MANAGEMENT OF STRATEGIC CHANGE AT RIVATEX EAST AFRICA LIMITED, KENYA

BY

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DECLARATION

I declare that the research project report is my original work and has not been submitted elsewhere for a degree in any other university.

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D61/P/8338/2003

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

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DEDICATION

This research is dedicated to my parents Mr & Mrs. M. Yator, brothers and sisters, wife Edith and my children Kigen, Jerono and Jepleting for their support, encouragement, hope and love.

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I acknowledge the contribution of my friends and colleagues at Rivatex East Africa Limited for the co-operation and provision of information which enabled the successful conclusion of the research project.

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ABSTRACT

The operating environment for most companies across industries has seen numerous disruptive environmental changes. Being open systems companies have responded to these environmental changes the best way they can in order to guarantee themselves a more competitive position in their respective industries. Technological changes, changes in the world political landscape, consumer empowerment, globalization and competition have wiped many companies into oblivion and further complicating the strategic change process within organizations. This study of Rivatex East Africa Limited is therefore aimed at providing an in depth understanding of the strategic change practices adopted by Rivatex East Africa Limited and the resultant challenges of managing strategic change in the face of various forces of change in its internal and external environment. A case study method was used to carry out this research. Data was collected from primary and secondary sources with the primary data being obtained through an interview guide. Through the study it was established that the strategic change management process at Rivatex East Africa Limited started with goal setting. In addition the challenges faced by Rivatex East Africa Limited were as a result of modernization, training and development. The strategic change programmes implemented by the company led to reduction in costs, increase in sales and market share. The study recommends that Rivatex East Africa Limited also adopts a proactive and responsive of introducing and managing change to remain relevant and competitive in the textile industry going forward. Out of the limitations of the study, direction for further research has been suggested.

CHAPTER ONE: INTRODUCTION

1.1Background of the Study

Companies display characteristics of open systems set up and should be viewed as such. Katz and Kahn (1978) apply the concept of open system to the organization seeing it as a system built by energetic input-output where the energy coming from the output reactivates the system. A system can be defined as an assemblage of objects united by some form of regular interaction or interdependence. In regard to its elements, a system can be detailed in terms of its components, composed of people, processes and products; its attributes, composed of the input, process and output characteristics of each component; and its relationships, composed of interactions between components and characteristics (Tien and Berg, 2003).

Jick (1993) argues that change in its broadest sense is a planned or unplanned response to pressures and forces, in particular technological, economic, social, regulatory, political and competitive forces. A competitive firm behavior is strictly linked to the ability to identify and manage functions and relationships, thereby establishing communication channels, organizing information flow, and rationalizing and harmonizing a firm's development aligned with all external relationships (Christopher, 2007). According to Barile and Polese (2010), any organization has to be able to preserve its viability and stability, creating its own internal environment that is able to respond effectively to external stimuli at all levels. Ulrich (1997) posits that the primary difference between organizations that succeed and those that fail is the ability to respond to the pace of change.

Rift Valley Textiles Limited (RIVATEX) was established in 1976 by the Kenya government through Industrial & Commercial Development Corporation (ICDC) and a consortium of foreign investors. It operated profitably unitil 1990s when the textile market was liberalized. The company could not keep up with the competition from second hand clothes and cheap imports. This affected its performance and profitability thus leading to its eventual close down in 2000. In 2007 after seven years of closure, Moi University acquired the company with the objective of turning it into a research, training and manufacturing facility. To fulfil this goal it has had to implement various changes in strategy towards full revival and profitability. The company is in the process of implementing its five year 2010-2015 strategic plans among other emergent approaches.

1.1.1 The Concept of Strategic Change

Strategic change is an ongoing process to match the organization's strategy, processes, people and structure (Senior, 2002). Van de Ven and Poole (1995) defined strategic change as a difference in form, quality, or state over time in an organization's alignment with its external environment. Against a backdrop of increasing globalization, deregulation, the rapid pace of technological innovation, a growing knowledge workforce, and shifting social and demographic trends, few would dispute that the primary task for management today is the leadership of strategic change (Graetz,2000).

According to Burnes (2004) strategic change is an ever-present feature of organizational life, both at an operational and strategic level. Therefore, there should be no doubt regarding the importance to any organization of its ability to identify where it needs to be in the future, and how to manage the changes required getting there. Consequently, strategic change cannot be separated from organizational strategy, or vice versa (Rieley and Clarkson, 2001).

Burnes (2004) observes that, given the rise and fall of industries and technology over the last two decades , organization and society at large are in a period of rapid and unprecedented change , a period where old certainties no longer hold good , and new ones are yet to emerge . As a result at any point in time, some organization will be experiencing extreme turbulence whilst others appear to operate in tranquil time, some organizations can cope with both the turbulent environment in which they operate, and the constraints, challenges and the threats they face.

1.1.2 Management of Strategic Change

According to Davis and Holland (2002) strategic change management is the use of systematic methods to ensure that an organization can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and within desired results. Todd (1999) defines change management as being a structured and systematic approach to achieving a sustained change in human behavior within an organization.

Strategic change management can also be described as the process by which an organization gets into its future state through systematic and planned steps. While traditional planning processes delineate the steps on the journey, change management attempts to facilitate the journey. Strategic change management encompasses the effective strategies and programs to enable those change agents to achieve the new vision. Nauheimer (2005) defines change management as the process, tools and techniques to manage people side of change process, to achieve the required outcomes, and to realize the change effectively within the individual change agent, the inner team and the wider system. As a process, strategic change management involves strategy formulation, implementation, evaluation and control (Pearce & Robinson, 2003)

For organizations to successfully manage change contextual elements such as available resources, organizational culture, organizational structure and timeframe are important. The time within which completion is needed; the scope or degree of change, organizational resources, diversity of staff groups and division in organizations, managerial and personal capabilities to implement change. Readiness of work force to change and power that strategic process (Johnson & Scholes, 2002). There exist two approaches of change management that have been developed over time namely planned and emergent approaches. Planned approach involves following certain planned and prescribes steps to undertake strategic change aimed at moving an organization to another state. This kind of change operates in a stable and predictable business environment (Porter, 1980). On the other hand, emergent approach to change management takes into account the turbulent business environment. It is open and constantly keeps aligning the firm with external environment.

1.1.3 Textile Industry in Kenya

Since independence in 1963, the textile sector in Kenya has been a centerpiece of economic development strategies. Import substitution Industrialization (ISI) policies in the early post independence years were a boon to cotton growers and textile industries themselves due to imposition of 100 percent duty on all imported goods. By early 1980s, the textile industry was Kenya's leading manufacturing sector by size involving over 200,000 households and 30 percent of the manufacturing sector labour force (EPZ 2005).In the 1990s due to several factors including mismanagement, lack of investment and notably the availability of second hand clothing, the local textile industry in Kenya collapsed. Beginning 2000 the textile manufacturing sector began to grow rapidly due to Afica Growth Opportunity Act (AGOA). Gains experienced by the sector in the post-AGOA environment include tripling of Kenyan textile exports from USD$ 45 million in 2001 to USD$ 150 million in 2003 (Flint, 2004).

Following liberalization, the Kenyan market was flooded with imports of used clothing from the U.S. and Europe; such that by 2005 used clothing imports exceeded $23 million, and an estimated 80 percent of Kenyans were wearing used clothing (Njuguna, 2006). The major undoing of the industry players during the turbulent period was use of obsolete machinery that were not cost effective. This affected their pricing strategies since they could not compete with cheaper imports. There were also the issues of poor human resource planning and raw material challenges since they were not sourced competitively. The government and the private sector have shown substantial interest in the revival of the textile industry to create employment opportunities, reduce poverty, catalyze rural development and improve household incomes in arid and semi-arid areas (Ikiara and Ndirangu, 2002).

1.1.4 Rivatex East Africa Limited

Rift Valley Textiles Limited was established in 1976 between Kenya government represented by the Industrial and Commercial Development Corporation (ICDC) and a consortium of foreign investors. The factory is a vertically integrated textile mill with

spinning, weaving and wet processing operations. The company operated effectively and profitably until 1990. In the early 1990s the Kenyan government embarked on implementing the Structural Adjustment Programmes (SAPS) prescribed by the Breton Wood Institutions namely World Bank and International Monetary Fund (IMF). The main thrust of the SAPs was to effect a shift from protected domestic market to a more liberalized environment (Rivatex Strategic Plan 2010-2015). This raft prescription affected the company in a negatively significant way that led to it being placed under receivership in 1998.

Since Rivatex was not prepared strategically to face the threats emanating from such policy and regulatory framework, the company was eventually placed under receivership in 1998 and finally wound up in 2000. In 2007, Moi University acquired and renamed the company Rivatex East Africa Limited with the intention of reviving it for research, extension, training and manufacturing purposes. However the company has not been able to capture its past market share owing to various challenges that includes lack of cotton lint, obsolete machinery which ought to be replaced and lack of adequate funds to fully modernize the company. To address shortage in cotton lint locally the company has been forced occasionally to import cotton lint from neighboring countries. In addition, the company has managed to modernize in phases with the third phase being implemented this financial year of 2013/2014. The company has also been able to open distribution channels in Nairobi, Kisumu and Narok to enable it penetrate and reach potential markets. The company has also been able to tap into the expertise of Moi university researchers to develop textile dyes that are commercially viable in order to cut costs in the long run. Plans are also underway to integrate backwards through acquisition of a ginnery to secure the source of cotton lint which is the company's major raw material (Rivatex Annual Report 2011-2012).

1.2Research Problem

In the last decade, there has been an acceleration of the magnitude and pace of change across the globe. Managing change has therefore become important to every organization in order to guarantee its survival and performance. The act of managing change can be viewed through the systems lense as a systematic and step by step effort to bring about balance between competing forces that drive and restrain strategic change to bring about an equilibrium (Lewin, 1947). The responses of organizations to changes in their environment have varied from one company to the other and across industries. However the common and paramount goal of these various organizations has been to remain relevant and competitive in their respective markets. It is about aligning and building capacities for individuals and teams to better available resources effcetively to enable the company move from the current state to the planned and desired state.

Rivatex East Africa Limited has maintained its reputation as a leading textile manufacturer since being revived six years ago by Moi University. At the time of acquisition it was faced with challenges of lack of raw materials owing to the collapse of the cotton sector locally, obsolete machinery, lack of qualified and experienced staff and unfavorable regulatory framework. Rivatex will be studied with regard to how it has managed strategic change, providing lessons to be learned and emulated by other organizations. The company has managed changes in its environment and recorded steady growth towards full revival and profitability. The local textile industry is still facing challenges considering the various costs involved to fully modernize or run a fully integrated textile factory and volatile market conditions. In the recent years the government has shown willingness to support the industry by providing the market for its products through favorable procurement legislations stipulated under the Public Procurement and Disposal Act of 2005, incentives and tax regimes for imported textiles machinery and inputs.

Many scholars and researchers have conducted research on management of strategic change but little if any research has be conducted on management of strategic change at Rivatex East Africa Limited. Mwangi (2011) in her study sought to establish strategic change approaches adapted by New Kenya Cooperative Creameries while Bita (2011) conducted research on strategic change practices at Kenya Roads Board. Odhiambo (2005) looked at the problems and strategic practices of strategic change in the manufacturing sector in Kenya. Kamau (2010) evaluated the change management process in light of the models of change management and to determine the effect of organizational change on organization performance and identify challenges faced in managing strategic change programs at ActionAid International Kenya. Mutui (2010) analyzed strategic change management practices and challenges of implementing strategic change at Group 4 Security services (K) Limited.

The aforementioned studies are great resorvoirs of knowledge in challenges and reactions of local companies to strategic changes within their internal and external environments. None of the scholars has concentrated on finding how change has been managed at Rivatex. From the above studies it is clear that there exist a knowledge gap that requires bridging. How has strategic change been managed at Rivatex East Africa Limited?

1.3Objectives of the Study

This study is aimed at achieving the following objectives:-

i. Establish the management of strategic change practices being implemented at Rivatex East Africa Limited.
ii. Determine the challenges of implementing strategic change at Rivatex East Africa Limited

1.4Value of the Study

Academicians, researchers among other scholars who wish to carry out further research in the field of strategic change management will find valuable knowledge and reference from the findings of this study.

The management and staff of Rivatex East Africa Limited will be able to use this study as a yardstick to measure the achievements and direction vis-a-vis the targets set for each strategic change program. The company will therefore be able to address deviations as well as institutionalize the successful strategic change outcomes. The company will also address the behavioral resistance related challenges through adoption of best human resource practices before implementing future strategic change programs because this determines to a large extent the success of these efforts.

Similar companies in the textile industry or manufacturing entities can draw a lot of lessons on how to undertake strategic change management successfully from formulation by encouraging participation. They will also be able to benchmark their strategic change programs achievement against those of Rivatex East Africa Limited.

CHAPTER TWO: LITERATURE REVIEW

2.1Introduction

The chapter presents theoretical and empirical literature on management of strategic change organizations. It reviews theoretical underpinnings of the study, management of strategic and challenges of implementing strategic change.

2.2Theoretical Underpinnings of the Study

Aldrich (1979) outlined a natural selection model of organizational forms, in which organizations or their components evolve over time toward a better fit with their environments. The systems approach views organization as a system composed of interconnected and thus mutually dependent subsystems. These subsystems can have their own sub-subsystems. A system can be perceived as composed of some components, functions and processes (Albrecht, 1983). Central to the open system approach is the concept of homeostasis or self stabilization, which spontaneously or naturally governs the necessary relationsships among parts and activities and thereby keeps the system viable in the face of disturbances stemming from the environment (Thompson, 1967).

Cummings and Huse (1989) define organizational development in broader terms as a system wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structure, and processes for improving an organization's effectiveness. They argue that organizational development focuses on ways to improve an organization's overall productivity, human fulfillment, and responsiveness to the environment. Middlemist and Hitt (1988) describe organizational development as a systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness.

Organization theory is the set of propositions stemming from a definable field of study which can be termed organizations science. The study of organizations can be viewed as an applied science because the resulting knowledge is relevent to problem solving or decision making in ongoing enterprises or institutions (Kast & Rosenzweig, 1970). Katzenbach and Smith (1993) defines organization as a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable. An organization is a continuing system, able to distinguish and integrate human activities. The organization utilizes, transforms and joins together a set of human, material and other resources for problem solving (Bakke, 1959).

2.3Strategic Change

Schein (1970) defined organizational change as an induction of new patterns of action, belief, and attitudes among substantial segments of a population. Strategic change can be seen also as a sequential, planned search for optimal solutions for well defined problems based on previously defined firm objectives (Ansoff, 1965). Goodstein and Burke (1991) argue that change in organizations today is a way of life. The importance of organizational change cannot be pointed out enough, and a lot of research has been carried out within the subject.

Planned strategic change can be seen as the alignment of firm's internal capabilities with the external environment so as to deliver the desired change or vision (Bita, 2011). Unplanned strategic changes are those which occur independently of the organization's intentions, but to which it has to respond (Correa and Slack, 1996).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 (Vollman, 1996). For the sake of survival most companies have attempted to anticipate and adapt to changes in its environment through various strategic change management interventions through touch on company structure, technology, culture, communications and even power. Due to the importance of organizational change, its management is becoming a highly required managerial skill (Senior, 2002).

Organizational design consists of the decisions about formal structures, processes, systems, roles and relationships (Walton and Nadler, 1994). More specifically, the characteristics which will be affected by a change in the organization's mission and strategy will encompass the organizational form whether functional, divisional or matrix, the grouping of business units into function, product or target market, the hierarchical levels whether many or few, planning and control systems, job specialization, training and education programs, degree of centralization, delegation and participation (Volberda, 1992). For the management of organizations, the success of organizational change depends on the extent to which every aspect of the system formal structure, information flows; rewards, as well as recruitment support the new definition of what the organization is to be and how it is to operate (Kanter, Stein and Jick, 1992). Goold and Campell (2002) argue that organizations today need to be well designed in order to survive, and that a change process can help improve the design of organizations.

A new organizational design needs to be supported by appropriate technology. By technology it refers to hardware like machinery and equipment, and the software that include knowledge, techniques and skills used in the transformation of material or informational inputs into various outputs as well as the configuration of the hardware and software (Volberda, 1992). A change readiness assessment should illuminate the factors that affect on an everyday basis and how people use the technology in their job (Trahant and Burke, 1996). According to other researchers, productivity benefits derived from the incorporation of routine tasks into advance manufacturing technologies effectively intensifies the complexity in the remaining job because the production hardware, its software, and their maintenance impose more complex technical requirements than earlier production technologies (Zammuto and O'Conner, 1992). The change readiness assessment will highlight the extent to which people in the organization are ready to adopt and use the new technology and will determine the magnitude of the change efforts needed.

Organizational culture denotes a system of shared meaning within an organization that determines to a large degree, how employees behave. New systems or patterns of values, symbols, rituals, myths, belief, norms, social forms and practices have evolved over time in the industry (Erez and Somech, 1996). Ball and McCullorch (1999) define organizational culture as the sum total of beliefs, rules, techniques, institutions and artefacts that characterizes human populations or collective programming of the mind. Corporate culture is a term used to characterize how the managers and employees of particular firms tend to behave.It is also used by human resource managers to proactively shape the kind of behavior (Gugman & Collinson, 2006).

2.4Strategic Change Management

One of the most difficult problems organizations face is dealing with change. In today's rapidly changing, highly competitive environment, the ability to change rapidly, efficiently, and almost continually will distinguish the winners from the losers. Strategic change management has been defined as the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran and Brightman, 2001). Change management is the process by which an organization gets to its future state, its vision. Johnson and Scholes (1997) view strategic change management as a set of logical processes. This prescriptive approach involves resource planning, organizational structure and design, and managing strategic change. The logic of implementation is designing structures with resources required which appropriates to carry through the strategy and using them as mechanisms of managing strategic change. According to Millett (1998) strategy implementation is regarded as a process underpinned by objective analysis and planning. This is the logical process that needs to be mapped out in order to identify and deal with problems proactively.

Duck (1993) sees an organization as a web of interconnections, similar to a mobile. If change is introduced in one particular area, it throws a different part off balance. Managing these ‘ripple effects’ is what makes managing change a dynamic proposition with unexpected challenges. Duck describes managing change as an art of balancing, similar to balancing a mobile. She believes that change is intensely personal and for change to occur in any organization, each individual must think, feel, or do something different. Senge (1999) noticed that some leaders seek the accelerating, visionary, or intelligent organization, while others seek the innovative, living, adaptive, or transformational organization. Thus, it appears that the type of change is greatly influenced by the personality of the change agent. Despite the fact that these different goals exist, all change agents seem to have one thing in common, i.e., they all attempt to respond quickly to changes in the internal and external environment and think more imaginatively about the future.

According to Balogun and Hope Hailey (2004), although the successful management of strategic change is accepted as a necessity in order to survive and succeed in today’s highly competitive and continuously evolving environment report a failure rate of around 70 per cent of all change programmes initiated. Most companies’ strategies are burdened with undue complexity. They are bogged down in principles that produce similar response to competition. Therefore, problems often occur during implementation and may affect how fast and how well plans are put into action. Examples include competitors’ actions, internal resistance between departments, loss of key personnel, inadequate leadership and employees training, unclear statement of overall goals, delays affecting product availability, changes in the business environment, and lack of innovation of organisations in parallel with the technological dimension (Cravens, 1997). There are numerous reasons which contribute to implementation failure. Beer, Eisenstat and Spector (1990) showed that organizational change is likely to fail as long as companies focus on programmatic change instead of on more fundamental human issues, such as participation, teamwork and organizational culture.

2.5Strategic Change Management Approaches

There are two main approaches to change management namely the planned approach and the emergent approach (Burnes, 2004). The planned approach uses pre-defined, predictable steps to analyse and implement change. It takes the view that change can be preplanned and happens in predictable cycles. To a remarkable degree, change in the business world is predictable in every industry and business, change ebbs and flows in recurring cycles that to at least some extent can be charted and therefore anticipated and managed (Nadler & Nadler, 1998). In the extreme, planned change strategies would be those processes in which there was a smooth transition from some previously articulated strategic vision towards a future desired state (Wilson, 1992). The planned approach stresses the importance of understanding the different states which an organization will have to go through in order to move from an unsatisfactory state to an identified desired state (Eldrod II and Tippett, 2002).

The emergent approach stresses the unpredictable nature of change, and views it as a process that develops through the relationship of a multitude of variables within an organization (Todnem, 2005). The emergent approach to change emphasizes that change should not be perceived as a series of linear events within a given period of time, but as a continuous, open-ended process of adaptation to changing circumstances and conditions (Burnes, 2004). Emergent change approaches take the view that many crucial forces for change happen outside the organization and managers must be acutely aware of the environment around them in order to manage change appropriately.

The force field analysis model as suggested by Lewin (1947) is an example of planned approach of managing strategic change. Lewin proposed that in order to plan or predict change, all the elements involved must be analyzed. All forces favoring change must compete against those resisting change. If the favoring forces are stronger then the change will be successful. Likewise, if the opposing forces are stronger the change will be resisted. This model proposes that after a significant change the organization move to a higher level by changing the organizations culture and policies in order to maintain the change. Lewin states that it does not suffice to define the objective of a planned change but the permanency of the change must also be included in the objective. This model sets out three steps to achieve successful change from Unfreezing, Moving and Freezing. Unfreezing step includes being able to remove prejudices, complacency and self righteousness to enable the planned change to be managed correctly and to identify appropriate objectives. The moving step involves the actual implementation of the change while freezing step maintains the change and should not let the organization fall back to the previous way of doing things i.e. before the unfreezing step. Organizations go through transitions and transformations that require different tactics depending on their stage of development (Millett, 1998).

The step by step, unidirectional, rational approach to strategic planning and change has very definite limitations despite its simplicity and perceived security to the organization and its members. Given the turbulent, complex environments organizations face today, a top down, hierarchical, predetermined and rational process simply cannot work (Graetz et al., 2002). For many decades, the planned, top down approach worked well because the pace of life was slower, managerial authority was rarely challenged, jobs were more secure and the environment was stable (Youngblood,1997;Beer & Nohria,2000). Turbulence in society has created uncertainty and complexity, and moved organizations to new approaches and worldviews. The alternative approach is emergent approach that emphasizes the dynamic process of extricating and rebuilding, rather than on mere structure of the organization (Weick, 2001).

Proponents of the emergent approach believe that change cannot be planned and happens as a result of unpredictable events such as changes in the organizational environment or economy. Youngblood (1997) observes that living systems operate in complex environments where centralized control would be one way ticket to extinction. Organizations which operate like living systems are more open, flexible, creative, balanced, and respond more effectively to the changes in the environment. Senge (1999) suggests that organizations should approach change less like managers and more like biologists in order to achieve sustained change. Organizations that function within the emergent paradigm recognize interdependent relationships as loose, ever-changing and transitory (Weick, 2001).

2.6 Challenges of Managing Strategic Change

The first challenge organizations face is recognizing the need for change. The second, and possibly more significant, challenge organizations face is effectively deploying strategies to implement change. However, most strategic changes fall short of intended goals (Gilmore et al., 1997). In fact, several sources suggest that at least half of all change efforts fail to meet the anticipated objectives (Choi and Behling, 1997; Maurer, 1996; Pascale et al., 1997).

Bolman and Deal (2003) define the barriers to change in four different frames. In the human resource frame they include anxiety, uncertainty, and feelings of incompetence and neediness, while in the structural frame, barriers include loss of clarity and stability, confusion, and chaos and in the political frame, barriers of change include disempowerment, and conflict between winners and losers and finally in the symbolic frame, barriers include loss of meaning and purpose, and clinging to the past. Bolman and Deal believe that restructuring, recruiting, and retraining can be powerful levers for change. They suggest the following strategies to overcome barriers of change: For the human resource frame, training to develop new skills, participation and involvement, as well as psychological support; for the structural frame, communicating, realigning and renegotiating formal patterns and policies; for the political frame, creating arenas where issues can be renegotiated and new coalitions formed; and for the symbolic frame, creating transition rituals by mourning the past and celebrating the future.

Henderson (1979) believes that small changes are often grossly inadequate and insufficient when decisions have a strategic nature and result in major irreversible consequences for the organization. Kotter (1995) investigated more than 100 companies in regard to change initiatives that include total quality management, reengineering, right-sizing, restructuring, cultural change, and turnarounds. He observed that many leaders often lack experience introducing organizational change and made crucial mistakes among them being lack of establishing a sense of urgency for change, not creating a powerful enough guiding coalition, a lack of a clearly defined vision, undercommunicating this vision, not sufficiently removing obstacles to the new vision, lack of a systematic plan for and the creation of short term wins, an unfortunate willingness to declare victory of introduced change before it becomes apparent whether or not the change process is successful and forgetting to anchor changes in the organization's culture.

According to Kanter, Stein, and Jick (1992) change is so difficult that it is a miracle if it occurs successfully. Resistance is commonly considered to be a standard or even natural reaction to organizational change. Mullins (1999) defines resistance as the forces against change in work organizations. Many causes of resistance on individual level are mainly psychological factors such as resentment, frustration, fear, feelings of failure, and low motivation (Coch & French, 1948). Kotter and Schlesinger (1979) provide examples of what they see as the four most common reasons for resisting change: people focus on their own interests and not on those of the organization as a whole, misunderstanding of the change and its implications, belief that the change does not make sense for the organization, and low tolerance for change. Resistance to change manifests itself in different ways with Coch and French (1948) citing grievances, turnover, low efficiency, restriction of output, and aggression against management.

Conner (1998) mentions that loss of control is the most important cause of resistance. Mullins (1996) argues that organization culture, maintaining stability, investment in resources, past contracts and agreements, and threats to power or influence as factors that trigger resistance to change at organizational level.Even though organizational change is considered as alterations in technology, hierarchy or in structures in the organization, it is obvious that change has tremendous impact on individuals in the organization (Schein, 1970).

However, the reason why many organizations fail to accomplish change initiatives is associated with underestimating the influence of change on the individual (Kavanagh & Ashkanasy, 2006). For successful change implementations, it is necessary to manage psychological transition of employees effectively (Armenakis & Bedian, 1999). Kotter & Schlesinger (1979) put forward six methods which can be used by organizations to reduce resistance to change namely education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, explicit and implicit coercion.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1Introduction

This chapter focuses on the research techniques adopted and used for this study with the aim of achieving the research objectives. These includes the research design that will be used for this study, the data collection techniques that will be used to collect data and how data collected will be analyzed.

3.2Research Design

The research was conducted using case study method and gives a deeper understanding of phenomenon under study. A case study research investigates predefined phenoma but does not involve explicit control or manipulation of variables with the main focus being indepth understanding of a phenoma and its context (Cavaye, 1996). The ultimate goal of the case study is to uncover patterns, determine meanings, construct conclusions and build theory (Patton & Appelbaum, 2003).

Through this case study the researcher gained an indepth view of management of strategic change at Rivatex East Africa Limited. The study was meant to document management of strategic change at Rivatex East Africa Limited in response to changes in its environment. A case study entails full contextual analysis of fewer elements and their interrelationships which relies on qualitative data.

3.3Data Collection

Two types of data were used to undertake the study, namely primary and secondary data.

Primary data are any information you have collected yourself through focus groups, surveys, interviews, observation and tests. Secondary data has already been collected and made available from sources other than oneself (White, 2010).

An interview guide (Appendix iv) was used to collect primary data by interviewing the top management who were involved in the implementation of the strategic change programs namely Managing Director, General Manager, Mill Manager, Deputy Mill Manager, Chief Engineer, Sales and Marketing Manager, Human Resource Manager. According to Parasulaman (1986) personal interviews have the potential to yield highest quality and quantity of data.

Secondary data collection involved the gathering and use of existing data. This type of data was gathered from internal documents like Rivatex 2010-2015 strategic plan including progress reports of respective strategic change programs monthly like production reports for all production departments.

3.4Data Analysis

Since this is a case study was of qualitative form. In light of the data that was collected the best method to analyze such data was qualitative content analysis. Content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of message and using the same approach to relate to trends (Nachmias & Nachmias, 1996).

The researcher carefully described the data and developed of categories in which to place behaviors or process in order to analyze the qualitative data that was obtained. Analysis of the data was basically guided by the forces of change, strategic change management practices applied and challenges of managing strategic change. Miles & Huberman (1984) describe data analysis as consisting of three concurrent activities. Data reduction refers to the process of selecting, simplifying, abstracting and transforming the raw data.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter concentrates on findings and discussions of the study. The overriding objective of this study was to establish the strategic change management practices used by Rivatex East Africa Limited to implement its various strategic change programs. The focal point of the findings of this study concentrated on forces of change, strategic change management practices and challenges of implementing strategic change. An interview guide was used to obtain information from seven top level managers that included, Managing Director General Manager, Mill Manager, Deputy Mill Manager, Chief Engineer, Sales and Marketing Manager, Human Resources Manager. All the respondents were present at the time of formulation and implementation of the strategic direction thus information obtained was adequate for the purpose of this study. The results were presented in the order of the objectives of the study which are to establish the strategic change management practices and challenges of managing strategic change at Rivatex East Africa Limited

4.2 Strategic Change at Rivatex East Africa Limited

Rift Valley Textiles Limited underwent economic difficulties before being placed under receivership in 1998. Messrs Masinde and Associates were appointed receiver managers by ICDC in 1998 with the view of winding it up as a result of poor financial performance. In 2000 it finally closed its operations having proven to be unsustainable. However in

2007 Moi University took the initiative of acquiring the company from ICDC. Upon acquisition Moi University started embarking on a strategic shift from the past by registering the company as Rivatex East Africa Limited. The aim of the new owners was to convert it into a research, training and manufacturing facility. To achieve this goal the company had to deploy various revival strategies from inefficient and loss making point to the point of profitability and competitiveness.

The company has been able to acquire efficient and cost effective machines for various departments with the remaining department of wet processing being modernized in the third phase from the last financial year. The process of modernizing of the company's production units is expected to be continuous going forward. The procurement of modern machinery is expected to bring about cost reduction in terms of labour, raw materials, and order delivery time which is currently hindering prompt fulfillment of customer orders. The company has also expanded its market reach through opening of factory outlets in various towns across the country unlike before where the previous operated only from the factory. As a long term backward integration the company embarked on establishing a pilot cotton farming project at Kimose farm in Baringo County for research and extension purposes to rejuvinate cotton farming. This was informed by the fluctuating international cotton lint prices which keep on changing based on global market dynamics which are out of the company's control thus affecting cost of its major input and consequently profitability. In addition the company plans to acquire a ginnery to ensure consistent and cheaper cotton lint supply in future by partly controlling and determining the cost of accessing its input. Through collaboration and expertise from Moi University the company is at formative stages of commercial viability testing a dye that has various uses both in the textile and food industries. This will enable the company reduce cost of importing some of its dyes which are primarily sourced from India and China.

The company has also diversified into apparel and garment production through acquisition of state-of-art machinery through funding from donors and government.Increase in revenue and profits are expected to accrue as a result of this initiative due to benefits of value addition.

Embracing Information and Communication Technology (ICT) has enabled the company to be more efficient since feedback and information is availed promptly for decision making purposes. It enabled the management to have the necessary facts and data to gauge and control the progress and direction of each activity and change programs. This meant that informed and precise action is taken to address any deviations and reinforce positive results.

4.3Forces of Change at Rivatex East Africa Limited

The change programs that were introduced at Rivatex were as a result of mitigating factors within and outside the company. Before its collapse the company endured harsh external environment resulting from liberalization of textile industry by the government in the early 1990s. This led to the loss of market share and subsequently revenue which affected profitability of the company and therefore the new owners were interested in ensuring that the company is cushioned from such future and unexpected occurences through diversification and cost effective production practices. All managers interviewed were aware of the strategic changes being undertaken. The main objective of the strategic changes is to increase productivity and profitability through effecient and cost effective machinery and technology. This has translated to 10% reduction in energy cost and reduced labour cost by 30%. A closer examination on responses identifies various forces that necessitated strategic change at Rivatex East Africa Limited that include rapid globalization, technological changes, intense competition and change in customer tastes and preferences.

Rivatex is operating in an environment where technological advancement in textile production is rapid with global industry players having to keep up with this turbulence in order to remain competitive. This has resulted in the company sourcing and installing newer and modern plant and machinery that are efficient and cost effective. The respondents were in agreement that the old machinery that were in use were costly to maintain and operate. The manufacturers of some of these machines were no longer producing parts of the machines thus making it difficult to obtain right spares and consumables when they breakdown. This jeopardized the company's ability to promptly and consistently supply its products at the right price and quality. The company through modernization it is believed will enable Rivatex east Africa Limited gain a competitive edge in the local and regional markets.

Through embracing efficient resource planning (ERP) system the company realized the need to increase accountability and control of its production activities. The implementation of this systems according to respondents was to ensure set targets are achieved within the stipulated timeframe by providing real time feedback tha will enable employees know their performance and progress of the strategic change programs. The implementation of the system has enable management to evaluate and monitor performance of the entire company from one platform thus making it easy to tell whether the direction and targets of the strategic change initiatives was being achieved or not.

Another force of change was intense competition from existing local and foreign competitors who had emerged as a result of liberalization of the local textile industry. The top management intimated that the company found it difficult to penetrate the market given that the distribution channels across the country were being controlled by other players. Some distributors refused to accept the stock the company's products. This forced the company to open factory outlets in various cities and towns across the country like Nairobi, Kisumu, Narok and Eldoret. This would ensure the company's products are available in these regions.

The change in customer tastes and preferences was another force that necessitated change at Rivatex East Africa Limited. The company was expecting to secure the previous customer base. Unlike in the 1990s the consumers had moved from purchasing 100% cotton fabrics to cotton and polyester blended fabrics. The company had to respond to this change to increase its revenue and hasten its turnaround efforts. The interviewees admitted that uniforms segment being the biggest contributor of its revenue basket had shifted entirely to cotton-polyester blended fabrics with the 100% cotton market accounting for less than 25% of its turnover. This was in contrast from what the situation was before the company went under, where 100% cotton fabrics accounted for over 60% of the company's sales. The cheap imported polyester blends had over time been embraced and accepted by consumers to the extent that it was not possible in the short term for the company to change this drastic shift in customer tastes and preferences. Furthermore most consumers have shifted to one stop shopping concept where they prefer doing their shopping at a supermarket as opposed to a tailor unlike before. This led the company to implement a forward strategy by establishing a fully equipped apparels unit to produce garments for distribution through these channels of distribution which serve its target segments.

Another force that led to strategic change at Rivatex East Africa Limited was organizational culture. The respondents noted that at the time of acquisition by Moi University the only expertise that existed to run the old machinery were the former employees. There were fewer younger and energetic experts who could repair and operate the plant and machinery. The recruitment of this group of employees brought about the rigidity and preoccupation with the status quo by most of them thus impeding the process of strategic change. This forced the company to plan and implement strategic change programs aimed at creating and organization culture that supports innovation, creativity, efficiency and performance.

4.4 Strategic Change Management Practices at Rivatex East Africa Limited

Rivatex East Africa Limited implemented its strategic change by continuously aligning the company with its environment using planned and emergent approaches of strategic change management. There was need to change every aspect of the various subsystems to bring about worthwhile strategic change that will improve performance levels at optimal cost through getting rid of obsolete production and service delivery techniques. It was established from 80% of the respondents that the strategic change management was planned and formulated by top management at Rivatex East Africa Limited. The strategic change management has not been purely planned since some policy and legislations among other changes in its environment have forced the company to respond depending on prevailing conditions like backward integration into establishing a cotton farm which is also a Vision 2030 flagship project for the company and Moi University. Also the fluctuation of the shilling against foreign currencies has also impacted negatively on the cost of inputs since most of the dyes and chemicals, spares and parts, synthetic fibre and machines are sourced outside the country. To address some this foreign exchange challenge the management agreed to partner with Moi University to explore ways of producing dyes and chemicals locally with the first dye having been launched in 2011 and is expected to be produced commercially in the medium term.

The responses obtained from top management who were tasked with introducing and managing strategic change indicates 100% of them were aware and conversant with the strategic change programs formulation and implementation. The strategic change management process from the start was therefore planned and systematically implemented. At the time of formulation strategic change, middle level managers, supervisors and lower cadre employees were not involved even though throughout the implementation process safeguards are continuously being put in place to ensure that those affected by the change are involved in the process in order to create the feeling of ownership across the company. Various restructuring efforts have been made to align the company with changing goals and priorities with some employees being laid off, redeployed and others recruited to help deliver the targets within the set time frames.

From the findings the most urgent strategic change to be implemented was modernization of all production units to enable the company compete favorably in the market as well as reduce cost of production. The state of the machinery from spinning to the last production unit of wet processing was not encouraging. In production unit production capacity was 30%, 10%, and 20% for spinning, weaving preparation and wet processing departments respectively due to machine breakdowns and obsolescence. The respondents reported that production capacity at spinning department has improved to 80% due to acquisition of two open end machines while weaving preparation has improved to 60% with the acquisition of one automatic conewinding machine and forty weaving machines. The wet processing is being modernized in the last phased with new dyeing machine having been acquired and installed awaiting test runs and commissioning. This will increase production capacity to 30% since two more machine are set to be procured to complement the work of the new multifunction dyeing machine. The management appreciates that with liberalization its competitiveness is pegged on being agile and responsive to technological changes in textile production.

The top management was of the responded that the company integrated downstream by establishing its distribution channel due to intense competition that had slowed its market penetration ambitions. This resulted in the opening of outlets in Nairobi, Kisumu, Eldoret and Narok. This was as a result of unexpected resistance from existing textile distribution channels who opted not to stock Rivatex East Africa Limited's products. To address this bottleneck a strategy shift was paramount in order to increase the company's reach and market share, by establishing a physical presence in identified potential markets across the country. According to the findings of this research the company had to adapt emergent approach to address the challenges that existed in its external environment by switching of strategy depending on prevailing conditions in order to recapture its market share and remain relevant in the local textile market.

Despite having documented its vision it was not clear to all employees as to what were their key performance indicators. The respondents agree that lack of clarity led to some talented employees who had been put through the company's management trainee program left the company because their ambitions and interests appeared to be moving in the different directions as with those of the company. To address this challenge the company send various lower cadre staff for training at Kenya Textiles Training Institute (KTTI) among other in house training and workshops at the company's training school to enable employees view themselves as a team guided by common goals , policies, systems, culture towards a better future for themselves and the company. The management teams have also been taken through rigorous development programs both locally through Kenya Association of Manufacturers and internationally through affiliated universities in Belgium, South Africa and Denmark. The company has also benefited from collaborations through the Indian embassy where some managers were trained in India for six months on various emerging textile production and management issues. In all this efforts and programs the company has continuously evaluated itself to ensure that employees fully support the introduced strategic changes and are willing to ensure that it is embedded in the company's culture and way of life within the organization.

The top management is of the view that the introduction of strategic changes within Rivatex East Africa Limited has not been smooth especially with status quo being threatened. High level of absenteeism and turnover have been recorded in production departments with the highest percentage being weaving and engineering departments especially with the introduction of new machinery which require persons to operate and review of performance targets. This has had negative effects on the production levels of the company thus affecting the attainment of the set targets within stipulated time frames. The initial system of operation did not give real time feedback such that with new technology information regarding performance of each individual was readily available to management. This threatened not only the individuals comfort zone but also that of the various work groups within the various departments and sections. Rivatex East Africa Limited being an integrated production system with departments depending on each other for inputs in form of work in progress there was competition with some accusing the other of not supplying work in progress that was not upto the right quality, especially when they fail to achieve the required targets.

To anchor the new ways of doing business has been anchored in the company’s fabric through traing and development initiatives. Annual performance appraisal for each employee has been introduced. The company also introduced an employee of the month program to reward and reinforce the desired performance and behaviour. According to the respondents a reward scheme that will see on an annual basis the department that achieves its targets being recognized during end of year party.

4.5 Challenges of Managing Strategic Change

Rivatex East Africa Limited in formulating and implementing strategic change had its main objective as that of ensuring that the change programs results in enduring and self sustaining strategic changes that are capable of being institutionalized and replicated consistently into the future. However the challenge emerges where the management's commitment is put to question as per respondents' views in terms of successful implementation of strategic change programs for improved quality capable of withstanding unforeseen future challenges.

Another challenge is communicating the expected results, creating the necessary support from the implementers as well as preventing turnover among the strategic change agents. Strategic change programs are also supposed to be implemented within a set time whereby all activities envisaged will have been completed despite having to accommodate and compromise on various needs of those involved in the strategic change programs. Therefore it becomes challenging to achieve the set targets within the stipulated timeframe if such compromises are incorporated.

Another challenge is the issue of availability of resources to implement the strategic change programs. Textile plant and machinery are very expensive and require huge financial outlay to acquire, install and operate especially when such entity is fully integrated as the case is for Rivatex East Africa Limited. Piecemeal acquisition of machinery does not create the required turnaround impact therefore elongating the time taken to fully revive the company. The Board of Directors and management can explore ways of raising funds to finance full modernization of the wet processing department so as to increase production capacity to over 80%. For successful implementation of strategic change programs training of employees and development of managers required funds so as to align the staff aspirations and interests with those of the company. To implement a robust ERP system for a manufacturing plant also require huge cash outflow to procure equipment and train staff, resources of which Rivatex East Africa Limited is trying to prioritize its deployment in order to obtain optimal returns.

The implementation of strategic change at Rivatex East Africa Limited encountered behavioral resistance since employees felt that their positions and interests were being threatened by the introduction of the change programs. The acquisition of modern machinery threatened their jobs since the machines required fewer employees to operate. Implementation of an ERP system would also reduce paper work leading to redundancy for certain clerical positions. Given that most machines that were purchased and the ERP system required information technology skills, employees were required to upgrade their computer literacy skills and change their way of performing their duties. According respondents turnover and absenteeism has been recorded within production department since fewer operators were required to operate one machine and without enhancement of their remuneration they felt they were no adequately remunerated compared to the work load they were required to undertake.

4.6Discussion

From the findings of this study change in customer tastes and preferences, rapid globalization, technological changes and intense competition have been identified as the key forces that are driving the strategic change programs at Rivatex East Africa Limited. This therefore confirm the postulation of the open systems theory, as advanced by Katz and Kahn (1978), which argues that an organization depends on the environment for its inputs and also provides market and feedback to enable it respond appropriately. The company has had to respond to changing consumer changes through acquiring machines that produce quality products while sustainably utilizing finite resources.

Globalization has brought about shifts in textile production zones with the current producers being based in Asia due to cheap labour and cost effective textile production technology. As a result products from these regions are cheaper. In order to compete favorably, in terms of pricing, both locally and internationally the company has had to import various machines from Germany and other parts of Europe to match the cost regime of its global competitors. The company is also seeking to be ISO certified in future in order to conform with international standards requirements on total quality management of its processes and products.

The embracing of efficient technology in terms of textile production technology and Efficient Resource Planning information system is an indication of the role technology plays in bringing about sustainable strategic change. Through technology production costs are reduced as well as reinforcing the strategic change achievements like accountability and better service delivery in the culture and work ethics of the organization. This will go a long way in augmenting other strategic change efforts in creating a competitive and relevant Rivatex East Africa Limited as it strives to make a comeback.

It is also apparent that the formulation of the strategic change process was not all inclusive since it was decided and approved at top level echelons of the company then pushed down for implementation which resulted in employee resistance. This finding is in concurrence with Kotter (1979) argument that resistance to change can result if there is no employee involvement in the strategic change process from the start. Kotter and Schlessinger (1979) gave a raft of ways to reduce employee resistance which includes education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-option, explicit and implicit coercion. The company's response has been to provide funds and opportunities for continuous training and development for better results in the implementation of its strategic change programs.

The findings of this research are in agreement with the findings of Bita (2011) whereby she argues that the overall effect of strategic change must be efficiency and effectiveness. The strategic change programs implemented at Rivatex East Africa Limited are meant to improve production efficiency and reduce costs while ensuring value for money is delivered to the customer.

The findings of this research is in concurrence with those of Mwangi (2011), Odhiambo (2005), Kamau (2010), Mutui (2010) in terms of the cause of resistance in the initial stages of implementation of the strategic change programs. The findings confirmed that lack of clarity vision and participation by all employees in formulation. Bita (2011) findings were not in agreement with the findings of this study since resistance was encountered at management levels owing to perhaps the involvement of some of them in business within the roads sector. To address all institutions including made an effort to manage the psychological transition of their employees through continuous, training and development. Armenakis & Bedian (1999) argued that for strategic change to be successfully companies need to manage psychological transition of their employees effectively.

CHAPTER FIVE: SUMMARY, CONSLUSION AND RECOMMENDATIONS

5.1Introduction

This chapter relates the findings of the study to the objectives set out in chapter one. The summary of the findings, conclusions and recommendations are majorly what this chapter consists. It also illuminates the limitations of the research study and further research suggestions.

5.2 Summary of Findings

The objective of the study was to establish the change management practices adopted by Rivatex East Africa Limited. With the acquisition of the controlling interest by Moi University the ownership structure changed cushioning the company from politics of the day, unlike in the past, even though government through its ministries still appoint directors to the Board. The company has also been ushered into a new environment unlike before its collapse given that the government has introduced stringent procurement and financial management legislations to curb corruption and ensure resources are directed to value adding activities by its institutions. Other internal activities have also been aligned to meet the customer needs in order to regain lost market share as well as improve margins. The study identified several forces that bring about the need for strategic change both internal and external. Strategic change programs were decided at the top and passed down for implementation eventhough both planned and emergent change approaches were blended to achieve the set targets.

The strategic change at Rivatex East Africa Limited has been implemented for the last

three years. The strategic change process has not been smooth as shown by high turnover and absenteeism indicating a high resistance to change from employees. From the study some of the factors that were seen as hindrances to the achievement of the targets are lack of ownership of the vision by lower cadre employees especially those directly affected by modernization and structural changes.

Modernization was to be undertaken in phases resources, depending on the available financial resources, with the first phase targeting the quality of yarn which was agreed determined the production efficiencies and costs downstream along the integrated production system. The target was to achieve over 80% production efficiency for each department as opposed to the prevailing situation where efficiencies oscillated between 20% to 50% for all departments. Strategic change initiatives were rolled out and continuously reviewed against existing strategic change models of implementing strategic change so as to establish a sense of urgency, create a guiding coalition, develop a vision and strategy, communicate the change vision, empower teams for organization wide action, generate short-term wins, encourage participation of employees in the change program and anchor new ways of conducting business and responding to environmental challenges. The first two phases have been completed with the remaining modernization being implemented from the second quarter of the last financial year ending 30th June 2013 with the first machine having been received and ready for installations within the first quarter of 2013/2013 financial year for dyeing, bleaching, desizing and scouring fabrics for finishing.

The second objective of this study was to determine the challenges encountered by Rivatex East Africa Limited in trying to implement strategic change programs. Various challenges in managing strategic change which included resistance to change, high cost of acquiring and operating new technology and training of employees. Resistance to change emerged to be a major challenge to the management of strategic change process where the employees felt that the change program threatened their interests, especially those who had served in the previous company that was wound up. The strategic change being introduced interfered with the status quo and with introduction of systems this translated to reduction in paper work and to some employees this become a job security threat since newer machinery would mean fewer machine operators and hence render some of them redundant. To implement the strategic change program Rivatex East Africa Limited had to budget and deploy huge capital outlay to acquire, instal and operationalize new machines. The company's modernization strategy has been fully financed by the government to enable the company to acquire state-of-the-art textile production machinery. The expenses of training and human resource development also required sizeable resources to ensure that employees embrace and appreciate the new production processes and work systems being implemented.

5.3Conclusion

The findings of the study have helped clarify strategic change management practices employed by Rivatex East Africa Limited. The strategic change is still at its early stages with the process being guided by the company's 2010-2015 strategic plan. It can therefore be concluded the company employed practices that can be applied by any organization depending on the contextual factors prevailing in its internal and external environmental. Albeit the slow growth in the textiles industry the company's implementation of various strategic change management programs have awaken farmers and other stakeholders to the immense potential of the cotton value chain. The strategic change management program will also impact positively on the quality of competition in the industry by making it more vibrant and focused.

For the company to achieve success in managing strategic change collective and goal directed efforts were utilized. The company's strategic plan also detailed the steps towards the successful attainment of planned goals within time and cost effectively. Going forward a better future is within sight with the company required to continuously review systems to ensure it sustains and solidifies the achievements of the strategic change program. To proactively stem employee resistance continuous training and development of employees should be planned and encouraged to keep employees and managers abreast with current changes in their environment. This multipronged approach will ensure that all employees including managers pull their efforts in the same direction in line with the company's vision. The enabling work environment as well as guided and informed responses to the various challenges faced in the process of implementing strategic change also played a key role in the attainment of set strategic change program targets. The use of consultants to conduct a comprehensive skills audit should be done in order to grade and match various jobs with the skills of the job-holder. This will ensure optimal human resource use and reduce duplication.

The findings of this research confirm the arguments put forth by Katz and Kahn (1978) on open systems theory that organization depends on its environment for inputs and market for its products and services. It also agrees with the findings of other researchers who also identified behavioral resistance to change as a major factor that determines the success or failure of any strategic change program.

5.4Recommendations for Policy and Practice

The revival process has taken long due to piecemeal modernization owing to lack of funds to implement the change program at once. This has drained the company's financial resources through financing fixed overheads which is not dependent of the production levels of the company. At the moment the company is facing rapid and numerous obsolescence of old machinery at the final production unit owing to increased production capacities due tom completion of modernization in departments supplying the woven cloth. Therefore the company ought to look for ways of acquiring all the machinery for textile finishing in one batch so as to register immediate increase sales volumes. So far the Kenya government has been approached and the Indian government has shown willingness to fund the entire project. But since it is yet to be considered a done deal other avenues to obtain finance should be explored. The company should therefore seek enough funding before embarking on implementing its modernization projects. The government can also learn from this finding while revival collapsed institutions by ensuring adequate funding is availed for full modernization.

The human resource department should come up with and implement proper human resource policies. Implementation of supportive policies will create a better working environment and culture that encourages creativity, innovation, adaptability and teamwork leading to reduction in absenteeism and employee turnover. Adapting best practices in human resource planning and reward system will ensure that the company has the right employees capable of delivering the required targets within set timeframe cost effectively. Employing and retaining the right people will help reduce the high learning costs that are currently being incurred by the company.

Aggressive marketing and distribution channel enhancement initiatives in anticipation of full modernization should be looked into so that the company is not caught flat footed when production increases. Since the future of synthetic fibre blended fabrics is not promising the company should seek to promote 100% cotton fabrics as the best for human clothing due to its inherent attributes. The company has a competitive edge in the production of cotton fabrics as compared to its local competitors in terms of machinery and reputation as a producer of quality textiles. The company should also explore diversifying into other production of non woven and technical fabrics that are high margins. This will enable it survive the turbulent and fast changing market dynamics in the global textiles arena.

From the findings of this study other companies within the textile industry and other manufacturing firms can learn on how to implement strategic change programs. Given that resistance to change has come out as a major bottleneck that hinders successful implementation of most strategic change initiatives they will be able to formulate their strategies in a proactive way so as to address challenges that are inherent in implementation of most strategic change efforts.

5.5Limitations of the Study

The study was limited to management of strategic management issues at Rivatex East Africa Limited. Other areas like governance and performance as a result of the strategic changes would have shed more light achievements of strategic change programs.

It is also worth noting that the study was conducted within Rivatex East Africa Limited and therefore findings should be interpreted only in the context of Rivatex East Africa Limited. It is probable that a study within other contexts could yield different results and therefore invalidate or concur with the findings of this study because of contextual factors.

Another limitation is lack of control of the quality of information obtained through the interviews. It was not possible to confirm whether they were providing full information or not depending on personal perception or attitudes as to the use of the information being collected. The management was convinced that the information so obtained was to be used for academic purposes, thereby assuring them of the confidential nature that the information shall be handled.

These limitations should therefore be taken into consideration when drawing conclusions on the findings of this study. It is however worth noting that these limitations had minimal impact on the findings of the study.

5.6Suggestions for Further Research

This study has explored the strategic change management practices and the challenges experienced by Rivatex East Africa Limited in implementing the strategic change programs. It would be interesting to find out the performance of Rivatex East Africa Limited as a result of the implementation of the various strategic change programs over time given that the implementation of the strategic change process is still ongoing.

Research can also be conducted in similar organizations to establish whether the findings of this study agree or contradict across companies or are unique to Rivatex East Africa Limited. The research based on context could confirm the universal or contextual nature of the findings of the study of management of strategic change at Rivatex East Africa Limited.

The quality of information collected can be improved by probably using other secondary data to conduct the research. Given that it is not easy to eliminate bias from data collected using interview guide it would be interesting to conduct this study using secondary data.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

TITUS K. KIPKEMBOI,

P.o. Box 7063,

ELDORET.

30th August 2013

Dear Respondent,

<u>RE: MBA RESEARCH PROJECT DATA</u>

I am a Masters of Business Administration student majoring in Strategic management at the University of Nairobi. As part of the fulfillment of the requirements of the award of the degree I am undertaking a case study on '**Management of Strategic Change at Rivatex East Africa Limited, Kenya'**.

Your organization has been selected based on the various strategic change programs that have been undertaken at the institution since its revival.

Any information provided for this research project shall be for academic purposes only and shall be treated with utmost confidentiality.

Any assistance and responses shall be highly appreciated.

Thanking you, I remain.

Yours faithfully

Titus K. Kipkemboi	**Dr. Vincent N. Machuki**
Student	**Supervisor**

APPENDIX II: LETTER OF AUTHORIZATION

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

KISUMU CAMPUS

Telegrams: "Varsity" Nairobi
Fax: 4181650
Kisumu, Kenya
Telex: 22095Varsity
Mobile: 0720348080
Email: ajaleha@uonbi.ac.ke

P.O Box 19134-40123
Kisumu, Kenya

Date: 28th August, 2013.

TO WHOM IT MAY CONCERN

The bearer of this letter Mr. Kipkemboi Kibet Titus .

REGISTRATION NO: D61/P/8338/2003

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on **"Management of strategic change at Rivatex East Africa Limited."**

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

CO-ORDINATOR
18 OCT 2013
SCHOOL OF BUSINESS

Sincerely,

MR. ALEX JALEHA
COORDINATOR, SOB, KISUMU CAMPUS
Cc File Copy

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APPENDIX III: INTERVIEW GUIDE

Managing Director and Heads of Departments

This guide is prepared to obtain views on management of strategic change at Rivatex East Africa Ltd, Kenya.

SECTION A:

Interviewee name (optional):…………………………………………..

Post held:……………………………………………………………..

SECTION B: Concept of Change

1. Which changes have necessitated change at Rivatex?
   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ………………………………………………………………………………………
2. What were the objectives of the change programs
   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ……………………………………………………………………………………...

SECTION C: Change Management Approaches

1. Who initiated the change?
2. Were consultants involved in the change management process?
3. If yes, which part did they play in the change management process?
4. Were they effective in delivering their mandate?
5. What approaches do you use in managing change, planned or emergent, and why?
6. Describe the implementation of the approach in your change programs?
7. Are there any other management approaches that you may be using?

SECTION B: Challenges of Change Management

1. How were change targets set and by who?
2. Were there people driven constraints that hindered the implementation of change?
3. How did you approach the challenge of people driven constraints?
4. Do you have limitations in terms of financial resources when implementing change?
5. If yes, how do you address this challenge?
6. Do you encounter structure based constraints in bringing about change?
7. If they are there what do you do?
8. Do you have any technological challenges in implementing change?
9. If they are there, what do you do?
10. Have you encountered resistance to change?
11. How did you manage resistance to change?
12. What were other challenges of implementing change?
13. How have you handled these constraints?
14. Did the change programs achieve the expected goals?
15. What factors influence the change outcome?
16. Are the results of the change sustainable going forward?