MANAGING ORGANIZATIONAL CHANGE AT KENYA PETROLEUM REFINERIES LTD

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

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

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DEDICATION

This project is dedicated to my parents Mr. and Mrs. Gichuki for their love, encouragement and generous support and above all taught me the value of Education.
ACKNOWLEDGMENT

The long and challenging journey that has lent to the successful completion of this MBA program would not have been so without the incredible moral support and encouragement of many people I interacted with.

I am grateful to God for leading me through the MBA program. All Glory and honor is his.

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ABSTRACT

The purpose of this study was to describe change management at Kenya Petroleum Refineries Limited. The study was guided by the following objectives namely; determine change management practices; establish the challenges and to identify strategies adopted in managing change management challenges at KPRL.

The study adopted a case study design. Both primary and secondary data sources were used. Primary data was collected using an interview guide as key instrument. The research targeted 6 senior managers, 6 middle level managers and 10 supervisors within the organisation. Secondary data was also collected through internal documents (strategy and vision papers, company plans, internal reports and surveys and reports from external consultants). The study response rate was 82 percent.

The study found out that Change process within the organisation took different forms. However its management had embraced a number of change management practices such practices include; constitution of teams within department and overall organisational team that were charged with overseeing the implementation of change. Notably, organisation had also embraced effective communication mediums such as; emails, employees meetings, supervisor face to face meeting and memorandum. The organisation employed other strategies like; financial resource support, involvement of union leaders and proper coordination between different departments within the organisation.

The study revealed that the major challenges identified in the study were resistance to change and people management in change process. The sources of resistance were; anxiety, employees perceptions on change, resistance, poor communication on change process, fear of job losses, low motivation and agitation in meetings. The study also found that in managing these changes, KPRL had improved organisational communication, introduction of motivation for employees, direct communication, organisation leadership, organisational research and employees direct engagement in the change process.
The study recommends that the change management practices of KPRL should be those that understand and appreciation of how each person in an organisation is important in making change process a success. In future the management should consider educating employees making them to understand their roles and functions in making change happen in their organisation.
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CHAPTER ONE: INTRODUCTION

1.1 Background and History

Change is a pervasive part of human life and by extension within organizations. When an organization faces an opportunity or threat, either internal or external, it has to make adjustments in order to successfully deal with the opportunity or threat. These adjustments in most cases involve organizational-wide changes. The term organizational change typically connotes a fundamental and radical reorientation in the way the organization operates or in other words a departure from the norm (Nelson, 2003).

The intent of any organisational change is to move the organisation from its current state to a more desirable state (Beugelsdijk, Slanjen, & Herpen, 2002). Change management is viewed as a structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state. According to Nelson (2003), organizational change is typically conceptualised as moving from the status quo to a new, desired, configuration to better match the environment.

Present-day organizations are immersed in a virtual cyclone of change as they strive to adapt to the ever increasing demands of their domestic and global markets (Siegal et al., 1996). When there are major changes in competitive, technological, social, economic, political and legal conditions of the environment that makes the current strategic orientation, no longer effective, the organization has to adjust if it hopes to remain competitive.
1.1.1 Management of Organizational Change

In order to survive in this increasingly turbulent and aggressive competitive environment organizations are having to learn to manage change. Managing organizational change is the process of planning and implementing change in organizations in such a way to minimize employee resistance and cost to the organization, while also maximizing the effectiveness of the change effort. Change management involves continually renewing the organization’s direction, structure, and capabilities to serve the ever-changing needs of the marketplace, the organization, and employees (Moran & Avergun, 1997).

Organizations failing to adapt or respond to these changes in a timely fashion run the risk of losing market share to competitors, losing key employees, jeopardizing shareholder support, and possibly even demise. Therefore, it is expected of dynamic management to introduce changes at various stages so that the organisation develops as a mature system having healthy interaction with the environment. Organizations have attempted to anticipate and adapt to these changes through strategies including organizational redesign, which often embodies changing the very culture of the organization (Self & Schraeder, 2009).

There are changes in organizations that are routine and others that are non-routine. Examples of routine changes are organizational turnover and staffing replacements, small changes to products or services, or changes in human resources policies. Routine changes are the easiest to manage, and employees are somewhat accustomed to routine changes. There is typically little concern over implementing such changes. However, if not
handled properly by management, even routine change can prove to be difficult (Nelson, 2003).

Non-routine change is much more difficult than routine change; it can be unpredictable, significant, or even radical, and employees are much less likely to adapt well to non-routine change. In general, a non-routine change is seen as threatening, and employees are likely to be resistant. For instance, if a company announces a merger with a former competitor, this non-routine change is very likely to create anxiety about compensation and job security (Nelson, 2003).

Change initiatives can have relatively limited or more radical goals depending upon a diagnosis of an organization’s “health” within its operational context. Developmental change tries to “grow” the organization by focusing on the improvement of one process or a group of capacities at any given time. Transitional change is more radical than developmental change. It sets out to “transform” the organization from a state of poor performance into one where the organization performs well by being more effective, more efficient, more relevant to its clients and/or more financially secure. Transformational change is the most radical form of organizational change. It is often intended to alter the identity of an organization in fundamental ways. Transformational change may become necessary if the organization has for long neglected to adapt to its operating environment. It may even be imposed from outside if the internal will for positive change is undemonstrated (Nelson, 2003).
According to Self and Schraeder (2009) change occurs mainly on five domains of organizational activity namely organizational culture, strategy, structure, power distributions and control systems. These five activity domains are selected because they are important to organizational survival and central to organizational activities. Self and Scraeder (2009) refer to these domains as constituting a firm’s “strategic orientation.”

Although change may be necessitated by the pressure of external forces, it can also be brought by deliberate and conscious efforts of the management otherwise referred to as volitional, planned change or pro-active change. Some of the basic reasons for introducing planned change include improving the means for satisfying economic needs of members; increasing efficiency and profitability, promoting humanisation of the work environment and contributing to development and social well-being of each member.

There are several conditions that need to be present when pursuing a major transformational change: clear focus; driven from the top; leaders must commit to systemic, organization-wide change; employee involvement; and external coaches or change agents to facilitate the change process. Managing this process needs committed management, good communication and planning for challenges and especially resistance to change.

1.1.2 Kenya Petroleum Refineries Limited

Kenya Petroleum Refineries Limited (KPRL) is a private limited liability company located in Mombasa. Her main products include liquefied petroleum gas, unleaded premium gasoline, regular petrol, automotive gas oil, industrial diesel, fuel oil and special
products like bitumen and grease. KPRL processes crude oil it imports from the Gulf region on behalf of marketing companies, on the basis of processing agreements which set out precise terms on which the refinery takes custody of specific quantities and types of crude oil on oil companies’ behalf in terms of how they should be processed and delivered. Refinery users or the oil company pays a processing fee for the service depending on the type of crude oil processed. It also offers services such as crude oil refining, laboratory services, loading facility and Emergency Response School.

The company was formed in 1959 when a company called Consolidated entered into an agreement with the colonial government to build a refinery in Mombasa. The plant was originally set up by Shell and BP-British Petroleum Company, jointly with an intention to supply East African region with a wide range of oil products. It was incorporated in 1960 under the name East African Oil Refineries Ltd. The refineries first complex was commissioned in 1963, configured for distillation, hydro treating, and catalytic reforming and bitumen production. In 1964 Caltex and Esso acquired shareholding in KPRL. In 1970 and 1974 respectively two grease plants were constructed and commissioned and operated separately. The two complexes have a capability of producing crude oil to a capacity of 8,000 tones per day which translates to 2.7 million tones a year. The commissioning in 1974 saw Esso and Caltex become shareholders.

In 1971 the Government of Kenya negotiated and acquired 50% shareholding. Change of name to Kenya Petroleum Refineries Ltd took place in 1983. In 1997 ESSO sold its shareholding to BP, Caltex and Shell thereby increased their shareholding to 50%.
On 31st July 2009 Essar Energy Overseas Ltd became a strategic partner after acquiring 50% equity from Shell, BP and Chevron. Essar now own KPRL jointly with the Kenya government. The new strategic partnership is expected to invest in the refinery modernization project, power generation and LPG storage projects. One of the conditions under which Essar was able to purchase the stake in KPRL was that it is expected launch a series of upgrades to the refinery leading to an increase in production. In terms of corporate governance, KPRL is run by a Board of Directors through a management team headed by the General Manager. The Chairman is appointed by the government while the shareholders appoint the General Manager to run the day today activities of the company.

Most of the crude oil which the refinery processes is imported from the Middle East under the Open Tendering System. The mainly Murban or Arabian crudes are shipped in large Tankers of up to 80,000 tones capacity which berth and discharge their cargoes at the Kipevu Oil Jetty in Kilindini Harbor. From huge tanks at the jetty the crudes are then delivered through underground pipelines to the refinery complex at Changamwe a distance of about 6 km’s. www.kprl.co.ke

In the period 1963 to 1994, the government controlled the retail prices in the oil industry in order to offer protection to Kenya Petroleum Refineries Limited. However in 1994, the industry was partially liberalised thereby opening competition to KPRL. The partial liberalisation entailed oil companies sourcing 60% of their products through the
importation of crude oil and refining it at the refinery and were allowed to import the balance as finished products (Daily Nation 25th July, 1995).

The deregulation of the oil industry opened KPRL to competition from refineries in the western coast of India and the Arabian Gulf. Before deregulation KPRL enjoyed a near monopoly. The deregulation now enabled oil companies to compete directly with KPRL by importing refined oil products. Prior to deregulation KPRL’s industry shareholders controlled over 80% of the market. However, KPRL is facing decline in business volume and profitability. In 2001 KPRL handled 1991 tonnes of crude oil which dropped to 1649 tons in 2006. As a result, the total revenue declined from Ksh. 2609 million to Ksh. 2358 million and profitability declined from Ksh 269 million to Ksh 80 million in the same period.

Following the change in shareholding from Shell to Essar, KPRL is expected to undergo numerous changes. The refineries will be upgraded and the current production of liquefied petroleum gas is expected to increase from 30,000 tonnes per year to 120,000 tonnes per year. Changes are also expected in the technical and organizational expertise, training, methodologies, procedures manpower and operating standards given that previously, these services were provided by Shell. Essar too is expected to bring in new changes especially in directorship and top management.
1.2 Statement of the Research Problem
Change is important to organizations because it is through change that organizations are able to grow and mature. However, many such change initiatives, even those undertaken by organizations with the best of intentions, are often destined for failure at some point in their implementation. Studies have shown that approximately 70 percent of planned organizational change initiatives fail (Judge & Douglas, 2009; Okumus & Hemmington, 1998). Failures such as these can be traced in hindsight to a number of factors, including inappropriately conceived future states, resistance by organizational members, faulty implementation strategies during transition periods, or simply a lack of knowledge regarding important aspects of change management on the part of managers and executives. Other barriers include high cost of change, lack of skills and resources, financial difficulties, unpleasant previous experience, time limitation, commitment to the current practices, priority of other businesses, strong organizational culture, technical difficulties, internal politics, fear of insecurity and powerful trade unions (Self & Schraeder, 2009; Shanley, 2007a).

KPRL has been going through change management as a result of changes in organizations operating environment. This resulted from the deregulation of the petroleum sector leading to removal of its monopoly status and thereby exposing KPRL to competition from both global and local players. Moreover, following the entry of Essar, KPRL is expected to undergo further changes in strategic direction, directorship, top management, technical aspects and operating standards.

There are no known publication documenting the change management practices at KPRL and very few studies in the oil sector. Change management studies from other sectors
have shown mixed results (Gichohi, 2007; Mugo, 2006; Njiru, 2007). A study on change management at Unga limited company reported that change management exercise at first led to loss of skilled labour, distribution networks and customer loyalty. The report shows that it took the company over eight years to recover the effects of this botched change management exercise (Gichohi, 2007). Another study at the Kenya Power and Lighting Company reported that although there was some resistance to change, the change management effort also recorded some successes. A study looking at strategic change management among state corporations showed both successes and failures with most corporations facing enormous challenges in form of resistance to change, which was both behavioural and systemic (Njiru, 2007).

It is important to document the experiences organisations undergo in managing change in order to draw lessons when making changes in the future. The purpose of this study is to document change management practices and challenges faced at the Kenya Petroleum Refineries limited. From the foregoing discussion the researcher poses the following questions? What are KPRLs’ change management practices, more so, what challenges have been faced by KPRL in managing change and what strategies have been undertaken by the company to minimize resistance to change?

1.3 Research Objective
   i. To determine change management practices at KPRL
   ii. To establish the challenges faced by KPRL
   iii. To identify strategies adopted by KPRL to manage change management challenges
1.4 Significance of the Study
The study will be useful to the management of KPRL in that it will help evaluate the change management process. The findings will help the organization identify areas where the process went as planned and where there were challenges and the exact nature of the challenges. This will help KPRL in managing future organizational changes.

The study will also contribute knowledge in the field of management and especially in managing change. Studies show that the majority of change projects are not successfully implemented because of difficulties and obstacles faced during the change process (Judge & Douglas, 2009; Okumus & Hemmington, 1998). Because of this concern about the implementation of change, there is a growing interest in the literature, and among the firms themselves, in identifying and evaluating the sources of resistance and therefore the barriers to change. Even though it would not be possible to generalise the study due to the case study design the study will contribute to the growing literature on case studies on change management and will also identify some pitfalls that can be avoided by other organizations in implementing change.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter presents a review of literature related to the study. The chapter begins by looking at some concepts in managing change, before looking at the models in managing change, role of top management, how need for change is communicated, challenges faced in managing change and finally the strategies used to minimize resistance to change.

2.2 Concept of Change Management
The idea that organizations can plan and manage change has been a management theory and practice for many years. The basic underlying assumption which fuels all the rhetoric and efforts that goes into managing change is that, in fact, change can be managed. It is assumed that organizations, and their managers, can have more influence and control over the changes that are taking place in their midst. Organizational change, as a management strategy, assumes a pro-active stance toward events rather than mere reaction to events (Essers, Böhm, & Contu, 2009)

Managing change refers to the ability to influence people’s mindsets, culture, attitudes and practices to adapt them to a new environment and arrangements. It begins by convincing people of the existence of a problem and of its more viable solution; and therefore of the necessity of a reform. Change management involves taking a systematic approach to moving individuals, teams, projects, programs, and the organization as a whole from a current less-than-ideal state to a future, more desirable state. Those responsible for change management intentionally undertake activities within the organization, usually as a result of a diagnosis to determine what is currently preventing it from performing better (Ramachandran, 2008).
The successful management of change requires clear attention to the process as well as the products of change and ultimately involve changes in the organization's culture and behaviour. Change will also involve unintended, unplanned and unmanaged events and consequences. The key to managing organizational change is to anticipate and minimize these events and their consequences to the extent possible.

The ultimate goal for most organizations is to change corporate climate and culture. An organization's climate can be defined by how its employees view the organization's fundamental reason for being, specifically, the company's overall mission and goals and how important the employees' sense of well-being is to those goals. The corporate climate then breeds an organizational culture that consists of what employees see as management's beliefs and value systems. These two things, climate and culture, then determine how each manager and employee shapes his or her own performance, usually in order to most successfully meet company goals and hopefully ensuring his or her own success as well as the company's. These factors affect every aspect of each person's job, including decision-making processes, communication patterns within the organization, and individual accountability and responsibility (Moran & Avergun, 1997).

There are four primary indicators of major work-place change. They are a change to the organizational structure, a new product or service, new management, and new technology. Organizational structure may change through major downsizing, outsourcing, acquisitions, or mergers. These actions are often accompanied by layoffs, particularly as certain positions become redundant. A new product or service has implications for changes in production, sales, and customer service. Additionally, by changing product or
service the organization may face new competitors or new markets. New management, such as a change in chief executive officer, often brings a period of transition during which upper-level managers are likely to alter existing business processes and personnel policies. Finally, new technology can create vast changes to the organization. Technology can change the production process or the working conditions and these changes may influence the skills that employees use on the job (Self & Schraeder, 2009).

2.2.1 Types of Changes
According to Diefenbach, 2007; Self & Schraeder, 2009 observes that change can be categorized into four categories: structural change, cost change, process change, and cultural change. Structural change occurs when there is an alteration to the company's organizational structure. This reorganization may occur due to a merger or acquisition, or it may be the result of a restructuring. For instance, an organization that is intent on increasing its innovation may reorganize its traditional functional structure into a more flexible matrix structure that uses small, self-managed teams. Or, an organization that is expanding into new markets may adopt a divisional structure in which different geographic locations operate nearly independently of one another.

Cost changes are those that occur when an organization attempts to reduce costs in order to improve efficiency or performance (Diefenbach, 2007). Major adjustments may be made to departments to cut costs; reducing budgets, laying off employees in redundant positions, and eliminating nonessential activities may all be a result of cost change.

Process changes are implemented to improve efficiency or effectiveness of organizational procedures. This may occur in production settings; there may be changes to how a product is created, assembled, packaged, or shipped. Or, in a service organization, there
may be changes to the procedures used to accomplish work; new computer systems may create the need to change how paperwork is completed, or a new manager may modify the process used to handle customer complaints.

Cultural changes are the least tangible of all the types of change, but they can be the most difficult. An organization's culture is its shared set of assumptions, values, and beliefs. A prototypical culture is the very bureaucratic, top-down style in which stability and standard processes are valued. When such an organization tries to adopt a more participative, involved style, this requires a shift in many organizational activities. Primarily, manager-employee relations are altered with a change in culture (Self & Schraeder, 2009).

2.3 Change Management Models

2.3.1 Kurt Lewin’s Model of Planned Change

There are many models of change that have been proposed by practitioners and academician. One of the cornerstone models for understanding organizational change was developed by Kurt Lewin in the 1950s. According to Kurt Lewin, resistance to change could be overcome on an enduring basis by systematically planning and implementing the process of change. Kurt Lewin identified the following phases in the process of planned change:

The first step involves unfreezing the present level of behaviour. Unfreezing involves loosening of emotional link with the status quo including old work methods and practices. It leads to unlearning of old things to learn new ones. The individuals are made to feel that they have to give up the old work habits, for learning new types of behaviour.
In this stage, the forces which drive change should be strengthened and the forces which discourage change should be weakened. Rewards may be offered to those who accept the change while workers who resist change should be persuaded to accept the change. The manager as a change agent has to identify the background factors contributing to resistance to change and explain to workers the problems with the current state of affairs, the need for change, the pace and volume of proposed change, the direction and implications of such change, and so on. The manager should also clear all nagging doubts of the workers about the proposed change. This is essential to prepare the workers to develop favourable attitude about change (Self & Schraeder, 2009).

The second step is called movement and involves taking action to change the organization’s social system from its original level of behaviour or operation to a new level. Once the subordinates become receptive to change, the manager should introduce the proposed change in a systematic manner with the full cooperation of subordinates. They should be guided and helped to learn new methods and techniques implicit in the proposed change. This can be done through identification whereby change is presented through role models from whom individuals can learn new behaviour patterns by identifying them and trying to become like them or internalising where the individuals are placed in a situation in which new behaviour patterns are demanded of them if they are to succeed in that situation. Through this, the individuals are able to internalise new patterns of behaviour. Besides this, force may be used for inducing change. It implies punishments and withholding of rewards by the superior to force the individuals comply with the change(Self & Schraeder, 2009).
The third and final step is called refreezing. This involves establishing a process that ensures the new levels of behaviour will be relatively secure against reversion to prior modes of operation. It is the phase of stabilisation, assimilation and institutionalisation of the changes which are successfully implemented. The changes which are accomplished should remain as stable and permanent characteristic of the system until need arises for another change, the new roles, relationships and behavioural patterns must take on the characteristics of habits. If this is not done, the individuals may revert to the old patterns after some time. Change becomes stabilised only if enough reinforcements (rewards) are provided for desired behaviour. The individuals should get a genuine feeling that the benefits generated by the change are worthwhile (Self & Schraeder, 2009).

2.3.2 The Managing Change Model

The Managing Change model consists of the following dimensions:

Individual response to change which is concerned with the nature, prevalence, and utility of resistance to change; the general nature of change concerning whether effective large system change is evolutionary or revolutionary in nature and the characteristic patterns that typify change efforts in organizations; planning change which concerns the causes of change in organizations, articulation of the vision, how to get from the present to the future, and barriers to effective transitions; managing the people side of change concerning how, when and how much to communicate about change within the organization, and psychological issues related to transition; managing the organizational side of change concerning the design and structural issues of systemic and long-term
change efforts and evaluating the change effort concerning indicators of a change effort’s effectiveness (Siegal et al., 1996).

The Managing Change model

Figure 2.1: The managing Change Model. Source: Burke et al. (1996)

2.3.3 Kotter’s 8 Step Change Model
Kotter (1996) suggests the following eight phases in implementing change:

Establishing a sense of urgency; Kotter suggests that for change to be successful, 75% of a company's management needs to "buy into" the change. For change to happen, it helps if the whole company really wants it. The change agent needs to convince people that change is necessary. This often takes strong leadership and visible support from key people within your organization.

The second step is forming a powerful guiding coalition; To lead change, there is need to bring together a coalition, or team, of influential people whose power comes from a
variety of sources, including job title, status, expertise, and political importance. Once formed, change coalition needs to work as a team, continuing to build urgency and momentum around the need for change.

The third step involves creating a vision that people can grasp easily and remember. A clear vision can help everyone understand why change is necessary. When people are able to see what is to be achieved, then the directives they are given tend to make more sense. The fourth step involves communicating the vision. The vision should be communicated frequently and powerfully, and embed within everything that is done. Change agents should demonstrate the kind of behaviour that you want from others and also openly and honestly address peoples' concerns and anxieties.

The fifth step involves empowering the others to act on the vision; put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people executing the vision, and it can help the change move forward.

The sixth step is planning for and creating short-term wins. Nothing motivates more than success. This involves creating short-term targets that are achievable, with little room for failure. Each "win" that you achieved can further motivate the entire staff.

The seventh step involves consolidating improvements and producing still more change, Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change. Each success provides an opportunity to build on what went right and identifying what can improve. The final step involves institutionalizing new approaches.
To make any change stick, it should become part of the core of the organization. The corporate culture often determines what gets done, so the values behind the vision must show in day-to-day work

2.4 Top Management’s Role in Managing Change

The importance of leadership in the initiation and management of change cannot be overemphasised. The role of leadership includes establishing direction, aligning, motivating and inspiring people. Successful change must involve top management, including the board and chief executive. According to Self & Schraeder, (2009) change is typically introduced by and driven by top management as only the executive leadership has the position and potential to initiate and implement a strategic orientation. Thus, their reaction to a proposed change initiative carries great weight in the minds of organizational members. The visibility of support for and commitment to a change creates a positive perception of the change, whereas, a visible lack of support or inconsistent behaviours on the part of management leads to a negative perception of the change.

Senior management can assume that because they are ready to pro-actively embrace change, their employees will be equally pro-active. However, imposing action on employees who are not prepared results in conflict. Typically, only 20 percent of employees in organizations are prepared to take positive action in response to change initiatives (Cheng, Dainty, & Moore, 2007). Without continued senior management commitment, interest in new systems and processes soon wanes.
Many change efforts fail because of poor leadership and weak management (Shanley, 2007a). The phenomenon of declining commitment from senior management is attributable to a range of factors including lack of understanding of the objectives and methodologies of the new system, or a perceived threat to supervisors’ and managers’ roles induced by the system. Studies have shown that in many cases senior management are found to have little patience for waiting for the new performance management system’s benefits to accrue. If tangible benefits are not immediately forthcoming, they quickly revert to tried and tested approaches.

Less successful transition companies are characterised by chief executives articulating a clear commitment to new strategies within their organizations but not behaving in a corresponding manner. Hill et al. (2001) in Self & Schraeder, (2009) suggested that research is needed to differentiate between executives’ understanding, motivation and intent, which can provide some insight into the discrepancy, alluded to above.

While the causes of these poor results are, arguably, multi-faceted, one of the plausible antecedents to the failure of change could be that organizational managers have failed to understand fully what is necessary in guiding their organizations through a change initiative. Proper planning of the implementation can help mitigate the likelihood of failure of change and also help prevent other undesirable consequences such as reduced employee morale, diminished commitment and increased (Self & Schraeder, 2009).

Emotional and interpersonal qualities involved in the management of change are important. Managers need to be able to tolerate risk and ambiguity as they negotiate their way through the change process. They need to promote open communication and
dialogue if they want organisational members to really own the change programme. This means at times they must be able to accept and work through criticism and conflict. Change agents need emotional resilience and psychological hardiness as they often have to cope with role ambiguity and conflict, initiative fatigue and stress (Shanley, 2007a, 2007b).

Although some scholars argue that change is top-bottom, Moran and Avergun (1997) argue that leading change is a shared responsibility of everyone in an organization, from top to bottom. The whole organization must pull in the same direction. If the whole organization is not aligned with the change effort, the effort will fail. To them, change is top-down and bottom-up. Change must be top-down to provide vision and create structure; it must be bottom-up to encourage participation and generate support ultimately.

2.5 Communicating the Need for Change

Clearly communicating the need for the change to employees by offering external information about the rationale for the change could be a powerful first step in successfully managing change. (Self & Schraeder, 2009). Until organizational members are aware that the current state is not desired and that a different state is preferred, there will be no incentive to consider a change. Not only must management demonstrate there is a need to change, they must also provide information that the proposed change initiative is the correct one

Communication should occur throughout the change process. Communicating with employees about what is occurring, why the changes are being made, and how they will develop is critical. Because change can create a lot of fear, increased communication can
be used to calm employees and encourage their continued support. In addition to downward communication, managers should pay attention to any upward communication that occurs. They should be available to take suggestions or answer questions that employees might have. Creating opportunities for employee feedback, such as holding meetings or having an open-door management policy may facilitate change more successfully. This communication should be fostered in an environment characterized by open and supportive, where individuals are able to share their concerns, frustrations, and needs without fear of retribution (Moran & Avergun, 1997).

By communicating, management can create the belief among employees that the appropriate training and education will be provided, and that those receiving the training and education will benefit in terms of the ability to perform and take advantage of opportunities that may arise from implementation of the change initiative (Self & Schraeder, 2009). (Beugelsdijk, Slanjen, & Herpen, 2002), adds that allowing individuals to participate in the change process is recognized as one of the most popular strategies undertaken to combat resistance, and with good reason given empirical evidence that participation in making decisions reduces resistance. Utilizing the strategy of employee involvement not only enhances two-way communication within the organization, but sends an implicit message to employees that they are valued and that the organization trusts them enough to be included in the decision-making process.

According to Self & Schraeder, (2009) to regain confidence as a credible leader, and thus reduce resistance, leaders should roll up their sleeves and get directly involved in the
essence of the change, attending training with employees, listening with an open mind to their comments, and serving as an advocate for the employees during times of dispute. They continue by suggesting that managers should promote successful change by facilitating visible, public celebrations of progress being made.

2.6 Challenges Faced in Managing Change
Managing change comes with many challenges. One of the major barrier or challenge is the resistance to change. There is a consensus among many managers and consultants that people typically dislike change and instead most people prefer security and stability (Self & Schraeder, 2009). Change that leaves an organizational member feeling vulnerable in terms of his or her ability to successfully take part in the change can trigger resistance towards the change. A lack of confidence in one’s ability to adapt to a particular change initiative can also lead to resistance toward it.

Hultman (1995) in Self & Schraeder, 2009 argued that resistance consists of two dimensions: active and passive. Active resistance includes behaviours such as being critical, selective use of facts, sabotaging, and starting rumours while passive resistance is displayed by behaviours such as public support, but failure to implement the change, procrastinating, and withholding information or support.

Resistance to change is caused by many perceptual, economic, emotional, cultural or technical factors. People are usually afraid of the unknown. Individuals may also simply possess a low tolerance for change. In other cases, individuals may resist change simply because the change represents uncertainty, and they fear the unknown. Coupled with
uncertainty, individuals might even resist change because they are concerned about their own personal failure (Self & Schraeder, 2009). Organizational change often requires individuals to engage in new routines and activities. Thus, individuals with lower levels of openness to experience might be less supportive of organizational changes and more prone to resist change to the extent that it requires them to engage in new activities.

Economic factors relate to the basic economic needs of the workers like necessaries of life, job security and safety. Generally new technology is expected to reduce the proportion of labour input and therefore, people resist a change that will affect the security of their jobs. Workers may also fear to be idle as a result of the increased efficiency of new technology. Workers may also fear that they will be demoted if they do not acquire the skills required for the new jobs. Workers also resist the change leading to the setting of higher job standards which may reduce opportunity for bonus or incentive pay (Kotter, 1996).

Workers may also perceive that factors related to their psychological needs will be affected adversely by the proposed changes. Workers may not like criticism implied in a change that the present method is inadequate and unsuitable. People may also fear that there will be fewer opportunities for developing their personal skills. Workers may apprehend boredom and monotony in the new jobs as a result of specialisation brought by the new technology. They may fear that harder work will be required to learn and adapt to new ideas. Workers may resist change because they do not want to take trouble in learning the new things (Kotter, 1996).
Individuals also do have social needs like friendship, belongingness leading to the development of informal relations in the organisation. Social reasons for resistance to change include new organisational set-up requires new social adjustments which are not liked by people because these involve stresses and strains. This also means discarding old social ties which are not tolerable to the workers. Most workers fear that the new set-up arising out of the change will be less satisfying than the present set-up. Workers may feel that changes being introduced will benefit the organisation or the employers rather than themselves or the general public (Kotter, 1996).

Most organisational changes have some impact on informal networks in the organisation. Breaking up a closely knit work-group or changing social relationship can provoke a great deal of resistance. Informal groups offer resistance to change when they fear that their cohesiveness or existence itself is threatened by it. This is particularly true when group members feel a strong sense of belongingness to the group and perceive that their group is superior to others (Kotter, 1996).

Organisation may also resist change due to threat to power, where top managers may consider a change as a potential threat to their power and influence in the organisation due to which change will be resisted by them. Top management will not like to take steps by which the position of a trade union is strengthened. Also, supervisors may resist any change perceived to undermine their authority. Klein (1984), for example, found that supervisors tended to resist changes associated with employee-involvement programs if
the programs were perceived by the supervisors as leading to a loss of supervisor authority (Kotter, 1996; Self & Schraeder, 2009).

If organizations have successfully implemented changes in the past, individuals might have more confidence in the probability of success for current changes, and, thus, be less likely to demonstrate resistance. On the other hand, some organizations have a track record of botched change attempts that could lead to a sense of cynicism amongst employees (Self & Schraeder, 2009).

Organisation structure may also lead to resistance to change. Mechanistic organisation structure has a build in tendency for resisting to change. Change is quite often resisted by the bureaucratic structures where jobs are narrowly defined, lines of authority clearly spelled and flow of information is stressed from top to bottom. Change can also be resisted by an organisation if it lacks in some resources which are critical for implementing the change. The organisation may have inadequate financial resources for training change agents and for offering rewards to those who support change. Sometimes introduction of a change may lead to the problem of sunk costs. The heavy capital blocked in fixed assets and training costs human of human resources may go to waste if the change is introduced. As a result, the change may be resisted by top management (Kotter, 1996).

(Moran & Avergun, 1997; Njiru, 2007; Okumus & Hemmington, 1998) all have something in common. They argue that other challenges to managing change in organizations include: High cost of change, lack of skills and resources, financial difficulties, unpleasant previous experience, time limitation, commitment to the current practices, priority of other businesses, strong organizational culture, technical difficulties,
internal politics, fear of insecurity, powerful trade unions, losing something valuable and government regulations.

2.7 Strategies used to Minimize Resistance to Change
An essential component of properly planning the implementation of a change initiative is the recognition of possible employee resistance toward change. It is important to consider this in the planning efforts since resistance to change is considered by some to be the most significant threat to the successful implementation of strategic initiatives. (Self & Schraeder, 2009) Yet, management must recognize even if organizational members agree that a change is necessary, they may still disagree with the proposed change initiative.

Some of the strategies used to overcome resistance by the people and to include changes successfully include effective communication. According to Okumus and Hemmington (1998) the best approach to address resistances is through increased and sustained communications and education. For example, the leader should meet with all managers and staff to explain reasons for the change, how it generally will be carried out and where others can go for additional information. A plan should be developed and communicated. Plans can change and when they do change it is important to communicate that the plan has changed and why.

Management should also see that there is a two-way communication between the management and the workers so that management comes to know the reaction of the workers directly without any delay. Forums should be held for organization members to express their ideas for the plan. They should be able to express their concerns and
frustrations as well. This helps in removing fears and apprehensions of the workers and bringing understanding between the management and the workers (Kotter, 1996; Okumus & Hemmington, 1998).

Another strategy is the involvement of union leaders. Management is regarded as the instigator of change and unions are regarded as the forestallers of change. Management tends to implement changes that are necessary to cope up with the changing environment but they are often resisted by the representatives of the workers to protect the workers from the real or perceived threats brought by change. It is prudent for the management to take the labour leaders into confidence before introducing any change. Union leaders can then be able to convince the workers about the logic for change and the benefits the workers and the organisation would derive out of it (Kotter, 1996; Self & Schraeder, 2009).

To overcome resistance to change, management should also offer facilitation and support. In order to successfully implement the change, subordinates must be indoctrinated in new relationships, taught new skills, helped to change attitudes, given the information they need to understand where they fit into the picture and how they will be expected to operate under the new set-up (Kotter, 1996).

Other approaches can include: negotiation with those resisting change and offering them incentives for example economic benefits to employees, manipulation and cooptation whereby management may manipulate workers by releasing information selectively or by consciously structuring the sequence of events. Alternatively they may co-opt a key person within a group, by giving him a desirable role in designing or carrying out the
change process. Management can also use explicit and implicit coercion. This would include threats involving loss of jobs and lack of promotion. Managers may also dismiss or transfer employees who stand in the way of change (Kotter, 1996).
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter gives an analysis of the research methodology used that includes; the research design, data collection and data analysis.

3.2 Research Design
The study adopted a case study design. The design was selected because case studies provide a rich understanding of an organisation by providing in-depth information. According to Mugenda and Mugenda (2003), a case study is an in-depth investigation of an individual group, institution or phenomena; an in-depth understanding of particular phenomena in a particular setting or situation. Each managing change situation is unique and case studies provide the tool for getting intimate information.

3.3 Data Collection
Primary data was obtained by interviewing respondents using an interview guide to ensure standardisation in data collected. The content and format of the interviews was to include participants’ role within the organisation; their work history and understanding of their role in managing change, how they communicate need for change factors that have facilitated and hindered change and how resistance to change had been handled. The were 6 senior managers, 12 middle level managers and 20 supervisors. The researcher targeted to interview all the senior managers, 6 middle level managers and 10 supervisors. The study was to be conducted based on the company’s 6 departments. The justification for interviewing 6 middle level managers was to ensure that at least we cover all the departments.
Interviewees were asked for permission for the interviews to be tape-recorded but they were uncomfortable with the idea. The data from the interviews were be triangulated by referring to secondary sources of data including internal documents (strategy and vision papers, company plans, internal reports and surveys and reports from external consultants).

3.4 Data Analysis
All interviews was be fully transcribed. After the transcript was checked by the researcher, a copy was to be given to the interviewee. This was done by providing them with some feedback to the process and giving them an opportunity to clarify or add to anything that had been said in the interview.

After transcribing, thematic analysis was used to make sense of the interview data. According to Green and Brown (2005) thematic analysis involves uncovering the common patterns or treads within a complete set of data. Thematic analysis was interested in how each person responded to the different interview questions and how different people responded to the same questions. The output of this process was to be a report answering each of the research questions.
CHAPTER FOUR: FINDINGS AND INTERPRETATIONS

4.1 Introduction
This chapter presents the study findings and interpretations, with respect to the objectives of the study. The study was designed with the aim of achieving three objectives namely; to determine change management practices, establish the challenges they faced and finally identify strategies adopted in managing challenges of change management by KPRL. The primary data was captured through face to face interviews with 18 respondents from different levels of management, this constituted an overall response rate of 82% since the study had a target sample of 22 managers within the organisation. The following were responses emerging from the interviews.

4.2 Profile of Kenya Petroleum Refineries Limited (KPRL)
The Kenya Petroleum Refineries Limited was incorporated in 1960, under the name East African Oil Refineries Limited and was originally set up by Shell and the British Petroleum Company BP to serve the East African region in the supply of a wide variety of oil products. The Company, the first refinery complex which has distillation, hydro treating, catalytic reforming and bitumen production units was commissioned in 1963. The second refinery train was commissioned in 1974 and also has distillation, hydro treating and reforming units. In 1971 the Government acquired 50% Shareholding at East African Oil Refineries Limited. In 1983 East African oil Refineries Limited changed the name to Kenya Petroleum Refineries Limited. On July 2009, ESSAR Energy of India acquired a 50% stake of KPRL (from Shell, BP and Chevron) bringing to a close a process that begun in 2007.
KPRLs’ vision is to be an efficient and competitive refinery in all areas including safety, quality, customer service and profitability. Respondents noted that the change in shareholders structure through acquisition by Essar oil limited was strategic to KPRL growth, initially the board of directors to KPRL were 50% from the government and 50% from the BP, Shell and Chevron. The acquisition resulted into change in KPRL board of directors, the organisation has eight directors on that board; 50 per cent from the government and 50 per cent from ESSAR Oil Limited. The respondents noted that the organisation’s strategic goals were restructured to suit the new change within the organisation. These goals were; to increase shareholders returns 15 percent by 2012; increase customer and shareholder satisfaction to 90 percent; attract and retain competent, motivated, productive work force thereby reducing turnover to less than 1 percent and; to be recognized as responsible corporate citizen and to contribute to sustainable development.

4.3 Background to Change at KPRL
This section of the interview sought to consolidate all the necessary information on change within the study organisation. The petroleum sector was deregulated in late 1994 with the deregulation of retail prices of petroleum products and of the importation of crude oil and refined products. Importation of crude and refined petroleum products is no longer regulated by the government. Strategically questions have been raised about KPRL’s commercial viability and the plant’s inability to produce environmentally friendly products. Stakeholders are divided on whether to shut down the plant in favour of processed imports or invest in a more modern and efficient new plant. In 2009 Essar oil limited acquired 50% stake at KPRL. This 50% was previously owned by the
then shareholders that is; BP, Shell and Chevron. The entry of Essar resulted in to change of organisation governance as the new investor were equal partners with the government with each equally contributing four directors to the board. This ultimately meant that KPRL leadership and governance was under new management. The leadership has contributed to drastic change within the organisation respondents observed. The respondents further noted that immediate reaction to this organisational change was supportive and at the same a time generated a feeling of anxiety among employees.

4.3.1 The analysis on Nature of Change at KPRL

Change process within an organisation may take different forms, in this case respondents were asked to describe the nature of change that took place within their organisation. Respondents observed that the nature of change at KPRL took two long approaches. From the respondents description of change both incremental and drastic forms of change management were observed. According to respondents change at KPRL was incremental (evolutionary) because some of the change process steps as were gradual and strategically implemented within departments. This includes; machines and technology replacement, work reporting procedures and policies and performance measurement procedures within the work place. Specific examples of gradual change was change of refineries machinery to more efficient modern technology, expansion of Liquefied Petroleum Gas (LPG) gas refineries facilities and departments realignment to new organisational strategic goals. On the other hand the change process was revolutionary as organisation leadership was drastic due to the acquisition and entry of new shareholders in the KPRL corporate governance.
Respondents noted that this ultimately affected the organisational structure and new chain of command policies by the new management. It can be concluded that the nature of change within the KPRL adopted a multi approach.

4.3.2 KPRL Management of Change

Leadership change has been the specific change to studied organisation as was confirmed during the interviews. Respondents noted that leadership change at KPRL had affected its organisation structure as new directors, new chief executive and other management leaders were ushered in office. Specifically respondents noted as a result new package of leaders roles was introduced by the new management. Respondents in the study noted that change at KPRL had affected its organisation culture and ultimately organisation operations. The new leadership at KPRL further brought turnaround strategies like, new approaches to petroleum refining technology, new production targets and other cost reduction strategies. Respondents noted that new leaderships’ knowledge of the industry by new shareholders and support of employees highly facilitated change at KPRL.

4.4 Change Management Practices at KPRL
4.4.1 KPRL Forces of Change

The aim of this part of the study was to establish internal and external forces in the organisation that necessitated change in the study of the organisation. Respondents seemed to agree on a number of forces that they themselves thought were forces that necessitated change within their organisation. The most mentioned forces include; need for investment as a result of liberalisation of petroleum industry. Whereas before deregulation KPRL enjoyed a near monopoly, it was now exposed to competition from
much better equipped refineries in the Arabian Gulf and India. KPRL continually lost customers to importation of refined petroleum products. On the other hand KPRL lack of facilities to produce unleaded products further deepened the challenge. KPRL was in need for additional investment to boost its capacity and adjust to market turbulences.

Another reason that contributed to planning for change was the need to inject new technology, KPRL products in ability to cope with emerging demands for cleaner products (unleaded products). The organisation was in need of a technology that would produces the much needed products in the market. The factor identified by the respondents was need to be competitive and government commitment to cleaner products by KPRL. Finally, respondents noted stiff competition from small local oil marketers, who also deal with cleaner imported refined products.

Respondents noted that due to fore mentioned reasons, planning for change was initiated and search for a strategic partners was started. Acquisition of share holding at KPRL was to a large extent planned and as a results all the new changes at KPRL’s organisation structure. The government (partner) shareholder planned and together facilitated change process at KPRL respondents observed.

4.4.2 Existence and Constitution of Change Management Team at KPRL

It emerged from the interviews that in preparation to change, KPRL management had constituted teams within departments and overall organisational change process
oversight committees. Respondents noted that such teams were entrusted with the role of overseeing and management change at respective levels. Respondents further noted that the team selection, mandate and authority were negotiated by the new management team and the government (main shareholder) and ultimately with negotiation with organisation Union leaders. Respondents noted that departmental teams constituted of ten experienced employees, whereas organisation team constituted of four senior managers within KPRL. Further, respondents observed that these teams played a significant role in successful transition of change process both at departmental levels and in the overall organisation.

4.4.3 Communication of Change Process within KPRL

This section of the study sought to establish how communication of change process was carried out in the study organisation. Interview reports show that regular communication was maintained by KPRL management at all time. Respondents noted that KPRL enjoyed an integrated approach to communication where horizontal and vertical forms of communication were most mentioned. Further probe showed that KPRL utilised emails to employees, employees meetings, supervisor face to face meeting and memorandum were the most preferred channels of communication adopted in communication of change process in the organisation. It emerged from the interviews that communication through face to face with immediate managers at KPRL was effective in dispelling fear of losing a job by employees as experienced at initial stages of change programs. Communication had also helped clearly explain the
purpose of change in the organization and thereby help in identifying emerging opportunities for employees.

The results implied that change management practice at KPRL was effective in appealing support from both group and individual employees. As a result respondents acknowledged that employees had gradually adapted to new roles and demands posed by change. Such roles included; production targets, training and development, new technology demands and new organisation regulations.

4.4.4 Strategies for Managing Change at KPRL.

The aim of this section of the study was to identify strategies of managing challenges of implementation of change. Results presented in figure 4.2 show some of strategies adopted in managing change process.

**Figure 4.2: Change Management Strategies**

Study respondents quickly identified the following strategies namely, effective communication- an integrated form of communication whereby change process was effectively communicated within departments and between departments and
ultimately whole organisation; financial resource support respondents clarified that new strategic partners at KPRL had availed needed financial resources in managing change; involvement of union leaders- new management strategically incorporated KPRL union leaders in change management process as such participation of employees in change management process was guaranteed; and proper coordination between different departments within KPRL, as a cost reduction measure by new management. Some departments within KPRL were merged to ensure reduced management of costs, however, respondents noted that no employees were laid off as a result of department mergers. It can be observed that strategies adopted in KPRL change management process showed attempt to integrate policies and procedures with business functions. In addition, during the interview process respondents were asked to rate the effectiveness of each of the strategies. It was observed that effective communication and involvement of union leaders was highly attributed to the success of change process within the organisation. Respondents noted that effective communication within department and across organisation helped in stemming out possible resistance to change from the employees. On the other hand, study noted that employees’ sense of security was assured through involvement of KPRL union leaders in organisation change Management.

In conclusion respondents indicated that inclusion of employees in change process and successful communication of change was key principles in successful change management at KPRL. The change management at KPRL was people driven and could be attributed to change management process. Although this study confirmed that there was no recruitment of professionals or consultants to implement change at KPRL. The
right people were selected by the government, management board, Chief Executive Officer and senior managers for leadership and management roles to anchor change.

4.5 Challenges faced in Change Management at KPRL

4.5.1 Resistance to Change

Resistance to change is a common phenomenon in change management process. Authors have documented that most of failure in change initiatives are mainly from resistance to change. Under this part of the interview the researcher aimed at describing resistance to change in the organisation change management process. It emerged from the interviews that KPRL was non exceptional and was therefore faced with the challenge of wide spread resistance.

Respondents results indicated that resistance to change cut across all levels within KPRL management. From respondents observation the following sources of resistance to change can be derived; anxiety- further probe showed that the acquisition of Essar Oil Limited was met with anxiety as it was employees of KPRL who feared losing their jobs as a results of policies by the new investors. The other source of resistance faced by KPRL change management was employees perceptions on change; respondents noted that employee’s perceptions organisation performance amid turbulent market environment and therefore respondents noted that employees were uncertain of organisation future. Other notable sources of resistance were; fear of job losses, low motivation, and agitation of employees during meetings.

It was noted that during the initial stages of change process there was characteristic anxiety among respondents as they feared the next step in change process. As a result
employee were in low motivation and highly agitated by both the new change and during meetings. Respondents in the interview had mixed feelings on the effect of resistance on change process. Most of the respondents noted that resistance had resulted into delays in implementation of some steps in the change process. Other respondents denied that resistance to change had resulted in delay in change process.

4.5.2 Managing People side of Change
Respondents were asked to name some of challenges faced by KPRL in managing change. Results indicated that some of the prevalent challenges reported by respondents on low scale include; lack of information, poor communication and low motivation. Notably, challenges specific to people factor is a critical element in change management however as it appeared from the interview discussion that KPRL management had to some extent failed to consider people factor in its initial stages of change management.

4.5.3. Strategies of Managing Challenges of Change Management at KPRL
This study objectives aimed at identifying some of the strategies used by the organisation in managing challenges experienced in change management process in the organisation. It was evident that the nature of challenges faced by KPRL in change management process was management of resistance to change and management of people. Respondents noted that challenges encountered by KPRL were most prevalent during the initial stages in change process. Therefore respondents noted that KPRL management had put measures in place in order to manage change. Such strategies include; improved organisational communication- KPRL management had encouraged
open door policy in its operations; introduction of motivation- respondents noted that the management had initiated reward programmes to reward employees effort; direct communication organisation leadership. Respondents noted that KPRL had utilised research and development to regularly assess the employees satisfaction and assessing of change process. To accommodate people in change process the management considered inclusion of employees union in to decision determining the management of change within the organisation. As such this strategy was effective in communication and thereby informing the employees on every step during change process, this did not only dispel fear of loss of job among employees but also offered a platform for participation in change process. Finally, the new leadership choice of a strategy of direct communication was important as it changed the perception of the employees on change process at KPRL.

4.6 Change Programme Evaluation

Change must positively or negatively affect an organisation. Successful change management will more often positively contribute to overall organisation performance. Therefore this last session of the interview sought to establish what they feel about change management in their organisation. Respondents hailed the change management in their organisation as it had opened opportunities for new investment, staff retention, staff motivation and focused leadership for better organisation management. Respondents further noted that culture of dynamism, openness and inclusively were some of organisational attributes that made KPRL stand out as learning institution in change management.
CHAPTER FIVE: SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings of the study and conclusions emerging from various objectives in the study. The chapter also presents the recommendations to the study conclusion, summary and limitations to the study and suggestions for further study.

5.2 Summary of Findings

The purpose of the study was to determine change management practices at Kenya Petroleum Refineries Limited (KPRL), challenges faced and strategies adopted by KPRL to manage change management challenges. The study sought to answer three research questions by identifying KPRLs’ change management practices, the challenges faced by KPRL in managing change and strategies that have been undertaken by the company to minimize resistance to change.

The major findings of the study;

5.2.1 Change Management Practices at Kenya Petroleum Refineries Limited (KPRL)

The study revealed that Change process within an organisation took different forms. According to the respondents it was found out that the nature of change in their organisation was both evolutionary and revolutionary. The respondents termed the change as incremental (evolutionary) since some on the change step were gradual within the department. On the other hand it was revolutionary as its change process saw
dramatic acquisition and entry of new shareholders into the organisation corporate governance, ultimately affecting the organisational structure.

The study further established that the organisation had embraced a number of change management practices as were pointed out by the respondents, such practices include; constitution of teams within department and overall organisational team that were charged with overseeing the implementation of change. Further, the respondents revealed that the team selection, mandate and authority was negotiated by the management team and government (main shareholder).

The study further established that communication of change process was carried out in the study organisation and that emails, employees meetings, supervisor face on face meeting and memorandums were the most preferred channels of communication adopted in communication of change process in the organisation. On the effectiveness of communication in supporting change programs, the respondents revealed that communication through face to face with immediate managers had been effective in dispelling fear of losing a job. Communication had also helped clearly explain the purpose of change in the organization and thereby help in identifying emerging opportunities for employees.

Findings also revealed that organisation employed other strategies like; effective communication, financial resource support, involvement of union leaders and proper coordination between different departments within the organisation. It was observed that
such changes integrated policies and procedures into business functions within the organisation.

5.2.2 Challenges Faced By KPRL in Managing Change
Most of failures in change initiatives are mainly from resistance to change and since resistance to change is a common phenomenon in change management process. Major challenges identified in the study were resistance to change and people management in change process. The respondents revealed that the sources of resistance were; anxiety, employees' perceptions on change, resistance, poor communication on change process, fear of job losses, low motivation and agitation in meeting. On the effect of resistance on change process most of the respondents indicated that resistance had resulted into delays in implementation of some steps in the change process. The other challenges faced on low scale include; lack of information, poor communication and low motivation.

5.2.3 Strategies Undertaken By KPRL to Minimize Resistance to Change
On the strategies of managing challenges of implementation of change, majority of the respondents indicated that KPRL had improved organisational communication, introduction of motivation for employees, direct communication, organisation leadership, organisational research and employees' direct engagement in the change process. To accommodate people in change process the management considered inclusion of union leaders into decision determining the management of change within the organisation. As these strategies enhanced employee’s motivation and participation into change process.
5.3 Conclusions
The study sought to determine the change management practices at KPRL, challenges faced and strategies adopted by KPRL to manage change management challenges. The study findings shed adequate light to draw major conclusions as indicated based on the summary of the findings.

KPRL had to a large extent observed best practices in change management practices. This in no doubt helped the organisation to successfully implement change. The organisation was also found to adopt timely reactive measures to possible factors that would negatively affect the change process. Effective channels of communication and inclusion of employees into the change process contributed to the ownership of change process by people within the organisation.

This study further concludes that like many organisation KPRL was faced by two main challenges in its changes. This included resistance to change and management of people factor within an organisation in the change process. However, the organisation change management team was effective in controlling these factors through adoption of numerous precautionary strategies and therefore minimal effects on change management process was experienced making the leadership change a success.
5.4 **Recommendations for policy and practice**

A number of issues emerged from the study and thus the following recommendations were made based on the findings and conclusions of the study;

Resistance is a powerful organizational force that any organization’s management must learn to control. Although it is impossible to eliminate the resistance, it still needs to set up a better way to manage the resistance and try to minimize it. Use the knowledge to confront it. In future the management should consider educating employees making them to understand their roles and functions in making change happen. In addition, the managers should be clearer and honest communication especially in communication of change process at all levels within an organization.

The study further recommend that the success of any change process ultimately lies with each employee doing their work differently, multiplied across all of the employees impacted by the change. Therefore effective change management practices should be those that understands and appreciation of how each person in an organisation is important in making change process a success.

5.5 **Limitations of the Study**

Some level of limitations is experienced while carrying out any study. This is due to lack/scarcity of resources. This study is no exceptional and was faced with the following limitations; Time allocation for the study was not ample for the study as interviews took more than initially estimated due to the nature of the respondents. Some respondents did not respond to the interview appointment due to busy schedules at work and this ultimately affected the response rate. The study was also
limited to respondents understanding and experiences on change management in the organisation.

5.6 Recommendations for Further Study

The environment in which organisations operate from are unpredictable and dynamic hence they present opportunities and challenges as well. The study recommends further research studies on the effect of new KPRL leadership in enhancement of organisation’s competitive advantage in the petroleum industry in Kenya. The study also recommend similar studies on perception of employees on the strategic effects of change management on the success of KPRL.
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KPRL Web site: http://www.kprl.com


Appendix II: Interview Schedule
This interview guide is designed to collect views on the change management of the KPRL.

What is your Job Title? .................................................................
What department do you work at KPRL? ....................................
How long have you been in the position you are holding currently? .............
Were you involved in the strategic change management process? ............... 

Part A: Individual Response to change
What was your first response to the changes introduced?
How widespread is resistance to change in the organisation?
What were the sources of resistance
How effective has been the resistance? Has it lead to change in the plans?
How do you see your role in terms of managing change?
How would you explain your approach to managing change?

Part B: General Nature of change
Which of the change programmes have been effective?
Would you consider the changes in the organisation evolutionary or revolutionary?
Has the change affected the organisation structure?

Part C: Planning Change
What forces necessitated change at KPRL?
Were there specific department or teams tasked with the responsibility to implement change?

Part D: Managing Change
What challenges are you faced with in managing change?
In terms of managing the people side of change, which has been most difficult aspect to conduct
i) driving the organisation towards the future
ii) determination of the organization towards the future state

How has the change effort been communicated in the organisation?

To help the employees cope with change have there been efforts to influence them?

**Part E: Managing the organisational change**

Has change program affected either of the structures, products, culture or systems?

Highlight the specific changes that have affected the structure, products, culture or systems.

Who was involved in planning the change programmes e.g. supervisors, managers

Were there any barriers encountered during change program? If any how were they managed?

**Part G: Strategies used to manage change**

What strategies have been used in managing change in KPRL?

In order of effectiveness, what strategies were more effective and why?

What would you consider to be the most important principles in successfully managing change?

Was there recruitment, promotion and development of the right people to implement the change?

When leading and managing change were the right people chosen for leadership and management roles to anchor the change?

**Part F: Change effort Evaluation**

If you had the absolute power to change the company, what would it be?

The reward system, has it played any role in supporting change effort?

Describe the factors that have influenced the change performance e.g. leadership

What are the KPRL achievements from the change programme?

What makes KPRL a learning institution?