AN ASSESSMENT OF SUCCESSFUL BUSINESS ORGANISATION TRANSFORMATION IN KENYA: A CASE OF RWATHIA GROUP OF COMPANIES

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Project Research Report Submitted To the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA)

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution, or university other than the United States International University in Nairobi for academic credit.

Signed: ________________________ Date: ________________________

Kenneth I. Kibara (643987)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________ Date: ________________________

Dr. Koshal Jeremiah

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Dean, Chandaria School of Business
ABSTRACT

The central focus of this study was to advance knowledge regarding business transformation in Kenya. The objective was to carry out an assessment of successful organisational transformation with a focus on Rwathia Group of Companies. The study was guided by the following research questions: What constitute successful organisation transformation? What are the drivers of organisation transformation? And what is the impact of successful organisation transformation. The study was a quantitative research with a target population of 50 members of the top management of five Rwathia Group of Companies. Stratified sampling technique was used to select 50 members of top management drawn equally from each stratum comprising of five companies in Rwathia Group of Companies. Primary data was collected using a well-structured questionnaire developed on the basis of the research questions. Descriptive statistics including the mean, frequency, percentages and standard deviations was used during analysis. The information obtained after analysis was then presented using frequency table and pie charts. Findings based on the research question revealed that most respondents agreed organisational transformation is an extension of organisational development, dynamic environmental conditions have made change management a key competitive asset and dynamic environmental conditions have made change management a key competitive asset. However, there was uncertainty on whether employees are aware of where, how and in what direction the firm should change and on whether the organization makes structural changes to reduce costs and increase profitability. The researcher concluded that the organizations have developed programs that have enabled them cause major revolutionary changes and through these changes the organizations have been able to provide outstanding customer service. However, the organizations need to be aware of strategic changes that are influenced by external events in order to develop strategies to mitigate the impact of these changes. The organizations also need to have a culture that will promote trust and reduce resistance to change to enable them to eliminate external threats and internal changes. The research recommends that further studies be carried out to establish other factors that might lead to a successful business organization transformation in Kenya especially in family run businesses.
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DEDICATION

This dissertation is dedicated to the friendship and memory of my Mother Esther Wairimu Kibara. Her strength and faith during the last year of her life gave me a new appreciation for the meaning and importance of a mother in life. Mum, you lived your life well and faced death bravely on September 12th 2016. It is from you that I learnt how to love God, live simply, love generously, care deeply, speak kindly and leave the rest to God.
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LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA- Analysis of Variances

SD- Standard Deviation

SPSS- Statistical Package for Social Sciences

IT- Information Technology

IBM-International Business Machines
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The strategic response to turbulent environment and in particular the discipline of management response to surprising changes is a contemporary field of great interest to the researcher. Contemporary business environment is characterized by ever-increasing uncertainty due to changing government regulations, disruptive changes in technology, more informed customer with uncertain demand and expectations, intense competition, fast economic growth, swift demographic changes, and large integrated common markets are some of the forces that are changing the structure of business environment and threatening organisations’ existence (Wairegi, 2004; Mpungu, 2005).

According to Drotski (2008), in the current business environment, companies have to cope with multiple dimensions of change involving international best practice, regulation, technology, new competitors and business models, market pressures, and constantly changing customer demands. These competitive pressures and sluggish economy provide the impetus for continued efforts to deliver more with less. Business transformation remains an effective tool for organisations striving to operate as effectively and efficiently as possible.

According to Burke (2008), organisational transformation is a process of developing a strategic plan for modifying an enterprise's business processes through the modification of policies, procedures, and processes to move the organization from an "as is" state to a "to be" state. Burke (2008) intimates that organisational transformation is not putting in a new IT system; those are examples of tools an organisation may use to make the transformation more likely to happen, but are not transformation in itself. Nor is it changing processes or organisational culture, but that transforming an organisation suggests that we wish to change it’s very self.

Previous studies have been done to analyse the influences of transformational leadership on organizational performance through the dynamic capabilities of organizational learning and innovation. An investigation of Spanish firms uncovered that
transformational administration impacts hierarchical execution emphatically through authoritative learning and advancement; hierarchical learning impacts authoritative execution decidedly, both positively and negatively through organizational development; and organisational innovation impacts hierarchical execution positively (García-Morales, Jiménez-Barrionuevo, Gutiérrez-Gutiérrez, 2012).

According to Scott (2016), organisations are made up of people who interact with each other and with people outside of the organisation to achieve a goal. The efficiency and effectiveness of those interactions usually determine the success of the organisation. When those interactions are inefficient or ineffective and there is competition which is more effective, organisations are seen to fail by comparison. When there is no competition, organisations are seen to fail by their users if there are known or perceived benchmarks against which they can be measured. A study conducted by Mokgolo (2012), on transformational leadership in the South African public servicerevealed that subordinate leadership acceptance, job performance and job satisfaction have a positive relationship with transformational leadership.

According to Ansoff (1990), the challenges faced by organisations today are numerous, discontinuous, diverse and complex. Organisations must, therefore, continuously survey the environment for signs of future discontinuity and potential surprises; cope with rapid saturations of market; respond to frequent changes in competitive structure and dynamics; take advantage of opportunities in new growth industries; and respond to global competition and social pressures on the firm.

Rwathia Group of Companies has not been spared from these environmental forces (Githii, 2007). The recognition that these groups of companies are becoming more sophisticated and the increased awareness of the challenges and opportunities that exist in the business environment in which they operate has led the researcher to carry out a study to try and understand what constitute successful organisation transformation, identify drivers of organisation transformation and assess the impact of successful organisation transformation.

In the 1930s, a bunch of poverty-stricken boys from Rwathia village in Kangema, Murang’a County, walked to Nairobi with nothing but tattered clothes and a burning
dream to make wealth. Little did they know that they would make tonnes of it (Mbogo, 2016). The great capitalist boys from Rwathia village that produced the legendary Rwathia Group of Companies now control a swath of properties and businesses in Nairobi and other major towns in Kenya ranging from real estate, chains of hotels, logistic chains, and interests in energy industry among others (Mbogo, 2016).

In order to survive, Rwathia Group of Companies businesses continue to re-examine and fundamentally change the way they do business in response to environmental changes that are unpredictable and fast paced (Githii, 2007). During the past decade, the combination of a strong global economy, new technologies, increasing market opportunities and the participation of a younger new generation of family members in the management of Rwathia Group of Companies have together contributed to the increased vitality of these businesses.

According to Mbogo (2016), eighty years on, the value of property owned by the Rwathia businessmen in Nairobi, Thika, Murang’a and other towns in Kenya runs into billions of shillings, with their billionaire sons and protégés controlling substantial wealth at the Nairobi Securities Exchange. Today, the Rwathia groups control prime properties in Nairobi, especially within areas on the east side of lower Tom Mboya Street, Ronald Ngara Street, and River Road, among others. Buildings, bar and restaurants like the famous Njogu-ini Hotel, Prea-area Hotel and Restaurant, Lizie Building, Kagondo Building, Milano Hotel, Eureka Hotel, Magomano, Timboroa and Alfa Hotels, among others, are all owned by several Rwathia Group of Companies. The group also controls the beer distribution outfit, Rwathia Distributors Limited.

Globally, as small businesses mature a time comes when they need to transform into different kind of organizations. They change the way they view employees, customers or the quality of products or services they offer (Kevin, 2017). An example of a transformed organisation is Apple that started as a transformational company, creating a fan base among consumers who felt that Apple computers offer more user-friendly features than PCs. The company has transformed itself from a competitor trying to make laptops and desktop computers to a company that makes handheld devices.
According to Bower (2012), a transformational company often has to risk being a leader rather than becoming a better follower. Such organisations usually have a charismatic leader who can communicate a strong new vision. IBM International Business Machines is a good example of such an organisation that enables us to see how this period of change has been handled in other businesses. The organisation transformed itself from a company selling large mainframes as its primary product into a company that has a global reach and is considered vital to the functioning of millions of businesses. It did this by creating a better focus on client needs, differentiating itself in the marketplace and improving its handling of finances (Bower, 2012).

Tomorrow’s business world will be vastly different from today’s reality, and this implies that new organisational and individual strategies and approaches will be required in order to deal with this accelerated pace of change (Scott, 2016). The interplay between the changing external environment and the internal individual worlds leads to continual alterations in both worlds. The ability of the individual, the team, and ultimately the organisation to respond swiftly and timeously to these changing realities will be the differentiating factor between competitive organisations in complex markets with declining profit margins (Senge, 2003).

According to Bass and Avolio (2004), most managers would agree that change has been their central preoccupation as far back as they can remember, and that managing change is the raison d’être of management. Therefore, a study that systemically assesses business organisation transformation by shedding light on what constitute successful organisation transformation; identifying drivers of organisation transformation and assessing the impact of transformation on a business organisation, would contribute significantly to the field of strategic response to turbulent environment and in particular management response to surprising changes and hence the need to undertake this study.

1.2 Statement of the Problem

In a fast changing world where businesses are battered by external forces, managers need to be agile to respond capably, to keep the company on track and to meet its objectives (Maartens and Dahlgaard, 2009). They must be outwardly focused and aware of important trends that will impact on business.
Business environment is uncertain, new organizations enter and exit and supply of resources become more or less scarce. When environment change, organizations face the prospect of either not surviving or of changing their activities in response to those factors (Porter, 2008). Kenyan business environment, like everywhere else across the world, has been undergoing drastic changes which has affected most if not all businesses.

Previous studies have been done on change management practices in Kenya. For instance, Misoi (2011) studied on the practices at PZ Cussons East Africa Limited and established that over the years the firm has experienced changes and applied change management practices in top management, by downsizing and rightsizing. The main issues that fostered these changes were the dynamic business environment. Similarly, Kihara (2010) analysed change management practices by the Kenya Road Authorities and established that the factors that influenced the changes was demand for better roads, change in the environment and the needs for stakeholders involvement. Further, Tamimy (2008) studied change management in the Kenyan Department of Immigration and the findings revealed that change management was the sole responsibility of the board and its executive committee comprised of management and other selected staff members.

Ron (2010); McNeal (2015); Viljoen (2011) and Marvin (2011), agree that firms faced by changes in the environment made adjustment to their strategic variables to ensure survival. However, no academic study could be found that assessed the concept of a successful organisational transformation citing a particular case study in Kenya.

This study addresses the gaps in literature review relating to new knowledge and practices by assessing what constitute successful business organisation transformation of an indigenous group of company in Kenya, Rwathia Group of Companies. The study try to identify drivers of business organisation transformation by analysing factors that contributes to successful business organisation transformation and highlighting the impact to the transforming business organisation. By assessing the impact of the organisation transformation, the study built on the work of Githii (2007), who recommended that further study be undertaken on Rwathia Group of Company to establish the impact of generation transition that was being witnessed in the group.
1.3 Purpose of the Study

The purpose of this study was to carry out an assessment of successful business organisational transformation in Kenya with a focus on Rwathia Group of Companies.

1.4 Research Questions

The study was guided by the following research questions formulated to aid in gathering the information regarding the research topic:

1.4.1 What constitutes successful organisation transformation?
1.4.2 What are the drivers of organisation transformation?
1.4.3 What is the impact of successful organisation transformation?

1.5 Significance of the Study

The study is significant to many stakeholders namely:

1.5.1 Government

This study will help in further development of theory and practice in future research, especially given some of the newness of certain drivers of uncertainty in the business environment.

1.5.2 Scholars

The study will add to the current scope of knowledge and theory in management response to surprising changes. Scholars could therefore use the findings as a basis for further research.

1.5.3 Entrepreneurs

Potential entrepreneurs will gain a greater understanding of the opportunities and challenges facing the business today as well as appreciating some of the strategic responses that Rwathia Group of Companies has used to survive for over eighty years.

1.5.4 Rwathia Group of Companies
Finally the study will help the management of Rwathia Group of Companies in reviewing their strategic management practices and probable pitfalls, this in turn will help them to better manage their businesses.

1.6 Scope of the Study

The study was a case of assessing successful business organisation transformation with a special reference to Rwathia Group of Companies based in Nairobi. A case study involves a careful and complete observation of a solid unit such as a person, institution, and family, cultural group or entire community and emphasizes depth rather than the breadth of a study (Kothari 2009).

The study was carried out using a sample of ten organisations selected from the entire population of Rwathia Group of Companies. The researcher focused on Rwathia Group of Companies and the findings were specific to a particular case, a specific location and the period between 2013 and 2016.

This study encountered limitation on time spent to distribute questionnaires, and do the research due to limited work hours. Some respondents were unwilling to respond or returned the questionnaires unfilled until the researcher informed them that the study was for academic use only. The findings and interpretations may not, therefore, be specifically applicable to other situations, as per the limitations of case study research. The findings could, however, be used to compare with existing change management literature that could be tested with other similar indigenous organisations, in other locations and at some other time.

1.7 Definition of Terms

1.7.1 Organisational Transformation
Organisational transformation occurs when leaders create a system to continually question and challenge beliefs, assumptions, patterns, habits and paradigms with an aim of continually developing and applying management theory, through the lens of the system of profound knowledge (Marcia, 2005)

1.7.2 Organizational Change
Organizational change is the continuous adoption of corporate strategies and structures to change external conditions (Recklies, 2001)

1.7.3 Interest
Interest is a right or legal share of something or a financial involvement with something.

1.8 Chapter Summary
This chapter has looked at the background of the study which introduces the reader to the research issue and problem at hand. The chapter clearly provides a rationale for the proposed research as well as a justification about what the researcher did by logically leading into a statement of the problem, research objectives and finally establishing the three research questions that the researcher used in the study. The chapter clearly outlines what the researcher sought to achieve with the study and the gaps to be filled and the significance of undertaking the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature on business organisational transformation. The literature is examined to identify major contributors and appreciate their views on business organisation transformation. The chapter structure is guided by the following research questions: What constitute successful business organisation transformation? What are the drivers of business organisation transformation? What is the impact of successful business organisation transformation? Such a structure enables the study to have a reasonably detailed, constructive critical analysis of key literature that relates to the research questions.

2.2 Successful Organizational Transformation

Building an understanding of organisation transformation is a challenging and complex task. It is widely recognized in the management literature that the business environment has never been more challenging than today. Organisation strategy cycles are getting shorter and shorter (Hamel, 2007). Deregulation across various industries has forced organisations to re-examine and in many cases redefine and change their strategy.

2.2.1 Organisation Transformation

According to Ivanov (2014), transformation represents cardinal rethinking of a company mission, strategy and enterprising; it is often interconnected with external conditions and concerns the whole company structure in terms of property, finance, supply, production, sales and partners. De Wit (2010), observe that it is not a question of whether firms should change, but of where, how and in what direction. Change is the norm, not the exception for all the organisations. De Wit (2010), further states that understanding organisational transformation is having the ability to: distinguish the types of change; understanding the level of change and; identifying the desired outcome of the change.
Marcia (2005), states that transformation is motivated by survival, by the realization that everything needs to change or the organization will die and that a significant breakthrough in mind-set is needed in order to pursue new opportunities. According to Dunphy and Stace (2008), incremental change arose during an era where there was a relatively stable business environment. In the 1980s and 1990s, a literature emerged that described change programs designed to cause major revolutionary changes for organisations. Large scale organisational transformation arose under conditions of widespread economic restructuring, recession and discontinuity quite different to the business conditions.

According to Karp (2006), some authors in this literature argue that organisational transformation is an extension of organisational development while others believe organisational transformation represents a new discipline in its own right. However, many business leaders seem uncertain on how to manage effective change. Karp (2006) observes that the records of change management in industry for the past couple of decades have been poor. This provides an opening for future research as we seek to better understand the practice of strategic response to turbulent environment and in particular the role of organisational transformation in management response to surprising changes. Organisations tend to undergo major transformations as an attempt to meet new challenges and to gain some form of competitive advantage in their industry.

Hamel (2007) examined in detail the need for organisations not only to transform themselves but also to transform the industries they compete in. Transforming an organisation with only present business conditions and current organisational considerations in mind might create a new organisation capable of short-term success but will fail to position the organisation for longer-term market dominance or excellence.

According to Marcia (2005), transformation occurs when leaders create a vision for transformation and a system to continually question and challenge beliefs, assumptions, patterns, habits and paradigms with an aim of continually developing and applying management theory, through the lens of the system of profound knowledge.
2.2.2 Types of Organisation Transformation

Nadler and Tushman (2010) refer to strategic changes that are necessitated by external events as re-creation. These changes usually threaten the very existence of the organisation and are radical and frame-breaking in their practice. Hamel (2007) take a broader approach to considering transformation, going beyond the organisation to consider the industry and the firm’s role and place in the industry.

Nadler and Tushman (2010) believe that for an organisation to be a leader in the future, it must move beyond organisational transformation and instead focus on the external, what they refer to as industry transformation. This is the key to successful strategic renewal. They argue that transforming an organisation with only present business conditions and current organisational considerations in mind might create a new organisation capable of short-term success but it will fail to position the organisation for longer-term, sustained market dominance or excellence.

According to Teece (2012), planned change is the process where organizational change is planned for changes that are expected to occur. In this technique, organisational change is seen as a process of moving from one state to another as a series of pre-planned steps. Planning is based on the belief that the organisation is working in a stable and therefore predictable environment. Burnes (2004), on the other hand, states that unplanned change occurs due to major or sudden surprise (public relation problems, poor product performance leading to loss of customers or due to disruptive situations) that might occur in an organization, hence, causes employees to respond in a reactive and disorganized manner. Planned change occurs when managers in an organization identify the need for a major change and aggressively organize a plan to carry out the change. Moreover, planned change tends to occur in a chaotic and disruptive fashion than expected by origination.

Emergent change is a type of change that is more recent and seen as being practical. The change is seen as continuous, unpredictable and constant process that any organisation could be faced with. Organizations implement emergent change as a bottom up approach. This is where employees are assisted by divisional managers. Organizations train employees to acquire necessary skills and competencies to enable them deal with changes
that are taking place in the environment (Brown, 2005). Remedial change occurs when an organization wants to improve the poor performance of a product or the entire organization, reduce burnout in the workplace, helps the organization to become much more proactive and less reactive, or address large budget deficits (McNamara, 2008).

Process oriented change deals with changes related to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes. This would affect the organisational culture and, hence, changes in the behaviour patterns of members (Brown, 2005).

2.2.3 Transformational Leadership Behaviours

Bass and Avolio (2004) elaborated on the factors of transformational leadership, arguing that transformational leaders share some basic behaviors. They proposed that transformational leadership comprises of four behavior dimensions and referred to them as the “four I’s” – idealized influence, inspirational motivation, individual consideration, and intellectual stimulation. The “four I’s” also play a role in distinguishing a charismatic leader. The four behavior dimensions are discussed in details below.

With regard to idealized influence (charisma), Muenjohn and Armstrong (2015) emphasize that transformational leaders who have charisma possess the ability to develop personal power that can be used greatly in influencing the followers. Followers admire, respect and trust such a leader with strong emotional attachment. The followers always want to be associated with this leader and often a times emulating the leader. On the other hand, Bass and Avolio (2004) insist that this leader must take huge risks on behalf of the followers and his conduct must be one that is ethical, principled and with values. He/she is a leader that followers can easily identify what he/she stands for and what he/she is against or would not tolerate.

Cho and Dansereau (2010) stated that the charismatic and transformational leader goes beyond self-interest for the good of the group. Transformational leaders tend to be very inspiring people. Listening to them always leaves followers feeling motivated, empowered and energized to buy into the leader’s vision. Inspiration is the act of a leader
communicating effectively and passionately about an idealized future goal or vision that offers a much better alternative than the status quo.

Hobman, Jackson, Jimmieson and Martin (2011) elaborate that transformational leadership involves articulating a compelling vision to the followers and expressing confidence in the team accomplishment. Followers are usually motivated, excited and want to achieve above the ordinary to meet the organizational objectives after such a visionary is on the lead. Studies have found out that individual’s commitment to a team is strengthened when the leader possesses charismatic qualities. It is, therefore, a vital element in getting work done in all contexts. Individual and team spirit is aroused, enthusiasm and optimism displayed (Bass & Avolio, 2004).

Pieterse, Van Knippenberg, Schippers and Stam (2010) established that individual consideration is the mentoring role assumed by charismatic and transformational leaders. The leaders serve as mentors to their followers. As much as followers would want to be associated with a transformational leader, the greatest follower-leader exchange happens when an individualized progress model has been specified for a follower needs and concerns by the leader.

Studies such as Hobman (2011) have found out that followers who have received individualized mentorship from their leaders felt a greater sense of self-worth. Transformational leaders pay attention to each individual needs for achievement and growth acting as a coach. Bass and Avolio (2004) established that they treat each individual by considering their abilities and talents rather than just a member of the group. They are in the business of helping others develop their strengths. In this set up, followers are able to reach their maximum potentials and aspirations.

Pieterse et al (2010) also note that transformational leaders are creative and have an inclination of thinking out-of-the-box (intellectual stimulation). According to Bass & Avolio (2004), they tend to re-examine old problems in a new way and, hence, be able to come up with the best alternative solution. They are able to inspire followers to solve problems creatively by challenging the followers’ thoughts, beliefs and values. The followers are included in the process of identifying problems and finding solutions.
In the kind of global challenges we are facing today, innovation has become a necessity for any organization to survive. It has been put as one of the strategic plans in organizations; hence, employees are always encouraged to focus on innovation on the various products and services a business offers. Walumbwa and Hartnell (2011) note that one of the best ways that leaders engage the followers to stimulate their intellect is by proposing the death of the product/service in the marketplace and challenging them to give alternative as to what should happen next.

Transformational leaders take a leading role in building and enhancing the innovative capabilities of their organizations. The emphasis is put on creativity, risk-taking and experimentation. They “get others to look at problems from many different angles” and “suggest new ways of looking at how to complete assignments” (Bass & Avolio, 2004).

2.3 Drivers of Organization Transformation

According to Kotter (1999), an organization change can be caused by internal or external forces. External factors are beyond the control of an organization, whereas organizations are able to control internal factors. In addition, organizations should develop strategies that will enable them deal with internal and external changes.

The research observes that forces behind organisational transformation are numerous and varied. Changes in the global economy, customer preference, market conditions, financial systems, competition, as well as government laws and regulations have put organisations under pressure to change both their internal and external operations and management systems. These changes are usually rapid in nature and may encompass the entire organisation or a substantial portion of it. Thus, in order to survive, many organisations in Kenya have sought ways of implementing new policies, strategies, systems and methods of working to face political, social and economic challenges they face (Macredie, 2008).

2.3.1 External and Internal Forces

According to Hellriegel (2011), many organisations are currently facing challenges that are political, social and economic in nature. At the same time, they are also under pressures and uncertainties due to global change. Equally, lifestyle changes, technology, legislation, internationalism and workforce expectations all impact on organisations, both
private and public, causing them to change. As a result, ‘the unstable environmental conditions in which modern organisations operate mean that the ability to successfully manage change has become a key competitive asset.

Porter (2008) state that organizations are systems that exist in the context of an external environment have an interdependent relationship and interact with it in order to survive and grow. Any factor in the environment that interferes with the organisation’s ability to attract the human, financial and material resources it needs, or to produce and market its services or products becomes a force of change. He further states that internal to an organisation, a number of forces operate that could facilitate or hinder its functions, processes and actions.

An organization is thus subject to two sets of forces: those of the external political, social, economic and competitive environment and those internal to the organization. A variety of forces inside an organization also cause changes that relate to system dynamics, inadequacy of existing administrative process, individual/group expectations, technology, structures, profitability issues and resources constraints (Porter, 2008).

According to Appelbaum (2008), strategic organisational change can emanate from two different sources, namely the external environment such as changes in competitors’ actions, government regulations, economic conditions and technological advances, or change that originate from within the organisation, which could be a new corporate vision, mission, the purchase of new technology, mergers and acquisitions and the decline in morale in the company.

Senior (2007) states that forces for change within an organisation are frequently the result of some external influences. It is also certain that organisations that do not respond to triggers such as increasing competition, new legislation or the expectations of customers will soon decline and may cease to exist. According to Burnes (2004) and Sturdy (2003), change in technology, market place, information systems, economy, social values, workforce demographic and political environment are example of changes that organizations face during change management process. This is because organizations are usually unprepared and unable to respond to changes that are taking place
According to a research done by Susan Safo-Adu (2014) on change as a tool for changing organisational development, it was revealed that the mission of the hospital, the tasks that are performed by staff, the structure of the hospital, technology and power and influence are examples of internal factors that are affecting change, whereas economic, sociocultural, political, legal and technological are examples of external factors affecting change in the hospital.

Cooper (2010), on the other hand, states that employee morale, increase absenteeism and turnover rate, inadequate employee performance evaluation, lack of promotion systems, inadequate internal communication and work conflict are examples of internal forces that affect organizational transformation. Furthermore, for an organization to deal with internal forces that affect transformation they have to implement new structures, have good communication system, offer employees reward and new work processes (Cooper, 2010).

### 2.3.2 Organizational Culture

According to Kornberger and Pitsis (2010), organizational culture is a feeling of shared belief and qualities. Andrew (2008), based on his research on all change managers’ experience of organizational change in theory and practice revealed that a culture of loyalty, information security, management values of secrecy, accessibility and accountability has a positive relationship with effective change transitions.

According to Denison (2003) model, cultural traits consist of consistency, mission, involvement and adaptability. Consistency includes the core values and methods used by an organization to hold the company together. Cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees (Mavondo & Farrell, 2003). Mission describes the strategic direction or purpose an organization wants to achieve, its goals and objectives and vision. Additionally, employees who have a clear mission in their mind are able to increase their productivity (Buckingham, 2005). According to Sorensen (2002), a company’s mission is an organization's reason for existence.
Muthoni (2012), based on her research on effects of organization culture on strategy implementation in commercial banks in Kenya asserts that organizational culture plays an important role in change management. Furthermore, organizational culture helps the organization to adapt to internal and external changes (McNeal, 2009).

According to Ongera (2013), organizational culture promotes trust and resistance to change, hence, enabling an organization to eliminate external threats. According to Burke (2002), organizations undergoing transformations must have teams that champion the change process. This demands that all employees within the institutions desiring change, especially the top management must commit to the change process. The top management must, therefore, understand the vision, mission and objectives of the organization and strive to inculcate a culture that minimises resistance towards the desired change so that the process is not abrasive in its approach. In this research, organizational change was defined contextually as the process of transformation in an organization.

Forestand David (2003), states that a successful organization must have a clear sense of purpose and direction that defines its goals, strategic objectives and expresses a vision of what the organization will look like in the future, adding that a mission allows an organization to shape current behaviour by envisioning a desired future state. Involvement deals with the level employees are involved in decision making, its team orientation and the capability development undertaken by the organization. It's used to measure the company's ability to drive commitment and develop ownership with employees (Rotenberry & Moberg, 2007).

According to a study done by Flamhdtz (2001), on corporate culture and bottom line, it was revealed that bases on people scale, customer scale, performance and accountability scale, teamwork and communication and corporate citizenship organizational culture has a positive influence on success of an organization. Omondi (2014), based on his study on the influence of organizational culture on employee job performance found out that organizations with strong cultures help employees build "social currency" based on track record, reputation, knowledge, and network; they provide continuity and clarity with respect to their missions.
2.3.3 Organisation Lifecycle and Organisation Transformation

Rowe (2014) states that the dynamics of organisational change are connected to the organisational life cycle. Furthermore, Farrell (2006) states that companies must meet their own life cycle, hence, being able to identify their creation, growth, maturity and decline, and ultimately death. According to Stockport (2000), the life cycle of an organisation grows up to a point (A) but eventually start to wither and die at point (B). From a strategic transformation viewpoint, position (A) is the most important point on the curve. This is because point A represents a point in which an organization starts to transform itself before it starts to decline.

Figure 2.1: Organizational Life Cycle

Stockport (2000), in addition at point (A) managers are suppose to ensure that the organization has necessary procedures and process in place, hence, the organization being able to respond to transformational changes that might take place. Furthermore, strategic transformation becomes reactive after point A. Point (A) is seen as a strategic inflection point. This is because at point A an organization has the opportunity to grow or decline. Rowe (2014) asserts that the organisational life cycle, which includes creation, transformation and decline, can help management to determine what intervention strategies are appropriate for organisational change and at what stage in the organisation’s development should strategic organisational transformation be introduced.
2.4. Impact of Successful Organization Transformation

Stace and Dunphy (2001) stated that the characteristics of transformational change are: radical redefinition of the organization’s business strategies and structure; developing and building upon employees’ work commitment; creating a cultural renewal throughout the entire organization; with employees anticipating change and willing to endorse it. This section will discuss the impact of transformation on employees, impact of transformation on structural change, and approaches.

2.4.1 Impact of Organisation Transformation on Employees

According Carr (2011), for many employees, change implies loss. Loss is an emotional experience associated with stress and anxiety. Thus, employees’ emotional reactions to change are similar to the experience of grief. According to Kanter (2013), transformational change can contribute to employee resistance. Most of the employees are reluctant to embrace change and tend to maintain existing patterns of behaviour.

Kanter (2013), further states that some of the changes adopted fail in their capacity to challenge current work practices, processes and employee relationships. Transformation can threaten the status quo of managers within the organisation because sometimes change gives rise to alternative structures that challenge existing managerial positions.

In line with this view, Blandy and Walsh (2015), assert that some managers are unwilling to accept the need for change but they also persistently defend managerial privileges. In some modern organisations, change occurs continuously and at a rapid pace. Consequently, it is normal for the recipients of change to resist because resistance itself is a defence mechanism to maintain the status quo. Hultman (2013) maintains that some employees are predisposed to resist change, even though the change effort ultimately may be to their benefit.

Gofee and Jones (2001) states that reluctance to organisational change from employees and other staff is due to the way change is implemented and the abilities of managers bringing about the change rather than the nature of change itself. Furthermore, employee’s perception and attitude also influence their behaviour intention in facing change. Also, the perception employees' have toward company's flexibility in facing
change is also vital. According to a research done by Eby (2000) on perceptions of organizational readiness: factors related to employees' reactions to the implementation of team based selling, it was revealed that the perception employees have toward an organization’s ability to accommodate change by changing policies and procedures had a strong relationship to perceived readiness for change.

Huy (2002) asserts that employees’ emotions and attitude during a change process will be negatively affected, hence, hindering organizational transformation. Salem (2008) states that transformational change is negatively affected when there is insufficient communication in the organization. Employees become uncooperative because of insufficient information they are getting from managers. Pearse (2010), in his research towards a social capital theory of resistance to change, found out that employees experience disturbance of their personal identity during transformational change as they identify with their organization. Salem (2008) recommends that managers should make sure that employees are aware of what is going on and what their identities will be before or after the transformation have occurred.

Salem (2008) states that transformation in an organization usually gives rise to distrust amongst managers and employees, hence, leading to failure of transformation. An organization can reduce distrust by ensuring there is proper communication about transformation. Kitchen and Daly (2002), based on their research on internal communication during change management, it was revealed that change can be positive or negative based on employees perception about the organization and their feeling towards that planned change.

Salem (2008) states that poor interpersonal skills in organization will lead to failed organizational transformation. This is because communication of change will be poor and its implementation unsuccessful, hence, leading to employees having difficulty understanding what is being communicated to them and consequently inaccurate perception and anxiety being formed and not being resolved.
2.4.2 Impact of Organisation Transformation on Structural change

Organizational structures address the organization of work activities, including both personnel and production systems. These structures can be described along either functional or divisional dimensions, such as management controls, levels of hierarchy, decentralization, complexity of job tasks, degree of functionalspecialization, and extent of departmentalization, which vary according to the organization’s size (Sisaye, 2003).

Weller (2008), states that some organisation structures represent previous policy decisions and, therefore, interpret new policies and organisational structures according to those predetermined decisions. Organizational structural change is seen as a means to help the organization develop. This change is influenced by rapid changes that are taking place in the environment, increasing complexity and uncertainty and organizational components (Schwarz & Shulman, 2007).

Pettigrew (2012) states that most organisations are characterised by rigid structural constraints and transformation that affects job classifications, job descriptions and employee work relationships, therefore, creating a lot of challenges to an organization’s bureaucratic nature. Adopting to use of new technology may require an organization to change its structure and work practices to better suit the capabilities of that technology (Dibrell & Miller, 2002).

Organizations are usually forced to change their structure due to changes that are taking place in the environment (Schwarz & Shulman, 2007). Anil (2016) states that organizations that use bureaucratic or mechanistic structure are usually ineffective, whereas organizations that have rigid hierarchies, high degree of functional specialization, narrow and limited job descriptions, and rules and procedures that are not flexible, do not respond effectively to transformation.

Further, Anil (2016) observes that organizations make structural changes to reduce costs and increase profitability. Structural change can take the form of downsizing, decentralization, job-redesign, etc. Yang, Zhuo, and Yu (2009) assert that structural change is used to transform the organization’s vertical disintegration or horizontal differentiation, power allocation, and level of formalization.
2.4.3 Approaches to Organisation Transformation and their Impact

Majority of theorists and practitioners have proposed a number of models for strategic change management. Kotter proposed an eight-step model that organizations can use to successfully implement change. These eight-steps are: create urgency, form a powerful coalition, create a vision for change, communicate the vision, remove obstacles, create short-term wins, build on the change and anchor the changes in corporate culture.

Kotter (2011) states that in creating a sense of urgency, managers should make employees have a level of determination to move. He also asserts that false urgency, anxiety, frustration and self-satisfaction could be an impending block to change. To successfully create a sense of urgency among employees, managers must identify opportunities and risks arising from the business environment. In addition, an organization should assess and analyse the external environment and identify potential risks, threats, and opportunities (Anderson & Anderson, 2010).

According to Kotter (2011), an organization should form a coalition of employees to lead the change effort. The team should have employees who have expertise, excellent leadership skills, committed and a shared objective to anticipate the success of the change.

**Kotter’s eight-step change implementation model:**

(Source Kotter, 2011)
Further, Kotter (2011) asserts that developing a vision is vital because a vision acts as a source for decision making, motivates employees to take action in the right direction and help coordinate actions of different employees in a fast and efficient way. In addition, an organization should develop strategies and vision that will guide transformation and turn the vision into a reality (Benn, Dunphy & Griffiths, 2014). An organization should develop communication mechanisms that will enable managers communicate the vision to employees. In addition, communication of the new vision should be continuous and multi channelled. Moreover, managers should also communicate to employees about the new practices, behaviour and action that are expected from them (Kotter, 2007).

Walker, Damanpour and Devece (2010), states that an organization should also empower employees to act upon the new vision. Managers should develop strategies to remove any barriers that employees might encounter and also make sure that employees have the required resources, tools and system to bring about transformation. Employees should also be encouraged to take risks and become innovative. Kotter (2011), states that transformational process is much more likely to be completed by organizations that face significant short term wins. In this stage, organizations are also able to recognize and reward employees, define and proactively promote visible improvement in an organization, hence, influencing change. Building on the change is achieved when an organization uses increased credibility to change the systems, structures and policies that are not in line with the vision. An organization can also hire, promote and develop employees who have the required skills to implement the vision (Kotter, 1996). In the last stage, organization should anchor the new practices and approaches into the corporate culture in order to make it stick (Kotter, 2011).

2.4.4 Criticism of Kotter’s Model of Change

Kotter’s model focuses on leading change rather than managing change. Moreover, the model indicates that upper level management carries a heavy responsibility to lead organization through change (Kreitner&Kinicki, 2007). According to Appelbaum, Habashy, Malo&Hisham (2012), Kotter’s model can only be used by large organizations that have multiple groups and shareholders. Small organizations will find it hard to implement the model. In addition, the model is time consuming and rigid and does not offer ways an organization can use to deal with difficulties they may
encounter. Furthermore, according to Expert program management (2010), Kotter’s change management model is a top down model. Organizations will miss opportunities because not everyone is involved in decision making, hence, leading to resistance amongst employees.

According to Ujjwal (2013), Kotter’s model of change is rigid. This is because all steps have to be followed; hence, the organization is not able to ignore or miss any step. It is also difficult for the organization to change their project direction, some steps are not relevant, and the model is not detailed enough to provide information in all scenario.

However, Kotter’s model also presents opportunities that organizations can use during transformation. Kotter’s model of change does not focus on change alone; it also talks about acceptance and preparedness, acts as an organizational tool, provides a platform to reveal importance of the stakeholders, and employees in the organization and it also helps that organization deal with cultural changes (Ujjwal, 2013).

**2.5 Chapter Summary**

This chapter reviewed relevant literature in relation to the research questions presented in the proposed study. The literature contributes to the research questions and objectives by discussing organisational transformation, presented in an overview of literature on what constitute successful organisation transformation. Chapter three will discuss research methodology that will be used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the research methodology that was used in the study. It discusses the research design employed, the target population, the sampling techniques, data collection method, and data analysis and presentation methods.

3.2 Research Design

According to Sekaran (2003), research design can be defined as a systematic and organized way to investigate a specific problem, hence, providing a solution. In addition, output gotten enabled researchers develop theories and gather evidence to prove generalization and add new knowledge.

The researcher carried out a descriptive research using quantitative data. Use of descriptive research method enabled the researcher become more familiar with the situation, acquire a new understanding about the situation, and formulate specific research problem or hypothesis (Fraenkel & Wallen, 2003).

In descriptive research, researchers cannot manipulate independent variables because the event has already occurred or because they are inherently not manipulatable (Kerlinger & Lee, 2000). Quantitative research deals more with how much, how well or to whom that particular issue applies. Its goal is to determine whether the stated theory is true (Fraenkel & Wallen, 2003).

3.3 Population and Sampling Design

3.3.1 Population

According to Mugenda & Mugenda (2003), population is the total group of individuals, events or objects with some observable characteristics. Similarly, a population is a set of people, services, elements, events, group of things or households that are being investigated (Kombo & Tromp, 2006). The target population was 50 members of top level
management from five companies under Rwathia Group of Companies. The reason for this selection is that the top management is mandated with facilitating the change management process.

Table 3.1: Population

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Population</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rwathia Distributors Limited</td>
<td>14</td>
<td>28%</td>
</tr>
<tr>
<td>Pre-area Bar and Restaurant Limited</td>
<td>7</td>
<td>14%</td>
</tr>
<tr>
<td>Njoguini Building Investment Limited</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Lizie Building Limited</td>
<td>12</td>
<td>24%</td>
</tr>
<tr>
<td>Kajondo Building Limited</td>
<td>7</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

(Source: Rwathia Group, 2017).

3.3.2 Sampling Design

According to Pearson (2016), sampling enables one to reduce the amount of data they need to collect by considering only data from a sub-group rather than all possible cases or elements.

3.3.2.1 Sampling Frame

According to Cooper and Schindler (2006), sampling frame is a list of all elements in a population from which a sample is drawn. Moreover, sample frame is used by researchers as a representative of the entire population who can be sampled (Zikmund & Babin, 2012). In this study, the sampling frame was top level managers from five companies under Rwathia Group of Companies as highlighted by the human resource manager at Rwathia Group of Companies.
3.3.2.2 Sampling Technique

According to Mugenda and Mugenda (2003), sampling process involves choosing a study subjects from the population. Sampling techniques provide a variety of techniques that helps reduce the amount of data one needs to collect. The study used a census survey. Census is the process of collecting data from every member of the population.

3.3.2.3 Sample Size

According to Burns and Grove (2009), sampling size should be large enough to identify relationships among variables or determine differences between groups. Sample sizes can either be determined in advance of the study or sequential (Iacobucci & Churchill, 2005). Because the population was less than 100, the study undertook a census. The use of a sample size enables a researcher save time and money, and gets more detailed information (Bluman, 2009).

3.4 Data Collection Methods

Selection of respondents and gathering data from them is referred to as data collection (Brink, 2006; Burns & Grove, 2009). This study used structured questionnaires to collect primary data. Each question in the questionnaire was developed to address the research questions of the study. A questionnaire is a group of questions designed to get information from respondents.

Moreover, the use of questionnaire was chosen because it was the most reliable; reduced bias, cost effective and simple to administer (Malhotra, 2004). The questionnaire had both open ended and closed ended questions. Open-ended questions provide interviewees with ample opportunity to express their feelings, whereas closed ended questions limits the respondent from answering questions (De Vos, 2002). The questionnaires were self-administered. They were dropped and picked immediately respondents were done answering.
3.5 Research Procedures

A pilot study was done to determine the reliability of the questionnaire. According to (De Vos, 1998), pre-testing is the process of trying a questionnaire on a small population that has characteristics that are similar to the target population.

Pre-testing helps a researcher identify areas in the questionnaire that needs to be changed (Neuman, 1995). Upon pre-testing, it emerged that the questions were too unstructured and the research amended the questionnaire in line with the recommendation. The revised questionnaires were hand delivered to the responded. It is not a must for a researcher to do a pilot study, but it is a normal practice done before an actual study (Liaw& Goh, 2002). Ample time was given to respondents to answer the questions. The questionnaires were then collected immediately they were filled and the data was thentested for reliability. Mugenda and Mugenda (2003) defined reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. Orodho(2000) supports it as a degree to which particular measuring procedure gives similar results over a number of repeated trials.

3.6 Data Analysis Methods

According to Mugenda and Mugenda, (2003), data analysis is the process of analyzing, cleaning and transforming data collected in a research. The study was quantitative technique because it is easy to analyze. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS). Percentages, means, standard deviations, and frequencies were used to present descriptive statistics. The study also undertook a regression and correlation analysis to determine how the Covariables related to the dependent variable. The information was displayed by use of tables and graphs and pie charts where necessary. Tables and other graphical presentations were very appropriate when presenting the data collected for ease of comprehension and analysis.

3.7 Chapter Summary

The chapter describes the research methodology used in the study, including the population, sampling design and size, data collection and analysis methods. The
researcher also clearly outlined the data collection tool used in the study and also provided the data analysis and presentation methods followed.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents findings and interpretations of the study based on the research questions. The first section discusses response rate and demographic information. The second section provides findings from what constitute successful organisation transformation and what the drivers of organisation transformation are. The third section discusses findings based on the impact of successful organisation transformation.

4.1.1 Response rate

The response rate is used to find out the statistical power of a test and the higher the response rate the higher the statistical power. 50 questionnaires were distributed and 49 were filled and returned. Hence, a response rate of 98% was represented as shown in table 4.1 below.

Table 4.1: Response rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and collected</td>
<td>49</td>
<td>98</td>
</tr>
<tr>
<td>Non Responded</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.2 Demographic Information

This section presents the results on demographic information of the respondents who participated in this study.

4.2.1 Gender

The study sought to determine the gender of the respondents. Majority of the respondents were females accounting for 51% of the population while the males accounted for 49% as shown in table 4.2. This was attributed to the fact that the organization has more female
employees than male. In addition, it was easy for the researcher to approach females’ respondents as compared to their male counterparts who were less willing to cooperate with the researcher citing lack of time. Figure 4.1 below shown the composition of the respondent.

![Image of gender composition chart]

**Figure 4.1: Gender**

### 4.2.2 Position

The study sought to determine position of the respondents. It was observed that 23 respondents were middle managers representing 47% of the population, 17 were junior managers accounting for 35% of the population and 9 were senior managers accounting for 18% of the respondents as shown in figure 4.2 below. This shows that respondents were able to read and understand the questionnaire.

![Image of position chart]

**Figure 4.2: Position**
4.2.3 Age

The study sought to determine age of the respondents. It was revealed that age group 31-40 were the majority with 18 respondents representing 38% of the population; age group 21-30 had 17 respondents representing 35% of the population, and age group above 41-50 had 14 respondents representing 27% of the total population as shown in figure 4.3 below. This shows that the organization has a diverse age group of employees.

![Age Distribution](image)

**Figure 4.3: Age**

4.2.4 Level of Education

The study sought to determine level of education of the respondents. It was revealed that graduate holders were the majority with 32 respondents representing 65% of the population, diploma holders were 9 respondents representing 18% of the population, certificate holders were 5 respondents representing 10% of the population and others had 3 respondents representing 7% of the population as shown in figure 4.4 below. The result shows that the organization has well educated employees who are able to contribute in the growth of the organization.
4.2.5. Years in the Firm

The study sought to determine the number of years that respondents have been working in the organisation. It was revealed that majority of the respondents have been in the organisation for 5-6 years representing 32%; 25% of the respondents have been in the organization for less than 2 years with another 25% having been there for between three to four years. Only 18% of the respondents have worked in the organisations for more than 6 years as shown in figure 4.5.
4.2.6. Number of Employee

The study sought to determine the number of employees in the organization. It was revealed that below 100 employees was represented by 61.2%, 101-500 employees 30.6%, and 501-1000 by 4.1% and above 1000 employees with 4.1% as shown in table 4.1 below.

Table 4.1: Number of Employees

<table>
<thead>
<tr>
<th>Variable</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Below 100</td>
<td>30</td>
</tr>
<tr>
<td>101-500</td>
<td>15</td>
</tr>
<tr>
<td>501-1000</td>
<td>2</td>
</tr>
<tr>
<td>Above 1000</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49</strong></td>
</tr>
</tbody>
</table>

4.3 What Constitute Successful Organisation Transformation

The first objective of the study sought to establish what constitute successful organisation transformation. The study used a five point Likert scale. Respondents were asked to respond to a set of questions that they were rating with the least being not at all (1), Strongly Disagreed (2), Disagreed (3), Neutral (4) Agree and Strongly Agreed (5).

4.3.1 Descriptive of What Constitute Successful Organisation Transformation

In terms of organizational transformation, most respondents agreed that change programs have caused major revolutionary changes for organisations strive to provide outstanding customer service (4.08) and organisational transformation is an extension of organisational development (4.24), There was, however, a disagreement on whether employees are aware of where, how and in what direction the firm should change(3.94) and records of change management in the industry for the past couple of decades have been poor (3.10).

In terms of type of organizational transformation, respondents disagreed that the organization trains employees effectively to acquire necessary skills and competencies for
changes management (3.76), the organization effectively plans for anticipated changes (3.31). In addition, respondents disagreed that strategic changes have been necessitated by external events (2.69). In terms of transformational leadership behaviour, respondents were not able to reach an agreement on whether the organization encourages employees to look at problems and suggest new ways of looking at how to complete assignments (3.00). Furthermore, respondents disagreed that managers possess charisma to influence the followers (2.67) as shown in table 4.2 below.

**Table 4.2: Descriptive of What Constitute Successful Organisation Transformation**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change programs have caused major revolutionary changes for organisations.</td>
<td>4.08</td>
<td>.731</td>
</tr>
<tr>
<td>We are aware of where, how and in what direction the firm should change</td>
<td>3.94</td>
<td>1.008</td>
</tr>
<tr>
<td>Organisational transformation is an extension of organisational development</td>
<td>4.24</td>
<td>.830</td>
</tr>
<tr>
<td>Records of change management in the industry for the past couple of decades have been poor.</td>
<td>3.10</td>
<td>1.085</td>
</tr>
<tr>
<td>The organization train employees effectively to acquire necessary skills and competencies for changes management</td>
<td>3.76</td>
<td>.969</td>
</tr>
<tr>
<td>My organization effectively planned for anticipated changes</td>
<td>3.31</td>
<td>1.045</td>
</tr>
<tr>
<td>Strategic changes have been necessitated by external events</td>
<td>2.69</td>
<td>1.372</td>
</tr>
<tr>
<td>The organization encourages employees to look at problems and suggest new ways of looking at how to complete assignments</td>
<td>3.00</td>
<td>1.099</td>
</tr>
<tr>
<td>Managers possess charisma to influence the followers</td>
<td>2.67</td>
<td>1.008</td>
</tr>
</tbody>
</table>

On analysis of table 4.2, the standard deviation revealed that strategic changes have been necessitated by external events (1.372) has the highest standard deviation whereas change programs have caused major revolutionary changes for organisations (0.731) had the lowest standard deviation. This means that there was a big variation between those who agreed, disagreed and neutral.
4.3.2 Regression between Variables of Successful Organisation Transformation and Organizational Transformation

A regression analysis was done between variables of what constitute successful Organisation Transformation and organizational transformation. On analysis, the R square value was 0.504 and a p-value of (0.001) was significant as indicated in Table 4.3. This means that 50% of the variation in organizational transformation was caused by the variation in factors that constitute a successful organisation transformation.

Table 4.3: Model Summary on What Constitute Successful Organisation Transformation and organizational transformation

| Model | R    | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Sig. F Change |
|-------|------|----------|------------------|---------------------------|------------------| | | | | |
| 1     | .710 | .504     | .390             | .46609                    | .504             | F Change | df1 | df2 | .001 |

a. Predictors: (Constant), change program, direction firm should change, poor change management, external events, anticipated changes, training employees, manages influence followers, problem solving

An analysis of variable (ANOVA) was done between what constitutes successful Organisation transformation and organizational transformation at 95% confidence level, the F critical was 28.387 and the P value was (0.000), therefore, significant. The results are shown in table 4.4. These results therefore show that there was a statistically significant difference in the mean between the various variables of what constitute successful organisation transformation and organization transformation.
Table 4.4: ANOVA on Variables that Constitute Successful Organisation Transformation and Organization Transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>42.651</td>
<td>10</td>
<td>4.265</td>
<td>28.387</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>5.259</td>
<td>35</td>
<td>.150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47.910</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization Transformation
b. Predictors: (Constant) change program, direction firm should change, poor change management, external events, anticipated changes, training employees, manages influence followers, problem solving

4.4 Drivers of Organisation Transformation

The second objective of the study sought to establish drivers of organisation transformation. The study used a five point Likert scale. Respondents were asked to respond to a set of questions categorised into external and internal forces, organisation culture and organisation lifecycle which they were rating with the least being not at all (1), Strongly Disagreed (2), Disagreed (3), Neutral (4) Agreed and Strongly Agreed (5).

4.4.1 Descriptive of Drivers of Organization Transformation

In terms of external and internal information most respondents agreed that dynamic environmental conditions have made change management a key competitive asset (4.10). There was, however, a disagreement on strategic organisational change which emanate from external environment (3.92) and strategic organisational change emanate from internal environment (3.55).

In terms of organizational culture, respondents were not able to reach an agreement on whether cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees (3.73), whether culture has positively influenced success of the organization (3.69) and if employees’ who have a clear mission in their mind are able to increase their productivity (3.90).
Similar findings were made from an organizational cultural perspective where respondents were also not able to reach an agreement on how dynamics of organisational change are connected to the organisational life cycle (3.88) and whether the firm has identified its growth stages (3.61) as shown in table 4.5 below.

On analysis of the standard deviation, strategic organisational change emanate from internal environment (1.138) had the highest standard deviation and dynamic environmental conditions has made change management a key competitive asset (0.653) had the lowest standard deviation. This means that there was a big variation between those who agreed, disagreed and neutral as indicated in table 4.5.

**Table 4.5: Descriptive of Drivers of Organisation Transformation**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic organisational change emanate from external environment.</td>
<td>3.92</td>
<td>.886</td>
</tr>
<tr>
<td>Strategic organisational change emanate from internal environment</td>
<td>3.55</td>
<td>1.138</td>
</tr>
<tr>
<td>Dynamic environmental conditions have made change management a key competitive asset.</td>
<td>4.10</td>
<td>.653</td>
</tr>
<tr>
<td>Cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees.</td>
<td>3.73</td>
<td>1.056</td>
</tr>
<tr>
<td>Employees who have a clear mission in their mind are able to increase their productivity</td>
<td>3.90</td>
<td>1.141</td>
</tr>
<tr>
<td>Culture has positively influenced success of this organization</td>
<td>3.69</td>
<td>1.122</td>
</tr>
<tr>
<td>Dynamics of organisational change are connected to the organisational life cycle</td>
<td>3.88</td>
<td>.971</td>
</tr>
<tr>
<td>The firm has identified its growth stages</td>
<td>3.61</td>
<td>1.133</td>
</tr>
</tbody>
</table>

**4.4.2 Regression between Drivers of Organization Transformation and organizational transformation**

A regression analysis was done between variables of what constitute drivers of organization transformation and organizational transformation. On analysis, the R square
value was 0.940 and a p-value of (0.000) was significant as indicated in Table 4.6. This means that 94% of the variation in organization transformation was caused by the variation in drivers of organizations transformation.

**Table 4.6: Model Summary on Drivers of Organization Transformation and organizational transformation**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.970&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.940</td>
<td>.926</td>
<td>.16214</td>
<td>.940</td>
<td>67.905</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), external environment, internal environment, environmental conditions, culture, vision and mission, success of the organization, organization life cycle, growth stage

An ANOVA analysis was done between drivers of organization transformation and organizational transformation at 95% confidence level, the F critical was 67.905 and the P value was (0.000), therefore, significant. The results are shown in table 4.8. This result therefore shows that there was a statistically significant difference in the mean between the various variables of drivers of organizations transformation that influence organization transformation.

**Table 4.6: ANOVA on Drivers of Organization Transformation and Organizational Transformation**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>16.068</td>
<td>9</td>
<td>1.785</td>
<td>67.905</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1.025</td>
<td>39</td>
<td>.026</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>17.093</td>
<td>48</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization Transformation

b. Predictors: (Constant) external environment, internal environment, conditions, culture, vision and mission, success of the organization, organization life cycle, growth stage
4.5 Impact of Successful Organisation Transformation

The third objective of the study sought to establish the impact of successful organisation transformation. The study used a five point Likert scale. Respondents were asked to respond to a set of questions that they were rating with the least being not at all (1), Strongly Disagreed (2), Disagreed (3), Neutral (4) and Strongly Agreed (5).

4.5.1 Descriptive of Impact of Successful Organization Transformation

To assess the impact of organizational transformation on employees, most of the respondents agreed that in their organization insufficient information hindered transformation activities (4.31). However, some respondents disagreed that transformational change can contribute to employee resistance (3.59) and in their organization most of the employees are reluctant to embrace change and tend to maintain existing patterns of behaviour (3.23). In addition, respondents disagreed that in these organizations, change occurs continuously and at a rapid pace (2.94).

In assessing the impact of organizational transformation on structural changes, most respondents disagreed that the organizations develops strategies and vision that guide transformation and turn the vision into a reality (3.65). However, most of the respondents were of the opinion that the firm may make structural changes to reduce costs and increase profitability (3.94).

To examine the approaches to organizational transformation and their impact, most respondents disagreed that managers identify opportunities and risks arising from the business environment (3.78). In addition, most respondents also disagreed that these organization hire, promote and develop employees who have the required skills to implement the vision (3.53) as shown in table 4.7 below.
Table 4.7: Descriptive of Impact of Successful Organization Transformation

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational change can contribute to employee resistance</td>
<td>3.59</td>
<td>1.098</td>
</tr>
<tr>
<td>In my organization most of the employees are reluctant to embrace change and tend to maintain existing patterns of behaviour</td>
<td>3.23</td>
<td>1.165</td>
</tr>
<tr>
<td>In my organization, change occurs continuously and at a rapid pace</td>
<td>2.94</td>
<td>0.763</td>
</tr>
<tr>
<td>In my organization insufficient information hinder transformation activities</td>
<td>4.31</td>
<td>0.949</td>
</tr>
<tr>
<td>The organization has changed its structure due to changes taking place in the environment</td>
<td>3.65</td>
<td>1.110</td>
</tr>
<tr>
<td>The firm may make structural changes to reduce costs and increase profitability</td>
<td>3.94</td>
<td>0.899</td>
</tr>
<tr>
<td>In my organization managers identify opportunities and risks arising from the business environment.</td>
<td>3.78</td>
<td>1.026</td>
</tr>
<tr>
<td>The organization develops strategies and vision that guide transformation and turn the vision into a reality</td>
<td>3.65</td>
<td>1.052</td>
</tr>
<tr>
<td>The organization hires, promote and develop employees who have the required skills to implement the vision</td>
<td>3.53</td>
<td>1.371</td>
</tr>
</tbody>
</table>

Upon analysis, the descriptive of impact of successful organization transformation revealed that the standard deviation of the variable, the organizations hire, promote and develop employees who have the required skills to implement the vision (1.371) had the highest standard deviation and in the organization, change occurs continuously and at a rapid pace (0.763) had the lowest standard deviation. This means that there was a big variation between those who agreed, disagreed and the neutral respondents.

4.5.2 Regression between Impact of Successful Organization Transformation and Organizational Transformation

A regression analysis was done between variables of impact of successful organization transformation and organizational transformation. On analysis, the R square value was 0.910 and a p-value of (0.000) was significant as indicated in Table 4.8. This means that 91% of the variation in organization transformation was caused by the variation in impact of successful organization transformation.
Table 4.8: Model Summary on Impact of Successful Organization Transformation and Organizational Transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
<td>F</td>
<td>df1</td>
<td>df2</td>
<td>Sig. F Change</td>
</tr>
<tr>
<td>1</td>
<td>.954a</td>
<td>.910</td>
<td>.884</td>
<td>.19609</td>
<td>.910</td>
<td>34.722</td>
<td>9</td>
<td>31</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employee resistance, embrace change, continuous and rapid change, insufficient information, changes in the environment, reduce cost, opportunities and risk, strategies and vision, recruitment

An ANOVA analysis was done between effects of impact of successful organization transformation and organizational transformation at 95% confidence level, the F critical was 34.722 and the P value was (0.000), therefore, significant. The results are shown in table 4.8. This result therefore shows that there was a statistically significant difference in the mean between the various variables of impact of successful organization transformation that influence organizational transformation

Table 4.9: ANOVA Impact of Successful Organization Transformation and organizational transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>12.017</td>
<td>9</td>
<td>1.335</td>
<td>34.722</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1.192</td>
<td>31</td>
<td>.038</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>13.209</td>
<td>40</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization Transformation
b. Predictors: (Constant) employee resistance, embrace change, continuous change, and rapid insufficient information, changes in the environment, reduce cost, opportunities and risk, strategies and vision, recruitment

4.6 Chapter Summary

This chapter presented results and findings of the study. The first section analyzed demographics of the respondents. The second analyzed what constitute successful
organisation transformation. The third section dealt with drivers of organisation transformation while the fourth section assessed the impact of successful organisation transformation. The next chapter discusses the findings, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents findings established from data analysis done and summarizes the findings. Additionally, the findings are also discussed in view of relevant literature to support the results established. Thus, the chapter entails discussion and conclusions as well as recommendations for further studies.

5.2 Summary of the Findings

The purpose of the study was to carry out an assessment of successful business organisation transformation in Kenya. The study sought to answer three research questions. What constitute successful organisation transformation? What are the drivers of organisation transformation? What is the impact of successful organisation transformation?

The study adopted a descriptive research design and a questionnaire was used to obtain relevant data from the respondents. The target population was 50 members of top level management from five companies under Rwathia Group of Companies. A total census was done with the sample size of 50 respondents out of which 49 questionnaires were filled and returned. The data was then analyzed using both descriptive and SPSS. Results were presented in figures and tables.

The findings based on the first research question revealed that most respondents agreed that organisational transformation is an extension of organisational development; change programs have caused major revolutionary changes for organisations and these organisations strives to provide outstanding customer service. However, there was uncertainty on whether employees are aware of where, how and in what direction the firm should change despite the organizations’ great effort to train employees effectively to acquire necessary skills and competencies for changes management.
Although the organizations effectively plan for anticipated changes, records of change management in the industry for the past couple of decades have been poor. It was generally observed that organizations encourage employees to identify problems and suggest new ways of looking at how to complete assignments. However, respondents disagreed that strategic changes have been necessitated by external events and managers possess charisma to influence the followers. A regression analysis revealed that 50% of the variation in organizational transformation was caused by the variation in what constitute successful organization transformation.

The second objective established that most respondents agreed that dynamic environmental conditions have made change management a key competitive asset. However, there was uncertainty on strategic organizational change that emanate from external environment and whether dynamics of organizational change are connected to the organizational life cycle. In addition, most respondents did not agree that cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees. However, culture has positively influenced success of these organizations; and they have identified their growth stages and strategic organizational change emanate from internal environment. A regression analysis revealed that 94% of the variation in organization transformation was caused by the variation in drivers of organizations transformation.

The third objective established that most respondents agreed that insufficient information hinder transformation activities in the organization. However, there was uncertainty on the structural changes that have been made in the organization to reduce costs and increase profitability. There was also uncertainty on whether managers identify opportunities and risks arising from the business environment; whether these organizations develop strategies and vision that guide transformation and turn the vision into a reality and whether they have changed the structure due to changes taking place in the environment. Generally, it was felt that transformational change can contribute to employee resistance but in these organizations it was unclear whether they hire, promote and develop employees who have the required skills to implement the vision. Besides, respondents disagreed that change occurs continuously and at a rapid pace in the organization.
5.3 Discussion

5.3.1 What Constitutes Successful Organisation Transformation

The findings revealed that respondents agreed that organisational transformation is an extension of organisational development and change programs have caused major revolutionary changes for organisations. This is in line with the findings by Karp (2006). Some authors argue that organisational transformation is an extension of organisational development while others believe that organisational transformation represents a new discipline in its own right. Hamel (2007) states that organization transformation enables an organization to not only transform itself but also transform the industry they are competing in. In addition, an organization that does not change its present business condition and current organisational considerations will only be able to achieve short term success but will fail to position the organisation for longer-term market dominance or excellence. According to Ivanov (2014), use of transformation will enable an organization re-evaluate its mission, strategy, consider external changes that are taking place, and also re-evaluate its structure in terms of property, finance, supply, production, sales and partners.

Findings further revealed that there was poor records maintained about change management in the industry for the past couple of decades. Besides, employees seemed not to be aware of where, how and in what direction the firm should change. Similarly, Karp (2006) observes that the records of change management in the industry for the past couple of decades have been poor. In addition, organisations that undergo major transformations are able to meet new challenges and gain a competitive advantage. De Wit (2010), observe that it is not a question of whether firms should change, but of where, how and in what direction. Change is the norm, not the exception for all the organisations. De Wit (2010) states that organizations that understand organizational transformation have the ability to distinguish the types of change, understand level of change and, identify desired outcome of the change.

Based on the research findings, it was revealed that there was uncertainty on whether organizations effectively plan for anticipated changes. According to Teece (2012), planned change is the process where an organization plans for what might occur. In
addition, planned changes also enable an organization move from one state to another. Planning is based on the belief that the organisation is working in a stable and, therefore, predictable environment. Burnes (2004) intimate that in an organization, unplanned change occurs due to major or sudden surprise that might occur in an organization, hence, causing employees to respond in a reactive and disorganized manner. Planned change occurs when managers in an organization identify the need for a major change and aggressively organize a plan to carry out the change. Moreover, planned change also tends to occur in a chaotic and disruptive fashion than expected by origination.

5.3.2 Drivers of Organisation Transformation

Findings based on the second research question revealed that respondents agreed that dynamic environmental conditions have made change management a key competitive asset. Porter (2008) state that organizations are systems that exist in the context of an external environment; they have an interdependent relationship and interact with it in order to survive and grow. Senior (2007) states that forces for changes that take place in the external condition influences transformational change that might take place in the organization. In addition, organizations that do not respond to external changes that are taking place in the environment usually face a challenge to compete in the environment hence, closing, its operation.

Findings further revealed that there was uncertainty on whether organisational change emanates from external environment and strategic organisational change emanate from internal environment. According to Appelbaum (2008), strategic organisational change can emanate from external factors (changes in competitors’ actions, government regulations, economic conditions and technological advances), or from internal factors (new corporate vision, mission, the purchase of new technology, mergers and acquisitions and the decline in morale in the company).

Senior (2007) states that forces for change within an organisation are frequently the result of some external influences. It is also certain that organisations that do not respond to triggers such as increasing competition, new legislation or the expectations of customers will soon decline and may cease to exist. According to Burnes (2004) and Sturdy (2003), during change management, organizations face technological changes, changes that might
take place in the market, information system, economy, social values, workforce demographic and political environment

According to a research done by Susan Safo-Adu (2014) on change as a tool for enchanting organisational development, it was revealed that internal factors that affect an organization included mission of the organization, employee’s tasks, organizational structure, technology and power; whereas external factors includes economic, socio cultural, political, legal and technological

The study findings further revealed that there was uncertainty on whether cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees and that culture has positively influenced success of these organizations. According to a study done by Flamhdtz(2001), on corporate culture and bottom line, it was revealed that based on people scale, customer scale, performance and accountability scale, teamwork and communication and corporate citizenship, organizational culture has a positive influence on success of an organization. Omondi (2014), based on his study on the influence of organizational culture on employee job performance found out that organization is able to build social currency due to its strong culture, track record, reputation, knowledge, and network

5.3.3 Impact of Successful Organisation Transformation

Findings based on the third research question revealed that respondents agreed that insufficient information hinder transformation activities in the organization. In line with this, Salem (2008) states that insufficient information in the organization negatively affects transformational changes, hence, employees becoming uncooperative. Kitchen and Daly (2002), based on their research on internal communication during change management, revealed that employees’ perception about the organization and their feeling towards change can positively or negatively influence change.

Salem (2008) further states that organizational transformation might fail due to poor interpersonal skills in organization. Hence, leading to unsuccessful implementation and
employees resistant to change because they are not able to understand what is being communicated to them.

The study findings further revealed that there was uncertainty on whether managers identify opportunities and risks arising from the business environment; whether the organization develops strategies and vision that guide transformation and turn the vision into a reality, and whether transformational change can contribute to employee resistance. Kotter (2011) asserts that developing a vision is vital because a vision acts as a source for decision making, motivates employees to take action in the right direction and helps coordinate actions of different employees in a fast and efficient way.

In this regard, organizations should develop strategies and vision that will guide their transformation and turn their vision into reality (Benn, Dunphy & Griffiths, 2014). According to Carr (2011), for many employees, change implies loss; loss is an emotional experience associated with stress and anxiety. Thus, employees’ emotional reactions to change are similar to the experience of grief. According to Kanter (2013), employees are usually reluctant to embrace transformational change because they want to maintain existing pattern and behaviour.

Findings also revealed that there was uncertainty on whether the firm may make structural changes to reduce costs and increase profitability and whether the organizations had changed its structure due to changes taking place in the environment. Organizations are usually forced to change their structure due to changes that are taking place in the environment (Schwarz & Shulman, 2007). Anil (2016) observes that organizations make structural changes (downsizing, decentralization, job redesign) to reduce costs and increase profitability. Yang, Zhuo, and Yu (2009) assert that structural change is used to transform the organization’s vertical disintegration or horizontal differentiation, power allocation, and level of formalization.

Weller (2008) states that some organisation structures represent previous policy decisions and, therefore, interpret new policies and organisational structures according to those predetermined decisions. Organizational structural change is seen as a means to help the organization develop. This change is influenced by rapid changes that are taking place in
the environment, increasing complexity and uncertainty and organizational components (Schwarz & Shulman, 2007).

5.4 Conclusions

5.4.1 What Constitute Successful Organisation Transformation

From the study, one concludes that the case organizations have been able to evolve over time to the transformation that has taken place since their inception. These organizations have been able to develop programs that have enabled them cause major revolutionary changes and through these changes, they have been able to provide outstanding customer service. However, organizations need to be aware of strategic changes that are influenced by external events and, hence, come up with strategies to mitigate them.

5.4.2 Drivers of Organisation Transformation

Dynamic environmental conditions have made change management a key competitive asset. These organizations need to develop strategies, and have a culture that will promote trust and reduce resistance to change. This will help them to better deal with external threats and eliminate internal changes that might take place to enable them become more competitive in the markets they operate in.

5.4.3 Impact of Successful Organisation Transformation

Use of sufficient information will help organizations deal with transformational changes that might take place, hence, prevent resistance to change. In addition, an organization needs to develop and change its structure based on changes that are taking place, hence, reduce costs, resistance to change and increase its profitability. Organizations also need to develop vision and mission that will guide them during the implementation of transformational changes.
5.5 Recommendations

5.5.1 What Constitute Successful Organisation Transformation

Rwathia group of companies need to ensure that their employees are involved in the implementation of transformation and hence, being aware of where, how and in what direction the firm is changing. They also need to encourage employees to identify problems and look for solutions, train their employees so that they can adapt to changes that are taking place in the organizations and plan for anticipated changes that might take place in future.

5.5.2 Drivers of Organisation Transformation

The firms need to work on the organizational life cycle, to enable them to deal with changes that might take place; improve on their organizational culture so that they can improve on performance and, hence, become more successful. They also need to ensure that there is coordination between top level management and lower level employees when implementing transformational change, and also identify external and internal factors that will influence transformation. This will enable the top management to come up with strategies that will help the organization deal with transformational change.

5.5.3 Impact of Successful Organisation Transformation

Rwathia group of companies need to develop structural measures that will enable the organization reduce costs and increase profitability, deal with changes that are taking place in the environment and ensure that employees are involved during transformational development. The companies should develop human resources policies that ensure that the firms hire, promote and develop employees who have the required skills to implement the vision. This will result to minimal resistance to changes and help them develop strategies and vision that guide transformation and turn their vision into reality.

5.5.2 Recommendations for Further Studies

The objective of the study was to carry out an assessment of successful business organisation transformation in Kenya, with a case of Rwathia Group of Companies. Given
the limitation cited on the case it would be inappropriate to generalise the research findings to all the economic sectors. The researcher, therefore, recommends further study that looks at specific sectors be carried out to find out if transformational factors will vary from sector to sector.

While undertaking the study, the researcher anticipated that the findings in the study would be slightly different from those of other studies carried out in the past. However, most of the findings agreed with others from past studies on related areas. The researcher recommends that future studies be carried out expounding on the specific research questions to find out if findings would be different from the ones obtain in the current and past studies.
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APPENDIX I: COVER LETTER

Kenneth Irumbi Kibara

Email: irumbik@gmail.com

Dear Respondent,

RE: REQUEST FOR PARTICIPATION IN RESEARCH WORK

I am a graduate student at United States International University pursuing a Master’s degree in Business Administration (MBA). In partial fulfillment of the requirement for the degree, I am carrying out a research project an assessment of successful organizational transformation with a focus on Rwathia Group of Companies.

I shall appreciate if you kindly complete the enclosed questionnaire which will be used to collect the data relevant to my study. Of importance to note is that you have been randomly selected to participate in this study. It is estimated that it will take 10 minutes to complete the questionnaire. Kindly respond as honestly and objectively as possible.

Contribution from your end is very crucial for the achievement of this study and it will be extremely treasured. I assure you that the information that you will present will be treated with extreme confidentiality and will be used only for academic purposes. I look forward to receiving completed questionnaires and I would like to express my sincere gratitude for your kind cooperation in advance.

Thank you in advance,

Yours Sincerely,

Kenneth Irumbi Kibara
APPENDIX II: QUESTIONNAIRE

Data collected in this survey is intended for academic purposes only and will be used in partial fulfilment of an MBA research project. All information gathered will be handled with the strictest of confidentiality.

The Research Questionnaire contains five (5) sections:

SECTION A: Demographic Information

1. Indicate you gender:
   
   Male [ ] Female [ ]

2. Indicate your position
   
   Senior Manager [ ] Middle manager [ ] Junior Manager [ ]

3. What is your age
   
   21-30 years [ ] 31-40 years [ ] 41-50 years [ ] Above 50 years [ ]

4. Indicate your highest level of education
   
   College certificate [ ] Diploma [ ] Graduate [ ] others (specify)………………………………………………………………………………………………………………...

5. How long have you been in employment with this firm?
   
   Below 2 years [ ] 3 – 4 years [ ] 5-6 years [ ] above 6 years [ ]

6. How many employees does your firm have?
   
   Below 100 [ ] 101 - 500 [ ] 501 – 1000 [ ] Above 1000 [ ]
SECTION B: What constitute successful organisation transformation?

Indicate to what extent you agree with the following statements on successful organisational transformation

Scale: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

<table>
<thead>
<tr>
<th>Organisation Transformation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change programs have caused major revolutionary changes for organisations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. We are aware of where, how and in what direction the firm should change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organisational transformation is an extension of organisational development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Records of change management in the industry for the past couple of decades have been poor.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Types of Organisation Transformation

<table>
<thead>
<tr>
<th>Types of Organisation Transformation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Strategic changes have been necessitated by external events</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. The organization effectively planned for anticipated changes</td>
<td></td>
<td></td>
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<tr>
<td>7. The organization train employees effectively to acquire necessary skills and competencies for changes management</td>
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</tbody>
</table>

Transformational Leadership Behaviours

<table>
<thead>
<tr>
<th>Transformational Leadership Behaviours</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Managers possess charisma to influence the followers</td>
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<tr>
<td>9. The organization encourages employees to look at problems and suggest new ways of looking at how to</td>
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</tbody>
</table>
SECTION C: What are the drivers of organisation transformation?

Indicate to what extent you agree with the following statements on drivers of organisation transformation?

Scale: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

<table>
<thead>
<tr>
<th>External and Internal Forces</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic organisational change emanate from external environment</td>
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<tr>
<td>2. Strategic organisational change emanate from internal environment</td>
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<tr>
<td>3. Dynamic environmental conditions have made change management a key competitive asset.</td>
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</table>

<table>
<thead>
<tr>
<th>Organizational Culture</th>
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</thead>
<tbody>
<tr>
<td>4. Cultural consistency improves organization performance and effectiveness by creating coordination from top level management to first line employees</td>
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<tr>
<td>5. Employees who have a clear mission in their mind are able to increase their productivity</td>
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<tr>
<td>6. Culture has positively influenced success of this organization</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation Lifecycle</th>
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</thead>
<tbody>
<tr>
<td>7. Dynamics of organisational change are connected to the organisational life cycle.</td>
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</tbody>
</table>
8. The firm has identified its growth stages

**SECTION D: What is the impact of successful organisation transformation?**

Indicate to what extent you agree with the following statements on impact of successful organisation transformation **Scale: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree**

<table>
<thead>
<tr>
<th>Impact of Organisation Transformation on Employees</th>
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</thead>
<tbody>
<tr>
<td>1. Transformational change can contribute to employee resistance</td>
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<td>2. Most of the employees are reluctant to embrace change and tend to maintain existing patterns of behaviour</td>
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<td>3. In the firm, change occurs continuously and at a rapid pace.</td>
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<td>4. Insufficient information hinder transformation activities</td>
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<table>
<thead>
<tr>
<th>Impact of Organisation Transformation on Structural change</th>
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<tbody>
<tr>
<td>5. The organization has change its structure due to changes taking place in the environment</td>
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<tr>
<td>6. The organization has changed its structure due to changes taking place in the environment.</td>
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<table>
<thead>
<tr>
<th>Approaches to Organisation Transformation and their Impact</th>
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<tbody>
<tr>
<td>7. Mangers identify opportunities and risks arising from the business environment.</td>
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<td>8. The organization develops strategies and vision that guide transformation and turn the vision into a reality</td>
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<td>9. The organization hires, promote and develop employees who have the required skills to implement the vision</td>
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## APPENDIX III: RESEARCH SCHEDULE

<table>
<thead>
<tr>
<th>TASK</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
<th>Week 11</th>
<th>Week 12</th>
<th>Week 13</th>
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<tr>
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<tr>
<td>Data cleaning, analysis</td>
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<tr>
<td>Presentation of findings</td>
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<td>Preparation of final project</td>
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## APPENDIX IV: BUDGET

<table>
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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Printing Letters</td>
<td>10</td>
<td>30</td>
<td>300</td>
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<tr>
<td>Pre-test Questionnaires</td>
<td>10</td>
<td>30</td>
<td>300</td>
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<tr>
<td>Final Questionnaires</td>
<td>50</td>
<td>25</td>
<td>1,250</td>
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<tr>
<td>Report Binding</td>
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<td>300</td>
<td>1,500</td>
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<tr>
<td>Research Assistant</td>
<td>4</td>
<td>5,500</td>
<td>22,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Lot</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
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<td><strong>30,359</strong></td>
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