AN ANALYSIS OF CHANGE MANAGEMENT TOOLS BY SMALL AND MEDIUM SIZED-ENTERPRISES IN NAIROBI COUNTY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment 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 content and that it has not been submitted to any other institution, college or university other than the United States International University in Nairobi for academic credit.

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

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Dr. Juliana Namada

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ABSTRACT

The purpose of this study was to provide an analysis of change management tools by SMEs in Nairobi County. The study was guided by the following research questions: What change management tools are being used by SME’s? How the change management tools affect organizational strategy? And how the change management tools affect growth?

A descriptive research design was employed. The population, the sample frame, the sample size and the sampling technique that was used was drawn from licensed SMEs in Nairobi. The sample size was a total of 399 SME’s. Data was collected using a structured questionnaire and analyzed using descriptive and inferential statistics. Data analysis was performed through use of Statistical Package for Social Sciences (SPSS) as well as Microsoft Excel spreadsheet; presented through tables and figures. Descriptive analysis involved measures of central tendency which included means, standard deviation, percentages and frequency. Inferential statistics involved the Pearson’s correlation and regression analysis which were used to draw inferences. For ease of understanding, tables and figures were used to present data.

The study findings on change management tools used by SMEs revealed that SMEs utilized change management tools. It showed that change leaders were open to feedback. Business owners encouraged learning from mistakes, while the SMEs successfully overcame internal resistance to change. Respondents showed disagreement on the effectiveness of their existing change management plan. The study findings on how change management tools affect organizational strategy revealed that the major aim of SME growth strategy was to increase revenue. The SMEs largely had existing strategic plans. SMEs strategy formulation was mostly entrusted to top management. The study revealed that the major cause of change in SMEs was by exit of the owner manager which represented 48%. It was also discovered that organizational strategy had significant influence on organizational achievement. The study showed a significant relationship between change management tools and organizational growth. A major cause for variations in growth in the SMEs resulted from change management tools. The study revealed that 76% of the variations in growth among the SMEs resulted from change management.

The study concluded that strategy formulation and implementation is of essence and should continually be performed so as to enable a company to adapt to changes caused by the
turbulent environment. Change in ownership of SMEs has significant strategic implication on continuity of the business. Unclear plans and unclear assignment of responsibilities affected implementation of strategic management practices. An organizational strategy is unable to attain its full potential unless it is effectively integrated within the budgets, information systems and reward systems. It is important to motivate managers and workers alike to pursue the change strategies, as adoption of change management increases organizational productivity. The study confirmed that managerial behavior and skills are the root to every firm. It shows need to build skills in perspective with new structures and strategies. There is a significant relationship between change management tools and their effect on growth as change management allows mitigation of risks.

Based on the findings, the study recommends that SMEs mitigate the challenges of implementing strategic management practices among SMEs. SMEs in Nairobi need to always integrate market growth in their budgeting process. It is recommendable for SME administration to ensure that resources are allocated according to what is in the budget. Achievements need to be periodically measured against strategic plan goals. SMEs in Nairobi need to match their strengths to the opportunities that they have identified. The progresses of the strategic plans have to then be checked actively through fixed milestones and targets. Senior executives need to “own” the strategy and avoid assumptions regarding lower-level management perceptions of the strategy and its implementation. SMEs need to allocate sufficient resources to budgeted items; establish strategy-supportive policies, create information, communication, and operating systems that enable the managers and members to carry out their strategic roles effectively. The study recommends the importance to motivate managers and members in ways that encourage them to pursue these same strategies.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Change management is used to refer to a set of structures or tools intended to be used to keep adjustment efforts to shifts in the environment under control. The aim of change management is to minimize the impacts and/or distractions caused by change. Further in perspective, it is the process of making a big change, but having the change in a sense under control (Kotter International, 2011). This subject is highly relevant to all organizations and industries. It is also relevant to a myriad of situations across all levels; be they individual, team-based or leadership (Downey, 2008). Change management is important in transforming motivation into goals and actions that foster competitive advantage. It is the unending process of aligning an enterprise to its environment (Clinton, 2010).

Change is an endemic that is inevitable. Organizations constantly need to change to respond to pressures in the environment which include: shifting customer wants, global competition, technology shifts and legal changes (David, 2009). Such pressures prompt organizations to modify their operations either in small incremental modifications or major disruptions in the organization. Change transforms culture, structures, processes and organizational strategy (Downey, 2008). Change comes in three different forms namely operation, competitive and contextual change. Operation change is the usual fluctuation in the demands, supplies and prices of a firm’s products through time. Competitive change stems from firms hustling for superiority and sustain edge among its rivals. Contextual change is however lesser to predict as it cannot be forecasted easily. Contextual change is more dangerous as the consequences may broadly affect the firm and negatively alter promising opportunities as it affects the organization’s success and strategic plans (Ramirez, Selsky, & Heijden, 2008).

The business environment is subject to diverse and demanding challenges, which businesses must adhere to in order to survive (Clinton, 2010). Changes from the external environment may include government legislation, market globalization, business internationalization, political upheavals and societal implications, technology trends, customer demands, supplier demands and increased competition among others (Amason, 2011). The internal environment presents changes in the interest of administrative policies and behavior, people, work structure and level of technology (Wiesner, 2015).
Innovation and change adaptation are compulsory for strategic success. Without them, a firm will result to stagnation or extinction from the market. Organizational change does not happen on its own; rather a firm needs to develop its own inertia towards change in its environment. Change needs to be catalyzed and harnessed, and its value addition clearly shown (Amason, 2011). According to Kotter (2012), the frequency of change in businesses has grown at a very high rate in the scope of the past two decades. He credits this to commanding macroeconomic forces; which he states might grow even stronger over the coming decades. To be successful in a complex and continuous changing environment, rigorous approaches are needed.

Change management tools are used by businesses and companies to have control in the installation of foreign processes to improve the actualization of benefits expected. The tools involve formulating initiatives of change, generating buy-in for a business entity, seamless implementation of change initiatives and establishing ability for a repeatable change model for continuous improvement for the future (Downey, 2008). The tools especially are used by leaders to guide their subordinates on where and when a risk is likely to occur and providing ability for communicating a strategy to mitigate the risk and monitor progress (Bain & Company, 2015).

Organizations encounter different hurdles in the application of their desired change management tools. Most organizations encounter shortfalls such as incompetence, poor coordination, lack of commitment and ignorance on change needed - all of which cause ineffectiveness in the application of change management tools (Edinburgh Group, 2017). These challenges affect organizations in varying magnitudes, some to the extent of complete extinction in the industry. As a result, all organizations need to make competent arrangements on dealing with the barriers that hinder their change efforts as and when they happen (MUGA, 2013).

The major barrier in the current global order is in management of complexity or inefficient and ineffective change management approaches (Kinsey, 2011). The mid twenty first century is cumbered with explosion of complexity that appears difficult to contain. Large corporations are struggling to achieve diversification in an effort to manage the innumerable niches in the market, crime, poverty and all other chronic issues in society (ACCA, 2012). A myriad of programs and policies have been proposed to resolve this challenge, but due to their enormous
number and diversity, attention has unfortunately been scattered, appeared confusing, uncoordinated and gone to ineffectual directions (Gale Group, 2007).

A large number of variables are in play in ensuring sustainability of SMEs. While a number of analysts propose that the factors leading to growth of an enterprise remain a “black box”, other analysts have insisted that the sustainability of an enterprise depends both on external factors as much as internal business factors (Nyagah, 2013).

SMEs represent a large majority in the world business arena. They are recognized world over for their role in economic, political and social development. They provide ability for fairly priced goods and services, income as well as employment (Nyagah, 2013). Close to 95% of businesses in the world are SMEs, and also compose 60% of the private sector’s employment. Large corporations are now downsizing and outsourcing their functions, leading to the weight of SMEs in the economy intensifying. Most SMEs lie in the service sector which composes two thirds of the economic activity in developed countries (ACCA, 2012). SMEs are largely in the wholesale and retail business, hotel and restaurants, communications and construction (OECD, 2010).

Japan represents the highest number of employees among the nations that are industrialized with 99% SMEs (José Filomeno de Sousa dos Santos, 2015). In South Africa, SMEs represent 91% of the formal business sector. Contributions by SMEs vary from country to country, nonetheless, they hold high importance in low income nations, contributing to GDP and employment as much as it does in developed countries. SMEs represent the engines for sustainable growth when it comes to long term development in low income countries as they take on a vital role in restructuring and industrial development (Edinburgh Group, 2017).

SMEs worldwide continue to encounter a hard-operating environment with a substantial amount of pressure on their profit margins. This is so especially in emerging markets as demands remain weak even with the pressure of inflation intensifying (Edinburgh Group, 2017). SMEs are less likely compared to big corporations to respond to economic lashes with loss of capacity in business. They are unable to cut back on personnel and capital investments, and have less spare capacity to draw upon if they were to make such cutbacks as large corporations do (Kinsey, 2011). With the increases in the amounts of financing for working capital, SMEs are finding it a challenge to finance their growth due to their lack of liquidity. They thus result to trade credits and late payments which is a sever impairment to their
business stature. Political instability has emerged to be a substantial challenge for SMEs in key regions such as the USA, South Asia and most countries in Africa (ACCA, 2012).

Currently, significant change management tools and practices have assisted SMEs in adapting effectively to the tremendous environmental shifts; making them improve their competitive standing and positioning for a highly promising future (ACCA, 2012). Countries with sustainable SMEs have been seen to witness tremendous economic growth. However, majority of the cases have been disheartening as SMEs have resulted with carnages such as wrongly utilized resources, close of business and disgruntled employees (John, 2012).

In Africa, SMEs face rampant challenges compared to the other continents. Crime and corruption is one of the primary challenges. Lack of access to appropriate technology and their low production capacity hinders their growth. Resource based issues such as inadequate access to skilled labor, low management skills, low access to finance and credit services are all major challenges SMEs in Africa face. SMEs also suffer from poor customer and clientele relationships and are largely victims of government bureaucracy. Their also get stringent support from the government and large corporations in their contributions to economic development (The Banking Association South Africa, 2017). All that being stated, it shows that SMEs in Africa are faced with a highly turbulent environment. All these present a shortfall in the sustainability and success of SMEs in the continent. According to the World Economic Forum (2015), aiding the success of SMEs in Africa is pertinent not only for the economy of Africa but for the global economy. Reason for this is that SMEs present an expanding middle class with disposable income. This goes on to show that SMEs are pivotal to the stability of the economy of the world (José Filomeno de Sousa dos Santos, 2015).

In Kenya, SMEs play a vital role in the economic growth as well as employment creation. Eighty percent of jobs in the year 2014 were provided by SMEs. Kenyan SMEs have an yearly turnover of 500,000 Kenyan shillings (Africa Do Business, 2010 ). They have been seen to employ between 10-49 people. Majority of SME’s fall in the informal sector, locally termed as ‘jua kali’, mainly referring to people working in the sun or under no roof. The term ‘jua kali’ was assimilated to refer to self-employment, small scale industries and organizations that employ between one to forty-nine employees. In 2008, Kenyan based SMEs were ranked at about 7.5 million in number and contribute to 44% of the country’s GDP (Adeyeye, 2016).
There’s been an influx in the number of SMEs in the last two decades, a majority of them being rural based. More enterprises are being put up and more families are attempting to independently sustain themselves financially. Basing on a baseline survey on SMEs in Kenya (G.o.K, 2009), approximately 1.3 million SMEs in the country employed close to 2.4 million workers. A total of 25 percent of households take part in a form of SME, a majority relying on their SME for all their household income. The Kenya National Bureau of Statistics conducted a survey in 2016 and found results that 400,000 SMEs never get to celebrate their second year (Kenya National Bureau of Statistics, 2016). This is rather alarming owing to the crucial contribution of SMEs to a country’s economy as well as the entire global economy. The survey discovered that those SMEs close due to heightened operating costs, depreciating income and specific losses the business accrues. All these factors were further boiled down to describe the tough operating environment.

There has been a noticeable change by the government in their attitude toward SMEs. The government now view SMEs as an important impetus to economic growth and creation of employment. Kenyan government has formulated strategies to remove barriers for starting of SMEs, legalizations such as ‘Buy Kenya, Build Kenya’ for public procurement and increasing funds to SMEs such as Uwezo Fund (Adeyeye, 2016). The government has been making numerous efforts to salvage sustainability of SMEs, however the situation is still looming. This witnessed mortality rate bears implication on the limited ability for SMEs to provide sustainable and long-term employment, leading to the high rate of unemployment and loss of wealth that exists in the count (Ochanda, 2014).

Nairobi county hosts Kenya’s capital city. It is regarded as the financial center for Kenya as well as East Africa due to the large number of companies, organizations and businesses based and headquartered in the city. The county presents a good overlay of infrastructure and amenities necessary for the thrive of businesses. Businesses in Nairobi range from agricultural commodities, real estate, hospitality and import and export. Nairobi carries trade links with overseas countries such as Asia, Middle East and Europe, making Nairobi the backbone to the country’s economy (G.o.K, 2009). The SMEs in Nairobi have been seen to be as extremely volatile with high levels of shrinkage and closure (Africa Do Business, 2010).
1.2 Statement of the Problem

As change is constant, SMEs will continue to face unprecedented transformations. Change is becoming a fundamental challenge and increases as the days go by. SMEs should be able to adapt to such changes with such efficiency and effectiveness as to maintain the running of the business and increase performance amid the turbulence (Oliviana, 2010).

According to Kotter (2012), one primary factor in unsuccessful application of change management tool is high complacency by management. Management is meant to enable the functioning of systems, pioneer the construction of systems and transform existing systems. Management possesses high influence in this fast-changing globe. Management may have an underestimation of the challenges in producing changes in their businesses. They may cause businesses to march forth with no understanding of how their actions reinforce the performance of their subordinates and the business. Some managers force overambitious changes, resulting to employees who are extremely defensive, demotivated and short sited. This eventually results to change resistance. The end term result is that strategies are ineffectively implemented, downsizing occurs, acquisitions fail to be properly implemented and quality programs become just but a rumor or subject of bureaucratic talks. Causes of complacency by management in addressing change lacks extensive research on, and this study will provide research on this gap in the context of SMEs.

According to Kotter (2012), he explains that organizational structures and capabilities create the basis for successful and sustainable change management. However, among the entrepreneurs and business leaders, this has barely been understood. Entrepreneurs and business leaders are still highly relying on their task force, work structure and operation structure to drive their change. The aforementioned leads to ineffective performance and lack of adequate power to handle highly challenging sets of changes. This challenge continues to exist and the negative results grow to be more sever each passing year (John, 2012).

Recent research by (Kenya National Bureau of Statistics, 2016) shows that three out of every five SMEs fail within their first few months of business, owing to unique problems that SMEs face that impair their growth and profitability. Large organizations have been extensively researched however similar research on SMEs specifically is wanting. SMEs are a unique sector and are not a scaled down interpretation of large organizations, as they greatly differ in aspects such as structures, environment responsiveness, leadership styles and competition.
(Meredith, 2010). This study seeks to assess the change management tools by SMEs in Nairobi county and their effect on the respective SMEs.

1.3 Purpose of the Study
The purpose of this study was to analyze change management tools employed by SMEs in Nairobi county and provide insight on their effect to SMEs.

1.4 Research Questions
1.4.1 What change management tools are being used by SME’s?
1.4.2 How do the change management tools affect organizational strategy?
1.4.3 How do the change management tools affect growth?

1.5 Importance of the Study
1.5.1 Entrepreneurs
The study is significant to entrepreneurs as it enables them to understand and have appreciation for effective change management practices and strategies. It enables entrepreneurs to actively engage in best practices in change management to ensure sustainability of their businesses.

1.5.2 Investors
The study provides insight to investors on signs of a SME with a successful change management strategy. This provides basis for a decision by an investor on where to invest, as enterprises with successful change management strategy are more sustainable in the long run. Thereby allowing safety of the investor’s investments

1.5.3 Researchers
Researcher gets to benefit from the secondary data provided by this study to enhance their future studies. This study allows researchers to identify gaps in the existing research for them to carry out research on the gaps.

1.6 Scope of the Study
The study is on small and medium sized enterprises in Nairobi County, Kenya. The target population for this study is the licensed SMEs by Nairobi City Council. According to Nairobi City Council, there are around one point five six million licensed SMEs in Kenya, out of
which 98,608 of all the are located within Nairobi County (Warue & Wanjira, 2013), out of which three hundred and ninety nine were randomly selected as the sample size. The study was done in twelve months between September 2017 and August 2018.

Quality of information by respondents was one limitation. This was due to business owners not willing to divulge their operation strategies in fear of competition gaining access to this information. To mitigate this, the researcher guaranteed confidentiality through a confidentiality agreement with the respondents, ascertaining them that their information would remain private.

Access to respondent was also a limitation. Business owners were too busy to provide the researcher with information needed for this study. To mitigate this, the researcher made follow up calls with hard to access respondents, in an aim of getting them to allow a convenient time to provide the necessary information amid their busy business schedules.

1.7 Definitions of Terms

1.7.1 Business Failure
This occurs when businesses shut down as a result of factors such as voluntary closing of business due to financial loss to creditors, court rulings like receiverships or bankruptcy (Hatten, 2009).

1.7.2 Change
A threat that involves an uncomfortable adjustment (Clinton, 2010).

1.7.3 Change Management
It is a disciplined methodology used in introducing changes in an organization’s production environment with minimum disruption to its ongoing operations (Bowman, 2017).

1.7.4 Competitive Advantage
It is the ability of a firm to outperform its rivals (Amason, 2011).
1.7.5 Complex and Continuous Change
These are accelerating transitions in an organization’s environment that disrupt normal operations of an organization and have the ability of turning an organization upside down (Kinsey, 2011).

1.7.6 Leading
This is the inspirational element of management through directing and impelling followers towards a predetermined plan (Hatten, 2009).

1.7.7 Organizational Culture
It refers to a behavioral pattern developed within a firm that shows how it copes with its internal and external challenges; and that has worked well to be oriented to new employees as the accepted manner to behave and feel (David, 2009).

1.7.8 Small and Medium Sized Enterprises (SMEs)
This are organizations with less than 100 people (Scarborough, 2013). Aside from the marketing element, the operations of the business are geographically localized and financing for the business is not more than a few individuals.

1.7.9 Strategy
This is a means through which a firm’s long-term objectives are achieved. They represent potential actions that need senior level decisions and a significant amount of a firm’s resources (Amason, 2011).

1.7.10 Strategic Management
This is a senior level rational process, that assess a firm’s future, vision, and understands the firm’s environment, internal operations as well as changes in both the internal and external environment (Amason, 2011).
1.8 Chapter Summary
The chapter begins by providing a description of SMEs and their impact on the global economy. It gives light on the number of SMEs in Kenya and their failure rate. The purpose of this study was to analyze change management tools employed by SMEs in Nairobi county and provide insight on their effect to SMEs. The study was on small and medium sized enterprises in Nairobi county. The target population was three hundred and ninety nine Kenyan based licensed SME’s in Nairobi county.

The following chapter two provides a review of literature on the study and chapter three provides a description of the methodology that was used in the research for this study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of existing research on change management practices. It introduces the framework for the research on how SMEs manage complex and continuous change; that comprises the main focus of the research described in this study.

2.1 An Analysis of Change Management Tools and Methods

The term “Change Management” is one common phrase amongst all businesses currently. However, how a business approaches change and the success in their approach vastly varies. The main reason behind such variances in approaching change depends on how the change process has been understood (Abowd, 2012). Several models and tools used in change management are in existence. This study will analyze Lewin’s Change Management Model, The Change Curve and Kotter’s 8-step-change model and their effectiveness in SMEs.

2.1.1 Lewin’s Change Management Model

This model is attributed to Kurt Lewin who developed it in 1947. Lewin explains this model using the analogy of shape changing an ice block. He contextualizes that a large ice cube can be transformed to a desired ice cone through a process. The ice cube first has to be melted to allow it to become amenable to the change which he termed as Unfreeze. Thereafter, the iced fluid is molded to the desired shape, which he termed as Change. Then ultimately, it is solidified in the new desired shape, which he termed as Refreeze (Lewins, 1947).

![Figure 2.1 Lewin’s Change Management Model](https://www.mindtools.com/pages/article/newPPM_94.html)
Unfreeze
This is the first step in change according to Lewin’s model. It entails preparing the business entity for the oncoming change and explaining to them why that change is necessary (MindTools, 2017). It involves the difficult process of tearing down the existing status quo and rebuilding a new way of operation (Lewins, 1947). To successfully prepare the firm for the change, it needs to at first be dealt with from the core. This requires challenging existing beliefs, behaviors, attitudes, values and norms. It is key to note that this is the most challenging and excruciatingly stressful stage in the process as it sets everything out of balance (Abowd, 2012). It guarantees evocation of reactions from people.

However, if carefully approached, this can build a controlled crisis which can result to high motivation from the involved; which is necessary for this model to succeed (Morrison, 2014). An organization can practically approach this step by first determining what change is needed. This will require surveying the firm so as to come to terms with the existing situation and to understand why the change is necessary (Abowd, 2012). It is key in this stage to ensure that one has firm support from the senior leaders in the firm. The change leaders need to be fully equipped with information to clear away any doubts as to why the change is needed (Lewins, 1947).

Change
This is the second stage in Lewin’s model. It is the step where uncertainty is resolved and innovation is implemented. It involves action by those involved towards the desired direction. This stage is the takes a huge duration as individuals take time before they can adapt to the required change and actively participate (Lewins, 1947). Concerned individuals need to understand the required change and actively contribute for the change to be successful. Communication and time management is crucial in getting the people on board. The people need to feel involved and connected, which requires time and effort from the leaders (Petrescu, 2010).

This aspect can be understood in more detail in a related change model termed as Change Curve, which delves into the understanding of the situation of individual transitions in a turbulent environment (University of Exeter, 2017). The model will be discussed later in this chapter. This stage can be effectively approached through frequent communication in the change planning and the benefit to the concerned personnel. It prepares them for the
oncoming change and is useful in clearing off rumors and creation of an involvement attitude by the concerned (Kotter & Cohen, The Heart of Change, 2008)

Refreeze
This is the ultimate step in the process. It happens when changes have started being implemented and the people have embraced the change. Successful refreezing is reflected through a steadiness in the operations of the business, such as constant job descriptions, steady production, steadily increasing sales (Morrison, 2014). It involves an organization institutionalizing the changes done. The stability refreezing brings about causes comfort and stability on employees as well, both psychologically and in performance (Lewins, 1947).

This stage cannot be overlooked by an organization. Without this stage, employees get trapped in the phase of uncertainty as they are unsure of what is certainly needed, thereby not delivering to the fullest capacity (Morrison, 2014). Importantly, without this last stage, the next change cannot be effectively tackled as the existing change has not yet attained stability and full closure (Kotter & Cohen, The Heart of Change, 2008). Lewin suggests it be approached through embedding the change into the organization’s culture. Ways of sustaining the change need to be developed for example through creating a feedback and reward system. The change leader should provide training and education in a means to ensure the operation required for the change is understood and attained. He also insists that the leadership needs to take keen to appreciate success in the change implementation (Lewins, 1947).

2.1.2 The Change Curve
The Change Curve is a creation of Elizabeth Kubler-Ross (1969), a psychiatrist in the field of people transitions and grief and bereavement approach. This model has through the years been used to comprehend the steps in personal transition relative to change in organization. It allows prediction of how concerned people will respond to the change. It allows the change leaders to assist the concerned employees adapt to their personal transitions and provide the required support they might need (University of Exeter, 2017). The model depicts four stages that individuals undergo when adjusting to change. Stage 1 is simply defined as Denial as individuals’ primary reaction is usually shock and denial as the change at first sets them off balance. To manage Stage 1, the individuals need to be provided with information and made to understand how they can get help. The change should be made not to overwhelm the people (Connelly, 2016).
When reality sinks in, then Stage 2 occurs where negativity and hostility is encountered from the concerned people. The reality of the change hits them. They start feeling angry or fear and begin to resist or lash out against the change. This stage sets the organization into disruption which if not well addressed might escalate to utter chaos (Barnat, 2017). The change leaders need to ensure that concerns are addressed through proper communication and actions to mitigate problems that may result are taken. This is a unpleasant state for all; and is seen healthier to move on to Stage 3 where this resistance and negativity can give room for some form or acceptance and positivity (Nunes & Breene, 2011).

At Stage 3, individuals let go of what they might lose and begin embracing the change. They get curious on what the change entails and touch base on the benefits of the change and how they are required to adapt. Stage 3 is a success marker for change (Connelly, 2016). The change leaders need to assist and support individuals as they try to understand the change. This can be done through trainings or test runs. This stage is important for learning and gaining acceptance, therefore patience is required as it might take time (Nunes & Breene, 2011).

Stage 4, the individuals beyond accepting the change also start to actively engage in the change process. It is only when Stage 4 is arrived at that the organization can effectively implement the change and begin to experience benefits from the change. At this stage, the change gets adapted to the culture as improvements are made to the performance. The organization will begin becoming more efficient and productive, as well as the positive impact the change brings about will be tangible (Nunes & Breene, 2011).

![Figure 2.2 The Change Curve](https://www.mindtools.com/pages/article/newPPM_94.html)
2.1.3 8-Step Change Model by Kotter

Kotter (2012) is renown as a guru in the field of change management and leadership and is a professor as Harvard’s School of Business. He formulated this theory in the year 1995, which he detailed in his book called Leading Change. The change model details 8 steps that are required in change management.

Step 1 - Initiate Urgency
Kotter (2012) further explains this model beginning with this step. The entire business entity needs to understand the need for the specific change. This creates motivation to get things rolling. It will involve analyzing looming threats and competition in the market and explaining what will happen to the business’ future. It entails explaining the necessity of exploiting new opportunities. This step gets people to think and start deliberating on the change matter. Kotter suggests that for successful change, seventy five percent of the firm need to buy in to the idea of change.

Step 2- Form a Strong Coalition
This will require active leadership and tangible support from key leaders and influencers in the organization. Change needs to be led, therefore change leaders need to be identified within the organization (John, 2012). The change leaders need not necessarily come from the traditional hierarchy of the organization. Change needs a coalition to be formed of people with titles, statuses, political influence and expertise. The coalition will need to work as a team to create momentum needed for the change (Kotter, 2012).

Step 3- Create a Change Vision
These steps linking floating ideas and solutions to one vision that is easy for people to understand and run with. The vision will explain and create sense in what is required of the people. A written vision is more influential as it elicits finality and resolve (Kotter, 2012).

Step 4- Communicate the Vision
The vision needs to be frequently and powerfully communicated. It needs to be embedded in everything that is done. The vision needs to be utilized in problem solving and decision making on a frequent basis. Communication also involves demonstration of expected behavior by the change leaders (Kotter, 2012).
Step 5- Clear Obstacles
It involves creating a structure for change and dealing with barriers to the structure. Job descriptions, performance appraisals, compensations and rewards need to be streamlined in accordance to the vision. Change resistors need to be identified and guided to accept the change. All these is vital in making the change progress (Kotter & Cohen, The Heart of Change, 2008).

Step 6- Create Short-term Wins
Success is a good motivator and performance booster. Change leaders need to create short term wins that are visible to the staff which will be because of short term targets. Each win from the short-term target wins can be good motivators. Reward target achievers (John, 2012).

Step 7- Build on the Change
Kotter points out that many change management initiatives lose due to the early celebration of victory. This is because change that is real has to run deep. It is not only a matter of having a new product with the new change systems and leaving it at that when ten products can be launched with the similar system through constant lookouts for improvements (Kotter & Cohen, The Heart of Change, 2008). Success is continuous as it builds on a right move through identification of what can be improved. The idea of Kaizen in continuous improvement comes largely in play here (John, 2012).

Step 8- Embed the Changes to the Organization Culture
The values of the change need to be seen in the day to day operations of the business. This shows that the change has become part of the core of the organization (John, 2012). New staff need to be oriented to the change, and existing staff need to see the change existing in the organization. Success stories pertaining to the change need to constantly be told and the change coalition that was earlier formed needs to be publicly recognized for their contributing efforts (Kotter, Kotter's 8-Step Change Model, 2012).
2.2 Change Management Tools and Organizational Strategy

2.2.1 Relationship Between Change Management Tools and Organizational Strategy

An organizational strategy is used to create strategic projects through a detailed and thorough search process. It therefore is not an immediate action but a detailed sequence; it is the means to an end. Successful implementation of strategy requires feedback. Arriving at strategy is one expensive process and requires financial investment as well as time investment by business leaders (Barnat, 2017). Strategies are important in providing direction to a business when it penetrates to new markets. It is important to note that business leaders need to map out strategies that are specific to their business environment. The process of strategy identification is not cast on stone once the strategy is identified, but it is a continual analysis with the aim of competitive advantage and keeping abreast with the changing environment (Vitez, 2017).

Change management tools are those which help in the efficiency and effectiveness of change initiatives. They are systematic processes used to deal with change through a systematic process of change adaptation, change control and change effectiveness (Bain & Company, 2015). Change management is directly related to a firm’s strategy (Rouse, 2017). The required change management approach is typically determined by managers and the level of skills in a firm. Change management tools are needed to organize employees and all relevant stakeholders for the introducing of new strategies such as unfamiliar systems, reshuffling of roles and new operation processes. Successful change management is at the heart of existence for all firms (Nickols, 2010).

According to a survey by PwC (2013), it states that the level of success for major initiatives of change was at fifty four percent. This was seen to lead to high costs, underutilized resources, low morale and lost opportunities for the business. This further goes to confirm the effect change management tools have on organizational strategy.

Change management tools and organizational strategy formulate a change management strategy which provides a clear direction and objective for plans of change management (Downey, 2008). A change management strategy involves an understanding of three key factors: change characteristics, a structure that supports implementation of the strategy and lastly a clear analysis of risks or potential forms of resistance as a result of the change (Prosci, 2017).
Change characteristics asks questions such as what the magnitude of the change is or if the change new or has it been dealt with before (Nickols, 2010). This also gives light on the scope of change, people impacted, duration for change and the element being changed. Understanding these change characteristics leads to formulation of appropriate change management strategies, like would it require only minimal adjustments, full formal projects or appropriate strategic initiatives. Detailing the people impacted and the level of impact allows management to customize plans specific to them, leading to success of the strategy (Prosci, 2017).

A structure that supports implementation of the strategy enables easier implementation of the change strategy. It leads to effective allocation of responsibilities and resources required. A relationship between the change and the organization is resultantly built allowing wholesome organizational focus towards one goal (Rouse, 2017). This also gives a description of managers onboard and their role in leading the change. Support from leaders gives a focal point of organizational unity towards the change management strategy (Petrescu, 2010).

A clear analysis of risks or potential forms of resistance as a result of the change enables effective creation of specific custom solutions for the risks or resistance. An effective change management strategy identifies who is most affected by the change or if there exist small groups that would advocate for a different solution for change. Organizations that have prior history of resisting change have more risks accrued (Bain & Company, 2015). This analysis allows proactive approaches to dealing with risks and resistance leading to creating of solutions before actual happenings of the damage. This results to adaptation of appropriate strategy to the change that is less risky and faces less resistance (Prosci, 2017).

2.2.2 McKinsey 7s Model
This model is used as a change management tools to analyze an organization’s design by assessing seven key internal components namely: Systems, Structure, Shared values, Skills, Staff, Style, Strategy – so as to understand how they effectively relate and lead to achievement of an organization’s objectives (Jurevicius, 2013). It was originally made by Tom Peters, Julien Philips and Robert Waterman, then a McKinsey Consultants, in the 1980s.

This 7s model is used in situations such as: improving company performance, assessing effects of future change initiatives, in times of mergers to align functions and processes and
also on determining the most suitable approach in implementing a strategy (Mind Tools, 2017). The model’s elements are categorized into either Hard or Soft as follows:

<table>
<thead>
<tr>
<th>Hard Elements</th>
<th>Soft Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>Style</td>
</tr>
<tr>
<td>Strategy</td>
<td>Staff</td>
</tr>
<tr>
<td>Systems</td>
<td>Skills</td>
</tr>
<tr>
<td></td>
<td>Shared Values</td>
</tr>
</tbody>
</table>


‘Hard’ relates to those elements that are more easy to note and explain, and the management can as well have direct influence over them. Examples include reporting lines, strategic missions, IT structures, organization arrangement and all other formal processes (Jurevicius, 2013). ‘Soft’ on the other hand are generally difficult to note and explain, being more intangible and mostly culturally influenced. Both the hard and soft elements are synonymously equal in importance (McKinsey, 2008).

This model theory suggests that for a firm to perform effectively, all these elements are to be aligned and mutually reinforce one another. The model is used to assess and identify gaps in alignment so as to improve performance during times of change. It is mostly used when matters of organizational effectiveness and design are under query (Mind Tools, 2017). Any form of change can be applied using this model to assess how the firm elements are aligned to guarantee the full scope of change made in an area is also assessed in all areas. The figure below illustrates the interdependency of both the hard and soft elements showing how one change in an element affects all the rest:
Strategy is a predetermined plan by a company to meet a sustainable competitive advantage and manage to successfully compete in a market. According to the model, an appropriate strategy is that which is well articulated, is long term and helps meet a competitive advantage through the reinforcement of the firm’s mission, vision and values. It is however hard to assess the suitability of such a strategy if not looked in terms of its alignment with the other elements. For example, a firm’s short-term strategy can be seen as an inappropriate choice for a firm, but if aligned with the other elements in the model it results to providing equally strong results as a long term strategy would (Jurevicius, 2013).

Structure is related to the organization of business functions and divisions including the accountability structure in a firm. It is a firm’s organizational chart (Jurevicius, 2013). Among the elements, it is one which is highly visible and most easy to change element (McKinsey, 2008). Systems refer to the day to day activities and processes that staff engages in to perform. They reveal the firm’s key activities and decision-making process. This is expected to be the management’s main focus when approaching organizational change (Bowman, 2017). Shared Values are the firm’s core values seen through the corporate culture and ethics. This is the core of the model. They form the standards guiding employees’ behavior and firm actions which is the root of every firm. Style is the kind of leadership approach adopted. It shows how a firm is managed by the top leaders. It details how top-level interact, their action
modes and their held values. This is simply referred to as a management style (Jurevicius, 2013). Staff refers to employees and their capabilities. It concerns the number of employees, recruitment process, training, motivation and rewards. Skills are the competencies of employees in a firm. Questions that arise in this could be the choice of skills a firm will need to build more on in regards to a new structure or strategy (Peters, 2011).

2.3 An Analysis of How Change Management Tools Affect Growth

Growth can be measured in many ways such as achievement of business goals, net profit, financial data, revenue, physical expansion or growth in number of employees. A firm’s main objective is to maximize profits. Profits enable a business to survive in the long run, thus companies religiously measure their current, past and project their future profitability regularly (Hofstrand, 2009). Profits are a measure of income and expenses. Profitability is usually measured by an income statement. Income is generated the business activities. Expenses are as a result of the cost of carrying out a trade; usually deducted when the business makes a profit (IRS, 2017).

Change management enables an organization to stand in an ever-changing world. Change management tools build competencies in an organization that allow it to handle sudden changes thrown at it. Change initiatives allow achievement of better results prior to the change (Prosci, 2017). Mitigation of risks brought by change management brings out growth. Change management removes the chance from change. Failure to plan for change is rather costly. Projects result to costs like redesign, redo, retrain, rework, all of which lead to decline in productivity. This leads to low motivation and employees may disengage (Prosci, 2017).

2.3.1 Measurement of SME Growth

Categorizing business growth for SMEs was earlier perceived as an impossible task due to varying management styles, organization structures and independence of action across SMEs (Harvard Business Review, 2017). On closer scrutiny, it was noticed that SMEs experience similar problems occurring at similar stages of their development. It is at these stages of similarity that a framework can be organized to understand the nature, characteristics and challenges facing any kind of SME (Harnish, 2011).

Such an understanding is important to business owners and managers as it helps assess current challenges and achieve planned growth. To develop an appropriate framework to measure growth and profitability in SMEs, five major factors are put into perspective which include:
organizational structure, managerial style, formal systems, strategic plans and extent of owner involvement in business (Harnish, 2011). The Five Stages of SME Growth model was developed by Neil C. Churchill and Virginia L. Lewis (1983), to categorize growth patterns of SMEs according to the five major factors, in a systematic manner useful for entrepreneurs.

Figure 2.5 The Five Stages of SME Growth

Stage 1: Existence
This stage is characterized by challenges in getting customers as well as delivering contracted product or services. Questions on viability of products, adequacy of customers, enough financial muscle and need for expansion are analyzed in this stage. In this phase, the organization is rather simple, with the entrepreneur handling everything including supervising subordinates who are of average competence (Harnish, 2011). There lacks formal planning and established systems as the main business strategy is to stay alive. Businesses may shut down in this stage when they are unable to gain sufficient market or start-up capital depletes, whereas business that remain in operation progress to Stage 2 (Churchil & Lewis, 1983).

Stage 2: Survival
Businesses that get to this stage demonstrate that they are a workable entity. They have acquired an adequate customer base and is able to cater for them sufficiently (Harnish, 2011). The dilemma now shifts from struggling to remain alive to a relationship between expenses and revenues. Questions asked include ability to break even, generating enough cash flow to
finance growth and earning an economic return on assets. The business still remains simple with a limited number of workers supervised by a foreman or sales manager who carry out well-defined orders from the entrepreneur. Formal planning at its best involves cash forecasting and planning and structures are minimal (Harvard Business Review, 2017). The business might grow in profitability and size to progress to stage 3, or like many companies may remain in Survival Stage for a while earning marginal returns and eventually wind up business when the owner retires. Some businesses may fail completely and shut down at this stage (Churchil & Lewis, 1983).

Stage 3: Success
The decision at this stage is on whether to exploit the business’ achievements and expand(substage3-G), or to keep the business stable and profitable(substage3-D) (Churchil & Lewis, 1983).

Substage3-G
The entrepreneur consolidates the firm’s resources for growth. Entrepreneur utilizes the established borrowing power and business cash and risks it to finance growth (Churchil & Lewis, 1983). It is important for the business to remain profitable and not run out of cash. Managers need to be developed to meet the business’ growing needs. Managers also need to be hired eyeing the future needs as opposed to the current state. Systems and structures are set up basing on future needs, strategic planning is equally undertaken mostly by the entrepreneur. This is the first try to growing before commitment to a growth strategy. If unsuccessful, the failure causes may be identified early for the business to shift to substage 3-D (Harnish, 2011).

Substage 3-D
This is the Success-Disengagement substage where the business has acquired economic health, enough size and market penetration that allows economic success earning average or over average profits (Churchil & Lewis, 1983). A business can remain at this stage for a while provided no environment factors alter their market niche or reduce its competitiveness. The business may require functional managers but not of highest caliber for specialized duties. Cash is in plenty thus the main concern is avoiding cash drain in prosperous periods to the disability of withstanding tough times. Professional staff might join mostly an administrator (Harnish, 2011). Financial, marketing and production systems are erected. Financial planning
allows financial delegation. As the business matures the owner moves further away from the business due to the presence of managers (Petch, 2016).

Stage 4- Take Off
The key challenge is on how to grow rapidly and how to finance that growth. Important questions in this stage include: owner’s ability to delegate responsibility to others to increase effectiveness and availability of enough cash to satisfy growth demand (Churchil & Lewis, 1983). The organization is decentralized of divisionalized. Structures are more refined and extensive. The owner and the business are separate however the business is still dominated by the owner’s presence and stock control (Harnish, 2011). This is a life-changing period in the business’ life if the entrepreneur is able to rise to the problems of a growing business financially and management wise to create a big business. Often than not, most business are unsuccessful at this stage either due to their attempt to grow rapidly and deplete their cash or the owner is unable to delegate adequately and effectively for the business to work. At times, high interest rates and unpredictable economic conditions have caused businesses to fall back to survival stage or fail (Petch, 2016).

Stage 5- Resource Maturity
The greatest challenge here is consolidation and control of financial gains as a result of rapid growth and retaining of advantages of a small size such as flexibility and an entrepreneurial spirit (Churchil & Lewis, 1983). The firm must fast enough expand its management team to eradicate inefficiencies caused by growth and bring a standard of professionalism through budgets, standard cost systems, strategic planning; all without barring entrepreneurial qualities. Firms in this stage have the financial muscle and staff needed to engage in effective strategic planning. Management is decentralized, staff are enough and qualified, and structures are well developed. The entrepreneur and the business are separate both financially and in terms of operation (Harnish, 2011). The business is now fulfilled in this stage as it benefits from the advantage of size, financial abundance and managerial expertise. With preservation of the entrepreneurial spirit it can be a force to reckon in the market, if not, it may get to a perceived sixth stage called Ossification. Ossification shows lack of innovation and risk avoidance. It is common in large companies whose large market share and financial muscle keeps them afloat until a major change hits the environment and they fail to react appropriately (Petch, 2016).
2.4 Chapter Summary

The chapter provides an analysis of models and tools used by SMEs. It assesses literature on how change management practices affect strategy in organizations. It further examines literature on how change management influences growth and profitability in organizations. The following chapter provides the research methodology that was used for this study. It provides information on the research design, population, sampling design, data collection methods, research procedures and data analysis methods that were used for this study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter gives insight on the research approaches and research designs used to undertake this study. It describes the sampling procedures, data collection methods, data collection instruments and data analysis methods used for this study. The procedures used for verifying the use of particular research instruments, the reliability and validity of the instruments are indicated.

3.2 Research Design
A research design is a structure a researcher puts in place to help in acquiring answers to a specific set of questions. It is important in marshalling rich descriptions and rich contextualization in a qualitative study, to appropriately evaluate a specific theory or hypothesis. It assists in putting a plan and technique for shaping a research (King, et al., 2017). This study employed a descriptive survey as its research design. According to Clause (2017), a descriptive survey is used when a researcher intends to describe a behavior as it occurs in a particular environment through comparing relationships between variables. Descriptive research design finds out the where, when, what, who and by whom in a research. Descriptive surveys probe into what exists, what happens in a society and the frequency a particular situation occurring under certain conditions.

3.3 Population and Sampling Design

3.3.1 Population
A population is defined as a set of elements that have common characteristics as stipulated by the sampling criteria chosen by the researcher (edu, 2017). The target population for this study comprised of 314,226 of all the licensed small enterprises located within Nairobi city (Nairobi City County, 2018).

3.3.2 Sampling Design
According to Statistics Canada (2015), a sampling design is a culmination of aspects which include the group units of the frame, sample size, frame units and the sample of choice. A sample design is determined by the desired level of precision, detail of information required, availability of required sampling frames, availability of auxiliary variables needed for stratification and sample selection, and the required methods of data analysis and estimation.
Budgets and time frames are also crucial in determining sampling designs. A sampling frame is a list of elements from which elements to be sampled are selected (Statistics Canada, 2015). The sampling frame for this study was drawn from the licensed SMEs operating in Nairobi. The sample elements are the entrepreneurs and management of the SMEs.

Stratified random sampling was used in this study to select the sample. The population strata were based on the nature of the business conducted by the SME. Stratified random sampling allowed inclusion of business sectors such as hair and beauty, textile work, carpentry, soap makers, music recording studios as well as clothes and merchandise. Each population strata was given an equal chance of being selected, to ensure that all the characteristics of the target population were represented in the final sample. According to Nyagah (2009) who performed a study on SMEs in Nairobi, he recommends convenience sampling. This allows use of respondents who are available and accessible. Convenience sampling of the strata was employed in this research. The sample size for this study was 399 SMEs. Convenience sampling was used to select respondents from the population strata based on their accessibility and response to the research.

3.3.3 Sample Size

Cochran’s formula (1977) was used to estimate the sample size as follows:

\[
n = \frac{N}{1+N(d)^2} \]

Where \( n \) = Sample size, \( N \) = Population, \( d \) = 0.05 level of statistical significance

\[
N = 314,226
\]

\[
n = \frac{314,226}{1+314,226 (0.05)^2}
\]

\[
n = 314,226/1+314,226 (0.0025)
\]

\[
n = 399
\]
3.3.4 Sampling Frame
According to (King, et al., 2017), a sample frame is the detailed presentation of population of study outlined in a table or figure. The sampling frame consisted of 399 SMEs. The sample frame was obtained from the Nairobi county government office.

3.4 Data Collection Method
A data collection model is defined as techniques used to seek data that is viable for analysis. It involves gathering information from a target population. Data for this study was collected using a questionnaire. A questionnaire is defined as a data collection instrument that dictates a formal path through which the designed questions elicit the desired information (Statistics Canada, 2015).

The questionnaire consisted of open ended questions, closed ended questions and Likert scale rating scales. Close ended questions allowed collection of viable quantitative data, while open ended questions allowed respondents freedom to provide in-depth responses (Clause, 2017). The questions covered in the questionnaire addressed issues pertaining to organizational culture, strategy and change management tools in the context of SMEs. The questionnaire underwent required validity and reliability measures. It first went through discussion and approval by the research supervisor to ensure recommended precision and minimal errors during data entry.

3.5 Research Procedures
The research procedure identifies the mode of performing the research. It involves accessing the respondents and performance of the research (Clause, 2017). The questionnaires were personally delivered by the researcher to the respondents. The researcher thereafter collected back the questionnaires personally within a period of 3-5 days, to allow the respondents adequate time to think throw the questionnaire without undue pressure. Personal approach to the delivery of the questionnaire by the researcher allowed personal rapport between the researcher and the respondents and allowed for clarity to respondents when needed. All respondents received a similar set of questions in the same format. A cover letter was attached with each questionnaire to show the purpose and importance of the study to the respondents to dispel any hesitation by the respondents.
3.6 Data Analysis Methods
A data analysis method involves structuring of raw data into charts, frequencies, percentages or tabled so as to be able to interpret, understand and make conclusions (King, et al., 2017). The data collected was stored in a format that allowed easy statistical analysis. The statistical analysis was through computer-aided software and appropriate statistical manipulation. Measures of the variables that were pertinent to the research problem were fixed into the questionnaire; and questions were tailored in such a way that the required responses and information was retrieved. All data collected was screened and cleaned for missing values and any errors in entry of data.

The data collected was analyzed through use of descriptive, correlation as well as inferential statistics. Inferential statistics was analyzed through the aid of IBM SPSS 20.0. Descriptive statistics was employed in analyzing data in form of tools such as standard deviation, mean, mode, percentages and frequencies; to identify sample characteristics and significant patterns that the data brought out. Correlation statistics was used to analyze and establish a relationship between change management practices and failure in SMEs. Regression statistics was further used to analyze the extent of relationship between the dependent and independent variables for this study. Content analysis was used to assess qualitative data. The data was represented in the form of graphs, charts and tables. Qualitative data was screened to completeness before analysis of data.

3.7 Chapter Summary
This chapter focuses on the methodology that was used in conducting the study. The study used descriptive research design. The population, the sample frame, the sample size and the sampling technique that was used was drawn from licensed SMEs in Nairobi. Data was collected using a structured questionnaire. Data was analyzed using descriptive and inferential statistics with the aid of SPSS and presented using tables and figure. The next chapter presents research findings in relation to the research questions.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter depicts the analyzed results and findings of the study on examining change management tools by SMEs in Nairobi. The first part is about the response rate. The next section covers background information, which points out the demographic introduction of the respondents. The third part deals with change management tools and methods are being used by SME’s. The fourth part is about change management tools effect on organizational strategy. The fifth part is on how the focus management tools affect growth and the final section is the summary of the whole chapter.

4.2 Response Rate

This study had a population size of 399 SMEs. The study in Figure 4.1 displays the response rate of the study. The study clearly indicates that 83% of the respondents took part in the study while 17% out of the 100% did not participate in the study. We can therefore conclude that the response rate was good to be used.

Figure 4.1: Response Rate
4.3 General Information
This section provides a discussion on the results on the general information of the respondents who responded to this study. The section offers general information regarding position in the company, form of business organization, classification of industry, number of employees, year of registration, business growth strategy, industry within the last three years and qualification of management team. These elements were put under consideration as they offer meaningful contribution in availing logic on the responses presented by the respondents.

4.3.1 Position in The Company
The study collected information on the respondents’ respective positions in their companies. This was essential in expressing the interplay between the respondents’ position in the company and the objectives of this study.

![Position in The Company](image)

Figure 4.2: Position in The Company
Figure 4.2 is used to display the Position in The Company. It is indicated that 62% were Founder, 11% were the CEO, 14% were Upper Level Manager and finally 13% were Middle Manager as shown in the above finger. This means that most SMEs are managed by owners.

4.3.2 Form of Business Organization
Respondents provided information on the form of business organization they operated in. The form of business organization was categorized into five levels as; Private Limited Company, Public Limited Company, Partnership, Sole Proprietor and Family Owned Business.
Table 4.3 represents the form of business organization of the population. From the figure, it revealed that Private Limited Company had 39%, Public Limited Company 32%, Partnership 9%, Sole Proprietor had 10% and Family Owned Business had 10% too. This shows that Private Limited Companies represent the largest number of SME’s in Nairobi.

4.3.3 Classification of Industry

Table 4.1 provides information on the industry classification that the respondents operate in. Industry classification was categorized into five segments namely: Service, Manufacturing, Construction, Retail Trade and Mining.

Table 4.1: Classification of Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>174</td>
<td>52.6</td>
<td>52.6</td>
<td>52.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>75</td>
<td>22.7</td>
<td>22.7</td>
<td>75.2</td>
</tr>
<tr>
<td>Construction</td>
<td>12</td>
<td>3.6</td>
<td>3.6</td>
<td>78.9</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>37</td>
<td>11.2</td>
<td>11.2</td>
<td>90.0</td>
</tr>
<tr>
<td>Mining</td>
<td>33</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.1 depicts the classification of industry. From the table, 52.6 percent came from Service, 22.7 percent from Manufacturing, 3.6 percent from Construction while 10 and 11 from Retail Trade and Mining respectfully. This indicates that SME’s in the service industry form a large majority of the SME’s in Nairobi compared to other industries.

4.3.4 Number of Employees

Table 4.2 shows the number of employees. The number of employees’ section was broken down into four groups: less than 20, 20-50, 51-100 and 101-500. The findings indicate that 29.3 percent had less than 20, 45.9 percent had 20 to 50 employees, 15.4 percent had 51-100 while 9.4 percent had between 101 and 500 employees. This shows that SME’s in Nairobi have largely employed people within the 20-50 total number.

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20</td>
<td>97</td>
<td>29.3</td>
<td>29.3</td>
<td>29.3</td>
</tr>
<tr>
<td>20-50</td>
<td>152</td>
<td>45.9</td>
<td>45.9</td>
<td>75.2</td>
</tr>
<tr>
<td>51-100</td>
<td>51</td>
<td>15.4</td>
<td>15.4</td>
<td>90.6</td>
</tr>
<tr>
<td>101-500</td>
<td>31</td>
<td>9.4</td>
<td>9.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3.5 Year of Registration

This section provides information on when the SMEs’ the various respondents represented were registered. Table 4.3: reveals that Year of Registration of the small and medium enterprises took place between year 1997 and 2017 as shown above. Table 4.3: shows that the highest numbers of SMEs’ were registered in year 2015 with 96.4%. This is followed by year 2013 which had 88.2%. Year 1997 shows the lowest number with 10.9%, which shows that a small number of SMEs registered twenty years ago are still in existence to date. This show that majority of existing SME’s in Nairobi have been registered for over nine years.
Table 4.3: Year of Registration

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>36</td>
<td>10.9</td>
<td>10.9</td>
<td>10.9</td>
</tr>
<tr>
<td>1998</td>
<td>4</td>
<td>1.2</td>
<td>1.2</td>
<td>12.1</td>
</tr>
<tr>
<td>1999</td>
<td>11</td>
<td>3.3</td>
<td>3.3</td>
<td>15.4</td>
</tr>
<tr>
<td>2000</td>
<td>11</td>
<td>3.3</td>
<td>3.3</td>
<td>18.7</td>
</tr>
<tr>
<td>2001</td>
<td>30</td>
<td>9.1</td>
<td>9.1</td>
<td>27.8</td>
</tr>
<tr>
<td>2002</td>
<td>3</td>
<td>0.9</td>
<td>0.9</td>
<td>28.7</td>
</tr>
<tr>
<td>2003</td>
<td>48</td>
<td>14.5</td>
<td>14.5</td>
<td>43.2</td>
</tr>
<tr>
<td>2005</td>
<td>10</td>
<td>3.0</td>
<td>3.0</td>
<td>46.2</td>
</tr>
<tr>
<td>2006</td>
<td>3</td>
<td>0.9</td>
<td>0.9</td>
<td>47.1</td>
</tr>
<tr>
<td>2007</td>
<td>42</td>
<td>12.7</td>
<td>12.7</td>
<td>59.8</td>
</tr>
<tr>
<td>2008</td>
<td>28</td>
<td>8.5</td>
<td>8.5</td>
<td>68.3</td>
</tr>
<tr>
<td>2009</td>
<td>39</td>
<td>11.8</td>
<td>11.8</td>
<td>80.1</td>
</tr>
<tr>
<td>2010</td>
<td>12</td>
<td>3.6</td>
<td>3.6</td>
<td>83.7</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
<td>2.1</td>
<td>2.1</td>
<td>85.8</td>
</tr>
<tr>
<td>2013</td>
<td>8</td>
<td>2.4</td>
<td>2.4</td>
<td>88.2</td>
</tr>
<tr>
<td>2015</td>
<td>27</td>
<td>8.2</td>
<td>8.2</td>
<td>96.4</td>
</tr>
<tr>
<td>2017</td>
<td>12</td>
<td>3.6</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3.6 Business Growth Strategy
The study collected information on the business growth strategies employed by SMEs represented by the respondents. The section had four strategy categories namely: to increase revenue of business, to expand business and to increase number of employees.
Table 4.4: Business Growth Strategy

<table>
<thead>
<tr>
<th>Business Growth Strategy</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue increase</td>
<td>174</td>
<td>52.6</td>
<td>52.6</td>
<td>52.6</td>
</tr>
<tr>
<td>Business expansion</td>
<td>53</td>
<td>16.0</td>
<td>16.0</td>
<td>68.6</td>
</tr>
<tr>
<td>Employee increase</td>
<td>104</td>
<td>31.4</td>
<td>31.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4: shows the business growth strategy of the small and medium enterprises. 52.6 percent were to increase revenue of the business, 16 percent to expand the business while 31 percent to increase the number of employees as shown above. This shows that the SME’s in Nairobi mostly view increase in revenue for business as an indication of growth.

4.3.7 Industry within the Last 3 Years

This section provides information on the respective industries represented by the respondents within the last three years. This was aimed at determining the nature of the industries represented. The categories that were used in this section are: growing, stable and declining.

Table 4.5: Industry within the Last 3 Years

<table>
<thead>
<tr>
<th>Industry within the last three years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing</td>
<td>129</td>
<td>39.0</td>
<td>39.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Stable</td>
<td>98</td>
<td>29.6</td>
<td>29.6</td>
<td>68.6</td>
</tr>
<tr>
<td>Declining</td>
<td>104</td>
<td>31.4</td>
<td>31.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5: reveals that the industry in the last 3 years the results are as indicated above. This shows that majority of were growing. This shows that the industry within the last 3 years has largely been growing.
4.3.9 Qualification of Management Team
Qualification of management team provides a measure of the level of literacy among the respondents. The categories for this section included high school certificate, first degree and masters level.

Table 4.6 Qualification of Management Team

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>102</td>
<td>30.8</td>
<td>30.8</td>
<td>30.8</td>
</tr>
<tr>
<td>First Degree</td>
<td>147</td>
<td>44.4</td>
<td>44.4</td>
<td>75.2</td>
</tr>
<tr>
<td>Masters</td>
<td>82</td>
<td>24.8</td>
<td>24.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>331</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7: reveals the Qualification of Management Team results as indicated above. The cumulative percent for High School Certificates was 30.8%, First Degree was 44.4% and master’s was 24.8%. The data shows that First Degree holders form the Management Team of most SME’s in Nairobi.

4.3.10 Existing Strategic Plan
This section provides information on whether SMEs have an existing strategic plan. The section had two categories which was a Yes or No, respectively showing whether an SME had a strategic plan or lacked a strategic plan.

![Figure 4.4: Existing Strategic Plan](image)

The above figure shows the existence of a strategic plan among the SMEs represented. 95% of the SMEs have an existing strategic plan while 5% lack a strategic plan. The results indicate that majority have an existing strategic plan.
4.4 Change Management Tools
The first objective of the study was to determine the change management tools. Data was collected from feedback, techniques, change failure, existing procedure, change decisions, change evaluation plan, and change leaders. The subsequent subsection represents findings with regards to how respondents viewed the various factors as change management tools that they utilize. To determine the change management tools being used, measures of central tendency and dispersion were used.

4.4.1 Descriptive of Change Management Tools
Tests for descriptive statistics were performed using statistical software called SPSS. The descriptive results for variable of change management tools were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 331. This was determined by the number of valid complete questionnaires in each case.

Table 4.7: Descriptive of Change Management Tools

<table>
<thead>
<tr>
<th>Change management tools</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change leaders are open to feedback</td>
<td>331</td>
<td>2.28</td>
<td>1.415</td>
</tr>
<tr>
<td>Prefers to adapt techniques that others have proven</td>
<td>331</td>
<td>3.10</td>
<td>1.285</td>
</tr>
<tr>
<td>Reasons for change failure are communicated</td>
<td>331</td>
<td>2.76</td>
<td>1.345</td>
</tr>
<tr>
<td>Procedure for monitoring change has been successful</td>
<td>331</td>
<td>2.46</td>
<td>1.170</td>
</tr>
<tr>
<td>Employees understand how change decisions are made</td>
<td>331</td>
<td>2.65</td>
<td>1.113</td>
</tr>
<tr>
<td>The business’ change evaluation plan is effective</td>
<td>331</td>
<td>2.27</td>
<td>.808</td>
</tr>
<tr>
<td>Change projects involve short-term targets</td>
<td>331</td>
<td>2.43</td>
<td>1.146</td>
</tr>
<tr>
<td>Change tools give importance to existing culture</td>
<td>331</td>
<td>2.38</td>
<td>1.265</td>
</tr>
<tr>
<td>Leaders and employees together perform change initiatives</td>
<td>331</td>
<td>2.56</td>
<td>1.185</td>
</tr>
<tr>
<td>Everyone ensures the new change becomes institutionalized</td>
<td>331</td>
<td>2.63</td>
<td>1.283</td>
</tr>
</tbody>
</table>

The mean for descriptive of change management tools ranged from 2.27 to 3.10. The findings of the study mean that SME’s utilized change management tools. Even though the study shows that respondents agreed that most of the variables enhance change
management tools, they highly disagreed on the variable that the business’ change evaluation plan is effective hence the lowest mean of 2.27.

The standard deviation for change management tools figure was .808 lowest while the highest was 1.415. The highest was that the change leaders are open to feedback while the lowest was that the business’ change evaluation plan is effective.

As seen in figure 4.5, 35 percent agreed that change leaders are open to feedback while 65 percent disagreed. With the higher percentage showing disagreement, this indicates that change leaders among SMEs are not open to feedback. 90 percent of the respondents agreed that they prefer adapting techniques that others have proven while 10 percent disagreed on this. The higher percentage being 90 percent indicates that SMEs in Nairobi prefer to adapt techniques that others have proven.

As seen in figure 4.5, 87 percent of the respondents agreed on the reasons for change failure being communicated to employees while 13 percent disagreed on the same. This indicates that SMEs in Nairobi do not communicate reasons for change failure to employees as the data presents a much higher percentage on this. 72 percent agreed that existing procedures for monitoring change are successful while 28 percent disagreed. This indicates that SMEs in Nairobi have successful existing change monitoring procedures as is represented by the higher percentage.

89 percent of the respondents agreed while 10 percent disagreed that employees understand how change decisions are made. The data indicates that employees working in
SMEs in Nairobi understand how change decisions are made within their organizations. 40 percent of the respondents agreed while 60 percent disagreed that the existing business’ change evaluation plan is effective. The data indicates low effectiveness of the change evaluation plans by SMEs in Nairobi.

72 percent of the respondents agreed while 28 percent disagreed that the business’ change projects involve short-term targets. This data indicates that SMEs in Nairobi involve short term targets in their change projects as shown by the higher percentage. 72 percent of the respondents agreed while 28 percent disagreed that change tools for the business gives importance to existing business culture. This indicates that SMEs in Nairobi use change tools that give importance to existing business culture as represented by the larger percentage.

75 percent of the respondents agreed while 24 percent strongly disagreed that change leaders in their organization collaborate with employees when performing change initiatives. 1 percent responded that this tool did not apply. This indicates that change leaders in SMEs in Nairobi collaborate with their employees on change initiatives as this is represented by the larger percentage. 76 percent agreed while 24 percent disagreed that everyone in the organization is responsible for ensuring the new change becomes the day to day normal for the business. The larger percentage indicates that SMEs in Nairobi involve everyone in ensuring the new change becomes the day to day normal for the SME.

4.5 Change Management Tools and Organizational Strategy
The second objective of the study was to examine the effects of change management tools and organizational strategy on SMEs in Nairobi. The study obtained information from contemporary technology, competitive wars, consistent products, continuous improvement, research, financial resources, strategy implementation and engagement in strategic planning and organizational strategy.

4.5.1 Descriptive of Organizational Strategy
Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable of focus strategy were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 331.
Table 4.9 Descriptive of Organizational Strategy

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is seldom the first one to introduce new technologies</td>
<td>331</td>
<td>2.15</td>
<td>.992</td>
</tr>
<tr>
<td>Seeks to avoid competitive clashes</td>
<td>331</td>
<td>2.03</td>
<td>1.112</td>
</tr>
<tr>
<td>Has maintained a consistent product throughout</td>
<td>331</td>
<td>2.49</td>
<td>1.158</td>
</tr>
<tr>
<td>Actively engages in research</td>
<td>331</td>
<td>2.70</td>
<td>1.348</td>
</tr>
<tr>
<td>Prefers low risk to high risk projects</td>
<td>331</td>
<td>2.18</td>
<td>1.294</td>
</tr>
<tr>
<td>Actively applies continuous improvement in operations</td>
<td>331</td>
<td>2.43</td>
<td>1.077</td>
</tr>
<tr>
<td>Strategy implementation involves feedback to employees</td>
<td>331</td>
<td>2.07</td>
<td>1.033</td>
</tr>
<tr>
<td>Inadequate financial resources has hindered growth of the business</td>
<td>331</td>
<td>2.19</td>
<td>.956</td>
</tr>
<tr>
<td>Regularly engages in strategic planning.</td>
<td>331</td>
<td>2.20</td>
<td>.889</td>
</tr>
<tr>
<td>All staff understand the organizational strategy.</td>
<td>331</td>
<td>2.35</td>
<td>1.237</td>
</tr>
</tbody>
</table>

The mean for organizational strategy ranged from 2.07 to 2.70. The study shows that respondents moderately agreed that organizational strategy enhance change management tools.

The organizational strategy and change management had standard deviation range from 0.889 to 1.294. The highest standard deviation was that all staff understand the organizational strategy while the lowest was that they regularly engage in strategic planning.

4.5.2 Change Management Tools and Organizational Strategy

To determine relationship between change management tools and organizational strategy as a predictor variable against the organizational strategy achieved.

Table 4.10: Model Summary of Change Management Tools and Organizational Strategy

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.934a</td>
<td>.882</td>
<td>.870</td>
<td>.16552</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant) Change Management Tools
b. Dependent Variable: Organizational Strategy
The $R^2$ of the model was 0.827. This means that 83 percent of the variations in Organizational strategy achieved is as a result of execution of change management tools of the SMEs. The remaining 17 percent are accounted for by other factors not included in the study and the error term.

**Table 4.11: ANNOVA of Change Management Tools and Organizational Strategy**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>26.558</td>
<td>1</td>
<td>11.558</td>
<td>.000 b</td>
</tr>
<tr>
<td>Residual</td>
<td>236.895</td>
<td>329</td>
<td>.823</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>263.196</td>
<td>330</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: a. Dependent Variable: Organizational Strategy, b. Predictors: (Constant), Change Management Tools*

From ANNOVA in Table 4.3, there is a p-value of 0.000. The study concludes that there is a significant relationship between change management tools and organizational growth. This implies that, change management has a significant influence in enhancing organizational strategy.

**Table 4.12 Coefficient of Variation of Change Management Tools and Organizational Strategy**

<table>
<thead>
<tr>
<th>Coefficients\a</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>.247</td>
<td>.104</td>
<td>2.367</td>
<td>.026</td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td>.391</td>
<td>.122</td>
<td>.392</td>
<td>3.206</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: organizational strategy, b. predictors: Change Management Tools*

The research uses Beta values and the highest Beta value is chosen to mean that it specifically has the strongest contribution to explaining the relationship between change tools and organizational strategy. Change management tools used is the most important in influencing organizational strategy as it has the highest beta value (beta= 0.026).
4.6 Change Management Tools and Growth

The third objective of the study was to assess how change management tools affect growth. The study obtained information from competitors, customers, responds quick to customer demands changes in business products, stakeholders are involved at each step of any change process, change management process, Strategic decision making, Business owners encouraged learning from mistakes and finally successfully overcome internal resistance to change.

4.6.1 Change Management Tools and Growth

The study adopted mean and standard deviation (S.D) as statistical tools that were used to rank the significance of the variables. The total number of respondents analyzed in each measure was 331.

Table 4.13: Change Management Tools and Growth

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiates actions which competitors then respond to</td>
<td>331</td>
<td>2.61</td>
<td>1.197</td>
</tr>
<tr>
<td>Continually identifies future needs of customers</td>
<td>331</td>
<td>2.67</td>
<td>1.146</td>
</tr>
<tr>
<td>Responds quick to customer demands</td>
<td>331</td>
<td>2.60</td>
<td>1.167</td>
</tr>
<tr>
<td>Thoroughly studies a problem before allocating resources</td>
<td>331</td>
<td>2.48</td>
<td>1.040</td>
</tr>
<tr>
<td>Makes only minor changes in business products</td>
<td>331</td>
<td>2.47</td>
<td>1.102</td>
</tr>
<tr>
<td>Stakeholders are involved at each stage in the change process</td>
<td>331</td>
<td>2.67</td>
<td>1.026</td>
</tr>
<tr>
<td>Change management involves motivating employees</td>
<td>331</td>
<td>2.83</td>
<td>1.148</td>
</tr>
<tr>
<td>Strategic decision is taken up by the business owner</td>
<td>331</td>
<td>2.47</td>
<td>1.222</td>
</tr>
<tr>
<td>Business owner encourages learning from mistakes</td>
<td>331</td>
<td>2.37</td>
<td>1.180</td>
</tr>
<tr>
<td>Successfully overcomes internal resistance to change</td>
<td>331</td>
<td>2.73</td>
<td>1.283</td>
</tr>
</tbody>
</table>

The mean for change management methods and growth ranged from 2.83 to 2.37. This means that on average, SMEs enhance change management methods. The study shows that the respondents moderately agreed that organizational growth enhances change management tools.
The study also shows that the standard deviation for change management tools and effect on growth ranged from 1.040 to 1.283. This means that there was a high deviation among the opinions of the respondents on change management tools.

### 4.6.2 Regression Analysis of Change Management Tools and Growth

The study statistically tested whether change management tools affect change management methods and their effect on growth of SMEs. This was tested using the perceived change management tools as a predictor variable against the growth achieved in the firm.

#### Table 4.14: Model Summary of Change Management Tools and Growth

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.876a</td>
<td>.760</td>
<td>.757</td>
<td>.22610</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Organizational Growth  
    b. Predictors: (Constant), Change Management Tools

The R2 from this test is 0.760 suggesting that 76 percent of the variation in growth in the firms results from change management. The remaining 24 percent is due to other factors not tested in this model.

#### Table 4.15: ANNOVA of Change Management Tools and Effect on Growth

<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>12.050</td>
<td>1</td>
<td>11.050</td>
<td>244.451</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>4.676</td>
<td>329</td>
<td>.047</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.726</td>
<td>330</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: organizational growth  
    b. Predictors: (Constant), change management tools

The ANNOVA in Table 4.7 above has a p-value of 0.000. The study concluded that there is a significant relationship between change management tools and growth. The study used
linear regression model to test the relationship between change management methods and their effect on growth.

**Table 4.16 Coefficient of Variation of Change Management Tools and Organizational Growth**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.247</td>
<td>.104</td>
<td>2.367</td>
<td>.026</td>
</tr>
<tr>
<td>Change Management tools</td>
<td>.527</td>
<td>.104</td>
<td>5.089</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: organizational growth, b. Predictors: (Constant), Change Management Tools

The beta coefficients indicate the relative importance of each independent variable in influencing the dependent variable. The research uses Beta values and the highest Beta value is chosen to mean that it specifically has the strongest contribution to explaining the relationship between change tools and organizational growth. Change management tools used is the most important in influencing organizational growth it has the highest beta value (beta= 0.623). This shows that change management tools affect SME growth.

**4.7 Chapter Summary**

The results and findings of the study have been provided in this chapter. These results and findings were based on the data given out by the respondents. The chapter provides analysis on the response rate, background information and the three objectives. The next chapter provides the summary, discussion, conclusions and recommendations of the study.
CHAPTER FIVE

5.0 SUMMARY DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter consists of five sections. The first section presents a summary of the findings. The other following sections provide the conclusions, limitations, recommendations and suggestions for further research on the study.

5.2 Summary of Findings
The study targeted a population of 314,226 SMEs within Nairobi County. Among them, a sample size of 399 respondents was identified and given the questionnaires. Out of the 399 questionnaires, 331 were returned.

5.2.1 General Information
The researcher found that 61.6 percent were Founder, 11.2 percent were the CEO, 13.9 percent were Upper Level Manager and finally 13.3 percent were Middle Manager. On the Type of Business Organization of the population. The type of Business Organization was categorized into five levels as; Private Limited Company, Public Limited Company, Partnership, Sole Proprietor and Family Owned Business. From the figure, it is revealed that, Private Limited Company had 39 percent Public Limited Company 32 percent, Partnership 9 percent, Sole Proprietor had 10 percent and Family Owned Business had 10 percent, 52.6 percent come from Service, 22.7 percent from Manufacturing, 3.6 percent from Construction while 10 and 11 from Retail Trade and Mining respectfully. 29.3 percent had Less than 20, 45.9 percent have 20 to 50 employees, 15.4 percent had 51-100 while 9.4 percent had between 101 and 500 employees. The SMEs were registered between 1997 and 2017. Business growth strategy showed that to increase revenue for business had 52.6 percent, to expand the business had 16 percent and to increase the number of employees had 31.4 percent. The industry within the last three years showed growth at 39 percent, stability at 29.6 percent and decline at 31.4 percent. Qualification of management team had High School Certificates at 30.8 percent, First Degree at 44.4 percent and Masters at 24.8 percent, 92 percent had an existing strategic plan while 8 percent lacked.
5.2.2 Change Management Tools

On the major cause of change that necessitates change management in SMEs, most respondents (48 percent) singled out exit of the owner manager as the major cause. The mean for descriptive of change management tools ranged from 2.27 to 3.10. The findings of the study show that SMEs utilized change management tools. Although the study shows that respondents agreed that most of the variables of enhance change management tools, they highly disagreed on the variable that the business’ change evaluation plan is effective hence the lowest mean of 2.27. The standard deviation for change management tools figure was .808 lowest while the highest was 1.415. The highest was that change leaders are open to feedback while the lowest was that the business’ change evaluation plan is effective.

On whether change leaders are open to feedback, 35 percent agreed while 65 percent disagreed. Preference to adapt techniques already proven by others showed that 90 percent of the respondents agreed while 10 percent disagreed. Reasons for change failure are communicated to employees showed that 87 percent of the respondents agreed while 13 percent disagreed. The existing procedure for monitoring change being successful showed that 72 percent of the respondents agreed while 28 percent disagreed. Employees understanding how change decisions are made showed that 89 percent of the respondents agreed while 10 percent disagreed. The business’ change evaluation plan being effective showed that 40 percent of the respondents agreed while 60 percent disagreed. The business’ change projects involving short-term targets showed that 72 percent of the respondents agreed while 28 percent disagreed. Change tools for the business giving importance to existing business culture showed that 72 percent agreed while 28 percent disagreed. Everyone in the organization being responsible for ensuring the new change becomes the day to day normal for the business showed that 76 percent of the respondents agreed while 24 percent disagreed.

The study confirms the literature on the standards guiding employees’ behavior being firm actions, which are the roots of every firm. Style being the kind of leadership approach adopted shows how a firm is managed by the top leaders (Nickols, 2010). It gives detail on how mid-level employees interact, their action modes and their core values. This they simply refer to as management style (Prosci, 2017). Staff refers to employees and their capabilities. It concerns the number of employees, recruitment process, training, motivation and rewards (Petch, 2016). Questions that arise are the choice of skills a firm will need to build more on in regards to a new structure or strategy (Nickols, 2010).
5.2.3 Change Management Tools and Organizational Strategy

The second objective of the study was to assess how change management tools affect organizational strategy. The study sought information from competitors, customers and stakeholders. SMEs respond quick to customer demands changes in business products, stakeholders are involved at each step of the change management process, business owner encourages learning from mistakes and finally the SMEs successfully overcomes internal resistance to change. The means for change management tools and effect on organizational strategy ranged from 2.07 to 2.70. This means that on average, SMEs organizational strategy enhances change management tools.

The study also shows that the standard deviation for change management tools and effect on organizational strategy ranged from 0.889 to 1.294. This means that there was high deviation among the opinions of the respondents on change management tools.

The $R^2$ of the model was 0.827. This means that 83 percent of the variations in organizational strategy achieved is as a result of execution of change management tools of the SMEs. The p-value of 0.000. concludes that there is a significant relationship between change management tools and organizational growth. This implies that change management has a significant influence in enhancing organizational strategy. Change management tools used is the most important in influencing organizational strategy as it has the highest beta value (beta= 0.026).

5.2.4 Change Management Tools and Growth

The last objective of the study which was to assess how change management tools affect growth of SMEs in Nairobi. The study sought information from new technologies, competitive clashes, consistent products, research done, low risk to high risk projects continuous improvement, strategy implementation and financial resources.

The mean for change management methods and growth ranged from 2.83 to 2.37. This means that on average SMEs enhance change management methods. The study shows that the respondents moderately agreed that organizational growth enhances change management tools.
The study also shows that the standard deviation for change management tools and effect on growth ranged from 1.040 to 1.283. This means that there was a high deviation among the opinions of the respondents on change management tools.

The R2 of 0.760 is a suggestion that 76 percent of the variation in growth in the firms results from change management. With a p-value of 0.000 the study concludes that there is a significant relationship between change management tools and growth. The study used linear regression model to test the relationship between change management and growth. Change management tools used is the most important in influencing organizational growth as it has the highest beta value (beta= 0.623).

5.3 Discussion

5.3.1 Change Management Tools and Methods Used in SME’s

On examining the change management tools, the study sought information from feedback, techniques, change failure, existing procedure, change decisions, change evaluation plan, and change leaders. According to a survey by PwC (2013), it states that the level of success for major initiatives of change was at fifty-four percent. This is evidenced to lead to high costs, lowly utilized resources, low morale and lost business opportunities. This further goes to confirm the effect change management tools have on organizational strategy. Tests for descriptive statistics were performed using statistical software called SPSS. The descriptive results for variable of change management tools were provided in terms of the mean and standard deviation.

This study supports the findings of Vitez (2017), strategies are important in providing direction to a business when it penetrates to new markets. It is important to note that business leaders need to map out strategies that are specific to their business environment. The process of strategy identification is not cast on stone once the strategy is identified, but it is a continual analysis with the aim of competitive advantage and keeping abreast with the changing environment.

The mean for descriptive of change management tools ranged from 2.27 to 3.10. The findings of the study mean that SMEs utilized change management tools. Even though the study shows that respondents agreed that most of the variables of enhance change management tools, they highly disagreed on the variable that the business’ change evaluation plan is effective hence the lowest mean of 2.27. The standard deviation for change management tools figure was .808
lowest while the highest was 1.415. The highest was that the change leaders are open to feedback while the lowest was that the business’ change evaluation plan is effective.

A clear analysis of risks or potential forms of resistance as a result of the change enables proper creation of specific custom solutions for the risks or resistance. An effective change management strategy identifies the most affected by the change or if there exist small groups that would advocate for a different solution for change. Organizations with prior history of change resistance have more risks accrued (Bain & Company, 2015). This analysis allows proactive approaches to dealing with risks and resistance leading to creating of solutions before actual happenings of the damage. This results to adaptation of appropriate strategy to the change that is less risky and faces less resistance (Prosci, 2017).

The study confirms to the literature that the standards guiding employees’ behavior and firm actions which is the root of every firm. Style is the mode of leadership approach adopted. It shows the way a firm is managed by the leaders (McKinsey & Company, 2016). It details how top-level interact, their action modes and their held values. This is simply referred to as a management style (Jurevicius, 2013). Staff refers to employees and their capabilities. It concerns the number of employees, recruitment process, training, motivation and rewards (Peters, 2011). Skills are the competencies of employees in a firm. Questions that arise in this could be the choice of skills a firm will need to build more on in regards to a new structure or strategy (McKinsey & Company, 2016).

5.3.2 Change Management Tools and Organizational Strategy
The objective of the study was to determine relationship between change management tools and organizational strategy as a predictor variable against the organizational strategy achieved. The study sought information from new technologies, competitive clashes, consistent product, research, low risk to high risk projects continuous improvement, Strategy implementation, financial resources, regularly engages in strategic planning and organizational strategy. According to the literature, change management tools are those that lead to efficiency and effectiveness of change initiatives. They deal with change through a systematic process of change adaptation, change control and change effectiveness (Bain & Company, 2015). Change management is directly related to a firm’s strategy (Rouse, 2017). The required change management approach is typically determined by managers and the level of skills in a firm. Change management tools are needed to organize employees and all relevant stakeholders for the introducing of new
strategies such as unfamiliar systems, reshuffling of roles and new operation processes. Successful change management is at the heart of existence for all firms.

Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable of focus strategy were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 331. The mean for organizational strategy ranged from 2.07 to 2.70. The study shows that respondents moderately agreed that organizational strategy enhance change management. The organizational strategy and change management had standard deviation range from 0.889 to 1.294. Table 4.11 shows that the coefficient of determination for the relationship between organizational strategy and change management was 0.882 and this means that 88.2 percent of organizational strategy was explained by change management. The remaining 11.8 percent was explained by other factors not considered in the model. Table 4.12 shows the beta coefficients of organizational strategy. The beta coefficient of organizational strategy was positive meaning that a unit change in the application of organizational strategy causes a positive change in the achievement of change management.

The study found out that change management tools and organizational strategy formulate a change management strategy which provides a clear direction and objective for plans of change management. A change management strategy involves an understanding of three key factors: change characteristics, a structure that supports implementation of the strategy and lastly a clear analysis of risks or potential forms of resistance as a result of the change (Prosci, 2017).

Change characteristics asks questions such as the magnitude of the change or if the change is new or has it been dealt with before (Nickols, 2010). This also gives light on the scope of change, people impacted, duration for change and the element being changed. Understanding these change characteristics leads to formulation of appropriate change management strategies, like would it require only minimal adjustments, full formal projects or appropriate strategic initiatives. Detailing the people impacted and the level of impact allows management to customize plans specific to them, leading to success of the strategy.

The study found out that structures that supports implementation of the strategy enables easier implementation of the change strategy. It leads to effective allocation of responsibilities and resources required. A relationship between the change and the organization is resultantly built
allowing wholesome organizational focus towards one goal. This also gives a description of managers onboard and their role in leading the change. Support from leaders gives a focal point of organizational unity towards the change management strategy (Petrescu, 2010).

5.3.3 Change Management Tools and Growth

The last objective of this study was to assess how change management tools affect growth. The study sought information from competitors, customers, responds quick to customer demands changes in business products, stakeholders are involved at each step of any change process, change management process, Strategic decision making, Business owner encourages learning from mistakes and finally Successfully overcomes internal resistance to change.

The study adopted mean and standard deviation (S.D) as statistical tools that were used to rank the significance of the variables. The total number of respondents analyzed in each measure was 331. The means for change management tools and effect on growth ranged from 2.83 to 2.37. This means that on average SMEs enhance change management tools. The study also shows that the standard deviation for change management tools and effect on growth ranged from 1.040 to 1.283. This means that there was high deviation among the opinions of the respondents about for change management tools. The ANNOVA in Table 4.7 above has a p-value of 0.000. The study concludes that there is a significant relationship between change management tools and affect growth. The study used linear regression model to test the relationship between change management tools and affect growth.

The study found that growth can be measured in many ways such as achievement of business goals, net profit, financial data, revenue, physical expansion or growth in number of employees as stated by (Harnish, 2011). Profits enable a business to survive in the long run, thus companies religiously measure their current, past and project their future profitability regularly. Profits are a measure of income and expenses. Profitability is usually measured by an income statement. Income is generated the business activities. Expenses are as a result of the cost of carrying out a trade; usually deducted when the business makes a profit.

The study also found out that change management enables an organization to stand in an ever-changing world. Change management tools build competencies in an organization that allow
it to handle sudden changes thrown at it. Change initiatives allow achievement of better results prior to the change. Mitigation of risks brought by change management brings out growth. Change management eliminates chance from change. Failure to plan for change is costly. Projects result to costs like redesign, redo, retrain, rework, all of which lead to decline in productivity. This leads to low motivation and employees may disengage (Prosci, 2017).

The study supports the study by Petch (2016), that the key challenge is on how to grow rapidly and how to finance that growth. Important questions in this stage include: owner’s ability to delegate responsibility to others to increase effectiveness and availability of enough cash to satisfy growth demand. The organization is decentralized of divisionalized. Structures are more refined and extensive. The owner and the business are separate however the business is still dominated by the owner’s presence and stock control. This is a life-changing period in the business’ life if the entrepreneur is able to rise to the problems of a growing business financially and management wise to create a big business.

5.4 Conclusions

5.4.1.1 Change Management Tools Used by SME’s
This era of turbulent global business environment calls for change in the operations of business organizations for their survival and performance. Therefore, strategy formulation and implementation is of essence and it should be continuously done to adapt to changes brought by the turbulent environment. Unlike large business entities, ownership management in SMEs is done by the owner who carries out the owner-manager role. Consequently, change in ownership of SMEs has strategic implication to the continuity of the business entity.

5.4.1.2 Change Management Tools and Organizational Strategy
The study concluded that organizational strategy between departments and within hierarchies affected implementation of strategic management practices. To avoid the organizational struggles, management needs to create a plan with clear responsibilities. Senior executives need to abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation. An organizational strategy cannot achieve its full potential until it is integrated with the budgets, reward systems and information system.

5.4.1.3 Change Management Tools and Growth
The study concluded that a strategy of a corporation forms a comprehensive master plan that states how the corporation will achieve its goals and objectives; strategy formulation involves
establishing mission and vision for organizations. It’s important to motivate managers and members in ways that encourage them to pursue the strategies, budgets should be developed to allocate the needed resources into those internal activities critical to change success, the adoption of change management increases organizational productivity and that change management has effect on employees, once strategies have been implemented, they have to be continuously monitored to ensure their effectiveness, successful change management requires the development and dissemination of innovations, change management is aimed at improving performance and that it’s important to establish information, communication, and operating systems that enable the managers and members to carry out their change roles effectively.

5.5 Recommendations
5.5.2 Recommendation for Improvement
5.5.2.1 Change Management Tools Used in SME’s
The study recommends SMEs to mitigate the challenges of strategic management practices among SMEs, this study recommends that SMEs in Nairobi always need to integrate market growth in their budgeting process, SMEs administration need to ensure that resources are allocated according to what is in the budget, achievements are to be periodically measured against strategic plan goals and SMEs in Nairobi also need to match their strengths to the opportunities identified. Finally, the progress of the strategic plan needs to be checked actively through fixed milestones and targets.

5.5.2.1 Change Management Tools and Organizational Strategy
The study recommends that senior executives “own” the strategy and avoid assumptions regarding lower-level management perceptions of the strategy and its implementation. Top management’s commitment is vital to the success of the whole implementation process. Top managers need to exhibit their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive indicator for all the affected organizational members to increase participation.
5.5.2.2 Change Management Tools and Growth

It was recommended that SMEs should allocate sufficient resources to budgeted items; establish strategy-supportive policies, create information, communication, and operating systems that enable the managers and members to carry out their strategic roles effectively and that it’s important to motivate managers and members in ways that encourage them to pursue these same strategies.

5.5.3 Recommendations for Further Research

The study was only confined within Nairobi County. It would be important to investigate similar variables on SMEs in other counties so that comparisons can be made and viable solutions to the challenges found.

It is also suggested that further research be done on other facets of SMEs such as their ability to expand and become large enterprises; the impact they have on the socio-economic life of the society where they operate; how they have been affected by globalization in general; et cetera.

The research, finally, suggests that a further research be conducted on how upcoming entrepreneurs can utilize SMEs as a platform for innovation and profit maximization.
References


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http://statcan.gc.ca/pub/12-539-x/2009001/sample-plan-eng.htm


https://scholar.google.com/

http://www.exeter.ac.uk/media/universityofexeter/humanresources/documents/learningdevelopment/the_change_curve.pdf


Dear Participant:

RE: Examining Change Management Tools by Small and Medium Sized (SMEs) In Nairobi County

My name is Mercy Mwangi. I am a graduate student at United States International University Africa (USIU-A). For my final project, I am examining change management tools by Small and Medium Sized Enterprises (SMEs) in Nairobi County. It would be an honor to have you participate in this research study through completing the attached questionnaire; as your proven track record and industry experience will provide tremendous contribution to this study.

The following questionnaire will take up approximately 10 minutes. To ensure all information remains confidential, please do not indicate your name on the questionnaire. Copies of the project will be provided to my USIU-A supervisor and to USIU-A Dean School of Business. If you choose to participate in this project, please answer all questions honestly and return the completed questionnaires promptly through physical delivery or email. Participation is voluntary, and you may refuse to take part at any time.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding change management practices by SMEs in Kenya and will be key in contributing to the success of present and future SMEs. If you would like a summary copy of this study, please complete and detach the Request for Information section and return it to me in a separate envelope. Completion and return of the questionnaire will indicate your willingness to participate in this study. If you require additional information or have questions, please contact me at the number listed below.

Sincerely,

(Mercy Mwangi) (0719-696117 mwangimercy.mw@gmail.com)

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Request for Information: Please send a copy of the study results to the address listed below.

Name:

Address:
APPENDIX 2: Research Questionnaire

PART 1: PERSONAL AND BUSINESS DETAILS

Please tick the mark (√) into the square box which is suitable to your enterprise

1. Which of the following describes your present position in the company?
   - [ ] Founder
   - [ ] Middle Manager
   - [ ] CEO
   - [ ] Upper Level Manager
   - [ ] Other, namely

2. Which of the following describes the form of your business organization?
   - [ ] Private Limited Company
   - [ ] Sole Proprietor
   - [ ] Public Limited Company
   - [ ] Family Owned Business
   - [ ] Partnership
   - [ ] Others, (Please Specify)

3. Generally classify your industry:
   - [ ] Service
   - [ ] Manufacturing
   - [ ] Construction
   - [ ] Retail Trade
   - [ ] Mining
   - [ ] Distribution
   - [ ] Wholesale Trade
   - [ ] Agriculture
   - [ ] Others, (Please Specify)

4. How many employees do you currently have in this business? (Please specify number)
   - [ ] Less than 20
   - [ ] 20-50
   - [ ] 51-100
   - [ ] 101-500
   - [ ] More than 500

5. What is the date of incorporation/registration for the business?
6. What is your business growth strategy?
   - [ ] To increase revenue of the business
   - [ ] To expand the business
   - [ ] To increase the number of employees

7. Which best describes your industry within the last 3 years?
   - [ ] Growing
   - [ ] Stable
   - [ ] Declining

8. Which best describes your business within the last 3 years?
   - [ ] Growing
   - [ ] Stable
   - [ ] Declining

9. What is the qualification of your firm’s management team?
   - [ ] High School Certificates
   - [ ] First Degree
   - [ ] MBA
   
   Other (Please specify) ________________________________

10. Does your organization have an existing business\strategic plan?
    - [ ] Yes
    - [ ] No
PART 2: Change Management Tools

Based on the rating scale of 1-5, where 5– Not Applicable, 4- Strongly disagree, 3- Disagree, 2- Agree and 1- Strongly Agree, rate the following statements on change management tools in practice in your business.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>Change leaders are open to feedback</td>
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<tr>
<td>2</td>
<td>Prefers to adapt techniques that others have proven</td>
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<tr>
<td>3</td>
<td>Reasons for change failure are communicated to employees</td>
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<tr>
<td>4</td>
<td>The existing procedure for monitoring change has been successful</td>
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<tr>
<td>5</td>
<td>Employees understand how change decisions are made</td>
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<tr>
<td>6</td>
<td>The business’ change evaluation plan is effective</td>
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<td>7</td>
<td>The business’ change projects involve short-term targets</td>
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<tr>
<td>8</td>
<td>Change tools for the business gives importance to existing business culture</td>
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<tr>
<td>9</td>
<td>Change leaders in your organization collaborate with employees when performing change initiatives</td>
</tr>
<tr>
<td>10</td>
<td>Everyone in the organization is responsible for ensuring the new change becomes the day to day normal for the business</td>
</tr>
</tbody>
</table>

11. What other change tools are used by your business?
**PART 3: ORGANIZATIONAL STRATEGY**

Based on the rating scale of 1-5, where 5 – Not Applicable, 4 - Strongly disagree, 3- Disagree, 2- Agree and 1- Strongly Agree, rate the following statements on how change management influences organizational strategy in your specific business.

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<tbody>
<tr>
<td>1.</td>
<td>Is seldom the first one to introduce new technologies applied in your industry</td>
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<td>2.</td>
<td>Seeks to avoid competitive clashes</td>
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<td>3.</td>
<td>Has maintained a consistent product throughout the existence of the business</td>
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<tr>
<td>4.</td>
<td>Actively engages in research to get an understanding of the nature of its industry</td>
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<td>5.</td>
<td>Prefers low risk to high risk projects as low risk projects yield normal and certain returns.</td>
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<td>6.</td>
<td>Actively applies continuous improvement in operations</td>
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<td>7.</td>
<td>Strategy implementation involves feedback to employees</td>
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<td>8.</td>
<td>Lack of adequate access to financial resources needed has been a hindrance to growth of the business</td>
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<td>9.</td>
<td>Regularly engages in strategic planning.</td>
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<td>10.</td>
<td>All staff understand the organizational strategy.</td>
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</tbody>
</table>

11. When a need for change arises, what is the procedure employed by your business?
PART 4: ORGANIZATIONAL GROWTH

The following factors refer to important areas of performance in your business. Based on the rating scale of 1-5, where 1- Great Improvement, 2- Moderate Improvement 3- Little Improvement, 4- No improvement and 5 – Not applicable, rate the level of improvement for your business within the last 12 months of operation

<table>
<thead>
<tr>
<th></th>
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<th>1</th>
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<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Growth in sales</td>
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<tr>
<td>2.</td>
<td>Growth in revenue</td>
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<tr>
<td>3.</td>
<td>Growth in market share</td>
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<tr>
<td>4.</td>
<td>Growth in employment</td>
<td></td>
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<tr>
<td>5.</td>
<td>Growth in customers</td>
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<tr>
<td>6.</td>
<td>Growth in assets</td>
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<tr>
<td>7.</td>
<td>Growth in net profit</td>
<td></td>
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<tr>
<td>8.</td>
<td>Growth in return on investments</td>
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<td>9.</td>
<td>Growth in new product development</td>
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</tr>
<tr>
<td>10.</td>
<td>Growth in financial resources</td>
<td></td>
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Thank You!