

**FACTORS THAT LEAD TO SUCCESSFUL CHANGE MANAGEMENT AT
STEEL STRUCTURES KENYA LIMITED**

KARANI STEVEN MUYAH

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI.**

OCTOBER 2016

DECLARATION

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

Signature

Date

STEVEN MUYAH KARANI

D61/74796/2014

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

Signature

Date

DR. J. KAGWE

Lecturer, Department of Business Administration,

School of Business,

University Of Nairobi.

DEDICATION

This research project is dedicated to my parents Mr. and Mrs. Karani for their motivation and encouragement towards my education and to my dearest friend Ms. Beth King'echa without whose caring support it would not have been possible.

ACKNOWLEDGEMENT

Many thanks go to my heavenly father for giving me good health, strength and direction throughout the complete period of project writing. I also convey my heartfelt appreciation to my family for their unconditional love and guidance during this entire period. Special thanks to my supervisor Dr. J. Kagwe, University of Nairobi for continued advice, guidance and encouragement throughout the process. I acknowledge my fellow classmates for their unflinching moral support and assistance, the timely completion of this work would not have materialized.

LIST OF ABBREVIATIONS

ERP	Enterprise Resource Planning
GDP	Gross Domestic Product
HRA	Human Resources and Administration
ICT	Information Communication and Technology
ISO	International Organization for Standardization

ABSTRACT

Change management is a crucial part of life and is usually a constant in most firms (Szamosi and Duxbury, 2002). For an organization to have a competitive advantage over its competitors, there is need to have effective change management procedures in place. According to Beckhard and Pritchard (1992), the processes entail aspects of organizational structure and culture. This study sought to determine factors that lead to successful change management at Steel Structures Kenya Limited. The variables of the study included organizational structure, organizational culture and organizational strategies. To achieve this objective, the researcher used interview guides. The target respondents included divisional directors, senior coordinator, departmental heads and departmental supervisors all of whom were employees of Steel Structures Kenya Limited. The study followed a descriptive research design. The study collected qualitative data and analyzed it through content analysis. The main importance of the findings was to determine the factors that lead to successful change management at Steel Structures Kenya Limited. The study found out that the change management strategies when well stipulated will greatly influence success in the change process. The strategies have resulted to the competitiveness of the organization. The research revealed that the organization used technology, low cost, company reputation and continuous learning as its competitive strategies while its change management strategy include systematic analysis of human factor, communication, mentoring and coaching and ownership. It was evident that the company operates a mechanistic organizational structure. The structure has facilitated efficiency in the organization as well as reduced operational cost but resulted to a restrictive decision making process. The research showed that the mixed culture deployed in the organization; clan, hierarchical and market, have enhanced the organization's relationships, flexibility, coordination, organization and monitoring. There was need to increase focus communication and enhancing training on the technological platforms of communication. There was also need of urgent training on the staff on the company's culture that would make the employees aware and undertake all changes within the culture.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Institutions change and continuously develop to remain competitive (Balogun and Hailey, 2008), yet effective and efficient organizational change is still rare (Meaney and Pung, 2008). Kanter (1989) and Peters and Waterman (1982) asserted that most organizations, both in the private and public sector encounter turbulent environments where the need to initiate and successfully manage change is a competitive necessity. Change processes are influenced by various strategic considerations (Schilling and Steensma, 2001), including the requirement for more integrated ways of working (Rugman and Hodgetts, 2001) and the requirement to enhance business performance (Balogun and Hailey, 2008). However, executing successful change programs in institutions has proved to be problematic. Low success rates of change programs is often as a result of the resistance to change by employees (Ford and Amelio, 2008). In order to execute the change successfully one has to recognize the factors that lead to successful change management. These include planning, communication, strategy, organizational culture, organizational structure and supporting management information systems.

Kurt Lewin's (1951) three-phase model of change i.e unfreeze, change or move and refreeze provides the framework for most of the publications that deals with planned change in organizations. A crucial feature of this framework is the focus of changing the individuals in the organization and the awareness that the change will be resisted. Leadership is therefore required to overcome this resistance and consequently it will creates costs and for individuals this includes a lot of emotional work. Lewin pointed out three approaches that organizational change can be achieved: The first is by changing the employees in the firm i.e. their skills, attitudes, beliefs and behavior with the focus on crucial organizational change. The second is by changing different organizational systems and structures e.g. reward systems, reporting structures and job setup. Finally is by changing the organizational culture and climate i.e. how frequently people interact with one another, how conflict should be handled and the decision making process.

Steel Structures Kenya Limited is currently undergoing ISO certification and therefore it is implementing changes in the organization in order to comply with the stipulated standards. The company has adopted Kaizen in its processes in order to increase productivity and maintain quality of products and services. According to Imai (1986), a champion of Kaizen, Kaizen means improvement. Furthermore it means continuous improvement in an individual's personal life and professional life as well. When implemented in the workplace, Kaizen means continuous improvement which involves all managers and workers in the organization. Advocates of this theory argue that continuous improvement and development is crucial for an organizations long term success. Steel Structures Kenya Limited is therefore undertaking this steps with the aim of ensuring that the company gains a competitive advantage in the steel industry.

1.1.1 Concept of Change Management

According to Kanter (1992) change constitutes the development of new alternatives namely: new management patterns, new organization policies, new organization cultures, new strategies, new products and services or new market ideas based on the new arrangements in the organization. The planning of change constitutes the design and development of new patterns, or the re-engineering of old ones to make new successful actions possible. Change management, according to Szamosi and Duxbury (2002), is a crucial part of life and is usually a constant in most firms. According to Nickols (2004) the phrase 'managing change' has two distinct meanings i.e. the initiation of changes in a planned and systematic fashion or the response to unplanned changes of which the organization has limited control. Burnes (1996) argued that organizations that successfully manage change have a competitive advantage over other players in that industry. This is further supported by submissions of both Kotter (1996) and Burke and Trahan (2000), which suggest that for organizations to acquire competitive advantage over their rivals, there is need for effective change management programs to be in place. These programs can include components of organizational structure and organizational culture as outlined by Beckhard and Pritchard (1992).

It is important to note that the form and extent of the transformation is greatly determined by the requirements of the organization. This means that some institutions might adopt transformational change and as a result must develop effective systems and processes to manage those changes. Therefore, one key function of management is to develop effective and efficient ways of encouraging change in the organization while at the same time motivating the employees to accept the proposed change. The degree of the transformation will also affect the culture of the organization (Porras and Robertson, 1992). Change management is therefore a continuous process that changes according to organizational needs but should still be in line with the organizations vision. Beckhard and Pritchard (1992), argued that effective change management occurs when change and learning processes are in tandem and when the company's personnel realize that "change is a learning process and learning is a change process." Kotter (1996) proposes eight steps in the change process namely: creating a sense of urgency, developing the guiding coalition, creating a vision and strategy, communicating the change vision, empowering employees for broad based action, generating short-term wins, consolidating gains and building more change, and anchoring new approaches in the culture.

1.1.2 Factors that lead to Successful Change Management

According to Prosci (2007) one of the factors that lead to successful change management is planning. This entails creating and outlining the change objectives and the methods achieve these objectives. Before undertaking any change, an organization should have a clear vision and mission for the change process. The first step of successful change planning is to have a clear vision of what the impact of the future changed state will be. Communication is another factor that leads to successful change management. When changing any aspect in an organization, it is prudent to communicate the change to the key stakeholders within the organization. If the change vision is not clearly shared, devotion to the change process is unlikely and change efforts will likely fizzle out (Bridges, 1991). Another factor that may lead to successful change management is strategy. To successfully implement change initiatives, they must be aligned to the organizations corporate strategy. This will ensure the change is aimed at achieving the organizations goals and objectives hence eliminating any conflict among the shareholders (Prosci, 2016).

According to Goldberg (1992), another factor that leads to successful change management is organizational Culture. She argued that all change in organizations is challenging, but perhaps the most daunting is changing culture. For change to be effectively implemented in an organization the organizations culture should be one that welcomes and facilitate the change. Finally organizational structure may lead to successful change management. Organizational structures comprise of the organizational frameworks which have the potential to derail or promote organizational change (Schwartz, 2013). Organizational structure indicates how activities such as work coordination, task allocation and job supervision are aligned toward achieving the organizational goals. Organizational structure outlines how information should flows from one level to the other within the firm. In a centralized organizational structure, decisions normally flow from the top down. In a decentralized organizational structure, the decisions are usually made at different levels. Organization structures that tend to encourage employee involvement in the decision making process have a higher success rate in change management.

1.1.3 The Steel Industry in Kenya

Steel is one of the backbones of the economic activities of any Nation. The per capita steel consumption is an internationally recognized indicator of the level of growth for many countries. Kenya's steel industry forms about 13 percent of the manufacturing sector which contributes significantly to the country's GDP. The indirect and direct consumption of steel in Kenya is estimated to increase as the country undertakes the development programs as envisioned in the Vision 2030. The Ministry of Industrialization is at the forefront in the development of the Steel Industry as part of the Vision 2030 flagship projects. The major Vision 2030 projects include, railway and roads projects, industrial parks, housing, Lamu port development and the expansion of the special economic zones all of which require and use steel products. In 2013, Kenya had an annual demand of about 1.8 million metric tonnes of steel with this demand projected to grow to 2.5 million metric tonnes by 2020 and double that number by 2030.

(<http://www.industrialization.go.ke/index.php/vision-2030-manufacturing-sector/137-development-of-iron-and-steel-industry>)

This growth will be contributed by the ever increasing real estate developments, the Standard Gauge Railway project, the construction on the Lamu Port South Sudan Transport Corridor project and the 10,000 km new road network which is a flagship of the Jubilee government. The rising demand for various steel products has led to massive investments in the sector as companies position themselves to profit from the burgeoning local and regional markets. The steel industry in Kenya has various players who include Devki Steel Mills Limited, Athi steel plant, ASL Limited, Steel Structures Kenya Limited and David Engineering just to mention a few. Established firms like those named above spend millions of shillings in continuous improvement of their processes and systems due to increased competition, changes in consumer taste, technology, product quality, preference and other market variables (Gatheru, 2009).

1.1.4 Steel Structures Kenya Limited

Since 1971, Steel Structures Kenya Limited has provided quality mechanical and structural fabrications throughout East and central Africa. With the blend of creative innovation and the pursuit of excellence as a corporate objective, steel structures Kenya Limited has established an amazing reputation and has enjoyed sustained growth and success. The company's core business involves the supply, fabrication, delivery and installation of structural steelwork complete with cladding, roofing and all rainwater goods such as gutters, downpipes etc. The company's business is not limited to Kenya but it also exports its products to other East and central African countries.

(<http://www.steelstructureskenya.com/>)

The company's vision is "to be the leading structural steel solutions provider in east and central Africa". The company's mission is "to continually pursue the ultimate goal of excellence in all facets of our business thereby achieving total customer satisfaction." Steel structures is committed to providing a full range of premium quality steel buildings solutions for all capital commercial, industrial, institutional and capital residential needs using its vast expertise in designing, detailing, fabrication and erection. The company boasts of a meticulously designed systems and customer related processes which enables them to move customers' orders from design to delivery within a very short period. In just over 44

years of operation, the company has completed over 5,000 projects within Kenya and across the African continent. In line with its vision of being the leading structural steel solutions provider in east and central Africa the company has opened a new subsidiary in Uganda under the name of Steel Works Limited. This is aimed at ensuring the company penetrates the Ugandan market by offering quality steel products and services at competitive prices.

On average the company's annual production of fabricated steel products is approximately 10,000 metric tons. The company occupies land of approximately 100,000 square meters (28 acres) in the industrial area of Dandora. The company specializes in steel because structural steel is the most economical framing building material. The Overall project costs are usually lowered as a result of reduced labor requirements and lower foundation costs. Structural steel is also predictable and reliable. It can be produced to precise tolerances in both strength and size which makes steel easier to design and use. Steel structures are highly durable and do not decay quickly as compared to other construction materials. They also last longer before any repairs is required. Steel's flexibility and adaptability means that future extensions can be done with minimal cost and disruptions. Finally Steel structures can be installed speedily. The accuracy and predictability of steel components speeds up the construction process. This shortened lead time saves in the overall building program compared to concrete frames and is often one of the main criteria for selecting steel. (<http://www.steelstructureskenya.com/>)

1.2 Research Problem

According to McMillan (2004), most organizations encounter uncertainties that are consequences of globalization and enhanced technology developments. Harris (1997) argued that the competitor's performance and the prevailing market state may lure organizations to initiate change. This may be effects of new technology developments, mergers and acquisitions, change in customer needs and preferences, crisis, the prevailing economy of the state and new opportunities for the organization. Change for the company can be in the form of reevaluating the organizations corporate strategy, organizational structure, technology, organizational culture and task job design.

Steel Structures Kenya Limited is one of the leading steel fabricators in Kenya. In the effort of maintaining a competitive advantage in the industry, the company has adopted kaizen in its processes to improve efficiency and effectiveness. The company is also on the final stages of ISO certification which will ensure the company's systems and practices conform to both local and international standards. Casadesus, Jimenez and Heras (2001) grouped ISO certification benefits as both external and internal benefits. Internal benefits include: work satisfaction, on-time delivery, stock rotation, safety and reliability, reduced quality costs and cost savings. However, external benefits include: customer satisfaction, reduced customer complaints, increase in the number of repeat purchases, increase in sales per employee and increase in market share. The company is therefore in the process of implementing these changes with the aim of ensuring their business objectives are realized.

Various researches have been done both locally and internationally on factors that lead to successful change management. Internationally, Jaana (2006) focused on factors influencing successful change management in IT outsourcing from transferred personnel point of view and found the factors to be; compelling need for change, clarity of direction and targets, targeted and effective communication, training and mentoring and finally monitoring and measuring performance. Mika (2013) did a study in public sector change management managerial success factors. In her study she identified the critical success factor as being client acceptance, which normally occurs when there is good client consultation and communication which aids managers to steer through complicated project management issues in the public sector.

Smeds (2010) focused on change management success factors in ERP implementation. She identified the factors to be need for change, leadership, goal setting, management support, participation and planning, training and control, defining roles, communication and motivation. On the local scene, Kamau (2014) did a study in managing organizational change effectively. She found out for change to be effectively managed there need to be understanding for the need of change by the stakeholders and motivation of the stakeholders. Wandera (2014) focused on change management in financial institutions. He discovered that for organizations to effectively execute change there is a major role that is played by good leadership. These studies identified the many factors that influence

successful change management. The studies focused on various sectors however, no study has been done in the Kenyan steel industry on factors that lead to successful change management. In addition this study was focused on Steel Structures Kenya Limited, therefore, it sought to fill this gap by answering the following research question: What are the factors that lead to successful change management at Steel Structures Kenya Limited?

1.3 Research Objective

The objective of the study was to investigate the factors that lead to successful change management at Steel Structures Kenya Limited.

1.4 Value of the study

The findings of this study are of great significance to the management of steel structures Kenya ltd as they give them a clear understanding of factors that will lead to successful implementation of Kaizen and ISO certification in the company. They also help the management in preparing a strategy that will ensure the company's objective is met.

In addition, the findings of this study are useful to the current and future researchers as a secondary source of data in their research. It is instrumental in expanding their knowledge on the subject matter. As it also offers guidelines on the methodologies that can be used in conducting a similar research.

Finally, the findings are useful to the government and policy makers in the steel industry since it enables them to understand how the policies they put in place affect change management by the players in the industry in their effort to better their practices to offer quality services and products. The policy makers are also enlightened on the challenges the players in the market face.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review provides the reader with an explanation of the theoretical rationale of the problem being studied. This chapter goes through the theoretical review and empirical review.

2.2 Theoretical foundation

Studies have been carried out and are still going on concerning the concept of change management and factors that lead to successful change management.

2.2.1 Lewin's Three Step Change Theory

Kurt Lewin (1951) established the three step change model. He visualized behavior as an active balance of forces that work in opposite directions. The driving forces promote change as they usually propel personnel in the desired direction. The restraining forces impede change as they propel personnel in the dissimilar direction. For that reason, it is important to analyze these forces and Lewin's three-step model helps in shifting the balance in the direction of the planned change

Lewin maintained that the initial step in changing behavior is to unfreeze the status quo or prevailing situation. The existing situation is deemed to be the equilibrium state. Unfreezing is required to eliminate the struggle of individual resistance and group conformance. Unfreezing is commonly accomplished by using of three techniques. First, by increasing the driving forces that guide behavior away from the equilibrium state. Second, by decreasing the restraining forces that oppose the movement from the status quo. Third, by finding a mixture of the two techniques identified above. There are several actions that facilitate the unfreezing step and they include: motivating the participants by training them on the proposed change, building confidence and awareness for the need to change and active participation in identifying obstacles and discussing solutions in a group setting.

The second step of Lewin's change model is movement. This step entails the shifting of the current system to a new equilibrium state. There are three actions that aid the movement step, they include: changing the perspective of the employees by convincing them to acknowledge that the prevailing situation is not beneficial to them, working together in developing new data and linking the views of the team to admired leaders that support the change.

The third step of Lewin's change model is refreezing. Refreezing must be executed after successful change implementation for the new equilibrium state to be sustained over time. If refreezing is not done, there is a high chance that the implemented change will be temporary and the employees will return back to the old equilibrium. It is the final integration of the new standards into the organizations values, processes and practices. The goal of this step is to stabilize the new equilibrium as a result of the change by neutralizing both the driving and restraining forces. The strategy used to implement the refreezing step is to reinforce new standards and integrating them through informal and formal mechanisms including systems and policies. Therefore, Lewin's three step model demonstrates the impact of forces that either facilitate or impede change. In summary, driving forces facilitate change and restraining forces impede change. Therefore change will occur when the magnitude of one force is greater than the magnitude of the opposing set of forces.

2.2.2 The ADKAR model

Organizational change management begins with identifying techniques of managing change with a single person (Prosci, 2003). One of the models available to facilitate individual change is the ADKAR model created by Prosci. ADKAR is an acronym for Awareness, Desire, Knowledge, Ability, and Reinforcement. Essentially, for change to be successfully an individual requires the following: Awareness of the need for change, Desire to participate and support the change, Knowledge on how to change, Ability to implement required behaviors and skills and finally Reinforcement to sustain the change (Prosci, 2003). ADKAR illustrates successful change at the individual level and summarizes the goals and desired end results of successful change. It is an effective and efficient tool for

designing change management programs, creating preventive and corrective actions, diagnosing gaps and aiding those in management.

Both the ADKAR model and Lewin's three step change theory are relevant to the study as they outline the elements that an organization must focus on in order to implement the desired change. Both outline guidelines that if well implemented will lead to successful change management by reducing/ eliminating the resistance to change. However, the two theories have their limitations. As for the Lewin's theory, there is strong criticism with respect to the Refreeze phase. It is well known that organizational change is continuous and the need for another change may occur within the near future. Therefore there is really no time to settle into comfortable routines. As for the ADKAR model, it disregards the role of leadership in addressing the emotional dimension. The model focuses on what the individual needs to go through for the change to be successful, but it fails to address how the emotional aspect of the individual should be handled by the leadership of the organization.

2.3 Factors That Lead To Successful Change Management in Organizations.

There are various factors that lead to successful change management. However, the study focused on only three factors namely, the organization's strategies, the organizational culture and the organizational structure.

2.3.1 The Organization's Strategies

A "one-size-fits-all" technique is not applicable in change management (Prosci, 2016). Different organizations may be implementing change in various aspects such as relocation of key strategic business units to another location, mergers and acquisitions and introduction of new products into the market just to mention a few. All of these are uniquely different changes, and each one of them demands the change management to be successful. Each affects the personnel directly and how they execute their jobs. All of the above aspects can experience slow adoption and low application. Each aspect has risks of the employees not participating or resisting the change. While each of the initiatives requires change management to be successful, the strategy for change management will be totally different.

Change management strategies determines the techniques required to manage change given the unique condition of the initiative or project. Therefore a good strategy befitting the change should be developed for there to be successful change management.

All change management strategies should include awareness of the unique characteristics of the change, a supporting structure to execute the strategy, evaluation of the risks of the change and anticipated resistance to the change. Development of the change management strategy is the initial step in executing a change management methodology. Strategy provides direction and aids in informed decision making throughout the entire change process. Basically well-formulated strategy brings the proposed change to life, describing who and how it will affect the organization. The change management strategies contributes to the development of change management plans. E.g. the individuals or groups identified in the strategy should each be addressed directly in the communication plan. All change management activities and plans that follow after are usually guided by the outcomes of the change management strategy. Projects tend to meet their objectives when they are able to manage the human side of change efficiently and effectively. A solid strategy enhances effective change management and project management success (Prosci, 2016).

2.3.2 Organizational Structure

Organizational structure refers to how people or groups of people within an institution are coordinated. To accomplish the organizational objectives and goals, individual work within the firm needs to be managed and coordinated. Structure is therefore a valuable tool in successful coordination as it describes reporting relationships, defines all formal communication avenues and outlines how the separate individual actions are linked together.(<http://2012books.lardbucket.org/books/management-principles-v1.0/s11-organizational-structure-and-c.html#>).

Organization can be configured as either mechanistic or organic. Mechanistic structures are usually bureaucratic. Mechanistic structures are extremely centralized and formalized. Communication in this structures normally follow formal channels and employees are

given specific job descriptions outlining their roles and responsibilities. Mechanistic firms are rigid and consequently they tend to resist change making them inapt for innovativeness and speedy decision making. These structures have the disadvantage of impeding entrepreneurial action and discourage the use of individual creativity by employees. Mechanistic structures not only have limitations for innovativeness, but they also limit individual independence and self-determination, which results to low levels of intrinsic motivation in the workplace (Burns and Stalker, 1961). However, mechanistic structures are beneficial when the environment is more stable. The main advantage of mechanistic structures is its efficiency. These structures provide benefits to organizations that are trying to minimize costs and maximize efficiency. Mechanistic structures are also be advantageous when the organization is new. New firms often lack structure, roles are not well defined and there is high uncertainty. The existence of mechanistic structures has been related to positive firm performance in new ventures (Sine, Mitsuhashi and Kirsch, 2006).

Organic structures are decentralized and flexible, with low levels of formalization as compared to mechanistic structures. Communication lines in organizations with an organic structure tend to be more flexible and fluid. The employee job descriptions are also broader and employees are requested to perform duties based on the specific needs of the company as well as their individual expertise levels. Organic structures tend to be bring about higher levels of job satisfaction to the employees. Organic structures are ideal for innovativeness and entrepreneurial behavior (Burns and Stalker, 1961).

2.3.3 Organizational Culture

Culture is a concept, yet the forces that are developed in social and organizational situations and are derived from culture are powerful. If we do not acknowledge the actions of these forces we become victim of them (Schein, 2004). Schein argued that organizational culture is a pattern of shared assumptions that a group has learned over the years and have been successful in solving issues therefore they are considered valid and taught to other members as the correct way to think, feel and perceive in relation to those problems/issues. All cultures tend promote some forms of behavior and inhibit others. Some are well suited to speedy and repeated change while others to slow but incremental development of the

institution. In essence, the right culture is the one that closely fits the vision and strategy of a particular organization. According to Quinn and Cameron (1999), four types of organizational culture exist, namely: Clan, Adhocracy, Market, and Hierarchy.

Clan culture usually has a friendly working environment where both the employers and employees have a lot in common and greatly resembles a large family. The heads of the organizations are considered as mentors and in some cases even as father figures. The company is bound together by tradition and loyalty. There is usually a great level of engagement. The emphasis within the company is on the long-term benefits of human resource development and considerable value is attached to personal morale and relationships. Success is basically described in the context of customer satisfaction and care for the society. The organization assigns great value to participation, consensus and teamwork. Hierarchy culture is an extremely formalized and structured working environment. What people do is determined by procedures. The leaders are delighted of the fact that they are efficient coordinators and organizers. Establishing a frictionless running organization is the most critical thing. Policy documents and formal rules bind the company together. Success is described in the context of frictionless planning, low costs and reliable delivery. The organizations long term concern focuses on stability which is accompanied by an effective and efficient execution of tasks. Human resource management must ensure job security and predictability.

Market culture is normally result-oriented where by the organization focuses on work completion. The employees are highly competitive and are focused on achieving both individual and the organizations goals. The leaders are competitors and drivers at the same time. They are generally firm and demanding. What keeps the organization together is the emphasis on excellence and winning. Individual success and reputation are important areas of focus. People focus on achieving measurable goals and targets in the long term. Success is described in the context of market penetration and market share. Market leadership and competitive pricing are important. The organizational style is one of continuous competition. However, adhocracy culture is characterized by a dynamic, creative and entrepreneurial working environment. Both the employers and employees are risk takers.

The leaders are viewed as inventors and innovators. What keeps the organization together is an unwavering commitment to experimentation and innovations and great emphasis is on trendsetting. The long term organization's emphasis is on growth and tapping new resources. Success means availability of new products or services as and when the customer needs change. Being a pioneer in the respective industry is considered important. The company encourages individual creativity and freedom.
(http://www.quinnassociation.com/en/culture_typology)

2.4 Empirical Reviews

In 2014, Prosci published its eighth benchmarking report, best practices in change management-2014 edition. This report presented data from various change leaders and change management practitioners. They concluded that there are seven top contributors to successful change management namely: structured change management approach, frequent open communication about the change and the need for change, dedicated change management resources and funding, active and visible executive sponsorship, engagement and integration with project management, employee engagement and participation, and finally the engagement and full support from the middle management.
(<https://www.prosci.com/change-management/thought-leadership-library/top-contributors-to-change-management-success>).

Fritzenschaft (2014) conducted a research on Critical Success Factors of Change Management: An Empirical Research in German small and medium-sized enterprises. He found out that the critical success factors of change projects include: communication, employee participation, financial and other rewards and top management commitment. He concluded that communication is critical in the beginning of the change project in order to engage and mobilize employees which in turn aids in creating a shared problem awareness. Employee participation is important as it creates a sense of ownership. He also concluded that rewards are important in the implementation stage of the change project. Finally he concluded that commitment and leadership by the top management is the most important role for the top management in a successful change project.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter focused on the methodologies that were used in the study. It covered research design, procedure of data collection and data analysis.

3.2 Research Design

According to Kombo and Tromp (2006) a research design is the back bone of the research. It is the adhesive that binds all of the elements of a research project together. Ogula (2005) described research design as a structure, plan and strategy of exploration to obtain answers to research questions. Kerlinger (1973) described research design as the action plan the researcher adopts for answering the research questions which sets up the researcher's framework for the study. The design of the study was descriptive research design. The design was used because it systematically describes and presents a situation or area of interest factually and accurately. In addition, Glass and Hopkins (1984) maintained that descriptive research involves gathering data that defines events and then organizes, depicts, tabulates, and outlines the data collection. The method of descriptive research used was the case study method. Yin (1984) argued that the case study research method is an empirical inquiry that explores a new phenomenon within its real-life context specifically when the boundaries between the context and phenomenon are not clearly evident and in where several sources of evidence are used.

3.3 Data Collection

The study utilized primary data which was collected directly from the correspondents. Primary data is data which is collected for the first time and therefore is original in character (Kothari, 2004). The data collection method was through personal interviews. The personal interview method requires the interviewer to ask questions normally in a face-to-face contact with the other person or persons (Kothari, 2004). The data collection instrument used was an interview guide. The interview guide entailed both open and closed ended questions. The correspondents included the divisional directors, senior coordinator, departmental heads and departmental supervisors. The researcher settled for the above

correspondents because they were the ones tasked by the top management to implement the desired change.

3.4 Data Analysis

According to Polit and Hungler (1995), the aim of data analysis is to organize the research data so as to be able it to presented in a logical and clear account. Morse (1994) suggests that data analysis entails the piecing of data together, distinguish the significant and insignificant, making the unknown clear, logically linking facts that at first instance may seem unrelated, pinpoint categories and their interrelationships while analyzing what are antecedents and what are consequences. It is basically an investigative process requiring flexibility and ingenuity. The collected data was analyzed through content analysis whereby the opinion provided by the respondents were summarized into informative narrations constituting the findings. Content analysis permits researchers to sort large volumes of data with considerable ease in a systematic fashion (GAO, 1996). It is a valuable technique that allows us to discover and describe the focus of groups and individuals (Weber, 1990).

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents findings and discussion about the factors that lead to successful change management at Steel Structures Kenya Limited. Primary data was collected using interview guides and analysis done through content analysis method.

4.2 Background Information of the Interviewees

The researcher interviewed three categories of respondents in various levels of management and from diverse departments within the organization; divisional directors, departmental heads and departmental supervisors. The researcher interviewed 2 divisional directors (Divisional Director Business Development and Divisional Director Human Resources and Administration), 1 Coordinator (Senior Project Coordinator), 6 departmental heads (Project, Technical Sales, Workshop, Dispatch, Operations and ICT Managers) and 10 departmental supervisors from the workshop and dispatch departments. This implied that the information regarding factors that lead to successful change management at Steel Structures Kenya Limited was collected from relevant and resourceful personnel who were involved in strategic management decisions and also offer oversight in the daily running of the departments. This gave the researcher confidence in that whatever information was collected from the respondents was precise and a full representation of the organization as a whole.

4.3 Background Information on Steel Structures Limited

All the respondents indicated that they had been working at Steel Structures Kenya Limited for a period of more than 4 years. However, 65% of the respondents had worked in their current departments for more than 6 years. The divisional directors recorded an average length of service at Steel Structures Kenya Limited of 5.6 years whereas the departmental supervisors had a mean of 4 years as their length of service at Steel Structures Kenya Limited. On the other hand, the departmental heads had the longest serving employees at the company with a mean length of service years of 7.2. It was also clear from the interviewees that none had served for less than 2 years in their current positions. The head

of operations had served the company in his current position for 11 years; this was the highest recorded service period for the respondents within the same position while the lowest service period at the current management level was by the Divisional Director HRA who had served for a total of 3.5 years. All the respondents were proud say that Steel Structures Kenya Limited was one of the leading steel fabricators in East and Central Africa. Since its inception in 1971, the company has experienced tremendous growth within the East and Central Africa region and has been able to maintain a healthy competitive advantage over other players in the industry. The company has diversified into various products enabling it to enjoy a huge market share in the steel industry within the region. From the respondents this was in line with the company's vision of being the leading structural steel solutions provider in east and central Africa

4.4 Findings of the Study

The study found that the following factors lead to successful change management at Steel Structures Kenya Limited.

4.4.1 The Company's Competitive Strategies

It was evident from the responses obtained from the respondents that Steel structures Kenya Limited has a well stipulated strategy that has enables the company to remain adept with the ever increasing competition in the steel industry. According to the respondents, the company uses technology as part of its strategy to remain competitive. Both the ICT and sales managers argued that technological developments within the organization has affected the marketing of its products and services by establishing relationships with new customers and improving connections with existing customers using enhanced modes of communication through the various internet platforms such as company websites, Facebook page and Twitter handle. This argument was also backed by the divisional directors.

The Divisional Director Business Development view was that;

“The essence of information technology and particularly, the Internet is the opportunity to build better relationships with customers contrary to how it was in the offline world...”

It was also unanimously submitted that use of technology has enhanced customer satisfaction and trust. These have further resulted to high customer retention. The sales manager cited that the company has recorded an average of 88% of its customer being retained through repeat businesses within the last four years. From the respondents, it was also clear that the company utilizes continuous learning as part of its strategy to keep up with the competition. The human resources manager cited that the organization deploys the use of expatriates in enhancing current knowledge to its staff. According to the manager, this is necessitated by customer demands and preferences hence the entire markets keep on changing. The operations manager argued that the organization commits itself to developing the employee’s skills and knowledge with the overall aim of ensuring the company’s customers are satisfied. He added that the organization usually seeks to take advantage of all the feedback gathered from all sources. The ICT manger’ viewed that;

“...being creative and innovative is a task that the entire workforce should embrace since it aids learning firms to adapt to market changes, changing technology and increased competition efficiently...”

On the other hand, the project manager viewed that when a firm is positioned to expand and capitalize on learning opportunities as necessitated by the different operating environments, it has a competitive edge other firms. This view was also backed by the sales manager and the Division Director for Human resources and administration. Most of the respondents also asserted that the company uses reputation as part of its competitive strategy. Most of the respondents argued that the company’s overall image in the steel industry in terms of its reputation has been a massive source of sustainable competitive advantage. The Division Director of Business Development confirmed that most of their

customers have crossed over between markets, to the advantage of the company, as a result of the company's good reputation and brand identification. Additionally, the senior project coordinator viewed that;

“Positive firm reputation when imperfectly inimitable can be a company's greatest asset when it comes to competitive rivalry in the industry of practice”

The respondents also mentioned low product cost as part of the competitive strategy. This, according to most of the responses obtained, entailed employing strategies such as utilizing other avenues of product promotion like social media, adopting a flat organization structure that reduces staff cost through killing of redundancy among employees, advanced information system and effective use of capital. It was also added that as a result of high quality customer service the existing customers have remained loyal to the organization and have referred other customers to the company. Consequently, more customers have been lured to the organization without any additional advertisement costs. This has continuously facilitated further saving. According to the respondents, product differentiation as a strategy of remaining competitive has also been used by the company. All the respondents argued that with uniqueness in brand, technology and products, Steel Structures Kenya Limited has provided goods and services that competitors are yet to offer and have not able to copy such as Multiunits, Cyclones, Porta cabins and Multiracks.

4.4.1.1 Strategies towards Change Management

The Division Director of Human Resources and Administration acknowledged that the organization's change management strategies usually embodies an awareness of the distinctive features of the change to be implemented, a supporting structure to execute the strategy and evaluation of the risks of the change and the anticipated resistance to the change. The project manager on the other hand argued that a successful change management strategy will first call for the formulation of the change management strategy which is to act as a road map throughout the change process. Additionally, the Operations manager viewed that massive transformation success requires more than good strategies but requires also a devoted understanding of the employee's values, beliefs and the

company's culture that must be changed for the desired change to be realized. Most respondents however, argued that successful change management processes within the organization have been characterized by effects on the entire organization hence causing a significant alteration from the status quo.

The respondents also cited several change management strategies used by company. Both the Division Director of Human Resources and Administration and the Dispatch manager viewed addressing the human side systematically as one of the change management strategies used at Steel Structures Kenya Limited. They argued that any transformation of importance will lead to people issues that may include new leaders being requested to step up, job changes, development of new skills and capabilities hence people will be faced with uncertainties and will resist. The Division Director of Human Resources added that reacting to these issues on an independent basis usually puts speed, morale and end results in jeopardy. Most of the respondents also mentioned the company uses a strategy that allows change to start from top while implementing its change management processes. The Division Director of Business Development maintained that change is naturally unsettling for all individuals within an organization, and during the period of the change process, most people turn to their leaders and managers for direction and support. She further argued that this fear therefore calls for the leadership to first embrace the change so as to motivate and challenge the rest of the organization. According to the ICT manager, Steel Structures Kenya Limited uses communication as part of its strategy in change management. This view was also seconded by the workshop supervisor who viewed that;

“...Communication should be aimed at providing employees with the correct information at the required time, so as to seek their input and feedback and to evaluate their emotional response to what has been communicated...”

Most of the managers who also cited communication as part of the change management strategy at the company agreed that the best plans are usually only as good as the capacity of the organization's employees to understand and adopt before acting on them. The dispatch supervisor added that in most cases, the change leaders usually assume that other

employees comprehend the issues, perceive the need to change and visualize the new direction as clearly as they do and therefore added that ideal change programs cement vital messages through continuous and timely information that is both actionable and inspirational. The latter view was also reiterated by the Technical Sales Manager. The Project Manager's concern was that communication can be a time consuming process. He claimed that:

“Communication should be well timed. People in my current level are usually aware of changes that are planned to take place long before they are officially communicated to the rest of the organization. This is not the case with other employees which leads to a lot of rumors and uncertainty in the workplace. Therefore timely communication should be encouraged.”

Some supervisors also asserted that there was lack of clear communication of information regarding the daily happenings within Steel Structures Kenya Limited stating that there was a huge gap between lower level employees and executive management. They also conceded that several employees were actually not involved in the change process. The workshop supervisor asserted that;

“Recently I have witnessed situations where vital information has been withheld to fortify a certain argument or case. Without sharing information. How can we engage in a rich, honest and open debate? This also affects the employee trust.”

Some respondents conceded that the company deploys ownership as part of its change management strategy. According to these respondents, the change process allows most of the employees to be taken through the entire change process and hence own it in advance. The dispatch supervisor asserted that;

“Most of the large-scale change programs has experienced effective distribution of leadership which has increased influence.”

The operations manager, in his support for ownership in the change management process, asserted that;

“Ownership is built by involving people in pinpointing issues and developing solutions. It’s usually fortified by a mixture of tangible financial rewards and psychological rewards.”

Mentoring and coaching was also mentioned as one of the strategies used at Steel Structures Kenya Limited. The Division Director for Human Resources and Administration stated that;

“The company has provided a structured system of mentoring and coaching that has facilitated the employees with an opportunity to grow and develop.”

The project manager on the other hand asserted that managers, executives and other staffs are usually equipped through essential training and are provided with the necessary equipment to undertake their new roles effectively. All the respondents unanimously agreed with the fact that the organizational corporate strategy remained to be the main driver in developing and implementing these strategies. According to the project manager, aligning the change process with the company’s strategy has proved to be a strategy that had significantly help reduce conflict among the company’s stakeholders. They argued that the strategies are aimed at setting the company at the top of the steel industry by enabling it to sustain its competitiveness through increased revenues and customer retention. The sales manager viewed that;

“Most of the company’s resources provide a sustainable competitive advantage since they have consistently added value to the organization, are unique, imperfectly inimitable and have for long not been substituted by other competing firms.”

Most of the respondents also asserted that the change management and competitive advantage strategies implementation tasks are allocated to lead persons in groups or as individuals depending on the experience and expertise of these individuals.

The senior project coordinator argued in support of this by stating that;

“...a successful change process is as good as the experience and expertise of its drivers...”

4.4.2 The Company’s Organizational Structure

It was evident from the respondents that the organization adopted a mechanistic structure. The Division Director for Business Development argued that there is no one single ideal way of structuring an organization, but asserted that organizational structure affects the overall effectiveness and efficiency of an organization. The technical sales manager highlighted some of the significant issues that were considered while developing the company’s structure as coordination and integration of effort, fostering localized decision making both departmental and geographical, the number of management levels and resultant teamwork between departments or functions. The project manager cited that the organizational structure was settled for as it sought to improve on its efficiency while reducing its operational costs. The workshop supervisors however argued that the company’s structure does not permit critical decisions to be made at the point it’s needed the most. Some however added that this worked to the advantage of the organization since decisions were quickly arrived at. On the other hand, most of the dispatch supervisors stated that the organization’s structure permitted some combined and coordinated effort but further restricted management action in different ways and decreased the overall organization efficiency and effectiveness

4.4.2.1 Awareness of the Organizational Structure

The Dispatch Manager stated that communicating with everyone in the organization on the organizational structural demands that information is presented in a consistent, informative and timely manner. He added that managers at every level should be available to their staff to verify that no information is left out in order to minimize misunderstandings. A great number of the respondents however agreed that the employees are well communicated to pertaining the organization’s structure. All changes stipulated to take place are usually well communicated before and the employees are trained if need be. The ICT Manager cited the

use of technological platforms such as emails have further eased the entire communication process. Some of the respondents also mentioned staff meetings, discussion forums and video links among the communications avenues were utilized by the organization in communicating its planned changes. The Division Director for Human Resources and Administration listed internal memos and individual letters as the most commonly used avenues of communication. Her views stated;

“Due to the diverse nature of employees at our company, of whom some work on shifts, the most common and effective way of communicating any changes made or is to be made by the organization is through internal memos and letters. Memos can be accessed at any time on the company’s notice board or staff emails.”

The Head of Human Resources further stated that the line managers are usually utilized to enhance understanding and commitment towards the communicated changes. Most respondents also cited several views related to the issue of communication within the company. Their views stated that managers usually avail themselves when required to facilitate communication with their employees and that objectives related to any changes are effectively communicated in an open and informative way. They also stated that most of the general communications within the organization is regarded as being useful and communication within the company was satisfactory as it provided sufficient information and allowed satisfactory discussions in most occasions. However, some respondents also viewed that the Information Technology departments should carry out trainings to staff on the new communication platforms currently being utilized by the organization.

4.4.2.2 Implementation of Change

It was evident from the responses obtained that the current structure is ideal in implementing any proposed changes within the organization. Most of the respondents viewed that the structure allows the change to be observed and measured while it is being executed. The measurement according to the Division Director HRA includes discipline of the employees throughout the change process. This enhances success of the change process. The Senior Project Coordinator also mentioned that the structure facilitates

describing of the actions needed to implement the desired change. Most of the respondents viewed the actions as including; creation of an implementation master plan that define the independent effects of the desired change, developing strategies that will sustain the zeal for change throughout the execution and incorporate them into the implementation master plan. The respondents also agreed on the accommodativeness of the current organizational structure in performing duties during the change process. They however asserted that change initiators should be positioned in a way that facilitates the implementation of the plan. The ICT Manager, in support of this viewed that;

“The support by the change initiators can be attained through developing structures, policies and systems that support the implementation.”

Most of the supervisors also added that by initiating strategies that enable employees to accept the desired change and manages their reactions towards it through effective communicating of the implementation plan usually aids the success of the implementation structure. They however made it clear that the top management has been aggressive in supporting all the change processes. One of the dispatch supervisor viewed that;

“...the organization has gone through successful change implementation processes and the success can be attributed to the commitment shown by the top management in supporting the rest of the team in coping with the change.”

According to most of the respondents, roles in implementing the change process primarily involves preparing the ground for implementation. Some respondents however suggested that the specific roles included in the preparation process revolved around monitoring all activities in the change program so as to ensure the change in successfully implemented. Generally, the respondents mentioned that roles are focused on executing the implementation plan so as to achieve the desired state. With the argument of the Project Manager, a successful implementation plan should met the following criteria: execution of the implementation plan with keen interest on employee’s aspects such as support, internal changes and resistance; Monitoring the implementation process and correcting the course

of the desired state by focusing on fulfilling the design requirements. Most of the respondents also argued that the guiding team is responsible for developing the implementation plan before it's shared to all stakeholders in the organization. Some respondents also added that in order to successfully implement the plan, factors such as continuous improvement, accountability and strong partnerships mechanism need to be considered. However, The Division Director of HRA had a different view. She stated that;

“...only the relevant parties should participate in the execution of the plan.”

The Division Director HRA also added that the implementation plan should include short-term wins to motivate employees towards achievement of the greater plan. She cited that this could be achieved through conducting regular and informative meetings that focus on the failure or success of the change project being implemented.

4.4.3 The Company's Organizational Culture

With regard to organizational culture, it was clear that the organization operates under several cultures. The respondents had varied views of the type of culture within the organization. According to the respondents, this implied that the company is yet to communicate and educate the employees on the culture type it operates under. The following views were echoed by the respondents;

“Steel Structures Kenya Limited has for a longtime operated under the market culture. This is evidenced by the fact that the company focuses mostly on relationships with its suppliers, customers, contractors, consultants, regulators among others, with a feel that effective external relations enables it to achieve success.”(Operations Manager).

“The organization focuses most on flexibility and discretion other than control. I believe this defines our culture as being a clan culture.” (Senior Project Coordinator).

“Having invested more in coordination, organization and monitoring people and processes, I think the organizational culture must be hierarchical one.” (Technical Sales Manager).

However not all of the respondents were sure of the exact culture adopted by the organization. It was also evident from the respondents that the organization’s culture had a massive impact on the performance of the company. The ICT Manager argued that attention paid to culture positively impacts the performance of an organization. This view was also evident with the comment from the Division Director HRA cited below;

“It is very important for managers to consider culture when planning or reacting to a vital organizational change. Culture is important especially when the organization is undertaking important transformation which requires different or new cultural beliefs from those practiced in the past since it will determine the organization’s future successes.”

It was also clear that in influencing organizational cultures, not all are easily changed. This is reflected in the view below;

“There is danger in seeking to change aspects of an organization’s culture such as ceremonies and symbols, while ignoring the crucial aspects of culture such as beliefs and values. These crucial aspects of culture are much more difficult to change.”(Project Manager)

Most of the respondents however agree that the current organizational culture has been ideal in implementing changes within the organization. The success of the culture was mostly attributed to the following factors by the respondents; right culture climate, employee engagement, team orientation, progress tracking and finally training and recognition. Some of the respondents viewed that the company has deemed it appropriate for its employees to learn from their managers on the prevalent cultural practices. Others also asserted that the organization tracks cultural changes by assessing whether the culture

is misaligned in terms of development of new sub group cultures or whether there are challenges to the prevailing organizations culture. A few respondents were of the view that through engaging and empowerment of the employees, the organization also ensures that the culture is effectively aligned and managed within the cultural expectations of the organization. From the respondents, the success of the organization's culture is as a result of the company ensuring that the culture is employed within the right business environment.

4.4.3.1 Employee Response

It was clear that the company had recorded a mixed reaction from the employees towards change. This is according to the responses recorded from the respondents. However, most of the respondents interviewed said that little resistance was faced during any change process. Some respondents argued that actions towards any change intrinsically relate to personal situations and their knowledge or resistance to change. The Workshop manager argued that in some instances, knowledge of eminent change leads to resistance by some employee or complacency.. The ICT Manager conceded that change is indeed inevitable. He stated that:

“Everything around us is changing and it's better for everyone to focus mainly on the positives of the proposed change because in most cases the change is evitable and will be implemented.”

Another major reason for resistance is directly linked to misinterpretation of the desired change and the change management processes. This was according to the Senior Project Coordinator. Some of the respondents interviewed asserted that some employees usually have insufficient knowledge and understanding of the proposed change and change management processes which in turn influences the degree of resistance displayed by the employee. This is also evident from the views of the Dispatch Manager

“I believe employees resist only when they do not understand why the organization is undertaking the change. If the reason and outcome of the change is well articulated, then there will be no need for employees to resist the change.”

4.4.3.2 Clarity of Roles

Most of the respondents agreed that each staff’s role is usually well defined during the change process. According to the Workshop Manager, the initial steps of implementing the change process entail the division of roles among the employees but he specified that the top managers are more often than not usually pre-determined since the organization normally takes the top management staff through a training before entrusting them to train the rest of the team. In his argument, the Technical Sales Manager asserted that the pre-training conducted among other top management is to allow them to embrace the change first before they can bring the rest of the employees on board towards the change process. The senior project coordinator opined that role clarity demands knowing who does what whether as an individual or a group, where and when the duties are to be done, quantity and frequency of the roles. He added that the company clearly defines roles and give responsibility and authority to various staff. Clear definition of employee roles in any change process will greatly determine the success rate of the entire change process, this was according to the Project Manager. The manager further argued that allocation of roles enhances the speed at which the various responsibilities are executed within the change process and may assist the company save on both time and money in the long-run. The Division Director HRA viewed that;

“...most employees have adequate knowledge of how their roles fit in the overall change management process. This aids them to complement other employee’s jobs hence facilitating team work in the change management implementation process.”

4.4.3.3 Staff Training

The respondents cited varied perceptions on staff training during change implementation. The Operations Manager argued that the purpose of trainings carried out by the company on its employees is to develop their capacities as a way of investment in human resources.

He also added that the quality of employees and their development through training has majorly determined the profitability of the business. On the other hand, the Divisional Director HRA viewed that;

“An organization is as good as its employees and therefore training should be aligned with the employees training needs.”

Most of the respondents also asserted that success of an organization is highly influenced by the organizations workforce. They collectively agreed that employees can only contribute positively in the organization’s vision when they are fully equipped with relevant knowledge and skills in their areas of practice. Most of the workshop supervisors opine that training motivates employee and makes them more productive and also increases their innovativeness. The Technical Sales Manager asserted that:

“Well trained employees assume more control over their jobs and require less supervision. They excel in customer service which enhances customer loyalty, they register less complains since they understand and appreciate their jobs, they are more satisfied and motivated therefore enhance the relationship between the management and employees”

Responding to the question regarding the types of training conducted by the company during the change implementation process, several factors were cited by the respondents that determine the type of training an employee goes through. The considerations mentioned included the skill gap to be filled, the job description, the employee present qualification and the challenges faced by the employee in performing his/her job. The respondents also listed the types of trainings conducted by the organization during the change implementation process as either being an on-job-training or an off-job-training. One of the dispatch supervisor, while commenting on the on-job-training, viewed that;

“The trainer or the experienced worker teaches and advices the trainees on specific methods and techniques of doing their tasks. In some cases, the trainee is expected to learn by watching.”

The ICT Manager also argued that;

“The trainee’s output will not usually be much since the trainee is learning and at the same time working.”

The operations manager viewed that off-job-trainings conducted by the company involve acquiring skill and knowledge at a location different from the employee’ work station. It entails workshops, the use of group discussions, planned training courses and individual tutorials. He further added that the advantage with this type of training, is that the trainee has the ability to concentrate, analyze and reflect on what has been successful and what has not. In his response, the technical sales Manager viewed that this type of training offers employees the chance to learn new skills and techniques in a conducive atmosphere.

4.5 Summary of Findings

This chapter looked at the background information of the respondents and sought to analyze the feedback received from the respondents. It was evident that success in change management is affected by several factors. The study measured several aspects against successful change management process. These factors include strategies towards competitive advantage, strategies towards change management, strategy implementation processes, staff training, clarity of roles, employee training, impact of organizational culture, awareness of organizational structure, communication and use of the organizational structure. A keen consideration of these factors by Steel Structures Kenya Limited has enabled it remain competitive and enhanced its performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of the findings from the preceding chapter, recommendation and conclusion of the study based on the objective of the study. The objective of the study was to determine the factors that lead to successful change management at Steel Structures Kenya Limited. The chapter also presents Implication of the Study on Policy, Theory and Practice and suggestion for further study.

5.2 Summary of Findings

In the context of the primary research question, factors that lead to successful change management at Steel Structures Kenya Limited, the study addressed the following issues; organizational structure, organizational culture and the organizational strategies. These aspects were further broken into strategies towards competitive advantage, strategies towards change management, strategy implementation processes, staff training, clarity of roles, employee training, impact of organizational culture, awareness of organizational structure, communication and implementation of the organizational structure.

The study established that Steel Structures Kenya Limited has a well stipulated strategy that enables the company to remain adept with the ever increasing competition in the steel industry; most of the company's competitors are yet to copy the resources provided by the company. This finding is in accordance with the findings of Andrew (1980). The competitive advantage strategies deployed by the company include the use of technology, continuous learning, company reputation and low cost products. The strategies have enhanced customer acquisition, retention and trust; an average of 88% of the customers have been retained. The internet platforms used by the company include websites, Facebook page and Twitter handle. The strategies have also facilitated the organization to position itself with the changing needs; this argument is echoed by Barney (1991).

The research also revealed that the organization's change management strategy acts as a road map for the change process. It was clear that the company has employed several

change strategies in its change process. The strategies mentioned by the respondents include systematic addressing of the human side in regard to change; the issues are however dealt with on a case-to-case basis so as not to put speed, morale and end results in jeopardy. Use of communication to provide the right information on a timely basis was also used by the company in its change strategy. Communication facilitates other staff to comprehend the issues, acknowledge the need to change, and visualize the proposed way of doing things from the managers' direction. The study however established that there was a huge gap between the top management and the lower staff that has sometimes led to the lack of change appreciation. Mentoring and coaching as well as ownership were also mentioned as part of the change strategy used by the organization. Ownership as a strategy in the organization involved the use of distributed leadership that increases influence towards the change and change process. On the other hand, mentoring and coaching enhances the actualization of the training needs.

The organization's change strategy comprises of awareness of the distinctive features of the change to be implemented, a supporting structure to execute the strategy and evaluation of the risks of the change and the anticipated resistance to the change. It was evident that change strategy success was down to the fact that the strategy includes appreciation of the human side, the company's values, culture and behaviors that are changed to realize the desired results. It was also evident that the organizational corporate strategy remained to be the main driver in developing and implementing these strategies. Aligning the change process with the company's strategy, has significantly helped the company reduce conflict among the company's stakeholders. The success of the organization's change process was also attributed to the experience and expertise of its drivers. The company has also had a competitive edge in the industry as a result of a well-established change management strategy. This is supported by the views of Burke and Trahan (2000).

The study also concluded that the company adopted a mechanistic structure. The organizational structure was influenced by need to achieve effectiveness and efficiency within the company while reducing its operational costs. Other significant issues considered while developing the company's structure were coordination and integration of

effort, fostering localized decision making both departmental and geographical, the number of management levels and resultant teamwork between departments or functions. Some respondents however viewed that the company's structure does not permit critical decisions to be made at the point it's needed the most hence may result to a lack of ownership of the decisions arrived at, discourages innovativeness and also limits self-determination which may reduce levels of intrinsic motivation in the workplace. This finding is in line with the arguments by Burns and Stalker (1961). On the contrary, it was clear from the response that this structure worked to the advantage of the organization since decisions were quickly arrived at. The organization's structure also permitted coordination and unified effort but further restricted management influence in various ways and to some degree decreases the overall organization efficiency and effectiveness.

The study established that communication among personnel in the organization affects the success of the change management process. This finding is also echoed by Carlo (2012). Steel Structures Kenya Limited has well established communication lines with its employees pertaining all changes stipulated to take place and the employees are trained well before implementing the change process. Most employees within the company view that the communication structure is effective. The managers within the organization usually avail themselves to their staff and ensure no misunderstanding and missing of information occurs among the employees. Communicating with everyone in the organization on the various features of change management demands, particularly in the area of the employee responsibilities, that information be presented in a consistently, informatively and timely manner.

By certifying that all stakeholders are well informed of any relevant new information and developments within the organization, the company has increased staff efficiency and productivity. With regard to methods of communication within the company, the respondents confirmed that communication inside the organization had also improved due to emergence of new technology. The company has multiple modes of communication tools and platforms that facilitate interaction between management and the employees. The respondents mentioned the following methods of communication that were accessible

within the organization's communication structure; mobile phones, message services, e-mail, telephone, video conferencing, traditional mail, intranet, face to face conversations and memos. However, the diverse nature of employees at the company, some of them working on shifts, the most common and effective way of communicating within the organization is through internal memos and letter. Memos were preferred because they could be accessed at any time on the company's notice board or staff email. At some instances, group e-mails and regular meetings may be considered to be appropriate for the purpose. Additional view was that Information Technology personnel were to conduct training workshops in all the departments in the organization on a regular basis. The respondents mentioned this due to the various communication platforms that are now available. The use of emails within the organization, for example, was the preferred means of communication but due to computer illiteracy within some departments often resulted in miscommunication in the organization. This view is backed by the argument of Popcorn and Hanft (2001) in their research on "the words, terms and trends that define the way we'll live, work and talk".

The study established that the current organizational structure is ideal in implementing any proposed changes within the organization. The structure allows the change to be observed and measured while it is being implemented. The measurements includes discipline by the employees throughout the change process that also enhances success of the change process. It was also evident that the structure facilitates the defining of the activities required to implement the desired change which include creating an implementation master plan that defines the independent effect of the desired change, developing strategies to maintain the zeal for change throughout the entire implementation and determining the timeline to be applied to the implementation plan. The change initiators are however responsible for establishing the implementation plan that covers all aspects of the change and then sharing it to all stakeholders in the organization. The success of the current structure was also pegged on the support from the change initiators that is realized through refining and determining the structure, policies and systems supporting the implementation, communicating the implementation plan to the organization's stakeholders and consideration of factors such as strong partnerships, accountability and continuous

improvement mechanism. Generally, a successful implementation plan must meet the following criteria: introduction of the implementation plan with keen interest on employee's aspects such as support, internal changes and resistance; Monitoring the implementation process and focusing on the desired state by paying attention to fulfilling the design requirements. This finding is also echoed by Carlo (2012). It was also viewed that the implementation plan must include short-term wins to motivate employees towards achievement of the greater plan.

With regard to organizational culture, the study established that the organization may be operating under several cultures that include the market, clan and hierarchical culture. In addition the company is yet to communicate and educate the employees on its culture since some of the respondents were not sure of what the company had deemed it fit for its employees to learn from their managers on the prevalent cultural practices. In line with the arguments by Carlo (2012), the study found out that the company's culture affects its overall performance and has been ideal in facilitating change management within the firm. The study revealed that to influence the organization's culture, both features such as ceremonies and symbols and the crucial aspects of culture such as beliefs and values should be considered. The success of the culture was attributed to the following factors that have been considered by the company; right culture climate, employee engagement and empowerment, team orientation, progress tracking and training and recognition.

The study revealed that the company registers mixed employee reactions towards change with little resistance. It was also clear that the knowledge of eminent change leads to resistance by some employee or complacency. Response towards any change intrinsically relate to personal circumstances, willingness to change, employees' knowledge of change and change management processes. It was established that some of the employees usually have inadequate knowledge of the proposed change and change management processes which in turn influences the degree of resistance displayed by them. With regard to clarity of roles, the study established that each staff role is usually well defined during the change process and is treated as one of the initial steps. The clarity of roles outlines within the organization who does what, where and when the duties are to be done and finally the

quantity and frequency of the roles. It was evident therefore that role clarity assists the company to appropriate responsibility and authority. This finding is in line with the argument of Gibson (2003). The rest of the team is also mostly trained by the top managers, who are pre-trained, on their specific roles during any change process. The pre-training of the top management is to allow them to embrace the change first before they can bring the rest of the employees on board towards the change process. Clarifying roles within the organization roles has enhanced the speed at which the various responsibilities are executed within the change process and assisted the company to save on both time and money in the long-run.

The study established that the company conducts trainings on its employees, depending on their training needs, so as to develop their capacities as a way of investment in human resources. The organization carries either an on-job-training or an off-job-training for its employees. It was also evident that staff training on the eminent changes has majorly determined the profitability of the business through enhanced effectiveness of the employees. In accordance with the findings of Gareth (2003), the study also revealed that training of the staff also improves their productivity and innovativeness. Several considerations were mentioned that determine the type of training conducted. They include the skill gap to be filled, the job description, the employee present qualification and the challenges faced by the employee in performing his/her job. Off-job-trainings were viewed as an opportunity to impart knowledge and skills in a safe and conducive atmosphere.

5.3 Conclusion

The three key factors investigated by the study were organizational structure, organizational culture and the organizational strategies. The study concludes that organizational structure, organizational culture and the organizational strategies influence successful change management process at Steel Structures Kenya Limited.

With regard to the organizational strategy, the study concludes that both competitive and change management strategies influence the success of a change management process. Competitive advantage strategies adopted by the organization have enabled it to remain

adept in the steel industry. A competitive advantage strategy should take advantage of the evolving technology that will ease communication within its systems and also enhance the relationship with its customers. A good reputation on the other hand also assists the organization to retain its customer by developing trust through its consistency in services offered. This will further enable the organization save on cost of pursuing other new customers. Low cost in offering products and giving itself to learning enabled the organization remain competitive. Continuous learning should be undertaken with the ever changing customer need in mind.

According to the study, change management strategies including systematic addressing of the human side in regard to change, communication, ownership and mentoring and coaching should be well considered in order for the organization to record a successful change process. Human aspects such as values, behaviour, beliefs and beliefs should be well understood before the change process. Addressing such issues will ensure that the staff morale is maintained and results remain positive. Communication on the other hand should be made clear, timely and informative so that the entire team is able to understand and therefore embrace the need for the change. Any change usually creates people issues hence communication assists to curb resistance to change and enhances a positive outcome of the change process. Ownership of the process is also vital since it allows the employees to understand the entire process and therefore they are involved in identifying problems and their respective solutions. Rewards, compensations and distributed leadership also enhances ownership. Mentoring and coaching enhances success of the process through allowing the employees access to quick ways to develop and grow.

The study also concluded that organizational structures are important in successful change management. The current organizational structure was also found to be ideal in supporting the implementation of the change process. For the organization's structure to be successful, it should consider coordination and integration of effort, fostering localized decision making both departmental and geographical, the number of management levels and resultant teamwork between departments or functions. The structure should also allow for ease in decision making. A good structure therefore entails creation of an implementation

master plan that define the independent effects of the desired change, developing strategies that will sustain the zeal for change throughout the execution and incorporate them into the implementation master plan. Successful organizational structures demand the use of communication avenues to explain them to the employees i.e. staff should be aware of the type of organizational structure the organization is operating in.

The study concluded that communication of the various aspects of change management are done consistently, timely and informatively. Avenues of communication should however take into consideration all the staff involved including their education levels and the ease of access of the information being communicated. Effective communication within the organization has seen the emergence of healthy discussions during the change process. The organization also clearly defines the roles of the various players before initiating the change process. This definition greatly determines the success of the entire change process through enhancing the speed at which the various responsibilities are executed within the change process and may assist the company to save on both time and money in the long-run.

Regarding the implementation process, the study concluded that the implementation plan should met the following criteria: execution of the implementation plan with keen interest on employee's aspects such as support, internal changes and resistance; Monitoring the implementation process and correcting the course of the desired state by focusing on fulfilling the design requirements. During the implementation process, the guiding team is tasked with the development of the implementation plan that covers all aspects of the change and then shared by and to all stakeholders in the organization. To maintain a successful implementation of the plan the organization considers factors such as strong partnerships, accountability and continuous improvement mechanisms.

Concerning the organizational culture, the study concluded that the organization operates under mixed cultures that include market, clan and hierarchical cultures that affect change management. The cultures are however ideal in implementing change in the organization. The cultures also seek to promote the relationship between the organization and its partners, allowing flexibility and encourage coordination, organization and monitoring. In

influencing organizational cultures, both superficial and deep seated aspects should be considered. Right culture climate, employee engagement, team orientation, progress tracking and training and recognition are aspects to be considered in the success of organizational cultures.

The study concluded that the organization experiences little employee resistance in its change processes. The knowledge of eminent change leads to resistance on the part of some employee or complacency. Explaining the change process to the employees determined the level of resistance faced during the change processes.

5.4 Implication of the Study on Policy, Theory and Practice

The study acknowledges that organizational culture, organizational structure and organizational strategies affects successful change management at Steel Structure Kenya Limited. The study will impact policy making processes, theoretical development and the entire practice in relation to change management.

5.4.1 Implication of the Study on Policy

The findings of this study will be beneficial to the entire steel industry in enhancing change management and to decision and policy makers in the industry in managing change and change management processes.

5.4.2 Implication of the Study on Theory

In theory, the study enhances the Lewin's Three Step Change Theory by affirming that organizational culture, structure and strategies influence a successful change management process; the theory demonstrates the effects of forces that inhibit or encourage change. The findings will also offer a good reference to other researchers seeking to carry out a study in relation to the addressed topic.

5.4.3 Implication of the Study on Practice

The study will also enhance the practice of change management through encouraging keen and deliberate consideration of factors relating to organizational culture, structure and

strategies in change management processes within an organization as the company stands to benefit at the end of the day.

5.5 Recommendations

While considering change management, the study recommends that the organization keenly looks into aspects such as competitive advantage, strategies towards change management, strategy implementation processes, staff training, clarity of roles, employee training, impact of organizational culture, awareness of organizational structure, communication and implementation of the organizational structure, which are composites of the organization's structure, strategies and cultures and if well managed will lead to successful change management.

The study recommends that communication on various aspects of change management to the employees should be enhanced through utilizing effective communication means that are easily accessible and interpretable by each category of employees. The Information Technology department should also conduct frequent trainings to the employees on the technological platforms of communication that are utilized by the organization. The organization should also train and communicate to its staff on the various cultures that it has adopted for its operations. This will in turn enhance the change management process within the organization. With regard to the organization's structure future success, the study recommends that the structure should continuously consider coordination and integration of effort, fostering localized decision making both departmental and geographical, the number of management levels and resultant teamwork between departments or functions so as to ease implementation.

5.6 Limitation of the Study

The focus of study was on Steel Structures Kenya Limited and therefore did not cover the entire steel industry in Kenya. The study subject of change management in the steel Industry was still an eminent area of study in Kenya. Thus, scholarly articles on the subject matter in Kenya were limited. The study relied on scholarly publications on Steel Industry from other regions to corroborate the first-hand narrations of the participants in the study. The study also limited itself on use of interview guide as means of data collection. In some

cases, there was lack of cooperation and enthusiasm from the participants. This was however tackled ethically by assuring the participants of confidentiality.

5.7 Suggestions for Further Studies

The study sought to determine the factors that lead to successful change management at Steel Structures Kenya Limited. The study recommends that a quantitative study should be done on organizational culture, strategies and structures and their individual or corporate effect on change management. Other studies can also be done on other industries other than the steel industry. The study also recommends that other factors such as conflict management, managerial effectiveness, innovation and confidence management should be investigated on how they result to success in change management.

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APPENDICES

APPENDIX I: PERSONAL INTRODUCTION LETTER

KARANI STEVEN MUYAH

P.O BOX 42826 – 00100

NAIROBI

KENYA.

Tel: +254 723 620 042.

EMAIL: karanimuyah@gmail.com

To whom it may concern

Dear Sir/Madam,

RE: RESEARCH STUDY

I am a post graduate student at the University of Nairobi currently pursuing Masters of Business Administration; Strategic Management Option. In partial fulfilment of the requirement for the award of the degree, I am conducting a research titled **“Factors that lead to successful change management at Steel Structures Kenya Limited.”**

I am seeking your company’s participation in answering a few questions by filling the questionnaires that shall be provided at a time of your own convenience. All information that will be collected shall be treated with utmost confidentiality and for academic use only. Your time and cooperation shall be highly appreciated. I will also be reachable on the above contacts for any clarifications.

Best Regard

Karani Muya.

APPENDIX II: INTERVIEW GUIDE

SECTION A: BACKGROUND OF INTERVIEWEE

1. What is your current position at Steel Structures Limited?
2. How long have you been working at Steel Structures Limited?

SECTION B: FACTORS THAT LEAD TO SUCCESSFUL CHANGE MANAGEMENT

A. THE COMPANY'S STRATEGIES

1. What strategies has Steel Structures Limited used to ensure they have a competitive advantage in the steel industry in Kenya?
2. Why has the company adapted these strategies?
3. Is the proposed change in line with the company's corporate strategy?
4. What strategies will the company adopt to implement the change?
5. Why has the company settled for these strategies?
6. Who is charged with the development and implementation of these strategies?
7. Why are these participants selected?
8. How are these strategies going to be communicated to other employees?
9. What is the desired effect of the proposed change?

B. THE COMPANY'S ORGANIZATIONAL STRUCTURE

1. What is the company's organizational structure?
2. Why has the company settled for this structure?
3. Are the employees aware of the company's organization structure? If yes, how has the company communicated this structure to the employees?
4. In your opinion is the current structure ideal in implementing the proposed change?
5. How will information regarding the change be communicated to the employees in the current organization structure?
6. What is the reporting structure for those tasked in implementing the change?
7. What is your role in implementation of the proposed change?
8. Is the current organization structure accommodative in you performing your duties in the change process?

9. How supportive is the top management in implementation of the proposed change?

C. THE COMPANY'S ORGANIZATIONAL CULTURE

1. What is the company's organizational culture?
2. How has the culture aided the company in meeting its objectives?
3. In your opinion is the current culture ideal in implementing the proposed change?
4. How have the employees responded to the proposed change?
5. If any, how will the company deal with resistance to the proposed change?
6. Are the roles of each employee clearly defined in the change process?
7. What is the role of leadership in implementing the proposed change?
8. If any, what training programs are in place to ensure the proposed change is successfully implemented?
9. How will the proposed change be of benefit to both the company and employees?

Thank you for your cooperation