 | 3 | 4 | 5 |
| (vi) | Ignoring (wait for natural death to occur) | 1 | 2 | 3 | 4 | 5 |
| (vii) | Manipulation | 1 | 2 | 3 | 4 | 5 |
| (viii) | Coersion and authority | 1 | 2 | 3 | 4 | 5 |
| (ix) | List other methods used to overcome the resistance to change----- | | | | | |

- 17 Did the issue of culture change play a central and prominent role? (Tick one) (1) Not at all (2) To some extent (3) To a large extent (4) Very prominently

- 18 Below are some aspects of culture that may have been targeted for change, may you rank them on the strength of their importance using the scale (1) Not important (2) Slightly important (3) Average (4) Important (5) Very important

- | | | | | | | |
|--------|--|---|---|---|---|---|
| (i) | Reorienting the entire perception on business | 1 | 2 | 3 | 4 | 5 |
| (ii) | Adopting private sector like approach | 1 | 2 | 3 | 4 | 5 |
| (iii) | Making prompt decisions and taking responsibility for the decision | 1 | 2 | 3 | 4 | 5 |
| (iv) | Basing reward on performance/productivity | 1 | 2 | 3 | 4 | 5 |
| (v) | Managing and keeping time | 1 | 2 | 3 | 4 | 5 |
| (vi) | Availing information freely (reducing on secrecy) | 1 | 2 | 3 | 4 | 5 |
| (vii) | Reducing managerial approval layers | 1 | 2 | 3 | 4 | 5 |
| (viii) | Scrapping the bureaucratic structures | 1 | 2 | 3 | 4 | 5 |
| (ix) | Devolution/empowering lower layer staff | 1 | 2 | 3 | 4 | 5 |
| (x) | Making the customer the focal point | 1 | 2 | 3 | 4 | 5 |
| (xi) | Other aspects of business and organizational culture that were addressed include --- | | | | | |

19 List any other aspects of culture that needed to be addressed but were not addressed-----

20 How appropriate was the use of an external change agent? (Tick one)
(1) Not appropriate (2) Somewhat appropriate (3) Appropriate (4) Very appropriate

21 Did the external change agent add value to the change process? (Tick one) (1) Very much (2) To a large extent (3) Averagely (4) A bit (5) Not at all

22 Did the change agent build powerful coalitions with the sponsors? (tick one) (1) Not at all (2) Not discernible (3) Moderately (4) Strong (5) Very strong

23 Did the change agent build strong working coalitions/relations with other stakeholders? (tick one) (1)Very strong (2) Strong (3) Moderate (4) Weak (5) Not at all

24 Did the change agent build enough capacity in NCPB staff to enable maintenance of the change momentum after their exit? (Tick one) (1) Very good capacity (2) Good (3) Average (4) fair (5) Poor

25 How were resources committed/availed to facilitate the change? (Tick one) (1) Not availed (2) Reluctantly (3) Readily (4) Very readily

26 Was the outcome of the entire change programme evaluated and its success or otherwise communicated to all stakeholders? (Tick one) (1) Not done at all (2) Do not know (3) Done in bits (4) Well done (5) Very well done

27 What were the major milestones/successes of the change?

28 How was the change institutionalised/reinforced?

29 What critical areas still needed to be addressed and how could they be addressed?

30. Was the change successful as per the set objectives? (Tick one)

- (1) Very successful (----)
- (2) Successful (----)
- (3) Averagely successful (-----)
- (4) Not successful (----)
- (5) Failure (-----)

Explain your assessment/rating.

THANK YOU

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