

Factors influencing Change Management Process at Tamoil Kenya Limited

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Abstract

This study set out to establish change management practices within Tamoil Kenya and evaluated the change management process in light of the models of change management and factors that affected the change management process. Towards this end both primary and secondary data were collected and analyzed using conceptual content analysis. The results show organizational change at Tamoil was characterized by a lack of clarity on the future state of the organization, an overemphasis on changes to structures and simultaneous introduction of relatively many change programs. Both planned and emergent approaches to change management models were evident in management of the change process. The performance of the change management process was influenced by a number of factors namely, inadequate communication, leadership, change in culture and mild resistance by organizational members. A major success of the change management program was the improved profitability of the business while loss of experienced human resource to competition was cited as a significant failure of the change management process.

1. Introduction

Val and Fuentes (2003) define organizational change as an empirical observation in an organization entity of variations in shape, quality or state over time after the deliberate introduction of new ways of thinking, acting and operating. Organizational change can occur at three levels which require different change strategies and techniques (Goodstein and Burke, 1991). These levels involve, changing the individuals who work in the organization, changing various organizational structures and systems, and directly changing the organizational climate. Classic economic theory supports the view that the strategic choices of individual companies are significantly dependent upon global and environmental factors (Nigel, 2006a). In almost every case of change management the basic goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new more challenging market environment (Kotter, 1995).

Academicians and practitioners are in agreement that change is a constant feature of organizational life (Causon, 2004; Staniforth, 1996), and that change is all about learning (Beer, Eisenstat and Spector, 1990). Few now doubt the importance of an organization's

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ability to identify where it needs to be in the future (Burnes, 2003). If organizations operated in a vacuum, the levers for change would be minimal (Staniforth, 1996). Yet the pressures on organizations to change are many and the levers are numerous in the environment that organizations operate in. Pearce and Robinson (2000), identify political, economic, social, technological and ecological factors as comprising the macro environment. This macro-environment (which they refer to as the remote environment) presents organizations with opportunities, threats and constraints. Ansoff and McDonnell (1990), state that the environment in which organizations operate in can be either relatively stable or turbulent. Either formally or informally, organizations thus develop strategies that often times dictate a change in an organization's status quo (Mbogo, 2003).

As a formal subject of study and application, change management can be said to have begun some 50 years ago with what has since become known as planned model of change (Burnes, 1996). Change management, as postulated by Nigel (2006a), is the very mechanism by which contemporary organizations deliver their strategy and remain competitive. Change management initiatives or efforts, as observed by (Kotter, 1995), have gone under many banners: total quality management, reengineering, right sizing, restructuring, cultural change and turnaround.

Different models for leading change successfully have been established (Mbogo, 2003). These models, if properly applied, they argue, should see change managed successfully. Unfortunately, many such change initiatives, even those undertaken by organizations with the best of intentions, are often destined for failure at some point in their implementation (Anderson-Rudolf et al. 1996; Burke et al. 1996; Burnes, 2003; Duck, 1993). The causes of these failures can be traced in hindsight to a number of factors, including inappropriately conceived future states, resistance by organizational members, faulty implementation strategies during transition periods (Burke et al. 1996). This reflects what many researchers and practitioners (Beckhard and Harris, 1987; Kotter 1995) have already suggested that managers might improve their intervention success rates through a more thorough consideration of both the fundamental aspects of change and their employees' responses and reactions to such change efforts.

In the last decade, there has been an acceleration of the magnitude and pace of change across the globe (Mbogo, 2003). These changes, be they political, economic, social and/or technological have not spared Kenya. This article reports the findings of a recent study carried out at Tamoil Kenya. The changes at Tamoil have been brought about by change of ownership, from Mobil to Tamoil, and the change of the company's strategy and brand. We posed several questions as to the management of change in Tamoil. Were the process models employed consistent with any of the known theoretical models of change management? How had factors such as culture, resistance, leadership, and

communication affected the outcome of the change program? In seeking answers to these questions, the study's objectives were to establish change management practices within Tamoil, evaluate the change management process in light of the models of change management and identify factors affecting the change management process.

2. Literature Review

There is a general agreement that change is a constant feature of organizational life (Causon, 2004; Staniforth, 1996), and that change is all about learning (Beer, et al. 1990). While managers understand the necessity of change to cope with new competitive realities, they often misunderstand what it takes to bring it about. On the other hand, for researchers, the problem with studying change is that it parades across many subject domain under numerous guises such as transformation, development, metamorphosis, transmutation, evolution, regeneration, revolution and transition just to name a few (Stickland, 1998).

If organizations operated in a vacuum, the levers for change would be minimal (Staniforth, 1996). Yet the pressures on organizations to change are many and the levers are numerous in the environment that organizations operate in. Ansoff and McDonnell (1990), state that the environment can be either relatively stable or turbulent. They categorize the environmental turbulence into five levels that are on a continuum; repetitive, expanding, changing, discontinuous and surprising. According to them, each of these levels requires different levels of strategic aggressiveness and organizational responsiveness. Burnes and Salauroo (1998), state that environment can affect organizations in differing ways depending on the state in which the organization exists. Burnes and Salauroo (1998), have identified two basic organization states: convergent and divergent. A convergent state occurs when an organization is operating under stable conditions; where there are established and accepted goals and a predictable external and internal environment. A divergent state occurs when environmental changes challenge the efficiency and appropriateness of an organization's established goals, structures and ways of working.

In order to define organizational change, one has to be able to appreciate the historical antecedents that brought about the current environment with which business firms have to negotiate (Appelbaum, et al. 1998). Burnes and Coram (1998), sum up the historical perspective of organizational change by observing that from Kurt Lewin's work in the 1940s to the present day, organizational change, as a systematic process, has moved from being a topic of interest to only a few academics and practitioners to one that is seen as lying at the core of organizational life. And to sum it all, organizational change has become a way of life as a result of three forces: globalization, information technology and industry consolidation.

There is an impressive research that has been done by scholars to identify the reasons behind change management initiatives. Classic economic theory supports the view that the strategic choices of individual companies are significantly dependent upon global and environmental factors (Nigel, 2006). Goodstein and Burke (1991), postulate that organizations tend to change primarily because of external pressure rather than an internal desire or need to change. In almost every case of change management the basic goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new more challenging market environment (Kotter, 1995).

Change management initiatives or efforts, as observed by Kotter (1995), have gone under many banners. These include total quality management, reengineering, right sizing, restructuring, cultural change and turnaround. Unfortunately, many such change initiatives, even those undertaken by organizations with the best of intentions, are often destined for failure at some point in their implementation (Anderson-Rudolf et al.1996; Burke, et al. 1996; Burnes, 2003; Duck, 1993).

Just as change parades across many subject domains, there are significant differences in how change is perceived: is it incremental, punctuated or continuous; can it be driven from the top down or is it an emergent process? (Causon, 2004; Staniforth, 1996). A significant number of approaches to change management has been proposed by researchers. Nevertheless, (Stickland,1998), has postulated that most writers tend to fall into one of two broad camps: those who support Planned approach to change and those who espouse the Emergent approach.

Planned change is an iterative, cyclical process involving diagnosis, action and evaluation and further action (Burnes, 1996; Coram and Burnes, 2001). Criticisms on Planned approach to change are: first, Planned approach was developed specifically for, and in response to, top down, autocratic, rigid, rule-based organizations operating in a somewhat predictable and controlled environment; second it emphasizes on incremental and isolated change and is unable to incorporate radical, transformational change. (Burnes,1996; Coram and Burnes, 2001). The rationale for emergent change stems from the belief that change should not be and cannot be solidified, or seen as a series of linear events within a given period of time (Burnes, 1996). Emergent approach views change as a continuous process. Though not explicitly stated, the case for an Emergent approach to change is based on the assumption that all organizations operate in turbulent, dynamic and unpredictable environment (Coram and Burnes 2001).

Culture, leadership, resistance and communication, have been identified as factors that can influence the outcome of any change programme (Mbogo 2003). Organizational

culture is the pattern of shared values, norms, and practices that help distinguish one organization from another (Conner, 1993). It is generally accepted that once you change strategy, you must align organizational culture with strategy, or face almost certain strategic failure (Higgins, Mcallaster, Certo, and Gilbert, 2006). Higgins, et al. (2006) have proposed that one of the most effective ways of managing culture is using cultural artifacts, which are those significant interpersonal activities, physical objects, and physical space that helps define an organization's culture.

The importance of leadership to the change management process is underscored by the fact that change, by definition, requires creating a new system and then institutionalizing the new approaches (Eisenbach, Pillai and Watson, 1999). Since the success of implementing change is generally associated with those who facilitate the change process (Saka, 2003), organization speed, flexibility and the need to execute discontinuous change require effective leadership skills (Zeffane 1996).

A challenge to successful change management is resistance. Ansoff (1988) and, Ansoff and McDonnell (1990), define resistance as a multifaceted phenomenon, which introduces unanticipated delays, costs and instabilities into the process of a strategic change. Resistance, in an organisational setting, is an expression of reservation which normally arises as a response or reaction to change (Waddell and Sohal, 1998). While it is apparent that classical management theory viewed resistance in a negative manner, recent literature contains much evidence that suggests resistance may indeed be useful and is not to be simply discounted (Waddell and Sohal, 1998).

Organizational changes often founder because not enough strategic thought is given to communicating the rationale, the progress and the impact of the change (Klein 1996). Therefore, communications are important as changes are planned and carried forth. The way in which organizations communicate with their employees during a change programme has been shown to have significant effects on the success of change initiatives, in particular an individual commitment, morale and retention (Goodman and Truss, 2004).

There is no one universal approach to change management. There is overwhelming evidence to suggest that a universal, prescriptive model of change management is inadequate to describe the diversity of approaches actually used by organizations (Saka 2003). This is because organizations face challenges of situational change and specific internal and external signals (Hatakenaka and Carroll, 2001). The change approach touted as wild success for one company often proves a dismal failure for the next company (Denham, Blackwell, and Dickhout, 2000). It follows that it is misleading to speak of good or bad approach to change. Instead, we need to think in terms of appropriateness of

an approach with regard to the circumstances being addressed (Coram and Burnes, 2001). In view of this situation, this study sought to establish the change management practice at Tamoil and the attendant challenges.

3. Methodology

After reviewing previous empirical studies as well as theory, we developed an interview guide for this study. The interview guide was adopted from the Managing Change Questionnaire (MCQ), which has been used extensively to measure organizations' members agreement with fundamental propositions in the dimensions of the managing change model (Burke, 1988). The interview guide was also enriched from a research study by Mbogo (2003).

This was a case study on Tamoil Kenya Ltd. A case study can provide a rich understanding of an organisation that is being studied. Burnes (2003), says that case studies also have the ability of qualitative research to capture the real-life context within which events take place and to capture the essence of events, especially as they unfold. It is a method of study that drills down rather than casts wide (Cooper and Schindler, 2003).

Both primary and secondary data was collected, this being an important approach for a case study design which requires that several sources of information be used for verification and comprehensiveness (Cooper and Schindler, 2003). Primary data was collected through personal interviews to top management and business line managers. All the interviews were conducted by this researcher between June and September 2007. Secondary data was obtained through reviews of internal documentation relating to the change management program.

Data was analyzed using conceptual content analysis (<http://writing.colostate.edu>). This analysis was guided by six dimensions of the integrated change model. These dimensions are: individual response to change, general nature of change, planning change, managing the 'people' side of change, managing the 'organizational' side of change and evaluating the change effort. The theme code for factors influencing the change effort were culture, leadership, resistance and communication. The content was then compared to determine the extent to which it collaborates and/or contradicts. Findings were then summarized into a report and conclusions made.

4. Data Analysis and Results

Forces of Change

The top management and business line managers were in agreement that the force of change was mainly external as a result of change in shareholding of the company. The change in shareholding heralded the beginning of a number of changes namely; change in corporate identity; a culture change; change in strategic direction of the business and change in product brand. The second reason for change was due to the new organizational leader who introduced a new management style and new tools to give the company a face that is consistent with the new shareholders' expectations. A third force of change was identified as increased competition. The decision of ExxonMobil to divest out of Kenya was prompted by successive failure of several initiatives geared towards increasing profitability and meeting shareholders expectations. The global business model pursued by ExxonMobil in Kenya was not suitable for the local environment. Thus if Tamoil Oil Limited was to reverse the poor economic performance of Mobil Oil Kenya, then it had to change the business model to be more appropriate for operating environment.

The change in shareholding of Mobil Oil Kenya limited meant that Tamoil Oil was going to launch a new product brand in the petroleum industry. Consequent to this, the company embarked on a brand development program that culminated to a roll-out of a brand internalization program to the internal stakeholders and launch of the brand to the external stakeholders. The fifth force of change identified was culture. A number of cultural changes were identified during the period of this study. ExxonMobil is an American heritage multinational whereas Tamoil Africa Holdings is an Arabic heritage international company. Since Tamoil Oil inherited former ExxonMobil employees, then a cultural change was required so as to align organizational culture with strategy, or face almost certain strategic failure.

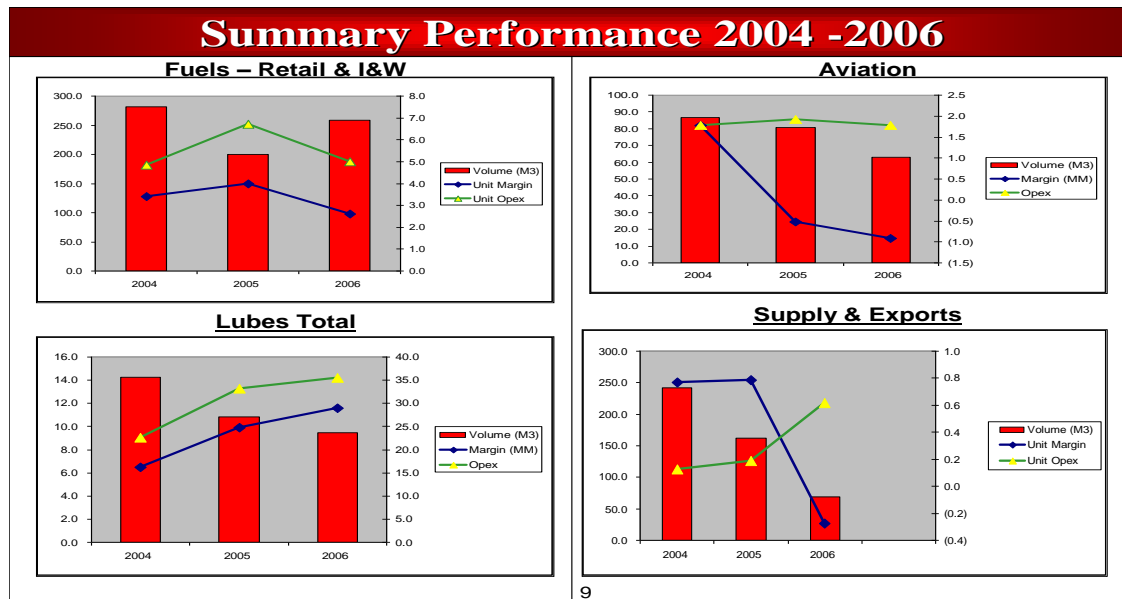
Change Content

All the respondents agreed that the acquisition of Mobil Oil Kenya by Tamoil Kenya Ltd. had resulted in significant changes in four major areas. These areas were: the organization scope had changed from a global organization to a pan-African one; the organization structure had changed from a highly functionalized matrix organization to a non-functional integrated organization; the authority and approval processes had changed from a global external top-down approach to an internal autonomous process; and finally the change of brand.

All the respondents in this study observed that the creation of the high profile position of the Business Development Manager and the appointment of a brand strategy consultant were right moves in internalizing the new brand. The brand strategy was driven by the

slogan “ Shaping African Energy” and had four pillars of moving forward by creating a catalyst for empowerment; pursuing excellence by celebrating success, influencing life positively and passionately; being close by connecting with people; and nurturing brand leadership. 66% of respondents however, expressed pessimism on the success of the brand in the market.

Table 1: Summary of a 3 year Business Lines Performance



9

Table 2: Summary of a 3 year Financial Performance

Description/ Year	2004	2005	2006
Kshs in Millions	Shs	Shs	Shs
Volumes - M litres	625	454	399
Sales	20,972	19,310	20,651
Cost of Sales	(19,390)	(18,137)	(19,683)
Gross Margins	1,582	1,173	968
Other operating income	288	296	272
Operating expenses	(1,447)	(1,559)	(1,497)
Operating (loss)/ profit	423	(90)	(257)
Financing income / (cost)	(135)	18	(62)
(Loss) / profit before income tax	288	(72)	(319)
Income tax expense	(152)	(2)	53
(Loss) / profit for the year KSHS	136	(74)	(266)
(Loss) / profit for the year KUSD	1.9	(1.1)	(3.8)
Market Share	12.0%	8.5%	10.6%

Table 3: Business performance summary for year 2007

	2007 Business Performance Statistics									
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Ytd
	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)	Shs' (M)
Volume - M- Ltrs	22.3	19.8	25.7	27.5	28.7	26.5	29.2	27.2	23.9	230.8
Sales Revenue	1,236.4	1,075.0	1,329.0	1,541.3	1,569.1	1,467.3	1,641.2	1,540.4	1,444.3	12,843.9
Cost of Sales	(1,057.5)	(978.0)	(1211)	(1,400.8)	(1,447.7)	(1,370.2)	(1,540.8)	(1,433.5)	(1,328.9)	(11,768.6)
Gross Margins	178.8	97.0	117.8	140.6	121.4	97.1	100.3	106.9	115.5	1,075.3
Other income	28.0	26.0	28.4	28.5	27.5	36.5	28.0	33.5	29.0	265.3
Operating expenses	(69.2)	(87.7)	(90.6)	(91.7)	(90.8)	(96.8)	(97.4)	(105.8)	(99.2)	(829.1)
EBIT	137.7	35.3	55.6	77.4	58.0	36.8	30.9	34.6	45.2	511.4
Interest expense	(21.4)	(20.9)	(22.8)	(20.0)	(17.6)	(15.9)	(16.5)	(17.1)	(16.9)	(169.0)
Forex - Gain/ (loss)	(77.4)	50.3	62.6	33.8	90.0	24.6	(55.8)	37.7	2.5	168.4
Income after tax	24.9	43.1	63.7	61.5	89.0	29.6	(31.4)	36.3	19.2	336.1
USD	0.4	0.6	0.9	0.9	1.3	0.4	(0.4)	0.5	0.3	4.8

Tamoil has adopted a multi-domestic strategy unlike ExxonMobil's adoption of a global strategy hence a change of strategic direction of the company as seen in a number of change initiatives introduced in the company. These changes as identified by respondents were: turnaround initiatives, changing from a functional organizational structure to a centralized structure, dissolution of joint venture operations with other oil companies, culture change and change of the organization routines.

75% of all respondents indicated that initially during the introduction of the change programs, priority had been given to people issues compared to strategic and operational issues. All the respondents were in agreement that no formal vision of the organization had been documented yet, although it had been verbalized by the chief executive in various employees' forums. Thus a top-down change management approach was highly visible during the initial stages of introduction of change program. However, the respondents indicated that the organization's top management team realized that there was no buy in of employees of the top down change management approach. Consequently a team code named "BPO" (Business Process Owners) was formed to augment the planned approach to change management. The company also engaged a number of consultants to help in the organizational change management.

Lack of clarity of the vision of the organization was cited as a major demoralizing factor on employees. While the vision was very clear to the shareholders and the top leadership, it was still hazy to the majority of the employees. Respondents indicated that a significant number of talented employees had as a consequence to this uncertainty about the future resigned from the organization and joined other firms like Kenya Shell, Total Kenya, Caltex, East Africa Breweries, Citi Bank, Gulf Energy, Solvochem, United Nations, AAR while other employees had opted to further their studies abroad. Additionally all respondents from the business line indicated that communication of the change content and change progress was inadequate. Communication to external key influencers namely, business partners, contractors and suppliers was observed to have been done through mail to individual companies and placement of adverts in three key print newspapers. This communication mainly addressed relational and contractual issues. The respondents agreed that the initial communication to business partners advising the change of the organization identity from Mobil to Tamoil was effective in maintaining the confidence the partners had in the organization.

It was observed that the organizational structure had undergone two major and two minor changes in less than one year. Business lines respondents were in agreement that the change in structure from a functionalized organization to a non functional one was done earlier than it should have been thus resulting into the other three changes being done in quick succession to address the weaknesses that had resulted. Respondents cited the change of structure of the two former functional sales departments into one sale department as a very revolutionary change which destroyed in one short burst the functional structure of the organization. This rhythm of change caused uncertainty, stress and anxiety among employees.

66% of respondents indicated that there were too many change programs being introduced to the extent that the company ran the risk of the base business not remaining under control during the change process. 43% of employees did not see a clear path in the company's intentions while 56% felt that they were not adequately informed of the company's intentions. It is indicative to note that a higher percentage of business line managers compared to employees are concerned with the number of change programs being introduced in the organization.

While all the business line respondents agreed that there had been attempts to reward achievements, 50% of the respondents however, indicated that there was no an assurance process for assessing progress at key milestones. This was attributed to the absence of a performance management system. This was evident from a bulletin published on 18th April 2007 by the Human Resources department which showed that while 42% of employees did not have up-to-date job descriptions, 93% on the other hand had not

signed performance contracts. Performance contracts ought to have been signed as at 1st March 2007. A new performance reward system to be linked to the performance appraisal system was at the time of the study being pilot tested. Celebrations of the change program successes were evident in employee of the month program, departmental outings and recognition of outstanding individuals in the monthly business performance supplement.

Evaluating the Change effort

It was observed that both planned and emergent approaches to change management models were evident in the management of the change process at Tamoil Oil limited. Kotter, 1995 model was used to evaluate this change effort. In the years 2004, 2005 and 2006 the company was operating at a loss. This is as shown in Table 1 and Table 2. The chief executive was successful in galvanizing all employees in owning up the business through the formation of the BPO team. Employees were in the forefront of improving processes to reduce operating costs and the sales team had upped up it's performance. The success of this galvanization was seen in the improved monthly profitability of the business for the year 2007 as shown in Table 3. The realization by employees that they could all be negatively impacted if the company wound up had created a sense of urgency in turning around the business.

One of the forces of change identified in this study was the new organizational leader who had introduced a new management style and new tools to give the company a face that is consistent with the new shareholders' expectations. The new chief executive was seen as a change agent. He came from outside the ExxonMobil sphere and as such he was able to look at the company processes with unbiased eyes. He understood the vision of the organization and verbalized it at every opportunity. It was observed that there is need to make sure that the current and the next generation of top management really does personify the new approach brought about by change otherwise in the absence of the chief executive the change effort can fail

Tamoil Kenya vision is "to be Africa's leading and most respected partner in shaping African Energy and empowering African born prosperity". This vision has been verbalized by the chief executive in various employees' forums although it had not been documented. The mechanics of putting clarity on this vision to enable the achievement of the same was found to be lacking. Inadequate and less effective communication was cited as a major factor that impacted on the change management process.

This study has shown that a higher percentage of business line managers compared to employees were concerned with the number of change programs being introduced in the organization. These many changes and the lack of clarity on the vision were impacting negatively on the managers' ability to act on the vision. It was however, noted that the

objective of turning around the business into a profitable outfit was being shared across all the business lines and the business line managers were now freer to make innovative decisions towards improved business profitability.

Two years, after the change program commenced it was observed that heritage ExxonMobil manuals for business lines were still in use. These manuals are for customer service, controls, operation procedures, information system, human resource management and accounting. An observation was thus made that the new ways of doing things were still not entrenched in the business guidelines. There was a danger that unless the changes seeped into the bloodstream of the corporate body guidelines the wins that had been realized could easily be lost. The loss of experienced personnel to competition had impacted negatively on the succession plan of the organization.

5. Discussion

This study set out to establish change management practices within Tamoil Kenya and evaluate the change management process in light of the models of change management and factors affecting the change process. It is shown that the organizational change was characterized by a lack of clarity on the future state of the organization, an overemphasis on changes to structures, simultaneous introduction of relatively many change programs, mild staff resistance and inadequate communication. Other factors that influenced the performance of the change management were leadership and knowledge regarding important aspects of change management on the part of managers.

The management of the process elements of change management were identified to have impacted on the performance of the change initiatives. Although more than 80% of all employees were proud to be working for the company, 45% of them were however not clear on the vision and strategy of the company while 55% felt that they had not been adequately communicated to regarding the vision of the company. Company leadership was thus seen not to have provided a clear direction about the strategic direction of the company.

It came out strongly that Tamoil had borrowed a lot from the change management models discussed in the literature review. The three step model of “Reconciling, Reorienting and Recommitting” that Tamoil had used to manage individual employees response to change, is akin to Lewin’s three step change management model of “unfreeze, mobilize and refreeze. It was also noted that structural changes had preceded development of strategy. This explains why the organizational structure had undergone 2 major and 2 minor changes in less than one year. The revolutionary change of the organizational structure of the two former functional sales departments into one sale department was observed to have disoriented employees and caused anxiety.

Although it was evident there were models of change management being used in Tamoil, the management of the process was a big challenge. The challenges were evident in the pace and rhythm of change, management of the factors affecting the performance of the change programs, changing of organizational structure ahead of strategy development, balance between planned and emergent approaches to change management. The overemphasis on changes in the organization chart and coming prior to change in strategy was considered detrimental to the success of the change program. Other levers of a change process like the information system and reward system had not received adequate attention.

6. Implications and Limitations

The findings of this study have a number of change management implications. First, there is no one universal approach to change management hence calling for a balance between planned and emergent approaches to change management. Second, any change management process will experience challenges. In this study the challenges were evident in the pace and rhythm of change, management of the factors affecting the performance of the change programs and, alignment of organizational structure with strategy. Third, managers' knowledge regarding important aspects of change management is crucial in managing change. In this study, it was found that the management of the process elements of change management had impacted on the performance of the change initiatives. Finally, change management process can yield mixed outcomes as seen in the successes and failures of the change management process under study.

The study had limitations too. First this was a case study on a single organization. We therefore could not generalize the findings to the petroleum industry. Second, the organizational change at Tamoil Kenya at the time of the study, was still at infancy.

It is recommended that a validation of the findings of this study with responses from the employees' rank and file, customers, suppliers, contractors and competitors be done at a later date. It is also recommended that an evaluation of the success or failure of the change program be carried out in future.

7. Conclusions

Our results show that organizational change at Tamoil was characterized by a lack of clarity on the future state of the organization, an overemphasis on changes to structures and simultaneous introduction of relatively many change programs. Both planned and emergent approaches to change management models were evident in management of the change process. The performance of the change management process was influenced by a

number of factors namely, inadequate communication, leadership, change in culture and mild resistance by organizational members.

In this study, a number of successes of the change programs were observable. These were: improved profitability of the business, minimal disruption of the base business during the change and an increased empowerment of business line managers. On the flip side, a number of failures were evident. These were; loss of experienced human resource, lack of clarity in the future state of the organization and, too many changes being introduced simultaneously.

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