FACTORS INFLUENCING OPERATIONAL CHANGE IN THE MOBILE PHONE INDUSTRY – CASE OF SAFARICOM KENYA LTD

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT) OF KENYATTA UNIVERSITY.

JANUARY 2007

Macharia, Samuel B. Factors influencing operational change in
DECLARATION

This Research Project is my original work and has not been presented to any other institution for the award of a Master of Business Administration.

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ACKNOWLEDGEMENT

This project has only been successful as a result of combined efforts from several people. I feel very much indebted to them for their invaluable contributions.

Firstly, I wish to most sincerely thank the Almighty God who gave me the opportunity to pursue the studies, provided for the required fees and strengthened me all along.

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Deserving gratitude to the members of my family, that is, my true friend and loving wife Kessy, for giving me so much love, support and understanding; my son Sidney and daughter Tracy for their encouragement, tolerance, patience and understanding when I had little time for them. I sincerely thank them all for being there for me.

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# TABLE OF CONTENTS

## PRELIMINARIES

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration</td>
<td>(i)</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>(ii)</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>(iii.iv)</td>
</tr>
<tr>
<td>List of Tables</td>
<td>(v)</td>
</tr>
<tr>
<td>List of Figures</td>
<td>(v)</td>
</tr>
<tr>
<td>Abstract</td>
<td>(vi)</td>
</tr>
<tr>
<td>Definition of Operational Terms</td>
<td>(vii)</td>
</tr>
</tbody>
</table>

## CHAPTER ONE - INTRODUCTION

1.0 BACKGROUND INFORMATION OF THE STUDY ............................................. 1
1.1 PROBLEM STATEMENT. ............................................................................. 2
1.2 RESEARCH OBJECTIVES ......................................................................... 3
1.3 RESEARCH QUESTIONS ........................................................................... 3
1.4 JUSTIFICATION OF THE STUDY .............................................................. 4
1.5 SIGNIFICANCE OF THE STUDY ............................................................... 4
1.6 THE SCOPE .......................................................................................... 5
1.7 ASSUMPTIONS ...................................................................................... 5
1.8 LIMITATIONS ....................................................................................... 5

## CHAPTER TWO - LITERATURE REVIEW

2.0 INTRODUCTION ...................................................................................... 6
2.1 PROCESS OF CHANGE ............................................................................ 6
2.2 KINDS OF CHANGE ............................................................................... 7
2.3 FORCES OF CHANGE ........................................................................... 8
2.3.1 INTERNAL FORCES OF CHANGE ......................................................... 8
2.3.2 ENVIRONMENTAL FORCES OF CHANGE ........................................... 9
2.4 IMPACT OF CHANGE FACTORS ON ORGANIZATION OPERATIONS... 13
2.4.1 IMPACT OF CHANGE FACTORS ON EMPLOYEES ................................. 14
2.4.2 ORGANIZATIONAL RESISTANCE TO CHANGE .................................. 15
2.4.3 INDIVIDUAL RESISTANCE ............................................................... 16
2.5 MANAGING CHANGE TO THE BENEFIT OF THE ORGANIZATION ...... 19
2.6 EMPIRICAL EVIDENCE ....................................................................... 21
2.7 CONCEPTUAL FRAMEWORK ............................................................... 23
LIST OF TABLES

Table 4.1 Sample Response Rate .................................................. 30
Table 4.2 Departments Where Respondents Worked .............................. 31
Table 4.3 Extent to which Organization Consults Employees ................... 34
Table 4.4 Key forces of Change in the Organization .............................. 36
Table 4.5 Competition as an External Force ...................................... 39
Table 4.6 Dealing with Effects of Competition .................................... 40
Table 4.7 Negative Effects of Competition ......................................... 40
Table 4.8 Have Competitors been professional ................................... 41
Table 4.9 Effects of a Third Mobile Operator ...................................... 41
Table 4.10 Customers as an External Force of Change ............................ 42
Table 4.11 Shareholders’ Influence on Operations ................................ 43
Table 4.13 Political Effect on Business Operations ................................ 44
Table 4.14 Impact of Economic Growth on Operations ........................... 45
Table 4.15 How Inflation affects Operations ....................................... 45
Table 4.16 Suppliers and Creditors’ Influence on Operations .................. 46
Table 4.17 Lobbying for Supportive Legislation .................................... 47
Table 4.18 Effect of Population Distribution on Operations .................... 48
Table 4.19 Reasons for Involvement in Social Responsibility ................. 50
Table 4.20 Does the Organization Resist change? ................................ 52
Table 4.21 Reasons Why organizations Resist Change ........................... 53
Table 4.22 Why Managers Fear Change ............................................ 54
Table 4.23 Managers’ Role in Ensuring Effective Change Management ......... 56
Table 4.24 How to Ensure Organizations and Members benefit from Change ....................... 58

LIST OF FIGURES

Figure 4.1 Do you Experience Change in your Work place? ..................... 32
Figure 4.2 How often do you Experience Change? ................................ 33
Figure 4.3 Rate of the Quality of Information in your Organization .......... 35
Figure 4.4 Organization’s Ability to Cope with Change .......................... 36
Figure 4.5 Why Technology is a Very Important External Force ................ 38
Figure 4.6 Effect of Competition on Operations ................................... 38
Figure 4.7 Rate at which Government Laws affect Operations ................ 46
Figure 4.8 Does your Organization Support a Sustainable Environment .... 49
Figure 4.9 Rating the Organization’s Preparedness for Change ................ 51
This study focused on the various factors of change that face the mobile phone industry in Kenya. The study also explored reasons why employees resist change and how organizations can communicate effectively the need for the desired changes. The study evaluated the various strategies used by organizations to overcome resistance to change. The study involved 10% of the 700 employees of Safaricom Kenya. The main data collection instruments were questionnaires and interviews. Purposive sampling method was used to get information from the senior mangers. This was because their positions put them in good stead to understand the strategic and operational issues of the organization. Stratified random sampling was used to get information from the lower cadre of the employees. Data was analysed using the Statistical Package for Social Sciences (SPSS). The research will cost about Ksh.81,840.00.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime</td>
<td>The time spent talking on a cellular telephone, describes both incoming, and outgoing Cell phone and phone calls.</td>
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<tr>
<td>Analysis</td>
<td>The study of something by examining its parts and their relations.</td>
</tr>
<tr>
<td>Assumption</td>
<td>A supposition that a fact is true though it is not proved.</td>
</tr>
<tr>
<td>Change</td>
<td>A process of re-inventing the organization for competitive advantage.</td>
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<tr>
<td>Operational Change</td>
<td>Relates to new systems, procedures, structures or technology which has an immediate effect on the working arrangement in an organization.</td>
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<tr>
<td>Strategic Change</td>
<td>Concerned with broad, long-term and organization wide issues and takes place within the internal and external environment.</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>The term that can be inter-changed with cellular phone or wireless phone.</td>
</tr>
<tr>
<td>Respondent</td>
<td>A person to be contacted by questionnaire during the gathering of data.</td>
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<tr>
<td>Resistance</td>
<td>An expression of reservation which normally arises as a response or reaction to change.</td>
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<tr>
<td>Sampling</td>
<td>A scientific method of selecting percentage of total.</td>
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<tr>
<td>SIM</td>
<td>Subscriber Identity Module - A &quot;SMART CARD&quot; containing subscriber identification data unique to a user, and can be used to access cell phone service minutes on the network.</td>
</tr>
<tr>
<td>Subscriber</td>
<td>A user of wireless service bought from a service provider.</td>
</tr>
<tr>
<td>Variables</td>
<td>The study variations to denote any quantity which varies or takes different values such as numerical.</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND INFORMATION OF THE STUDY

Change is an ever-present feature of organizational life and the pace and magnitude of change have increased significantly in the recent years. The avalanche of change is sweeping all organizations before it. The progress is ultimately irresistible - and those who do try to resist will eventually and simply be swept away. Those who best adapt to changing markets, changing environments, changing economics and changing technology are already pulling far ahead - and outrunning the avalanche. Sadly, there are many organizations that have not seriously taken some time to consider the effects of change and how to manage such change by anticipating the change as well as initiating it whenever possible. Such organizations do not have a learning culture and may spend lots of resources trying to fight change. Organizations should pay particular attention to both internal and environmental change forces. Such factors include political, social, economical, legal, technological, and competitive among others.

Organizations in Africa have had their share of change forces in their operations. International organizations have had to contend with socio-cultural, political, and legal forces to mention a few. Traditionally, Africans have not been receptive to new ways of doing things especially those that interfere with their culture. This has also made it challenging for the organizations operating in Africa. New technology is introduced in Africa long after it has already been used elsewhere for some time. This attitude has been changing slowly and soon it is expected Africa will be receptive to change and that governments in Africa will facilitate business so as to compete with the developed world. The wind of change has brought about market liberalization that has seen tremendous growth in many sectors.

In Kenya, organizations do experience challenges as they manage change. The government still controls critical sectors like communication which is believed to hold
the key to faster economic development. New investors have to go through numerous procedures before they can start businesses. Such procedures, high taxation and high cost of fuel make the country very expensive to run businesses. Investors hope the government will initiate more investor-friendly reforms that will make the country a good place for doing business. However, many organizations have performed relatively well because they are able to anticipate the needs of their customers, prepare for change, and manage the change to remain competitive.

The mobile industry is relatively young in Kenya. However, it has grown in leaps and bounds within a relatively short time. At the moment, there are two mobile phone providers in Kenya – Safaricom and Celtel. Safaricom has about 3.6 million subscribers, one million above its competitor. The company has experienced tremendous growth over the past few years and has seen its profits soar.

1.1 PROBLEM STATEMENT

Throughout the 1990s and beyond, managers have continued to consistently identify the difficulty of managing change as one of the key obstacles to the increased competitiveness of their organizations. The recent spate of acquisitions, mergers and partnerships is the clearest indication yet that change is inevitable in all organizations. However, according to Fortune 500 Executives, nearly two-thirds of major changes are unsuccessful. These are frightening figures considering the turbulent business climate organizations operate in. Change management literature has not revealed why even organizations well endowed with resources fail in their change programmes. Past studies have indicated that many organizations spend so much of their resources trying to fight change. Many managers have lost the battle of being change agents in their organizations. They fail to acknowledge that change is inevitable and that they should spearhead change in their organizations so as to meet the ever changing needs of customers and other stakeholders. They need to be concerned with value for money, the development, launching and marketing of new products and services, greater flexibility of design, manufacture or service, and in less definable issues such as corporate image and identity. This failure to anticipate and systematically plan for change has led to the downfall of
many organizations. Managers must pay particular attention to forces such as competition and changes in the business, political, legal, technological and social environment. Most organizations fail because they have no corporate strategy to enable them deal effectively with the rapidly changing environment.

Hence, this research investigated the types of change factors that face the mobile phone industry and how the firms cope with these changes and resistance thereto, and how they manage those changes to their benefit.

1.2 RESEARCH OBJECTIVES

The specific objectives of this study are:

(i) To find out the factors that influence operational change in the mobile phone industry in Kenya.
(ii) To establish the impact of change factors on the operations of the mobile phone industry in Kenya.
(iii) To investigate how mobile phone organizations react to the factors influencing change.
(iv) To establish how mobile phone companies manage change to their benefit.

1.3 RESEARCH QUESTIONS

The research questions underlying this study include the following:

1. What factors of change influence operations in the mobile phone industry in Kenya?
2. What is the effect of the change factors on the operations of the mobile phone operators in Kenya?
3. How do the mobile phone operators react to these factors of change?
4. How do the mobile phone operators in Kenya benefit from effective change management?
5. Is there a significant relationship between change management strategies and the organizational performance?
1.4 JUSTIFICATION OF THE STUDY

The main reason for this research was to find out the extent to which change management strategies affect organizational performance. Change in organizations ranges from minor adjustment to corporate takeovers that move organizations into entirely different industries. Such changes may have relatively large impacts on individuals and may be more difficult to implement than others. Understanding the dynamics of change management empower managers to rise to new challenges with authority and speed.

Examples abound of many organizations that have failed to survive change, largely due to ill-preparedness. Yet a few others have put a brave face due to their proactive nature when dealing with change. Change must be well managed because threats are real and the cost of possible slip-up heavy. Since change affects everyone, effort must be made to ensure the interests of those affected by change are protected. David Cherrington (1994), states that change cannot be implemented just by changing each individual as is an assumption held by managers. One cannot overlook the complexity of individual behaviour and the influence of organizational process. Managers and indeed all employees should understand the dynamics of change and how effective change management can be beneficial to the organization in general. This study shall examine how this process can be carried out effectively.

1.5 SIGNIFICANCE OF THE STUDY

The significance of this study is to establish whether there is a relationship between effective change management and the overall performance of organizations. The study provides an insight into the types of change forces that face organizations in the mobile telephone industry. Since change is inevitable, this study would go a long way in assisting organizations to prepare themselves for change by being proactive rather than reactive concerning change management. This would go far in helping organizations achieve their goals and objectives. This study will train the researcher with the skill to carry out both quantitative and qualitative research and henceforth can undertake another study comfortably. Moreover it will enable the researcher to acquire a Degree in Master
of Business Administration (MBA) and the study can be utilized by other people in enriching their research.

1.6 THE SCOPE

This study confined itself to an investigation of the types of forces of change that are experienced by mobile service providers in Kenya. It covered Safaricom Kenya Ltd, Kenya's current leading mobile telephone service provider.

This organization will represent other mobile phone service providers in Kenya. Safaricom Kenya is located in Westlands along Waiyaki Way Nairobi, about five kilometers from the city centre. The study is limited within Nairobi Province.

1.7 ASSUMPTIONS

There are a number of assumptions that the researcher made in this study. First, that the respondents gave honest information. Second, that the information given was relevant. Third, that Safaricom will be representative of the mobile phone industry.

1.8 LIMITATIONS

There are three limitations to this study. First, there was constraint of time due to the fact that the researcher was involved in full-time employment. The researcher had to set time aside to collect the data. Secondly, there was the issue of distance. The organization is located away from the researcher’s work station and therefore arrangements needed to be made to visit. The researcher used private means of transport to reach the organization. Finally, a lot of money was required to carry out the research. Money was needed to move around to collect the data, type, print and bind the final documents.
CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

"Change is not made without inconveniences, even from worse to better," (Samuel Johnson, 1909-1984)

Kanter (1984) states that change is the process of analyzing the past to elicit the present action required for the future. It involves moving from a present state to a desired state through transition, transformation or development. Every organization is bound to experience change every so often. Their change should be managed effectively so that it benefit the whole organization and whenever possible give the organization a competitive advantage. While some organization may not want to change for various reasons, change may be forced upon them by political, economic, social-cultural, technological, legal and competition among other internal and external forces.

According to Armstrong (2001), there are two main types of change — strategic and operational. Strategic change is concerned with broad, long term and organization wide issues. It takes into consideration the organizations vision, mission and corporate philosophy and takes place within the external and internal environment. It is concerned with the achievement of competitive advantage.

Operational change relates to new systems, procedures, structures or technology which will have an immediate effect on the working arrangement within a part of the organization. Such change should also be handled carefully since it can have far reaching impact on the people.

2.1 PROCESS OF CHANGE

Gongera (2005) asserts that change is inevitable in any given organization, and it is upon the change agents to ensure that the complex situations that arise to an individual or to the
organization are managed effectively. Armstrong (2001) notes that change can create disharmony and surprise. The change should be managed properly so that it does not negatively affect morale, motivation and commitment which are critical in any organization.

Armstrong (2001) says that the change process starts with the awareness of the need for changes. A good analysis at this point would lead to a diagnosis of the change factors and their characteristics to indicate the direction which change should take. Possible courses of action will be identified and evaluated and a choice made of the preferred and evaluated and a choice made of the preferred action. Decision is made on how to move from the current state to the desired one. During this transition state, it is critical to manage the change. Many problems are likely to emerge ranging from resistance to change, misdirected energy, and conflict to high levels of stress. It is important to anticipate the reactions at the introductory stage to avoid chaos in the organization.

The third stage is the implementation stage, which tends to be painful for many managers. Pettigrew and Whipp (1991) state that implementation of change is an interactive, cumulative and reformulation-in-use process. For change to be managed effectively, the types of change need to be understood and why people resist change. Managers should understand the various models of change that have been developed so that they are better equipped to make good use of the guidelines for change given below.

2.2 KINDS OF CHANGE

Cherrington (1994) identifies three kinds of changes.

(i) Developmental change – a gradual improvement in skills, methods or processes to help an organization function more effectively. It is usually a small adjustment that helps to raise an individual productivity, reduce conflict and improve communication. Resistance to this type of change is usually not manifested in open opposition, but rather in individual’s refusal to learn new techniques or use new equipments.
(ii) Transitional change – having an organization evolves slowly from old state to new state, which is gradually over time and encompasses new organizational structure. It occurs in various stops and stages.

(iii) Transformational change – most dramatic and characterized by radical re-conceptualization of the organization’s mission, culture, product, leadership, or structure. It occurs in companies that have become stagnant and almost disintegrating. It occurs as an important paradigm change within the industry.

2.3 FORCES OF CHANGE

According to Gongera (2005), organizations are required to change because of different reasons (forces). This can be analyzed in terms of both internal forces within the organization and external forces in the environment.

2.3.1 INTERNAL FORCES OF CHANGE

Several forces within the organization may require it to change.

(a) Technology

Kanter (1984) states that the rate of technological change seems to increase every time when new machines, new manufacturing processes and scientific discoveries take place. New jobs are created and old ones phased out because of technological change.

(b) Work values

Organizations are forced to respond to the changing values of their members. Some of the most significant changes include priorities that put family responsibilities ahead of work, a decline in the moral obligations to have a job, a decline in the sense of organizational loyalty, greater indifference towards promotions and advancement, greater variety in lifestyle and work schedules, and greater career mobility.
(c) **Knowledge explosion**

Gongera (2005) asserts that the creation of new knowledge requires organizations to operate differently, and new knowledge requires managers to find methods for assimilating and storing useful information and converting it into profitable products and services.

(d) **Product obsolescence**

Burnes (2000) states that technological advances and the explosion of knowledge add to make various products obsolete in a short time. Research shows that in an average supermarket, for example, approximately 55% of the products sold today did not exist ten years ago, of the products sold, about 40% are no longer in the market. This kind of situation calls for the manufacturers to shorten production lead time and develop the capacity to adjust rapidly.

(e) **Alternative work schedules**

Kanter (1984) states that more time should be spent on hobbies and leisure to give employees enjoyment and refresh their minds. This positive approach will enable them to increase their capacity and potential in achieving organizational objectives. In developed countries, where many people prefer working from their homes on a computer connected, save time and improve productivity.

2.3.2 **ENVIRONMENTAL FORCES OF CHANGE**

Armstrong (2001) argues that organizations cannot be in a position of controlling the environment. However, competent managers identify the external forces of change and respond appropriately to them. Some of the changes involved consist of:

(a) **Competition**

Kanter (1994) explains that the vast majority of organizations face competition of some kind. It is important when considering what the competition may be to carefully define the market in which the organization is operating. In seeking to compete strongly, an
organization should project an attractive image through the promotional campaign to its consumers. Operating at the right price and giving customers a wide choice of high quality products can give an organization an edge over its competitors. Changes in the market place can destroy the profit of the company. Consequently, managers should be in a position to understand and know when their rivals introduce new products, change their advertising, reduce their prices, or improve their customer service. Although competition creates uncertainty, it contributes to the development of better services and products to the consumer. These benefits are illustrated dramatically through cost and quality of consumer goods in competitive economics.

(b) Consumer demand
Burnes (2000) states that it is important for the manager to be concerned about change in consumer tastes and preferences, because a firm's products may lose their appeal for trivial and superficial reasons. Fashion changes frequently, regardless of whether the previous style was functional or comfortable. For example, rumours that products cause cancer, high blood pressure, or other health hazards, can cause a consumer to loose a market though the rumours may be false. No organization will be able to succeed without customers or clients. An in-depth knowledge of their behaviour is vital if their wants and needs are to be satisfied. Specific markets or segments of markets need to be targeted in order to provide a focus for the marketing effort. Each customer market has particular features which can be identified through careful analysis. In order to understand the behavior of consumers one must understand who the customers are, what they buy, how they buy, and when they buy.

(c) Resource availability
Burnes (2000) indicates that normally any organization depends on the external environment for raw materials and other resources. Any element of disruptions in supply of crucial resources can force the organization to drastically change their operations e.g. shortage of electricity, oil, can prompt an organization to look for alternative means.
The economic environment of within a country will often be directly influenced by the political attitude of its government. However, national economies are becoming increasingly dependent upon world economic trends and businesses need to be alert to all economic factors which might influence their operations. In analyzing investment potential in any particular country or area, the business will need to be aware of the income levels, rate of inflation, the purchasing, and distribution of income.

(d) Political and legal change
Gongera (2005) states that the organization must get prepared to adapt with the social and political change of the situation. For example, state policies in regard to pollution, toxic waste and safety hazards require the organization to either comply or cease doing business. There are three aspects of the political environment which can affect a company’s ability to carry out its business. One, the attitude of the government towards business activity; two, legal controls on business activity; and three, the influence of pressure groups. Some governments overprotect their own industries against their own industries against competition. In such countries the government’s objective often appears to outsiders to be one of making life as difficult as possible to outsiders. The legal control affects business life either positively or negatively. For example, new health and safety regulations present opportunities to makers of safety equipment which many businesses are obliged to use under such laws. Ecological pressure groups and other kinds of pressure groups have influence which can persuade governments to impose legal constraints on business activities of different kinds.

(g) The social factors
Kanter (1992) acknowledges that the subject of demography is of great interest to businesses since people are the end result of most of the business activities. The demographic make-up of the population will help them to work out whether people will buy their goods and services in sufficient numbers. The business will be interested in the population size, population growth, geographical distribution, age distribution, and changing family patterns.
Callaghan (1994) explains that the behavioural aspect of the social environment is also very critical to business. It is concerned with how people behave when purchasing goods and services. Any community will have a large variety of secondary cultural or social values. These may be attitudes, beliefs or trends which are less firmly adhered to than the core cultural values. Further, the business needs to establish what a society rates as attractive and unattractive in terms of design, fashion or colour. These factors are important and have a bearing on how an organization operates.

(e) International forces
Callaghan (1994) suggests that international factors such as economic forces, wars, balance of payments problems etc, exert an ever-increasing influence on organizations. It is known to be a fact that economic embargos from one country to another has a direct impact on the success of their organizations as well as their competitors.

Callaghan (1994) states that the process of analyzing future trends is becoming common practice in many organizations. Environmental scanning is gaining popularity among managers who respond by having a strategic planning committee responsible for identifying environmental changes and how they might forecast change in the demographic composition of the labour force, international events, and pending government legislation.

(f) Technological environment
Kanter (1992) explains that technology is changing continuously and at an ever increasing rate. A business that does not keep up with technological advances will fail, sooner or later. As far as the technological environment is concerned, the business has to concern itself with three main factors: new processes, new materials, and generic replacements.

Callaghan (1994) states that new ways of doing things are being constantly fuelled by technological innovation. A business has to keep up with the new changes. If it does not, and the competitors adopt them, it will soon become uncompetitive. High performance
materials have come to prominence in the recent years and those organizations that fail to adopt them will find sales dropping dramatically. Every organization, therefore, has to adopt new technology so as to be competitive. Further, new technology improves quality of goods and services and may even lower productive costs and increases the rate of production. This factor is, therefore, very critical to any business and will have great impacts on operations and hence making change necessary.

2.4 IMPACT OF CHANGE FACTORS ON ORGANIZATIONAL OPERATIONS

Change factors do have profound implications for both organizations and their employees. Kanter (1992) suggests that today’s corporate elephants will have to learn to dance as nimbly and speedily as mice if they are to survive in our increasingly competitive and rapidly changing world. Organizations will be forced to pursue three main strategies.

(i) Restructuring to find synergies

Burnes (2000) explains that synergy occurs when the whole adds up to more than its constituent parts. In an age where resources are scarce, one of the priorities of organizations will be to make every part of the business add value to the whole. To help achieve this, all non-core activities are eliminated and authority is devolved to the appropriate levels of business – those in the frontline. Organizations tend to create flatter, more responsive and less complex organizations which have a greater degree of focus than the past.

(ii) Opening boundaries to form strategic alliances

Kanter (1992) states that with the slimming down of the organization and the contracting-out of some of its functions, there arises the need to pool resources; to band together to exploit opportunities and to share ideas and information. These can be service alliances, opportunistic alliances and stakeholder alliances. The result of these alliances is that structures and positions within organizations will change, sometime quite dramatically.
Creating new ventures from within – encouraging innovation and entrepreneurship

Traditional organizations face a difficult balancing act between gaining the full benefits from existing mainstream business, and at the same time creating new activities that will become the mainstream business of the future. Kanter (1992) argues that there is a feeling that organizations are denying employees opportunities to give staff flexibility to pursue new ideas and develop new products. New cultures are being created which encourage and aid innovation and entrepreneurship. As a result of such changes, the innovative potential of employees will be tapped, and a proliferation of new ideas, products and ways of working is emerging.

2.4.1 IMPACT OF CHANGE FACTORS ON THE EMPLOYEES

Kanter (1992) draws attention to three areas where the changes will have major impacts on employees.

(i) Reward systems – Employers and employees will increasingly come to look for new and more appropriate ways of rewarding and being rewarded. With the advent of performance related pay, in both private and public sectors, there is already a gradual change from determining pay on the basis of the person's position and seniority to basing it on their contribution to the organization. This is driven by four concerns namely; the cost, equity, productivity and entrepreneurial pressure. The result of these concerns is that pay could be minimal in terms of motivation, or could even be demotivating and indeed drive out the most experienced people in the organization.

(ii) Careers and job security – Kanter (1992) says that as organizations become slimmer and more tasks are contracted out, organizations structures will become flatter and entire layers of hierarchy are dispensed with. The resultant effect will may well be the demise of traditional forms of career path. Kanter argues that the idea of staying with one organization and climbing the corporate career ladder is being replaced by hopping from job to job. This change will also affect the skill development in organizations and it will no longer be sufficient just to be skilled in a particular job or specialism. Careers,
therefore, will be shaped by professional and entrepreneurial principles: the ability to
develop and market one’s skills and ideas.

(iii) Workers’ lifestyle – Kanter (1992) explains that the future type of organization is
one where people will be given greater freedom to innovate and experiment, where there
will be strong financial rewards for increased performance. In such situations, people
will be expected to work longer hours and centre their social life around their work. This
could lead to increased rates of divorce.

2.4.2 ORGANIZATIONAL RESISTANCE TO CHANGE

It’s argued that organizational structure can resist change. Necessary changes on the other
hand can be resisted even if the survival of the organization depends on changing.
Various reasons for organizational resistance to change are:

(a) Threats to the power structure.
Changes have the potential to disrupt the organization’s power structure. It is argued that
participative changes may be threatening to the managers whose influence is limited
because of group decisions. Decentralization of decision-making may be seen as a way of
removing power from the high-level employees while it may be a welcome gesture to the
low-level employees in the organization.

(b) The inertia of organizational structure.
Control systems within organizations are over determined in the sense that they have
several mechanisms designed to produce stability. Normally organizational structures are
designed to maintain a stable pattern of interactions among people. Therefore job
assignments, the selection of new personnel, training of new employees, performance and
reward systems, and many other aspects of the organizational structure are designed to
maintain stable interactions, thereby resisting change.
Since organizations are a complex collection of interacting subsystems, it is difficult to make a change in one subsystem without that change affecting other subsystems. For example, a change in accounting department may influence the methods of reporting and record keeping of every other department.

Sunk costs are investments in fixed assets, such as equipments, and buildings. And vested interests are the personal commitment of individuals. To abandon sunk costs is difficult for an organization to recoup. Sunk costs and vested interests make it difficult to assess objectively the benefits of doing things differently.

Resistance to change is a common phenomenon for individuals and organizations. According to Connor (1995) there are many reasons for resisting major changes. They include:-

a) Lack of trust.
A basic reason for resistance to change is distrust of the people who propose it. Distrust can magnify the effect of other sources of resistance. Even when there is no obvious threat, a change may be resisted if people imagine there are hidden, ominous complications that will only become obvious at a later time. Mutual mistrust may encourage a leader to be secretive about the reasons for change, thereby further increasing suspicion and resistance.

b) Belief that change is unnecessary.
Connor (1995) states that one reason for resisting change is the absence of an obvious need for it. Change will be resisted if the current way of doing things has been successful in the past and there is no clear evidence of serious problems. The signs of developing
problems are usually ambiguous at the early stage, and it is easy for people to ignore or discount them. If top management has been able to exaggerate how well the organization is performing, then convincing people of the need for change will be even more difficult. Even when a problem is finally recognized, the usual response is to make incremental adjustments in the present strategy, to do more of the same, rather than to do something different.

c) **Belief that the change is not feasible.**
Kanter (1992) explains that even when problems are acknowledged, a proposed change may be resisted because it seems unlikely to succeed. Making a change that is radically different from anything done previously will appear very different if not impossible to most people. Failure of earlier change programs creates cynicism and makes people doubtful the next one will be any better.

d) **Economic threats.**
Connor explains that regardless of how a change would benefit the organization, it is likely to be resisted by people who would suffer personal loss of income, benefits or job security. The latter concern is especially relevant when change involves replacing people with technology or improving processes to make them more efficient. Prior down sizing and lay offs raise anxiety and increase resistance to new proposals, regardless of the actual threat.

e) **Relative high cost.**
Armstrong (2001) explains that even when a change has obvious benefits, it always entails some costs. Familiar routines must be changed, causing inconveniences and requiring more effort. Resources are necessary to implement change, and resources already invested in doing things the traditional way will be lost. Performance invariably suffers during the transition period as the new ways are learned and procedures debugged. Concern about costs in relation to benefits will be more difficult to allay when it is not possible to estimate them with accuracy.
f) **Fear of personal failure.**
Connor (1995) explains that change makes some expertise obsolete and requires learning new ways of doing the work. People who lack self-confidence will be reluctant to trade procedures they have mastered for new ones that may prove too difficult to master. A proposed change will be more acceptable if it includes ample provision for helping people learn new ways of doing things.

g) **Loss of status and power**
Major changes in organizations invariably result in some shift in relative power and status for individuals and sub-units. New strategies often require expertise not possessed by some of the people currently enjoying high status as problem solvers. People responsible for activities will be cut back or eliminated, will lose status and power, making them more likely to oppose a change.

h) **Threat to values and ideas.**
Connor states that change that appears to be inconsistent with strong values and ideas will be resisted. Threat to a person’s value arouses strong emotions that fuel resistance to change. If the values are embedded in a strong organizational culture, resistance will be widespread rather than isolated.

i) **Resentment of interference.**
Some people resist change because they do not want to be controlled by others. Attempts to manipulate them or force change will elicit resentment and hostility. Unless people acknowledge the need for change and perceive they have a choice in determining how to change, they will resist it.

j) **Fear of the unknown.**
Kanter (1992) states that though the management may be having good reasons of introducing changes in the organization, they are bound to meet resistance for the obvious reasons of fear and uncertain future. Significant change presents a realistic possibility that
fear can be reduced and employees laid off. These fears can be frightening and persist despite the assurance of management that employees’ job will not be eliminated. Gongera (2005), states that change agents are in agreement on the principle of change mechanism. They say that change occurs when people are feeling pain. Unless their present conditions create enough discomfort, there is no motive for change. Change agents try to assess how much emotion people are regarding the change issue, before initiating change strategy.

2.5 HOW TO MANAGE CHANGE TO THE BENEFIT OF THE ORGANIZATION

It is normally the responsibility of concerned managers to effect changes. The managers have to use their managerial skills through accepted organizational policies (imposed changes, and persuasive changes), as a means of persuading individuals to change their ways to comply with the norms of the organization.

Collins (1990) sees management change from three perspectives: the individual, group dynamics or open systems of the organization. According to Pettigrew (1985), change is not just a rational choice of events but has to be seen in its cultural and historical context. His study of ICI, suggests that a sequence of episodes was involved in the dramatic change at ICI:

1. There were rational arguments for change with a concentration on political influencing of events;
2. There was an emphasis on efficiency whose advocates become powerful;
3. There were exceptional men who were able to foresee what ICI needed and persuaded people to follow them;
4. There were extreme circumstances of plants being outmoded;
5. There was the untidiness of chance events, people, materials, resources and circumstances generally; and
6. There were the forces in the environment such as economic and political climate, oil prices, competitors building/closing plants, and legislation affecting pollution and health.

Pettigrew (1995) argues that change occurs because of the above, and the problem, is gaining legitimacy for the change proposed. He suggests the following model for effecting a change in an organization as:

a) The development of concern by a subset of the organization;
b) Acknowledgment and understanding of the problems with possible causes and alternatives by others;
c) Planning and acting to create specific changes; and
d) Stabilizing the change including rewards, information and power to appropriate individuals to sustain change.

Armstrong (2001) says that when analyzing the potential impact of change in one part of the organization, it is necessary not only to consider how it directly affects the people in that area but to take a view of how the proposed changes will affect the organization as a whole. In making this analysis, the individual introducing the changes who is often called the 'change agent' should recognize that new ideas are likely to be misunderstood and should make ample provision for the dispassion of reactions to proposals to ensure complete understanding of the feelings and fears of those affected so that unnecessary worries can be relieved and, as far as possible, ambiguities can be resolved.

It is normally the responsibility of concerned managers to effect changes. The managers use their managerial skills to persuade individual to accept change and comply with the organizational norms. According to Lewin (1951) the basic mechanism for managing change are as follows;

(i) Freezing – altering the present stable equilibrium which supports existing behaviours and altitudes. Those affected by such change should be motivated so that they accept the change.

(ii) Changing – developing new responses based on new information.
(iii) Refreezing – stabilizing the change by introducing the new responses into personalities of those involved.

Resistance to change can be difficult to overcome even when it is not detrimental to those concerned. It is critical to analyze the potential impact of change by considering how it will affect people in their jobs. It is important to understand the likely reaction of those to be affected, their fears and feelings so that unnecessary worries can be relieved.

Gongera (2005) indicates that involvement in the change process gives the people a chance to raise their concern and make suggestions about the form of the change and how it should be introduced with an aim of getting “ownership” – a feeling amongst people that the change is something they are happy to live with since they have been involved.

2.6 EMPIRICAL EVIDENCE

Roberto Goizueta, an ex-CEO of Coca-Cola, once said that the ability to handle change is the most important skills leaders can have. According to Regina Eisenbach (Journal of Organizational Change Management, Volume 12, 1999), change should be managed positively so that employees give their support and positive goals are worked towards with enthusiasm. Organizations should encourage participation in change.

At the beginning of 2002, Andersen faced the challenge of informing each of their employees of its potentially devastating situation in the wake of Enron debacle. To their credit, Andersen directors did so effectively and personally through simultaneous video link. Organizations can only succeed in their endeavors if they have a strategy for communicating change.

British Telcom (BT) has managed to successfully complete a radical transformation by implementing an on-going programme of structural and cultural reform. It once enjoyed an uncontested monopoly of the UK telecommunications market – until privatization and deregulation arrived to upset the status quo. Despite the numerous challenges facing BT,
it has defied critics and re-invented itself. It is well on the road of achieving its targets and has recent innovations like flexible bandwidth and Rich media.

Many organizations that have succeeded in managing change have anticipated such change before it takes toll on them. For example, both NIC with its ‘Move’ product and the Equity Bank began by asking themselves the ‘what does the customer really want?’ question and focused on a section of the market formerly thought to be unprofitable - the lower and middle income earners. (David J Abbot; Daily Nation, 6 December 2006).

According to The Economist, what makes for good management is the ability to handle times of change, being sharp and on the ball and possessing frugality – a cultural value which is not just about cutting costs but more about being sparing with resources and being economical to avoid waste. This explains why some firms rarely succeed in their change programmes. To better understand how to anticipate or handle change, managers must have access to as much information about the anticipated change as possible. Chester Bernard wrote that what destroys organizations is false information.

David Landes, a Harvard University economic historian and author of a most cerebrated book ‘The Wealth and Poverty of Nations’ underscores the role played by culture in an organization. Culture counts in the way the manager gets things done. To effectively handle change, the culture that anticipates and supports change should be cultivated.
2.7 CONCEPTUAL FRAMEWORK
This study examines the factors that influence change in the mobile phone industry in Kenya. These factors are either internal or environmental; while resisting forces are either individual or organizational. Success in any organization will depend heavily on how these factors are handled. This study will, therefore, examine how mobile service providers in Kenya manage these forces of change to their benefits.

Fig 1: FORCES OF CHANGE

<table>
<thead>
<tr>
<th>INDEPENDENT VARIABLES</th>
<th>DEPENDENT VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. DRIVING FORCES OF CHANGE</strong></td>
<td><strong>CHANGE</strong></td>
</tr>
<tr>
<td><em>(a) Internal forces</em></td>
<td><em>(i) Positive Change</em></td>
</tr>
<tr>
<td>New technology</td>
<td>New services and products</td>
</tr>
<tr>
<td>Changing work value</td>
<td>Advanced technology</td>
</tr>
<tr>
<td>Creation of new knowledge</td>
<td>Efficiency &amp; effectiveness</td>
</tr>
<tr>
<td>Desire for leisure and alternative work schedule</td>
<td>New organizational structures</td>
</tr>
<tr>
<td><em>(b) Environmental forces</em></td>
<td><em>(i) Negative Change</em></td>
</tr>
<tr>
<td>Competition</td>
<td>New work ethic</td>
</tr>
<tr>
<td>Social factors</td>
<td>Attitude change</td>
</tr>
<tr>
<td>Changes in consumer demand</td>
<td>Sense of insecurity</td>
</tr>
<tr>
<td>Political and legal changes</td>
<td>Disruption of stable friendships</td>
</tr>
<tr>
<td>Technological changes</td>
<td>Increased costs</td>
</tr>
<tr>
<td>Ecological changes</td>
<td>Threat to power structure</td>
</tr>
<tr>
<td>Economic factors</td>
<td>Outplacement</td>
</tr>
<tr>
<td></td>
<td>Product obsolescence</td>
</tr>
</tbody>
</table>

Source: Macharia; 2006

It is very important that every organization takes time to consider the various change forces that face it and devise a strategy on how to cope with that change and ultimately how it can gain strategic advantage by being proactive. No organization can benefit by
resisting change. Change is inevitable and if managed well can be an asset to the organization.

The organization should take considerable measures to prepare its members to accommodate the change. It should be made clear to them how they stand to benefit. They should also be involved so that the spirit of ownership could be created.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

In this chapter, the methodologies that were used to collect the data that was analyzed are presented. The section covers in detail, the research design, the target population for the study, the sample design, data collection procedures and instruments and data presentation techniques. The research made used of both primary and secondary data.

3.1 RESEARCH DESIGN

The study used descriptive statistics. The reason for choosing this method was because it allows considerable amount of information to be obtained from a large sample. It enabled the researcher to establish the kind of change factors facing the mobile telephone industry. It also provided information on what is required. The research design was, therefore, meant to meet the objectives of the study. Analytical and inferential statistics were also used to achieve the objectives.

3.2 STUDY AREA

The study focused on Safaricom Kenya, a leading blue chip organization in Kenya. It was within easy reach of the researcher and is representative of the blue chip organizations in Nairobi.

3.3 TARGET POPULATION

This study focused on factors influencing change in Safaricom Kenya. The study intended to unearth data that could answer the research questions and be representative of the major blue chip organizations in Nairobi. In this study, the population comprised of the employees and management of Safaricom Kenya. This is as outlined in Table 3.1 below.
Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Population Target</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>100</td>
<td>14</td>
</tr>
<tr>
<td>Employees</td>
<td>600</td>
<td>86</td>
</tr>
</tbody>
</table>

Source: Author (2006)

3.4 SAMPLE DESIGN

According to Mugenda and Mugenda (2003) a representative sample is that of 10% of the population. This will be as indicated in the table 3.2 below. Therefore, the sample in this study comprised of 10% of the 700 employees of the organization, that is, 70 respondents. The employees were stratified according to the departments they work in. Stratified random sampling was used to select 10% of the employees. This enabled the researcher to control the sample size in the strata. This increased statistical efficiency and provided data to represent and analyze sub-groups and enabled use of different methods in the strata.

Departmental heads were purposively sampled in this study because the status and positions they hold put them in good stead to provide the information required in the study. In purposive sampling investigators use their judgment and prior knowledge to choose people for the sample that would best serve the purposes of the study. The following table illustrates how the sample was arrived at.

Table 3.2 SAMPLE DESIGN

<table>
<thead>
<tr>
<th>Category</th>
<th>Population frequency</th>
<th>Sample ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>100</td>
<td>0.1</td>
<td>10</td>
</tr>
<tr>
<td>Employees</td>
<td>600</td>
<td>0.1</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>700</td>
<td><strong>0.1</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

Source: Author (2006)
3.5 DATA COLLECTION PROCEDURE

The first step was to seek a letter on introduction from Kenyatta University, a step which helped the researcher to get information easily. After this, the researcher created time to contact people in the organization where the research was being done. With the help of an assistant, the researcher distributed the questionnaires. Using good rapport the researcher convinced the respondents to fill the questionnaires and assisted where they did not understand. This was made easier by an accompanying letter which not only introduced the researcher but also indicated the value of the research to the respondents.

3.6 DATA COLLECTION INSTRUMENTS

Both primary and secondary data were used in this study. The main tools for data collection in this study were the questionnaire. The questionnaires were formulated with both open and closed questions based on the objectives of the study. The questionnaires acted as primary sources of data providing both qualitative and quantitative information. The researcher chose this method because it is cheap to administer since it does not require a trained researcher to distribute and collect the questionnaire. Secondly, it eliminates interaction between the interviewer and the respondents which reduces biases. Moreover, the person filling the questionnaire was anonymous and therefore was willing to give information especially over sensitive issues. It is a useful method, particularly when the questions are straightforward enough to be comprehended without verbal explanation. The questionnaire was used to gather the following information:

- The kind of forces that influence change in the mobile phone industry.
- The effect of change factors on operations of the mobile phone industry.
- The reaction of the mobile service providers in Kenya to the change factors.
- Strategies of overcoming resistance to change in the mobile phone industry in Kenya.
- Methods of ensuring employee commitment to change.
Two types of questionnaires were used, one for the managers and the other for operational staff. Appendix 7.4.1 and 7.4.2 provides the sample questionnaires. Before administering the questionnaires to the sample population, a pilot test was carried out in a different organization. This was to test if the questions would be clear to the respondents. Minor changes were effected for completeness and consistency.

3.7 DATA ANALYSIS

The data obtained from questionnaires was coded and analyzed using descriptive statistics. These included tabulations, simple frequencies, mean, pie charts, bar graphs, and percentages among others. This allowed the researcher to compare data and make informed conclusions and recommendations. The researcher used Statistical Package for Social Scientists (SPSS) to generate statistical analysis. This is computer software used to analyze quantitative data. Narrative summary was made for the open-ended questions.

3.8 LIMITATIONS OF STUDY

A limitation for purposes of this research was regarded as a factor that was present and contributed to the researcher getting inadequate information. The researcher faced the following limitations when carrying out the study.

Time constraint – The respondents were so involved in their day-to-day activities in their work and they expressed pressure of time on their part. This delayed the handing in of the questionnaires and others were filled hurriedly.

Lack of interest – The respondents did not show enthusiasm in the process of filling the questionnaire. This may be due to lack of interest on the study. Some important data was left out which made analysis and conclusion on certain aspects a little difficult.

Suspicion – For some reason, most managers were not willing to disclose some of the information they thought was confidential despite the assurance that the information would be treated with confidence. This had a negative impact because it left a few gaps in the study.
CHAPTER FOUR

4.0 DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the analysis of the research. The study sought to establish the kind of change factors affecting the mobile telephone industry, a case for Safaricom Kenya. The data collected through questionnaires has been analyzed and presented by showing the actual number of responses in the form of tables, pie charts, bar graphs, percentages, mean scores, among others. These have been interpreted in line with the objectives of this study.

The following areas as outlined in the questionnaires have been considered for analysis.

4.1.1 Background information of the sample
4.1.2 Change factors that influence operational change in the mobile phone industry in Kenya.
4.1.3 Impact of change factors on the operations of the mobile phone industry in Kenya.
4.1.4 How mobile phone organizations react to the factors influencing change.
4.1.5 How mobile phone companies manage change to their benefit.

The findings in the above areas reflect the responses received from questionnaires completed by the managers and the operating staff in line with the sample drawn for the study.

4.2 Background Information of the Sample

This study was limited to Safaricom Kenya Ltd only, to represent the mobile telephone companies which were two during the time the research was carried out. The respondents were managers and the employees in the core departments of the organization, namely Sales & Marketing, Human Resource Management, Finance &
Business Planning, Information Technology, Customer Management, Research & Development, and Corporate Strategy. A sample of 70 respondents was drawn comprising 12 managers and 58 operational staff. This represented 10% of the targeted staff. Research books indicate that a 10% sample of the targeted population is sufficient for a social science study. The sample was drawn using stratified random sampling techniques as outlined in Chapter Three. The respondents for each stratum were selected randomly. Their responses were collected using structured questionnaires which were valid for analysis. The questionnaires were of two types - one for the managers and the other for the employees.

Of the twelve (12) managers earmarked for the study, ten (10) responded to the questionnaire representing 83.3% response rate. Of the fifty eight (58) employees earmarked for this study, 56 responded to the questionnaires representing 96.5% response rate. Thus a total of sixty six (66) respondents out of the drawn sample of seventy (70) responded to the questionnaires representing 94.3% participation level. This response rate was considered sufficient for the purposes of the study as a social science.

Table 4.1 Sample Response Rate

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>RESPONSE</th>
<th>NON-RESPONSE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Managers</td>
<td>10</td>
<td>83.3%</td>
<td>02</td>
</tr>
<tr>
<td>Operational Staff</td>
<td>56</td>
<td>96.5%</td>
<td>02</td>
</tr>
<tr>
<td>TOTAL</td>
<td>66</td>
<td>94.3%</td>
<td>04</td>
</tr>
</tbody>
</table>

Source: Author (2006)

The above figures form the basis of the research findings, analysis, interpretations, conclusions and recommendations contained in the study.

4.3 Results Representation

The researcher focused on the presentation of the findings according to the structure of the questionnaires and in line with the objectives of the study. The questionnaires covered the areas outlined below.
4.3.1 General Information Regarding the Respondents

Respondents were required to give personal details regarding the departments in which they worked. Of particular importance to the researcher were the employees who worked in those departments where forces of change were likely to be experienced more as indicated in the table 4.2 below.

Table 4.2: DEPARTMENTS WHERE RESPONDENTS WORKED - EMPLOYEES

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH &amp; DEVELOPMENT</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>6</td>
<td>10.7</td>
<td>10.7</td>
<td>17.9</td>
</tr>
<tr>
<td>FINANCE &amp; BUSINESS PLANNING</td>
<td>6</td>
<td>10.7</td>
<td>10.7</td>
<td>28.6</td>
</tr>
<tr>
<td>CUSTOMER MANAGEMENT</td>
<td>12</td>
<td>21.4</td>
<td>21.4</td>
<td>50.0</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>18</td>
<td>32.1</td>
<td>32.1</td>
<td>82.1</td>
</tr>
<tr>
<td>SALES &amp; MARKETING</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>89.3</td>
</tr>
<tr>
<td>CORPORATE STRATEGY</td>
<td>6</td>
<td>10.7</td>
<td>10.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

From the table 4.2 above, it can be noted that 7.1% of the respondent employees worked Research & Development, 10.7% in the Information Technology, 10.7% in Finance and Business Planning, 21.4% in Customer Management, 32.1% in Human Resources, 7.1% in Sales & Marketing, and 10.7% in the Corporate Strategy departments.

4.3.2 General Experience of Change in the Workplace

Respondents were required to indicate whether they experienced change at all in their workplace. Data was collected in form of questions requiring a Yes/No response. The results are shown in Figure 4.1 below.
Regarding whether they experience change in the workplace, 100% of the respondents as seen in figure 4.1 above stated yes. This indicates the mobile telephone industry experiences a lot of change and especially at the operational level.

4.3.3 Intensity of Experiencing Change in the Organization

The objective of the study was to examine how often employees experienced change in the organization. The data collected was in form of options from which the respondent was to pick the most appropriate. The results are as shown in the figure 4.2 below.
From the figure 4.2 above, 14% of the employees stated that they experienced change very often, 50% often, 28% rarely, and the remaining 8% said they experienced change very rarely in the workplace. This means that in the mobile phone industry, change is a constant phenomenon.

4.3.4 Extent to which the Organization Consults the Employees

The study objective was to determine the extent to which the organization consulted the employees when introducing change and also the quality of communication in the organization. The data collected was in form of questions requiring the respondents to
tick the most appropriate option in a list. The results are as shown in table 4.3 and figure 4.3 below.

**TABLE 4.3: EXTENT TO WHICH ORGANISATION CONSULTS YOU**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALWAYS CONSULTED</td>
<td>6</td>
<td>10.7</td>
<td>10.7</td>
<td>10.7</td>
</tr>
<tr>
<td>SOMETIMES</td>
<td>24</td>
<td>42.9</td>
<td>42.9</td>
<td>53.6</td>
</tr>
<tr>
<td>RARELY</td>
<td>16</td>
<td>28.6</td>
<td>28.6</td>
<td>82.1</td>
</tr>
<tr>
<td>NEVER</td>
<td>10</td>
<td>17.9</td>
<td>17.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Author (2006)

With regard to the extent to which the organization consults the employees when effecting change, 10.7% stated that they were always consulted, 42.9% were sometimes consulted, 28.6% rarely, and the remaining 17.9% said they were never consulted. This can be observed from the table 4.3 above. This means that the majority of the employees were experiencing some sort of consultation before change was introduced in their organization.

**FIGURE 4.3: RATE THE QUALITY OF INFORMATION IN YOUR ORGANISATION**
When managing change, it is important to ensure there is effective communication. The residents were asked to state the quality of information in the organization. As can be noted from the figure 4.3 above, 12% of the employees said the quality was excellent, 25% said it was good, 45% said it was satisfactory, and 18% said the quality was poor. This means that most of the respondents felt that the quality of information was satisfactory.

4.3.5 The Organization’s Ability to Cope with Change

The objective of the study was to determine the organization’s ability to cope with the various changes it experiences. The data collected was in form of questions requiring the respondent to tick the most appropriate choice among the list followed by open ended questions to enable the respondents to present their views and recommendations on improving the organization’s ability to cope with change. The results are as shown in the figure 4.4 below.

Figure 4.4: Organization’s Ability to Cope with Change
With regard to the organization’s ability to cope with change, 8% of the respondents said it was excellent, 38% said it was good, 38% said it was satisfactory, 10% said it was poor, while the remaining 6% did not indicate their views on the issue. This can be confirmed through the figure 4.4 above.

4.3.6 Key Forces of Change in the Organization

The objective of the study was to establish the main forces of change in the organization. This was followed by questions on each kind of change and how it affected the organization. The data collected was in the form of questions requiring the respondent to tick the most appropriate from among given choices followed by open ended questions to enable the respondents present their views and recommendations concerning the said forces of change. The results are presented in the tables 4.4 - 4.19 and figures 4.5 – 4.8 below.

Table 4.4: KEY FORCES OF CHANGE IN THE ORGANIZATION
<table>
<thead>
<tr>
<th>CHANGE FORCES</th>
<th>YES</th>
<th>NO</th>
<th>NOT ANSWERED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. POLITICS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>20</td>
<td>0</td>
<td>36</td>
<td>56</td>
</tr>
<tr>
<td>Percent</td>
<td>35.7</td>
<td>64.3</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>2. TECHNOLOGY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>42</td>
<td>0</td>
<td>14</td>
<td>56</td>
</tr>
<tr>
<td>Percent</td>
<td>75.0</td>
<td>25.0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3. SOCIOLOGICAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>22</td>
<td>0</td>
<td>34</td>
<td>56</td>
</tr>
<tr>
<td>Percent</td>
<td>39.3</td>
<td>60.7</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>4. ECONOMIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>38</td>
<td>0</td>
<td>18</td>
<td>56</td>
</tr>
<tr>
<td>Percent</td>
<td>67.9</td>
<td>32.1</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>5. OTHER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>2</td>
<td>0</td>
<td>54</td>
<td>56</td>
</tr>
<tr>
<td>Percent</td>
<td>3.6</td>
<td>96.4</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

From the table 4.4 above, it can be noted that 35.7% of the employees stated that political environment was the key force of change in the organization, 75.0% believed it was technology, 39.3% said it was sociological forces, 67.9% said it was economic forces while 3.6% stated other. This shows that according to the employees, technological and economic factors are the dominant change forces in the mobile telephone industry.

Respondents were required to indicate the reasons why they stated that the various forces of change had a big impact on the operations of the organization.

Figure 4.5: WHY TECHNOLOGY IS THE MOST IMPORTANT EXTERNAL FORCE
From the figure 4.5 above, it can be noted that 33.3% of the respondents stated that technology is the one that drives their business; another 33.3% said that their business is heavily reliant on technology and a similar percent said their business relied on it. This shows that the reasons given are more or less the same – that the mobile telephone industry is heavily reliant on technology.

Figure 4.6: EFFECT OF COMPETITION ON OPERATIONS
From the above figure 4.6, it can be observed that all the respondents believed that competition had a big impact on the operations of the organization. 20% of the respondents stated that the effect is moderate while 80% said that competition had far reaching effects. This means that in the mobile telephone industry, competition is a great force of change.

Table 4.5 Why Competition is the Most Important External Force

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUST DEVELOP</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>AFFORDABLE PRODUCTS</td>
<td></td>
<td></td>
<td>20.0</td>
</tr>
<tr>
<td>NONE</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>THEY DEVELOP</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>THE SAME PRODUCTS</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>WITH US</td>
<td></td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Author (2006)

The above table 4.5 indicates that the managers gave various reasons as to why they believed that that competition was such a dominant change force. 20% believed that the competition forces them to develop affordable products to beat the competition, 20% stated that the competition had a tendency of developing similar products with theirs which make them develop new products to keep them ahead of the competition. A good deal of resources is channeled towards meeting that singular objective – to develop unique products to beat the competition. However, a staggering 60% did not believe that competition was the dominant force in the industry.
### TABLE 4.6: DEALING WITH EFFECTS OF COMPETITION

<table>
<thead>
<tr>
<th>Case Description</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE FOLLOW AS A COMPETITOR INTRODUCES A PRODUCT</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>BY WORKING SO HARD SO AS NOT TO BE OUTSMARTED IF OUR COMPETITOR DEVELOPES ITS PRODUCTS, WE ALSO DEVELOP</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

From the table 4.6 above, it can be noted that there are three main ways in which competition affects operations in the industry. 20% stated that the organization is forced to follow closely what the competitor is doing especially if it introduces a new product or service. Another 20% were of the opinion that the organization is forced to work so hard so as not to be outsmarted. The organization has to be proactive by introducing new products into the market. The remaining 60% stated that the organization has to be on the lookout to note any new services or products the competitor introduces so that the organization introduces a similar product/service and whenever possible come up with an improved brand. This, they said, was the only way to consolidate market leadership.

### Table 4.7: NEGATIVE EFFECTS OF COMPETITION IN ORGANIZATION

<table>
<thead>
<tr>
<th>Case Description</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPAGANDA USED AGAINST OUR PRODUCTS</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>PROPAGANDA THAT OUR NETWORK IS EXTREMELY CONGESTED</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>NONE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)
With regard to the negative effect of competition, 60% stated that the competition uses propaganda against their products - that their services/products are of inferior quality. Another 20% observed that the competitor tells customers that their network is extremely congested and not user-friendly. 20% of the respondents did not indicate their position on this issue. See table 4.7 above.

**TABLE 4.8: HAVE COMPETITORS BEEN PROFESSIONAL TO ONE ANOTHER?**

<table>
<thead>
<tr>
<th>SITUATION WAS WORSE AT THE BEGINNING BUT NOW IT'S BETTER</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES, TO SOME EXTENT</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>THERE IS MUCH COMPETITION</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

From the above table 4.8, it can be noted that all the respondents agreed that the competitors have behaved professionally towards one another. 60% of the respondents stated that the situation had been worse at the beginning but had improved a great deal, 20% said they were professional to some extent, while 20% noted that though the situation had improved, there still were competitive tendencies that were showing elements of unprofessional behaviour in the industry.
TABLE 4.9: EFFECT OF A THIRD OPERATOR ON THE ORGANIZATION

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORE COMPETITION</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>HENCE DECREASED REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVESTED HEAVILY</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td>HENCE NEED TIME TO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECOVER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEALTHIER COMPETITION</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>100.0</td>
</tr>
<tr>
<td>IS EXPECTED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Having established that competition was regarded a major force of change on the organization, the respondents (managers) were asked their opinion on the effect of introducing a third mobile telephone operator in the industry. From the table 4.9 above, 20% of the managers stated that such an introduction would have a negative impact on their operations since it will decrease the revenue. Another 20% also felt that the introduction was not timely since the organization has not recovered its huge investment. This means that the revenue would decrease considerably. However, the remaining 60% welcomed the third mobile operator saying that this would bring about a healthier competition.

Table 4.10: CUSTOMERS AS AN EXTERNAL FORCE OF CHANGE

WHY THE CUSTOMER IS MOST IMPORTANT EXTERNAL FORCE

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER NEEDS</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>KEEP ON</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHANGING &amp; WE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HAVE TO CHANGE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>KEEPS CHANGING &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE MUST ADAPT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NONE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Some managers felt that the customer was the key force of change in the organization for a variety of reasons. Sixty per cent (60.0%) said that the needs of customers keep
changing which puts pressure on the organization to meet the changing needs. Another 20% of the employees said that the needs of customers keep changing and the organization has little choice but to adopt, while 20% did not consider customers as a key force of change in the mobile telephone industry. See table 4.10 above.

Table 4.11: SHAREHOLDERS’ INFLUENCE ON OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERATE ENOUGH FUNDS TO ALLOW</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>MORE INVESTMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSULT THEM BEFORE MAKING INVESTMENT DECISIONS</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>FOCUS ON THEIR MAIN OBJECTIVES</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

With regard to the influence of shareholders on the business operations, it can be noted from table 4.11 above that 60% of the manager respondents said that the shareholders expect the organization to generate more funds for them to allow for more re-investment. Another 20% said that the organization always consults either directly or indirectly before making major investment decisions. 20% said that the organization is always guided by focus on the main objectives of the organization’s shareholders – growth of investment and a return on their investment.
The managers noted that the majority of Kenyans live below poverty line. With regard to what the organization does to reach the poor, 20% of the respondents said that the organization was working closely with the hardware manufacturers to reduce the handset prices to enable more people afford them. Another 60% said the company had continued to reduce prices so as to enable more and more people to acquire the services. 20% stated that the organization had introduced flexibility and choice by introducing different tariffs that suited different people depending on their needs or economic status. This can be observed from the table 4.12 above.

The managers noted that the majority of Kenyans live below poverty line. With regard to what the organization does to reach the poor, 20% of the respondents said that the organization was working closely with the hardware manufacturers to reduce the handset prices to enable more people afford them. Another 60% said the company had continued to reduce prices so as to enable more and more people to acquire the services. 20% stated that the organization had introduced flexibility and choice by introducing different tariffs that suited different people depending on their needs or economic status. This can be observed from the table 4.12 above.

Source: Author (2006)
The results above (figure 4.13) indicate that all the respondents stated that political force has a major impact on business operations. 20% of the respondents said that politics can bring about instability in a business, 20% said that customers would stop using the service, while 60% said that shareholders would shy away from investing in an environment of social and political turmoil. The results above show that organizations in the mobile telephone industry would have negative consequences in case of political instability in a country.

Table 4.14: IMPACT OF ECONOMIC GROWTH ON OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORE PEOPLE ARE POSITIVELY JOINING THE NETWORK</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>PEOPLE USE OUR SERVICES MORE</td>
<td>4</td>
<td>40.0</td>
<td>40.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

All the managers noted that the economy of the country had improved considerably during the recent years. Asked how this affected the operations of the organization, 60% stated that more people were joining the network and that the subscriber level had gone much higher while 40% said that more than ever before, people are calling more often and for longer periods per client than before (figure 4.14 above). This means that whenever economic growth is registered, the mobile telephone industry feels the effect to a very large extent.
Table 4.15: HOW INFLATION AFFECTS OPERATIONS

<table>
<thead>
<tr>
<th>MOST PEOPLE ARE UNABLE TO USE OUR SERVICES</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>PEOPLE NOT AFFORDING OUR PRODUCTS</td>
<td>4</td>
<td>40.0</td>
<td>40.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

The respondent managers noted that inflation levels had a big impact on any business operations. From the table 4.15 above, it can be noted that 60% of the respondents said that in case of high inflation, most people may not afford the services given by their organization. The other 40% said that in such a situation, the majority may not be able to access the products currently being given by the organization and that the organization may be forced to further reduce its profit margin to pass some advantage to the subscribers. This means that high rates of inflation would have far reaching negative effects on the operations of the organization.

Table 4.16: SUPPLIERS AND CREDITORS INFLUENCE ON OPERATIONS

<table>
<thead>
<tr>
<th>TO A SMALL EXTENT</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>INFLUENCE OUR ONGOING ACTIVITIES</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>IF THEY WITHHOLD SERVICES OUR BUSINESS SLOWS DOWN</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)
With regard to the effect of suppliers and creditors on the business operations, 60% of the respondent managers said that the effect, though present, is insignificant and has little effect on the business. 20% of the respondents said the influence would great and that it would significantly affect daily operations of the organizations. A further 20% stated that the business would slow down since these groups ensure continuity of operations in the organization. This can be observed from the table 4.16 above. The information obtained here shows that suppliers and creditors do have a significant influence on the operations of the mobile telephone industry.

Figure 4.7: RATE AT WHICH GOVERNMENT LAWS AFFECT OPERATIONS

With regard to whether government laws affect operations in the mobile telephone industry, the respondents were given a Lickert Scale to show the extent to which they believed such laws affected their operations. As can be noted in the figure 4.7 above, 18% said they strongly agreed, 72% of the respondents said they agreed, and 10%
strongly disagreed. This means that the majority believed that the laws of the land were critical in business operations and they have a big influence on the day-to-day activities of the business.

**TABLE 4.17: LOBBYING FOR SUPPORTIVE LEGISLATION**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>NOT ANSWERED</td>
<td>8</td>
<td>80.0</td>
<td>80.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Having expressed that the laws of the land can support or suppress business operations, the respondents were asked if their organization is involved in any lobbying activities to ensure that supportive laws are put in place. As can be observed in the table 4.17 above, 20% of the respondents said the organization was not doing any lobbying. A staggering 80% of the respondents did not answer this question. This means that either the respondents did not know anything about lobbying or they did not understand the question. This could also mean that the organization does not keep the employees in the picture when dealing with such important issues as lobbying for supportive legislation, yet this can have big effects on the mobile telephone industry.

**Table 4.18: EFFECT OF POPULATION DISTRIBUTION ON OPERATIONS**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE MORE THE PEOPLE THE MORE THE</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>CUSTOMERS &amp; SEVICES DENSELY POPULATED AREAS HAVE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>MORE POTENTIAL CUSTOMERS URBAN CENTRES HAVE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>MORE PROSPECTIVE CUSTOMERS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)
Population distribution was considered by the respondents as a major force of change on organizational operations in the mobile telephone industry. As can be observed in the table 4.18 above, 60% of the respondents (managers) said that in an area with more people, there are likely to be more customers and hence more services must be channeled towards such an area. Another 20% of the respondents noted that an area with a high population density may have more potential customers and the organization must bear that in mind when giving services. The rest 20% stated that urban centres which tend to have more people do have more prospective customers.

The respondents farther explained that those who live in the cities also tend to have more diversified needs which the service provider has to establish and provide such services. The importance of population distribution lies in the fact that the organization may have to spend a bigger portion of its budget where there are more prospects. If there is a high population density in an area, it would be important to establish the income levels of such people which may affect the pricing of goods and services.

Figure 4.8: Does Your Organization Support a Sustainable Environment?
The respondents identified ecological force of change as another important one in the mobile telephone industry since it has major effects on the operations of the organization. The respondents were asked the extent to which their organization supports a sustainable ecological environment. As can be noted in figure 4.8 above, 66% of the respondents agreed that their organization was supportive of a sustainable ecological environment, while 34% disagreed. They felt that the organization was doing little to meet this objective. This means that the mobile telephone industry has done relatively well in ensuring a sustainable ecological environment, although much more could be expected to be done.
Table 4.19: REASONS FOR INVOLVEMENT IN SOCIAL RESPONSIBILITY

<table>
<thead>
<tr>
<th>Reasons for Involvement</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involved in many projects hence gets more customers</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Much done to alleviate society problems e.g. health centres</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Our projects country wide gives attention to many people</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

One of the organizational forces of change that the respondents noted was the society. This means that organizations involve themselves in social responsibility to respond to the needs of the society. As can be noted in the table 4.19 above, 20% of the respondents were of the opinion that enables the organization to organize activities which strategically places it in contact with more prospective customers, 60% said that social responsibility enables the organization to meet the needs of the society especially alleviating the societal problems in major areas such as provision of health facilities, education, and water among others. The remaining 20% noted that social responsibility enables the organization to initiate projects countrywide which captures the attention of many people who get to know more about the organization and its products.

This means that the majority of the respondents felt that the main reason for social responsibility is to meet the needs of the people. The organization has then to set aside enough resources to meet this very crucial objective and introduce any change that may help achieve this objective easier.

4.3.7 Organization’s Reaction to the Forces of Change and why Employees Resist Change
The objective of the study was to establish how the organization reacts to the forces of change, why managers fear change and why employees resist change. The data collected was in form of questions requiring a Yes/No response followed by open ended questions to enable the respondents present their views and recommendations on improving the reaction of organizations and employees to the forces of change. The results are as shown in the tables 4.20 - 4.22 and figure 4.9 below.

Figure 4.9: RATING OF ORGANIZATION’S PREPAREDNESS FOR CHANGE

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SATISFACTORY</td>
<td>20%</td>
</tr>
<tr>
<td>POOR</td>
<td>20%</td>
</tr>
<tr>
<td>VERY GOOD</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Author (2006)

Having identified the major change forces in the organization, the respondents were asked of their opinion concerning their organization’s preparedness for change. As can be noted from the figure 4.9 above, 60% of the respondents said the organization was well prepared, 20% said the rate was satisfactory and another 20% said that the rate was poor. This means that a higher number of the respondents believed the organization was well prepared. The slightly less than half of the respondents who answered in the negative, however, would expect the organization to do a little more to prepare itself for change.

EXPLANATION FOR THE RATING
The respondents were asked to explain the above responses (figure 4.9 above). Those who agreed that the organization was well prepared (strongly agreed and agreed) noted the following:

(i) High competition – the respondents stated that the mobile telephone industry was very competitive. This kept the organization on its toes making it always prepared for change, and indeed oftentimes, initiating the change where need be.

(ii) The organization is proactive – the respondents also stated that the organization was the market leader in the industry and this had been achieved by being proactive as far as change was concerned. They noted that the organization was rarely caught unawares by forces of change, but had always anticipated for change and prepared for it.

(iii) Unpredictable environment – the respondents noted that the telecommunications industry was very turbulent and unpredictable. They noted that if when the organization scored low on change management, it was simply as a result of the nature of the environment in which the organization operated.

On the other hand, the 20% of the respondents who rated the preparedness as poor said the organization was poorly managed and the employees were rarely prepared for any change nor were they ever consulted about such changes. This made the organization to be overwhelmed by forces of change and was usually left to follow behind the main competitor.
Table 4.20: DOES ORGANIZATION RESIST CHANGE?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>8</td>
<td>80.0</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>NO</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

The respondents were asked to state whether they felt their organization was resistant to change. As can be observed from the table 4.20 above, 80% of the respondents noted that their organization resisted change in one way or another, while 20% stated that the organization was not resistant to change. This means that majority of the respondents felt that the organization was indeed resistant to change. Such resistance either came from the employees themselves or from the organization in general.

Table 4.21: REASONS WHY ORGANIZATION RESISTS CHANGE

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGANISATION STRUCTURE NOT SUPPORTIVE</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>IT'S HARD TO RESIST CHANGE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>STRUCTURES ARE TOO RIGID</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Having established that there was resistance to change in the organization, the researcher sought to know the reasons why the organization resisted change. As can be seen from the table 4.21 above, 60% of the respondents who were managers noted that the organization structure was not supportive to change. Another 20% said they did not think the organization resisted change since it was difficult to resist change. The other 20% stated that the structures in the organization were too rigid and hence not supportive of
change. This means that the respondents would like to see the organization structure changed to be more supportive and responsive to change.

Table 4.22: WHY MANAGERS FEAR CHANGE

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEAR OF LOSS OF POWER AND STATUS</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>VESTED PERSONAL INTERESTS</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>THREATS TO HELD VALUES AND IDEAS</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Many respondents were positive when asked whether managers in their organization feared change. They were then asked to suggest reasons why managers are fearful of change. As can be observed from the table 4.22 above, 60.0% stated that the managers fear loss of power and status. Another 20.0% of the respondents said that the managers’ fear was out of their vested interests in their organization. The remaining 20.0% of the respondents said that managers felt that change would threaten their long held values and ideas. The majority, therefore, noted that managers feared losing power and status if changes were implemented in the organization.

The respondent employees were also asked why they thought that the organization resisted change in one way or another. The reasons they gave are summarized below:

(i) Threats to power structure – the respondents felt that most people in the management positions would fear to lose their status and attendant rewards and they were, therefore, ready to protect the status quo at all costs. There was also a general feeling among management that the organization structure should not be changed radically since that would have effect on the relationships among people and sections.
(ii) Sunk costs and vested interests – the organization felt that a lot of capital had been spent and major changes would not be very welcome because they would bring other costs to the organization. There were also vested interests which also made change to be opposed from high management level.

(iii) Inertia of the organizational structure – the structure of the organization was reportedly rigid which impeded effective change management. The respondents felt that if the structure was flatter, it would be more supportive of team working and effective change management.

WHY EMPLOYEES RESIST CHANGE

The respondents were asked why employees resisted change in the organization. The responses given may be summarized as follows:

(i) Distrust of management – a good number of employees did not trust management. They were always suspicious that the management was always planning something on their backs which would ultimately hurt them. This had made the employees prefer the status quo.

(ii) Fear of the unknown – the respondents noted that many employees had some fear for the unknown. The employees always felt that change had chances of bringing something negative in their places of work. They would only support change whose ultimate repercussions are very clear to them.

(iii) Disruption of stable friendships – it was clear from the respondents that the employees were afraid of disruption of their friendships which they had taken so long to nurture. Change sometime would mean moving people from some sections
to others and the employees were not willing to see their social needs interfered with. They resented interference of their lives at all costs.

(iv) Fear of personal failure – many employees were also fearful of taking new roles in their working places since they feared personal failure. Past experience had shown them that well qualified people successful in their present roles would perform miserably in new roles. The employees would, therefore, rather have the status quo.

4.3.8 How The Company Manages Change To Its Benefit

The objective of the study was to establish how the company under study managed change to its benefit. The data was collected in the form of questions requiring respondents to tick the most appropriate from among given choices, followed by open ended questions to enable the respondents present their views and recommendations on improving the way the company can manage change to its benefit. The results were as shown in tables 4.23 – 4.25 below.

Table 4.23: ROLES MANAGERS PLAY IN ENSURING SUCCESSFULL CHANGE MANAGEMENT

<table>
<thead>
<tr>
<th>ROLE OF MANAGERS</th>
<th>YES</th>
<th>NOT ANSWERED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Preparing employees for change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Percent</td>
<td>60</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2 Ensure organizational structure supports change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>2</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Percent</td>
<td>20</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>3 Build a conducive environment for change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Percent</td>
<td>40</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>4 Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>0</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Percent</td>
<td>0</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
With regard to the role that managers should play to ensure effective management of change, the respondent employees had various suggestions to make as summarized in the table 4.23 above. These roles were suggested to them in the questionnaire and they had tick one or more of the suggested roles.

(i) To prepare employees for change – 60% of the respondents stated that this was the major role of the managers in an organization. 40% did not think this was a major role.

(ii) To ensure organization structure supports change – 20% of the respondents suggested that this was an important role of managers in ensuring successful change management in an organization, while 80% did not consider this role very important.

(iii) To build a conducive environment for change – This was also not considered very important by the respondents. While 40% supported this role as being important, 60% said it was not the most important.

Asked whether there was any other role they would rate as the most important, the respondents answered in the negative, that is 0%. This means that the most important role of managers in ensuring successful change management is preparing employees for change, followed by building a conducive environment for change.
4.24 WHAT CAN BE DONE TO ENSURE THAT ORGANIZATIONS AND THEIR MEMBERS BENEFIT FROM CHANGE - (EMPLOYEES)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECENTRALIZATION OF DEPARTMENTS I.E</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>DECISION MAKING</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>14.3</td>
</tr>
<tr>
<td>ESTABLISH ORGANIZATIONAL STRUCTURES</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>21.4</td>
</tr>
<tr>
<td>INVOLVE EMPLOYEES BY EMPOWERING THEM</td>
<td>14</td>
<td>25.0</td>
<td>25.0</td>
<td>39.3</td>
</tr>
<tr>
<td>EQUIP EMPLOYEES WITH RELEVANT SKILLS</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>46.4</td>
</tr>
<tr>
<td>BUILD SUPPORTIVE STRUCTURES</td>
<td>2</td>
<td>3.6</td>
<td>3.6</td>
<td>50.0</td>
</tr>
<tr>
<td>INVOLVEMENT &amp; EFFECTIVE COMMUNICATION</td>
<td>10</td>
<td>17.9</td>
<td>17.9</td>
<td>67.9</td>
</tr>
<tr>
<td>PREPARATION &amp; PARTICIPATIVE</td>
<td>2</td>
<td>3.6</td>
<td>3.6</td>
<td>71.4</td>
</tr>
<tr>
<td>SPEND MORE TIME PLANNING EFFECTIVELY FOR DEVELOPMENT</td>
<td>6</td>
<td>10.7</td>
<td>10.7</td>
<td>82.1</td>
</tr>
<tr>
<td>DEPT ALLOWED TO INITIATE &amp; MANAGE INDEPENDENTLY</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>89.3</td>
</tr>
<tr>
<td>DEVELOPMENT SHOULD BE PLANNED TO REDUCE NEGATIVE EFFECTS</td>
<td>2</td>
<td>3.6</td>
<td>3.6</td>
<td>92.9</td>
</tr>
<tr>
<td>NOT ANSWERED</td>
<td>4</td>
<td>7.1</td>
<td>7.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

The respondents were asked to suggest what could be done for organizations and their members to benefit more from effective change management. They were given a number of responses from which to choose those that best represented their opinion(s). As can be noted from the table 4.24 above, 7.1% of the respondents said that decentralization of decision making would go a long way in ensuring that organizations and their members benefit. Another 7.1% said that the organization should establish organizational structures that support change management. 25.0% suggested that the organization should involve employees by empowering them. 7.1% said that the best way to ensure the
organization and its members benefit from change was by equipping employees with the relevant skills, while 3.6% said that the organization should build supportive structures. 17.9% suggested that the there should be involvement of employees coupled with effective communication, while another 10.7% expressed the need for the organization to spend a little more time planning effectively for change management. Others suggested allowing departments to manage change independently of one another, and planning well for change to reduce negative effects. The majority of the respondents, therefore, were of the idea that the organization should involve the employees in the process of change. This is important since it creates a sense of ownership and builds the confidence of employees hence reduces resistance to change. For this to succeed, the organization should ensure that communication channels are well established and effectively used.

Table 4.25: WHAT ORGANIZATIONS CAN DO TO BENEFIT MORE FROM CHANGE - (MANAGERS)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEMBERS SHOULD BE PREPARED FOR CHANGE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>ORGANIZATION SHOULD ESTABLISH STRUCTURES SUPPORTING CHANGE</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>INVOLVE OUR EMPLOYEES &amp; INFORM MEMBERS OF THE CHANGE</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2006)

Having noted that change was inevitable in organizations and that organizations can benefit from effective change management, the respondents (managers) were asked to state what they believed organizations should do to benefit more from change. As can be observed in the table 4.25 above, 20% of the respondents felt that the organization should prepare all its members for change, 60% said that the organization should establish
structures that support change, while 20% felt that the organization should involve the employees and inform members of the change before it was introduced. This means that the majority respondents would want to see structures established that would be supportive of change in their organization.

The employees were also asked their opinion on what their organization could do to benefit more from change. They were expected to tick the responses that best represented their opinion. Their responses can be summarized as follows.

(i) Involve employees - The respondents felt that employees should be involved before changes can be introduced in the work place so that they can own such changes and render their much needed support throughout the process.

(ii) Building a working environment conducive for change – As important as change could be in an organization, the respondents noted that working environment should be supportive to change. The structure should be one that can support change and especially the flat structure which supports use of teams in the workplace.

(iii) Explaining change benefits to the employees – The respondents felt that it was crucial for organizations to explain to the employees how they stood to benefit from the intended change. As long as the benefits are not clear to the employees, their support can not be guaranteed hence limited success would be expected. At the worst, they may even oppose well-meaning change.

(iv) Creating a learning culture – The respondents noted that the organization culture was critical in enhancing the success of management of change. The organization should, therefore, create a culture that supports learning of all the members of the organization. The respondents felt that learned employees tend to be more flexible and receptive to change. Such employees understand the need for change and are likely to support positive change, and if need be, initiate such change in the organization which would benefit the organization.
4.3.9 Summary of Data Analysis

From the analysis of the study, it is evident that the independent variables under investigation in the study affect operations in the organization. The impact of these factors depends on the organizational management as well the employees themselves. It is, therefore, necessary for the mobile telephone industry to put structures in place that will be supportive of change and in particular that the managers involve employees in the process of change in order to create ownership concept amongst employees thereby reducing resistance to change. This should take into account the analysis of the research findings as presented and analyzed in the study.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The research evaluated the forces influencing change in the mobile telephone industry with special reference to Safaricom Kenya Ltd. This chapter summarizes the findings of the study as analyzed in Chapter Four in light of the research questions and the objectives of the study. Conclusions and suggestions for further research have also been made from the study.

5.2 Summary of Research Findings

This study has established the factors that influence operational change in the mobile phone industry in Kenya. The study found out that the industry experiences change which has great influence on its operations. Though this change is inevitable, the organizations do not seem to prepare their employees effectively for this change. The employees feel that they could be more supportive of the change if they were involved more from the initial stages.

The research found out that for organizations to succeed in carrying out the desired change, they should prepare the employees adequately. The organization should also ensure that the structure of the organization is one that is supportive of change. The environment should also be supportive of change. This is clearly indicated by the kind of responses obtained in the questionnaires and analyzed in Chapter Four. Recommendations have been made by managers and employees on how the organization can better prepare itself and its employees for change as analyzed in Chapter Four.
5.3 Answers to Research Questions

On the question of what factors of change influence operations in the mobile phone industry in Kenya, most respondents indicated that competition, politics, technology, competition, and economy as the most important factors. These factors have untold influence on the operations of the organizations and firms have to be prepared for them if they were to continue operating effectively.

On the question of the effect of the change factors on the operations of the mobile phone operators in Kenya, most respondents indicated that the organization had to look for ways and means of reducing negative impact from the forces of change. The competition forces the organization to be more innovative with new products and services and as far as possible, reduce the prices of the main services to give it a competitive edge. Politics as a major force made the organization to, as far as possible, not to involve itself with major political issues but to support the government of the day in its development policies. The organization, therefore, works closely with government and remains apolitical. The economic factor forces the organization to give services that respond to the economic abilities of different people. The people in the lower economic ladder are given services that are affordable, like lower denomination scratch cards and billing them per second. Technology is another force of change which pushes organizations to employ it to give them an edge over the competition. Safaricom has used technology to a large extent to realize this objective.

On the question of how mobile phone operators react to these factors of change, most respondents stated that most managers and even employees fear change. While managers tend to worry because of vested interests or loss of status, the employees feel uncertain and also worry about the interference with their social groups. However, organizations have learnt that change is inevitable and will go a long way to prepare their employees for change. The organizations have also undertaken a proactive approach to change management. The customers are given more choice of products, technology is applied in almost all aspects of the company operations, prices are reduced to beat off the effect of
the competition, spending more on corporate social responsibility, and lobbying the government for laws that are supportive to business. Employees are given training on regular basis so that they are more flexible to any planned or unexpected change.

On the question of how the mobile phone operators in Kenya benefit from effective change management, most respondents suggested that the organization should involve employees before changes can be introduced in the work place so that they can own such changes and render their much needed support throughout the process.

Another way to benefit from change management is by building a working environment conducive for change. The working environment should be supportive to change. The structure should be one that can support change and especially the flat structure which supports use of teams in the workplace. The organization should also explain change benefits to the employees. As long as the benefits are not clear to the employees, their support can not be guaranteed hence limited success would be expected. At the worst, they may even oppose well-meaning change. Another way of benefiting from the change is to create a learning culture – The respondents noted that the organization culture was critical in enhancing the success of management of change. The organization should, therefore, create a culture that supports learning of all the members of the organization. The respondents felt that learned employees tend to be more flexible and receptive to change. Employees who understand the need for change are likely to support positive change, and if need be, initiate such change in the organization which would benefit the organization.

On the question of whether there is any significant relationship between change management strategies and the organizational performance, most of the employees were positive. An organization that manages its change effectively is also able to use that effectiveness to improve its output. Preparing employees for change equips them for any eventuality and ensuring that such employees are flexible, own the change and support it instead of opposing it. This means that they put their energies towards achievement of organizational goals.
5.4 Conclusions

From the above answers to research questions, it can be concluded that the organization handles the forces of change fairly well but there is still a lot to be done. The organization has to find ways and means of having the staff welcome change and prepare them for that change.

Change is inevitable and there is need for the organization to anticipate and prepare for change. The top management has a big role to play in ensuring the success of handling change. The management must appreciate that there are certain internal and external forces of change that will always face the organization. The organization would then have to create an environment that is conducive for such change.

The research concludes that a learning culture would enhance change since it makes people to be more flexible and innovative. This gives the organization a competitive edge in the market. Moreover, the organization must adopt the latest technology to enhance service delivery and bring about change in the sector, develop new products to meet the ever-changing needs of the clientele and lobby the government to create a more enabling environment for business including tax reductions.

5.5 Recommendations

Given the above findings and conclusions, the researcher recommends the following measures for implementation with regard to change management in the mobile phone industry.

(i) Understanding that change is inevitable – It is important for all members of the organization to understand that change is not only inevitable but also necessary. This is because there are such forces as technological, economical, social, legal, competition, political and ecological among others which will always affect
organizational operations. Organizations need to be proactive in their operations by initiating the required change that could give them a competitive edge.

(ii) Commitment from the top – The top management must give all the necessary support required for change management to be effective. They should commit resources to the training of employees, adoption of new technology, and structuring the organization in a way as to facilitate change.

(iii) Concept of ownership – All the employees and managers in an organization should own the process of change. They should make sure that they do not oppose change for the sake of it, but seek to identify the positive effects of such change. This will ensure that time and resources are not spent fighting change, but preparing for, and if need be, initiating change. There is need to offer a genuine opportunity to employees to participate in all the aspects of the new programme.

(iv) A learning culture – The organization should develop a learning culture which will encourage all the members to learn from their mistakes and successes. There should be no culture of blame in the organization and people should not be afraid of making mistakes as they will sometimes do when looking for better ways of doing things in the organization. A learning culture supports innovation, which would help the firm develop better products and services for its customers.

(v) Clear benefits from the change – The research established that most people will oppose change even when it is for the better. However, if the person can see how he would benefit from the intended change, chances are that he will channel his efforts towards its attainment. The organization should, therefore, make clear to all those involved in and affected by change, how they stand to benefit.

(vi) Effective communication – In order to manage change effectively, the organization should make sure there is proper communication about exactly what
change will be about. There should be a clear explanation of why there will be change, how it will be carried out, who will be affected, and how individuals and the organization will benefit. The time over which this would happen should also be clear. This would not only reduce the uncertainty brought about by change, but also give people a chance to raise their concerns and make suggestions concerning that change.

The researcher considers these recommendations as critical if the firms in the mobile telephone industry in Kenya are to grow and survive in today’s competitive business environment. This survival is dependent upon the ability of the organization to manage change to its benefit. The organization should be able to anticipate change and plan for it accordingly. This is especially important because the environment in which mobile phone industry operates is very dynamic. Technology is a very critical tool that must be exploited to give an organization the much desired competitive edge in such a turbulent environment.

5.6 Suggestions for Further Research

This study covered the forces influencing operational change in the mobile telephone industry in general and in particular the case of Safaricom Kenya. There is still a gap in this area given that the only other competitor, Celtel may be going through different experiences altogether. Moreover, a third mobile telephone operator will be licensed soon which may tilt the balance to something different from the current situation.

The area of mobile telephony is very dynamic and changes that may be effected today may become obsolete after a short while. There is need to do more research on what direction this change may take, say in five years’ time. Further, it is important to establish how organizations with a phobia for change could embrace change and use it to their benefit.
REFERENCES


Collins A. Carval (1990), Managing change in Organizations, Prentice Hall.

Gongera G (2005), Management of Change Manual, (unpublished), School of Business, Kenyatta University


APPENDIX I

I. QUESTIONNAIRE A – MANAGERS

Please fill this questionnaire openly and honestly. The information acquired will be
reated with due confidence and used only for the purpose of the research study.

(Kindly tick your choice of response in the appropriate box and where necessary, fill in
by writing)

1. How is your organization affected by change?
   ................................................................................................................................................
   ................................................................................................................................................
   ................................................................................................................................................

2. How would you rate your organization’s preparedness for change?
   □ Very good
   □ Good
   □ Satisfactory
   □ Poor

3. What do you consider as the most important external forces of change facing your
   organization? Give reasons.
   ................................................................................................................................................
   ................................................................................................................................................
   ................................................................................................................................................
   ................................................................................................................................................

4. Organizational structure can support or impede the change process in an organization.
   How would you assess your organization structure in this regard? (Please tick the
   most appropriate).
   □ Very supportive
   □ Supportive
   □ Not supportive

5. Please explain your answer to (a) above.
6. Does your organization sometime resist change? If so, please state the reasons.

7. Most employees resist change for various reasons. Why do you think they (would) resist change in your organization? (Please tick the most appropriate).

- Not being consulted
- Belief that change is unnecessary
- Disruption of stable relationships
- Distrust of management
- Other (please state).

8. What, in your opinion would be the best way to gain the employees’ support and commitment for change? (Please tick the most appropriate.)

- Involving the employees in the process of change
- Explaining the benefits of the change to them and the organization in general.
- Empowering the employees so that they have a say in the change.
- Other (please state).

8. Some managers in business organizations are known to have a phobia for change. What do you think is the reason for this? (Please tick the most appropriate).

- Fear of new technology
- Fear of loss of status and power
- Vested personal interests
- Threats to held values and ideas
- Fear of the unknown
- Other (please specify).
9. What role do managers play in ensuring success of change management in your organization? (Please tick the most appropriate).

- Preparing the employees for change.
- Ensuring the organizational structure supports change.
- Building a work environment which is conducive to change.
- Other (please state) .................................................................

10. Do your customers influence the way you operate your business? (Please explain).

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11. How do suppliers and creditors influence your business operations?

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12. What are the expectations of the shareholders from you? Do you feel they influence you in the day to day operations? Please explain.

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13. To what extent has technological force impacted on your operations in Kenya?

- To a large extent
- Moderately
- Not at all

(Please explain) ......................................................................................
..............................................................................................................
..............................................................................................................

14. In what ways has technology been an asset to your organization?

..............................................................................................................
..............................................................................................................
..............................................................................................................
15. How has competition affected your operations?

☐ To a large extent
☐ Moderately
☐ Not at all

(Please explain) ..............................................................................................................................
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16. Are there any negative effects arising from this force of change on your organization?
   If so, please explain.
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17. What effect would a third mobile service provider have on your organization?
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18. Have the main players in the sector behaved professionally towards one another?
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...................................................................................................................................................
...................................................................................................................................................

19. Are there laws that have inhibited your operations in this country? If so, please explain.
...................................................................................................................................................
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...................................................................................................................................................

20. Your organization lobbies, for example, through parliament to have legislation that supports its operations. (Tick appropriately).

   o Yes
21. What would you say about the number of business licenses that one has to acquire to do business in this country?

22. The political environment in Kenya has been relatively polarized in the recent past. How has this affected the operations of your organization in this country?

23. What does your organization do to avoid negative effects from the politics of the land?

24. The wealth distribution in Kenya is relatively irregular. How does this affect your operations?

25. What does your organization do to reach the poor majority in the country?
26. How does inflation affect your operations in Kenya?

27. Kenya has registered some economic growth in the last few years. How does this impact on your operations?

28. What impact do the changing tastes and preferences of your clients have on your business?

29. Your business is affected by culture of the people. (Please tick appropriately)
   - Always
   - Occasionally
   - Rarely
   - Not at all
   (Please explain your choice above)

30. Is population distribution in the country a determinant of how your company plans its operations? If so, please explain.
31. Your organization supports a sustainable ecological environment. (Please tick appropriately).
   o Strongly agree
   o Agree
   o Disagree
   o Strongly disagree

32. How is your organization involved in social responsibility? In your opinion, should this area be given considerable attention? Please explain.
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

33. Your organization could do more to further benefit from change management. (Please tick appropriately).
   o Strongly agree
   o Agree
   o Strongly disagree
   Please explain your response briefly.
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

Thank you for finding time to complete this questionnaire despite your tight schedule. You have greatly contributed to the success of the researcher’s investigation on the change management in the 21st century. God bless you.
II. QUESTIONNAIRE B – EMPLOYEES

Please fill this questionnaire openly and honestly. The information acquired will be treated with due confidence and used only for the purpose of the research study.

(Kindly tick your choice of response in the appropriate box and where necessary, fill in by writing)

1. In which department do you work? .................................................................

2. Do you experience changes in the workplace?
   □ Yes
   □ No

3. If the answer to (2) above is yes, how often do you experience that change?
   □ Very often
   □ Often
   □ Rarely
   □ Not at all

4. What are the key forces of change on your organization?
   □ Competition
   □ Politics
   □ Technological
   □ Sociological
   □ Economic
   □ Other (please indicate) ...........................................................

5. To what extent does the organization consult you when introducing changes in the workplace?
   □ Always consulted
   □ Sometimes
   □ Rarely
   □ Never

6. How would you rate the quality of communication in your organization?
   □ Excellent
   □ Good
   □ Satisfactory
   □ Poor
7. How would you rate your organization's ability to cope with change?
  □ Excellent
  □ Good
  □ Satisfactory
  □ Poor

Please explain briefly your reason for your response in (6) above.
......................................................................................................
......................................................................................................
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8. What do you think your organization could do to improve the way it manages change?
  □ Involve employees more in change management
  □ Build a working environment conducive to change
  □ Explaining the benefits of change to the employees
  □ Creating a learning culture
  □ Other (please indicate) .................................................................
......................................................................................................

9. How do the diverse needs of your customers affect the way you operate?
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10. What role should employees play in the process of change management?
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......................................................................................................
......................................................................................................
......................................................................................................

11. What are the main challenges to effective change management in your organization?
  □ Rigid and bureaucratic organization structure
  □ Lack of management support and commitment
  □ Fear of change amongst employees and managers
  □ Perceived threat of status and power
  □ Other (please indicate) .................................................................
......................................................................................................
12. Why do you think your organization (may) resist(s) change?
   ☐ Threats to the power structure
   ☐ Inertia of the organizational structure
   ☐ Sunk costs and vested interests
   ☐ Other (please specify) .................................................................

13. Why do you think employees (may) resist change in your organization?
   ☐ Lack of trust
   ☐ Fear of the unknown
   ☐ Distrust of management
   ☐ Disruption of stable friendships
   ☐ Resentment of interference
   ☐ Fear of personal failure
   ☐ Other (please indicate) .................................................................

14. How does your main competitor affect your operations?
    ........................................................................................................
    ........................................................................................................
    ........................................................................................................
    ........................................................................................................

15. How does the socio-economic status of your prospects affect your service provision?
    ........................................................................................................
    ........................................................................................................
    ........................................................................................................

16. Changing technology affects your operations from time to time. (Please tick the most appropriate).
   o Always
   o Occasionally
   o Rarely
   o Never

   (Please explain your response above)
   ........................................................................................................
   ........................................................................................................
   ........................................................................................................
   ........................................................................................................
17. Government laws and regulations affect your operations. (Please tick appropriately).

 o Strongly agree
 o Agree
 o Strongly disagree

(Please explain your response above).

........................................................................................................
........................................................................................................
........................................................................................................

18. What, in your opinion should be done to ensure that organizations and their members do benefit from change?

........................................................................................................
........................................................................................................
........................................................................................................

Thank you for finding time to complete this questionnaire despite your tight schedule.
You have greatly contributed to the success of the researcher’s investigation on the change management in the 21st century. God bless you.
## APPENDIX II – SCHEDULE OF RESEARCH ACTIVITIES

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<td>develop design and instrument</td>
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83
APPENDIX III

BUDGET OF THE RESEARCH PROJECT

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<tr>
<th>ITEM</th>
<th>UNIT COST (Ksh.)</th>
<th>NO. OF ITEMS</th>
<th>AMOUNT (Ksh.)</th>
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<tr>
<td>2. Photocopying paper</td>
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<td>3. Typing costs</td>
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<td>4. Printing costs</td>
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<tr>
<td>16. Stapler</td>
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Dear Respondent

REQUESTING INFORMATION FOR ACADEMIC RESEARCH

I am currently a student in Kenyatta University pursuing a course in Master in Business Administration (Human Resource Management Option). It is a requirement to write a report as a partial fulfillment of the course. I am currently conducting the above mentioned research entitled ‘FACTORS INFLUENCING OPERATIONAL CHANGE IN MOBILE PHONE INDUSTRY IN KENYA – CASE OF SAFARICOM KENYA’. The aim is to understand the kind of change that Safaricom faces and how the organization reacts to the change.

You have been randomly selected to participate in this study. Enclosed herein is a copy of the questionnaire, which I kindly request you to take a little of your time and complete.

The information you will provide in this questionnaire is for academic purpose only, and will be treated with utmost confidentiality. This information is meant to contribute to an important study whose results are likely to provide insight on how your organization can manage change to your benefit.

I thank you for your cooperation and participation.

Yours faithfully

SAMUEL B MACHARIA