



ST MARY'S UNIVERSITY, SCHOOL OF GRADUATE
STUDIES

PRACTICES AND CHALLENGES OF
CHANGE MANAGEMENT: THE CASE OF
GEOSYNTHETICS INDUSTRIAL WORKS
PLC

BY

TENSAE ASHEBIR

ID. NO. SGS/0032/2006

JANUARY, 2016

ADDIS ABABA, ETHIOPIA

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**THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL
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SCHOOL OF GRADUATE STUDIES

Practices and challenges of change management: the case of
geosynthetics industrial works plc

BY

TENSAE ASHEBIR

APPROVED BY BOARD OF EXAMINERS

Dean, St. Marry University, SGS

Signature & Date

Advisor

Signature & Date

External Examiner

Signature & Date

Internal Examiner

Signature & Date

STATEMENT OF CERTIFICATION

This is to certify that TENSAE ASHEBIR has carried out her research work on the topic titled as: “Practice and challenges of change management in the case of geosynthetics industrial works PLC”. The work is original in nature and is suitable for submission for the award of Master’s Degree in Business Administration.

Advisor: _____

Signature: _____

Date: _____

DECLARATION

I the under signed hereby declare that this thesis has been prepared by me in partial fulfillment of the requirements for the award of a Master's degree in Business Administration. I wish to state that this work has never been presented in any University or Institution of learning apart from references made to the works of other people for which I have dully acknowledged. Therefore it is an original work done by me under a close supervision of my advisor.

Name

St. Mary's University, Addis Ababa

Signature

January, 2016

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Finally, I would like to express my heartfelt deeper gratitude for all my friends for their endless support and encouragement.

List of Abbreviations

GIW: Geosynthetics industrials works PLC

BPR: Business Process Re-engineering

BSC: Balanced Score Card

QMS: Quality Management System

TQM: Total Quality Management

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ABSTRACT

There are different change management models some of them are well known and implemented in Ethiopia. The implementation of change management involved structural as well as cultural changes in a company. This study had examined the practices and challenges of change management in the case of kaizen implementation in geosynthetics industrial works plc.

Both primary and secondary data collection instruments were used to collect data. Closed ended and open ended questionnaires along with interviews were used for the purpose of data collection. The study used all top managements, process owners and employees of geosynthetics industrial works plc by using purposive sampling. The company has implemented various change management tools such as TQM, BSC and Kaizen respectively. However, this study delimits itself to practices and challenges related to implementation of Kaizen change management tool.

The Company faces many challenges in the implementation of change management or kaizen model some of the challenges were employee resistance, lack of knowledge and awareness about the implemented change management model (kaizen), lack of training and trainers, communication gap, insufficient employee participation in change process and others.

The problem solving mechanism which is taken by the managements were hiring temporary employees for those departments which had loss man power, giving training to the employee to improve the awareness and minimize the resistance, arrange informal discussion time when the problem happen and try to convince the employee by giving benefits and promotion to motivate employees and to minimize the frustration and by making the working environment safe. Finally, management staffs agreed the new change management model is effective and help the company to achieve its goal.

CHAPTER ONE

INTRODUCTION

This chapter presents background of the study, profile of the organization, statement of the problem, objectives of the study, methodology of the study, significance of the study, scope of the study and organization of the study.

1.1 Background of the study

Manufacturing Industry in Ethiopia has significant contribution to socio-economic development. Organizational change is an empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995). The general aim of organizational change is an adaptation to the environment (Barr, 1992; Child and Smith, 1987; Leana and Barry, 2000) or an improvement in performance (Boeker, 1997; Keck and Tushman, 1993)

There are different change management models. Some of them are well known and implemented in Ethiopia. Result oriented system, Business Process Reengineering (BPR), Quality Management System (QMS), Balanced Score card (BSC) and Kaizen are main ones.

When we see result oriented system it is little bit similar to BPR but result oriented system give emphasis to the end result rather than process. It is designed to evaluate the efficiency of individual or teams by setting targets and numbers. This system were used in government and semi-Governmental Companies to minimize wastage and costs. And the other model is business process reengineering (BPR) it is kind of system that starts from the clean sheet rather than ASIS (current system).

According to definition of ISO 2000:2005, it is management system to direct and control an organization regards to quality. ISO 2000:2005 states “the quality management falls within the overall management function of a company” here the emphasis is on understanding and meeting customer requirement and expectation and on getting it right first time. It comprises the organizational structure, procedures, processes, resources needed to implement quality management.”

According to QMS manual of Ethiopian Conformity Assessment Enterprise (2009); QMS comprises eight principles. The principles are customer focus, leadership, improvement of

people, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationship.

The manual also states benefit of QMS as follows,

- Improve management confidence.
- Improve the awareness of company objectives.
- Improve communication.
- Responsibility and authority are adequately defined.
- Improve traceability to root cause of quality problems.
- Improve utilization of resources.
- Fewer rejects.
- Increase productivity.
- Increase profitability and company growth.
- Easy to access to external market.
- Improve customer satisfaction.

According to Kaplan and Norton (1996) introduced the concept of other model which is called the Balanced Score Card in the 1990s to help show the importance and need to balance four different organizational elements: financial, external (for example, customers), internal learning, and operations. Lingle (1999) extended that thinking further by adding two additional scorecard elements (people and environment) and a way to connect the elements of the model in a cause - effect value chain (or value map). This was followed similarly by Kaplan and Norton with a related mapping model (2004).

According to Balanced Score card training manual of Ethiopian Management Institute (2014), BSC is a strategic planning and management system that is used extensively in business industry, government and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization , improve internal and external communications and monitor organization performance against strategic goals.

The manual also stated some of the benefits as;

- it increase focus on strategy results
- Improve organizational performance by measuring what matters.
- Align organizational strategy with the work people do on day to day basis.

- Focus on the drivers of future performance.
- Improve communication of the organization's vision and strategy.
- Prioritize projects/ initiatives.

The other model is Kaizen, According to Ethiopian Kaizen Institute manual (2006 E.C) the word Kaizen is derived from two Japanese words 'Kai' and "Zen" which means "change" and "better" respectively. It defines kaizen as it is philosophy of continuous improvement.

According to Kaizen strategies for successful organizational change book written by Michael Colenso (2000), kaizen is not an initiative, it is ongoing organizational culture which, as a matter of primary focus active in the process of improvement. It also defines it as learning culture.

Various researches proved that there are many challenges in the change management and implementation process like resistance, lack of knowledge, lack of self confidence in employees and in the management, lack of commitment and so on. Some of them summarize as follows;

As Michael Colenso (2000), to make a change initiative work in an organization, it requires its people believe things other than they believe now, changes the way they behave to support those beliefs which generate a momentum helping others to change their behavior.

Research made on change management on worldwide base by NiwosuIkechukwu and Nick Anderson (2011) shows some of the reasons of failure as follows; cultural toxicity of failed change, if people don't trust you, people can't be bothered, what's in it for me?, not knowing purpose of it all, poor leadership embeds and accelerate resistance.

According to Pryoand Tanej (2008) , in order to be able to be a winner in the change environment, processes and relationships must be streamlined, nonvalue- added activities must be eliminated and people at all levels in organizations must be empowered to rapidly make decisions and held accountable for those decisions.

This study, therefore assess the practice and challenges of change management in kaizen model in the case of Geosynthetics industrial Works PLC.

1.2 Profile of the Organization

Geosynthetics Industrial Works PLC was founded in 2005 as a joint venture company between a foreign company known as Golden trade and local Ethiopian public enterprise (Water Works Construction Enterprise).It is located in the sub city of kaliti akaki, kebele 10, in the out skirt of Addis Ababa. The factory laid on 4000m² and 1800m² offices building, with ample space of

expansion. All machineries are very sophisticated and up-to-date which can produce products at international standard.

The company was designed to facilitate correct and economical utilization of water resources incorporated the concept of water conservation, elimination of wastage in distribution & to fill a void in Ethiopian market for suppliers of high quality products. Such as plastic pipes, plastic sheeting, gabion netting and various offer products, commonly known “Geosynthetics” which is used for protection, collection, delivery, containment of water resources and soil protection.

- By undertaking Geosynthetics Products manufacturing activities with special attention to PVC pipes, UPVC pipes, Polyethylene Pipes, polypropylene pipes, plastic sheeting, Go membrane and similar products.
- Engage in domestic trade and exporting activities of its products as per law of the country.
- Engage in another related business activities that may directly or indirectly enhance above business activities.

Having a local supplier for the products will enable Ethiopia to move forward quickly in its effort to provide water services to agriculture, industry and utility services, at the same time providing expertise, skill transfer and employment for more than 200 Ethiopians as managers, engineers, marketing and sales representatives, office support personnel and manufacturing plant workers, provide a high level expertise and customer satisfaction by supplying quality Geosynthetics products.

The company has determined its mission, vision and objectives which clearly shows the direction of company. It is quoted directly from Quality manual of Geosynthetics Industrial Works (GIW) as follows;

1.3 Statement of the Problem

Many organizations are faced with challenges that force them to adjust or change (Burnes, 2004). Burnes also states that in particular; regularly organizations have to go through change processes when having to respond to new development scenarios or simply as part of their expansion or restructuring processes. The implications of change processes are under-estimated by senior management and not managed adequately. Ansoff (1987) asserts that it's known that leadership

can make a great difference, and that its importance for organizational success is intensifying. Yet we still know too little about the qualities and practice of effective organizational change management.

Ethiopian government is working to increase the contribution of the industry sector up to 20% in 2014/2015 of the total economy according GTP document published by Ministry of Finance and economics development in November 2010. But the organization needs continuous change since the environment changes continuously due to increase demand of customers, globalization, technological change and increase completion, Michael Colenso (2000). Due to the above facts the government has tried to implement various change management tools like result oriented system, BPR, Kaizen and BSC to help industries to make various changes in their operation and to make them competent. According to Ethiopian kaizen institute reports some of the systems implemented like resulted oriented system and BPR has failed due to unknown reasons. But kaizen and BSC system is on practice. For instance, Ethiopian kaizen institute has been established and consulting industries on Kaizen System like GIW. However, little is known about their challenges in change management practices in Ethiopia.

Various researches showed that there are many challenges in the change management and implementation process like resistance, lack of knowledge, lack of commitment as summarized above in background of study.

There are limited research studies regarding these areas in Ethiopia. Since Ethiopia is categorized under developing nations and its industrial growth contribution for development is growing from time to time. The existing industries are making various changes in their operation. However, little is known about their change management practices and associated challenges. Management members who are directly involved in change management effort indicate that there were problems in the change management and implementation process like lack of commitments from managements and departments, lack of knowledge about the new management models or systems, resistance to change, lack of proper rewarding system and other external forces.

Therefore, management has to give attention to the main challenges which is faced in the implementation process. This study assessed practice and challenges of change management in the implementation of kaizen model by taking Geosynthetics industrial works plc.

Basic research questions

This study was designed to provide answers to the following basic research questions:

- What does the company's change management practice look like?
- What are the main challenges faced by the company in the change management process and at which change management stage the management face most challenges
- What are the measures taken by the management to tackle challenges faced in change management?
- How the new change management model is compatible and effective to the organization structure and has it helped the organization to achieve the desired goals?

1.4 objective of the study

1.4.1; General objective

The general objective of this study was to assess the overall organizational change management practices and challenges in Geosynthetics Industrial Works PLC.

1.4.2; Specific Objectives

The specific objectives of this study are to:

- Assess the practices and challenges that the management, departments and employees of the organization face in the change management implementation process.
- Identify the methods and measures that the management implemented to minimize the challenges and evaluate how much it's effective.
- Determine which stage of change management is most challenging for the management?
- Assess how the new change management model that is being implemented is compatible to the company's structure.
- Assess whether the new model of change management is effective and helped the company's to achieve the goal?

1.5 Significance of the Study

This study will provide a great importance for the organization to identify the challenges of existing and new management system; this study may forward what additional role and responsibility for managers beyond their usual role of leadership. And also this study will add further understanding about change management and it will have great contribution in providing as literature, resource for other researches and above all for other industries who are interested to enrich their system about the change management challenges and practices.

And finally, this study will be significant in that:-

- It will inform the management of the organization about the existing challenges of change management in their organization and alarm them to take appropriate actions when they implement other change management theories and methods.
- It will also serve as a source document for those who want to pursue further study.
- It will also serve as the voice for the employees; because it lets the concerned parties get informed of what is on the employees' side.
- It will also informed the top managements and other manufacturing industries to which stage of change management need more attention and help to take action and decision to minimize the challenge?

1.6 Scope of the study

The ultimate scope of the study will be limited to one selected company and assess the practice and challenges of change management in Geosynthetics Industrial Works PLC and it assesses the change management practices and challenges in all respective processes or departments of the company. The company has implemented various change management tools such as Kaizen, TQM, BPR and BSC. However, this study delimits itself to practices and challenges related to implementation of Kaizen change management tool.

1.7 Organization of the Study

Chapter one is the introductory chapter that covers the Background of the study, statement of problem, basic research questions, objective, significance and scope of the study.

Chapter two is review of relevant literature. Concepts of change, change management, organizational change management, challenge of change management and different change management models.

Chapter three is the methodology section. It focuses on the research perspectives, population, sampling, research instruments, data collection, and data analysis.

Chapter four is presentation of data and analysis of results, findings and discussions.

And finally, Chapter five is the summary of findings, conclusion, limitation of the study and recommendation

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter provides a detail review of relevant literature on the practice and challenges of change management. This chapter also covers brief description about change management challenges and different change management models mainly about kaizen model.

2.1 Change management

Change is defined in the literature as any deviation from an agreed upon well-defined scope and schedule. Stated differently a change is any modification to the contractual guidance provided to the contractor by the owner or owner's representative (Fisk, 1988 and Yu, 1996).

Change is said to be the only permanent situation in life but surprisingly it is one decision that management finds difficult to make and implement and when a change is made, it is often one of the most resisted decisions by employees. However, change is inevitable therefore to be effective management must anticipate and prepare for it. Challenges of Change are a departure from an existing process or way of doing something to a new process or a different way of doing the same thing. A process change can be an amendment to existing processes an introduction of a new process or both. Changes in any form are intended to better the organization over the short term and/or long term. However, no matter how marketable change ideas are they can be frustrated purposefully or inadvertently if they are not well managed during all stages. Poor management often causes the huge investments in the change process and the high expectations that come with the ideas to turn to huge disappointments.

There is no doubt that such a process change at the point of conception, evaluation and/or implementation requires a great deal of financial resources and management time and leads to high expectations. Therefore, any failure can be disastrous. To prevent such a failure, attention should be given to change management at all stages.

According to Jones, G. and George, Change management can be defined as the process of planning; organizing, coordinating and controlling the compositions of the environment, internal and external to ensure that the process changes are implemented according to approved plans and the overall objectives of introducing the changes are achieved with as little disruption as possible. It may be impossible to effect change without any inconvenience to the existing processes and processors. In effect, change management is intended to prevent disruptions and

any other deliberate or inadvertent acts that would frustrate the process change and to resolve any disruptions. Change management helps ensure that predetermined objectives of introducing the process change are achieved, and it also helps prevent and resolve:

- Conflicts
- Service disruption
- Culture clashes
- Other problems associated with process change

Change management is not restricted to one level of management instead; it cuts across the lower, middle and top levels of management, depending on the circumstances and the level of authority at each level. Organizations and working places are in continuous change, and these changes occur because Of external powers, which are making the organizations adapt to the environment, or internal Organizational challenges may appear. Organizational Change can be the result of decreasing Productivity, changes in the core production or organizational structure. It is natural to Separate between planned change and change as a reaction to the surroundings or internally within the organization (Jones, and George, J. 2006)

2.3 Organizational Changes

There are many reasons why planned organizational changes may be necessary. In most organizations, change is typically used to improve organizational performance in some capacity and may involve targeting one or more of four categories: structural, cost-cutting, process, or cultural change (Burnes, 2004).

Organizational Change Management

The implementation of change management involved often structural as well as cultural changes in a company. Significant change, however, is a disruption in our expectations of the future which is viewed as a loss of control (Marshall & Conner, 1996).

According to Burnes organizational change is becoming an ever present feature of organizational life (Burnes, 2004). People are not likely to change the way they have been (successfully) working, especially when it is not clear what the goal of the whole operation is and who will benefit from the changes (Doppler and Lautenberg, 2000). Fear of the unknown and uncertainty is often the source of challenges in change management. People need predictability, which has something to do with our basic need for security.

Change has therefore carefully been planned and the change process has to be managed and overviewed. According to Bridges and Mitchell, Organizational Change Management has proved as a useful tool to facilitate successful cultural transformations by helping people dealing with unknown territory. Bridges and Mitchell (2000). It is important to pause and deal with resistance immediately, Different models, methods and tools have been developed to deal with the change Process. The tools and methods that are utilized are often dependent on the change that is required.

Change Readiness

It has been established that changes, both when intended and implemented can bring about Emotional disorder. It has also been described that organizational change has an effect on such work related to social and psychological constructs as job satisfaction, levels of Uncertainty and organizational commitment. In the propositions and hypothesis outlined in the introduction it is proposed that these constructs should be investigated in relation to levels of so called “change readiness”. A major organizational change often starts slowly and is incrementally implemented and is subject to change as information is gathered. Certainly that is the method usually adopted by those who have an understanding in planned organizational change. This description of change implementation can be non-inclusive to employees at initial stages. The uncertainty involved in such a work environment can be very stressful and eventually cause considerable resistance to change (Klein, 1996). Van de Ven and Poole (1995) suggest four theories of change, life cycle-, teleology, Evolutionary and dialectical theory. Each presents differing conceptual motors driving change. Within the dialectical theory of change resistance plays an essential role. The theory begins with the Hegelian assumption that organizations are best portrayed by two opposing internal forces.

Organizational Change and the Effects on its Management

Generally, it is assumed that managers are in favor for or against a new strategy “neither as a habit nor as a mindless repertoire.” (Stubbart, 1989 p.330) but for rational reasons and on the basis of objective facts.

2.4 Challenges of change management

The process of change has challenge and impact on the whole organization and on individuals working there are many challenges in the organizational change management like resistance, lack of knowledge and commitment etc.

People do not like change, any change. A “strong preference for stability and continuity” (Brooks and Bate, 1994, p. 181) might be in the human nature. People only want to change when both the pull- and push-forces are that strong that people themselves see no other solution anymore than to change. An allegedly “much more challenging business environment” and a “vision” of a “more business-like” organization are definitely not enough to convince employees to change their daily routines at their desks.

Another issue people are quite sensitive about is the technical aspects of change initiatives, i.e. how change is introduced, communicated and discussed, if and how their viewpoints are not only being heard but seriously taking into account. Depending on Kirkpatrick, Many people are still of the opinion that an organization is or should be much more than a profit generating, efficiency improving machinery. Such values and convictions can be quite deeply embedded in an organization’s culture and people’s attitudes (Kirkpatrick and Ackroyd, 2000). Any change initiative has to take this into account: There is a significant body of literature that draws attention to the difficulty of changing organizational culture on the grounds of that culture is deeply ingrained in the underlying norms and values of an organization and cannot be imposed from above (Parker and Bradley, 2000). Many people seem to be against top-down and paternalistic approaches of leadership and centralization of power and control (Diefenbach, 2006). But what many people perhaps resist the most is the cynical use and misuse of grand ideas for personal and group interests. People resist ambitious senior managers who join organizations they do not know, who are only interested in furthering their own career and market-value, mess with several change management initiatives, and then leave the organization in a state worse than before for good and with a golden handshake. People resist managers who have only little understanding of the business, who do not care for the ideas and needs of their employees, and the organizational necessities and opportunities, with managers who pretend to be busy and important, even crucial for the sake and survival of the unit but at the end of the day are only interested in their career and the increase in their market value, in strengthening their position and securing their pension scheme.

The concept of employee resistance to change is a common subject in the change management literature. Authors such as Kotter (1996) and Ajzen (1991) have written about the pivotal roles that resistance to change and employee behavior play in the change process. Different literatures showed that resistance to change is still an important issue in the current change management. However, there does not appear to be a consensus on what causes resistance and how it can be

overcome. Employees resist changes because they anticipate them to have an unwanted outcome. Others take a more individualist approach to studying resistance to change, arguing Individual's reactions are highly complex and vary greatly. One advocate of such thinking is Shauloreg who proposed that resistance to change is based both on personality and also the context in which the change occurs. In his initial study (2003) he developed and tested a scale called the "Resistance to Change Scale" (RTC) which he conceptualized as a stable personality trait. In his following study he found a positive and significant relationship between the individuals' RTC score and their affective and behavioral resistance to change (Milliken, 2000; Nemeth, 1997)

2.5 Change management Tools

Change management models and research are still relevant for the twenty-first century. The Problems are not with their relevancy or their worth. The problems and challenges facing Organizational leaders, organizational development experts and researchers relate to the speed and complexity of change required today. We also suggest a relatively new strategic model as well as new applications of existing change management models and theories.

Depending on different literatures there are different change management models. Some of them are well known and implemented in Ethiopia. Result oriented system, Business Process Reengineering (BPR), Quality Management System (QMS), Balanced Score card (BSC) and Kaizen are main ones. It is better to see each of them to understand their difference and similarity.

2.5.1 Result Oriented System

This is little bit similar to BPR but result oriented system give emphasis to the end result rather than process. It is designed to evaluate the efficiency of individual or teams by setting targets and numbers. This is system were used in government and semi Governmental Companies to minimize wastage and costs.

2.5.2 Business Process Reengineering (BPR)

It is kind of system that starts from the clean sheet rather than ASIS (current system). The system designed to by analyzing the process where it starts and end. It gives less emphasis for departmentalization and current system. It is also implemented in governmental organization. But it failed in many of implemented organization.

2.5.3 Quality Management System (QMS)

According to definition of ISO (2000:2005) it is management system to direct and control an organization regards to quality. ISO (2000:2005) states “the quality management falls within the overall management function of a company” here the emphasis is on understanding and meeting customer requirement and expectation and on getting it right first time. It comprises the organizational structure, procedures, processes, resources needed to implement quality management.”

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- Responsibility and authority are adequately defined.
- Improve traceability to root cause of quality problems.
- Improve utilization of resources.
- Fewer rejects.
- Increase productivity.
- Increase profitability and company growth.
- Easy to access to external market.
- Improve customer satisfaction.

2.5.4 Balanced Score Card (BSC)

Kaplan and Norton (1996) introduced the concept of the balanced scorecard in the 1990s to help show the importance and need to balance four different organizational elements: financial, external (for example, customers), internal learning, and operations. Lingle (1999) extended that thinking further by adding two additional scorecard elements (people and environment) and a way to connect the elements of the model in a cause - effect value chain (or value map). This was followed similarly by Kaplan and Norton with a related mapping model (2004).

According to Balanced Score card training manual of Ethiopian Management Institute (2014), BSC is a strategic planning and management system that is used extensively in business industry , government and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization , improve internal and external communications and monitor organization performance against strategic goals.

The manual also stated some of the benefits as;

- it increase focus on strategy results
- Improve organizational performance by measuring what matters.
- Align organizational strategy with the work people do on day to day basis.
- Focus on the drivers of future performance.
- Improve communication of the organization's vision and strategy.
- Prioritize projects/ initiatives.

2.5.5 Total quality management (TQM)

Quality management has a resultant impact on organizational behavior, where one needs to redefine quality programmers as a major determinant of organizational change. The Implementation of quality programmers often leads to major change within an organization, and this change may be studied at a variety of levels (Almaraz, 1994). At an organizational level this implementation could represent a strategic move to be more competitive. And at a unit level, one can see that different units or teams are made to maintain the different goals on Quality and that these units or teams are empowered through the quality paradigm. The key Determinants for success, from top managers and down to the various employees, are the issue of resistance to

change and the institutionalization of quality concepts, and at all levels, the successful implementation of a quality programmed requires top management commitment.

Total Quality Management (TQM) refers to a management process directed at establishing organized continuous process improvement activities, involving everyone in an organization in a totally integrated effort towards improving performance at every level (Alamaraz, 1994).

2.5.6 Kaizen

2.5.6.1 Definition and principles of Kaizen

According to Ethiopian Kaizen Institute manual (2006 E.C) the word Kaizen is derived from two Japanese words “Kai” and “Zen” which means “change” and “better” respectively. It defines kaizen as it is philosophy of continuous improvement.

According to Kaizen strategies for successful organizational change book written by Michael Colenso (2000), kaizen is not an initiative, it is ongoing organizational culture which, as a matter of primary focus active in the process of improvement. it also define it as learning culture.

Various researches proved that there are many challenges in the change management and implementation process like resistance, lack of knowledge, lack of self confidence in employees and in the management, lack of commitment and so on. Some of them summarize as follows;

As Michael Colenso (2000), to make a change initiative work in an organization, it requires its people believe things other than they believe now, changes the way they behave to support those beliefs which generate a momentum helping others to change their behavior. Research made on change management on worldwide base by Niwosulkechukwu and Nick Anderson (2011) shows some of the reasons of failure as follows; cultural toxicity of failed change, if people don't trust you, people can't be bothered, what's in it for me?, not knowing purpose of it all, poor leadership embeds and accelerate resistance. According to Mildred Golden Pryo and Sonia Tanej (2008) , in order to be able to be a winner in the change environment, processes and relationships must be streamlined, no value-added activities must be eliminated and people at all levels in organizations must be empowered to rapidly make decisions and held accountable for those decisions.

In the decade of 1980, management techniques focusing on employee involvement, and empowerment through team work approach and interactive communications and on improving

job design were not new, but Japanese companies seemed to implement such techniques much more effectively than others. The business lesson of the 1980's was that Japanese firms, in their quest for global competitiveness, demonstrated a greater commitment to the philosophy of continuous improvement than Western companies did. For such a philosophy the Japanese used the term Kaizen.

Kaizen is a Japanese philosophy for process improvement that can be traced to the meaning of the Japanese words 'Kai' and 'Zen', which translate roughly into 'to break apart and investigate' and 'to improve upon the existing situation'. Kaizen means continuous improvement involving everyone in the organization from top management, to managers then to supervisors, and to workers. In Japan, the concept of Kaizen is so deeply engrained in the minds of both managers and workers that they often do not even realize they are thinking Kaizen as a customer driven strategy for improvement. This philosophy assumes according to Imai that "our way of life be it our working life, our social life or our home life deserves to be constantly improved". There is a lot of controversy in the literature as well as the industry as to what Kaizen signifies.

Improvement begins with the admission that every organization has problems, which provide opportunities for change. It evolves around continuous improvement involving everyone in the organization and largely depends on cross functional teams that can be empowered to challenge the status quo.

The essence of Kaizen is that the people that perform a certain task are the most knowledgeable about that task; consequently, by involving them and showing confidence in their capabilities, ownership of the process is raised to its highest level. In addition, the team effort encourages innovation and change and, by involving all layers of employees, the imaginary organizational walls disappear to make room for productive improvements. From such a perspective, Kaizen is not only an approach to manufacturing competitiveness but also everybody's business, because its premise is based on the concept that every person has an interest in improvement. The premise of a Kaizen workshop is to make people's jobs easier by taking them apart, studying them, and making improvements.

The message is extended to everyone in the organization, and thus everyone is a contributor. So, when Kaizen for every individual could be an attitude for continuous improvement, for the company also is a corporate attitude for continuous improvement.

According to James Womack in his book "The Machine That Changed the World" (1991), with Kaizen, the job of improvement is never finished and the status quo is always challenged.

Kaizen techniques became famous when Toyota used them to rise to world automotive leadership. Rather than undertake large projects, Toyota's staff was encouraged to identify problems, no matter how small, trace their root causes, and implement all necessary solutions. Improvements through Kaizen have a process focus. Kaizen generates process-oriented thinking, is people-oriented, and is directed at people's efforts. Rather than identifying employees as the problem, Kaizen emphasizes that the process is the target and employees can provide improvements by understanding how their jobs fit into the process and changing it. The companies that undertake a Kaizen philosophy place an emphasis on the processes on the 'how' of achieving the required results .A process emphasis goes beyond designing effective processes; it requires the teams to understand why a process works, whether it can be modified or replicated somewhere else in the company and how it can be improved.

Kaizen deals with the management of change and is a methodology in the right direction to improve manufacturing operations, on a continual and incremental basis following the right steps

- Establish a plan to change whatever needs to be improved,
- Carry out changes on a small scale,
- Observe the results, and
- Evaluate the results and the process and determine what has been learned.

In Kaizen philosophy, the aim is to eliminate the seven types of waste (7 deadly wastes) Caused by

1. Overproduction – Production more than production schedule
2. Inventory – Too much material ahead of process hides problems
3. Defects – Material and labor are wasted; capacity is lost at bottleneck
4. Motion – Walking to get parts because of space taken by high WIP
5. Processing – Protecting parts for transport to another process
6. Waiting – Poor balance of work; operator attention time
7. Transportation – Long moves; re-stacking; pick up/put down

2.5.6.2 Other basic issues in kaizen

- **KAIZEN in Productivity**

Kaizen in productivity means increase of ratio by value of input to output. Owners and managers sometimes misunderstand meaning of productivity; Operating improvement, set-up improvement and layout improvement are popular purposes in kaizen in productivity (Womack, 1991).

- **KAIZEN in Quality**

Kaizen needs for quality problems are higher than actualized needs. In quality tends to need longer time than kaizen in productivity and in quality tends to need only quality control techniques as common technique but also specific techniques. Therefore, forming team including engineers is often necessary for kaizen in quality (Womack, 1991)

- **KAIZEN in Cost**

Kaizen in productivity or quality affects kaizen in cost. Specific kaizen in cost needs formulation of cost accounting system, cost design, value engineering, cost control, etc.(Womack,1991)

- **KAIZEN in Delivery Time**

Need for kaizen in delivery time is different from business category. Delivery time is a competitive factor for make to order production system. Deliver time is gaining recognition even for make to stock production system. Because kaizen in delivery time makes productivity worse, it is necessary to prevent from decrease of productivity to kaizen in delivery time (Womack, 1991).

- **KAIZEN in safety**

There are many hazards in the factory. Safety in the factory is essential issue and comes before kaizen in quality and productivity. Kaizen in safety starts from introduction of 5S. Kaizen in work method and equipment come next 5S (Womack, 1991)

- **KAIZEN in morale**

Morale means willingness to work and good communication, participation to kaizen; suggestion system etc. helps to improve morale.

- **KAIZEN in Environment**

Environmental issue is expanding from local problem such as water contamination, air pollution, noise and vibration to carbon-dioxide emission and global warming. Enterprises, especially MSEs tend to neglect these problems (Womack, 1991)

2.5.6.3 Basic Technologies to Promote KAIZEN

- **5S** is a prerequisite for kaizen and well known but not too executed there is no kaizen technology that cost effectiveness is large like 5S. This are **Sort, Set in order, Shine, Standardization, Sustain.** (James Womack ,1991)
- **QCC (Small group)**

According to Womack (1991) book Quality control circle is the same as small group nowadays. It has three characteristics.

- Members learn rational way of viewing and scientific problem-solving method through QCC.
- Formation of teamwork and confidential relationship through conversation and activity.
- Contribution to the organization and society through problem-solving.
- **Suggestion system**

Suggestion system is the system in which employees propose their idea regarding kaizen, the company evaluates the idea and offers awards to employees who propose adopted ideas.

2.5.6.4 Kaizen assistance in Africa

Kaizen has become a global activity spread by multinational companies and their employees. It has become popular not only in the manufacturing sector but also in the service sector. However, proliferation of kaizen in Africa is still very small due to the limited number of players who bring in the practice. Since individual companies cannot be a major force in transferring kaizen. (Ethiopian Kaizen Institute manual, 2006 E.C)

2.5.6.5 Kaizen in Ethiopia

According to Ethiopian Kaizen institute manual (2006 E.C) the contribution of the manufacturing sector to GDP is even smaller in Ethiopia. In 2006/07 it was just 5.1%, in comparison to 46.3% from the agricultural sector and 40.3% from the service sector. Compared to Kenya, the presence of multinational companies is very small in Ethiopia. At the same time however, some talented local entrepreneurs have enjoyed the benefits of access to a market consisting of nearly 80 million people. Due to the absence of major multinational companies, Ethiopia is yet to absorb the knowledge of kaizen.

One characteristic of the Ethiopian manufacturing industry is the dominance of public enterprises. 44% of value addition from the manufacturing sector was produced by 154 public enterprises in 2006/2007. The Government of Ethiopia is committed to modernization and productivity improvement in its public enterprises. The Privatization and Public Enterprise Supervising Agency (PPESA), a section under the Ministry of Trade and Industry, is responsible for implementing Business Process Reengineering (BPR) among public manufacturers. BPR introduces benchmarking practices and intends to review the needs for restructuring organizational missions and activities. Although kaizen has not been adopted as a productivity improvement method by PPESA, it is considered that BPR and kaizen are complementary since BPR is a tool needed for innovation or radical transformation, while kaizen is needed for bringing in gradual and sustainable improvement to daily operations.

The private sector in Ethiopia is also aware of the need for productivity and quality improvements, and the leading manufactures have adopted TQM. Yet, they have not established a visual monitoring system, which enables real time production and quality control. Furthermore, adoption of 5S is hardly observable. Introduction of Kaizen shall strengthen TQM already initiated in those manufacturers. This paper will assess practices and challenges of Kaizen in the case of Geosynthetics industrial Works PLC.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The aim of this chapter is to highlight the overall methodological consideration of this study.

It involves the Research Design, Data Sources and Data Collection Methods, Population and Sampling Techniques, Data Collection Procedures and Standardization of Data Gathering Tools and The techniques used to undertake the analysis.

3.1 Research Design

The major objective of this study is to assess the overall organizational change management practices and challenges in Geosynthetics Industrial Works PLC.

The study has adopted descriptive case study of research design by using both qualitative and quantitative. In the course of analyzing the problems, both primary and secondary data collection procedures were employed. To achieve this goal, questionnaires, interviews and document reviews were the main tools used.

According to C.R Kothari Qualitative research approach to research is concerned with subjective assessment of attitudes, opinions and behavior (C.R.Kothari, p. 5, 2004).

Some qualitative approaches used in order to gain better understanding and possibly for more insightful interpretation of the results to examine the challenges of change management in the case of Geosynthetics Industrial Works PLC. As technique for data Collection questionnaires and interview were chosen. However, some Secondary data from the company gathered and analyzed to complement and elaborate the primary Data. These data gathered from Geosynthetics industrial works plc website and other written documents. More specifically, closed-ended questioners, semi-structured interviews were used to gather the necessary data.

The study is more of descriptive in nature in that it collects data from one or more target groups, and analyzes it in order to describe the present condition.

3.2 Sampling technique

In this thesis the whole processes or departments of GIW assessed. There are 220 employees and managers in GIW. All population or all employees has include in data collection process of the study. The data collected using questionnaires and interviews. In addition to the above sample, the top manager and other ten process owners of each department interviewed. The selections of the respondents are carried out by using purposive sampling method.

3.3. Data Collection Instrument

In order to gather the data from relevant sources, both primary and secondary data collection instruments are used. The primary data is conducted in the form of personal interviews with top managers and process owners at each department. The other primary data collection instrument that used is a standardized self-administered questionnaire adopted for the study context. This questionnaire has two parts. The first section assesses the demographic and social background characteristics of the respondents. The second part asks respondents their actual experience related with change management practice and its challenges.

Secondary data was collected from related literatures, Internet, various journals and periodicals, GIW working Manuals, reports and website, and various Ethiopian Change management institutes manuals.

3.4. Data Collection Procedure

One of the primary data or interview is conducted in the form of personal interviews with process owners and top managers. The interview is conducted by the principal investigator of this study. Each of the interviews is done in the office of the managers. The other primary data or a questioner is collected by using self-administered questionnaire. The questionnaire is distributed to all employees in each department. First, the respondents are informed about the objective and importance of the study. Then, instructions are given on how to complete the questionnaire. Finally, the questionnaires are distributed to respondents. Secondary data is collected by reviewing important written documents on change management and kaizen model different manuals and books, journal articles, internet web sites and company documents which are used in the change management implementation process.

3.5 Method of Data Analysis

The collected data is analyzed and interpreted by using both quantitative and qualitative techniques. The quantitative part which was collected using questionnaire is first entered in to a computer using SPSS software. Further analysis is also done using this software program. Simple tables and graphs are used to analysis and present the data.

The qualitative data is analyzed manually. First, all the interview were transcribed-written as they are in local language. Second, all the transcriptions were translated in to English for further analysis. The analysis is done by repeatedly reading the translations and understanding the common and different issues raised by the managers and department owners. The finding of the qualitative part is mostly used to supplement the quantitative part.

3.6 Reliability

Reliability is one of the major criteria for evaluating research instruments. The respondents voluntarily participation, language use of the questionnaire and take the total population in the study makes the tool more reliable.

3.7 Ethical considerations

Voluntarily: Respondents are participated voluntarily. I didn't use any force to make respondents participate in this study. Participants also had the right to stop the interview at any time.

Not doing harm and benefits: Respondents didn't face any harm by participating in this study. They didn't also get direct benefits by participating in the study. However, they may benefit from the findings of this study about the change which is implemented in the company.

Confidentiality: Respondents information is confidential and only used for study purpose. Only the researcher had access to the data. Respondents did not also write their names and identifications in the questionnaires.

CHAPTER 4

RESULTAND DISCUSSION

In this section, the overall practice and challenges of change management in the case of kaizen implementation in geosynthetics industrial works plc is presented. This data analysis and interpretation part is composed of different information that was gathered through primary and secondary data collection methods. The primary data was collected using self-administered questionnaire, and in depth interview. 215 employees and process owners responded to self-administered questionnaire. In addition, face to face interviews with 5 top managers and 10 process owners of each department are conducted. Out of the fifteen pre-thought interviews with the top management, the researcher was lucky enough to undertake all. So the response rate for the first phase data collection was 100%. Out of the 215 questionnaires distributed, 197 were collected back resulting in 91.63% response rate.

4.1. Respondents' Demographics

The study used questionnaires and the questionnaire has two parts. The first part is demographic part the second part discussed the relationship between selected change management practices and organizational performance. The first part of the questionnaire consists of five questions requesting about the sex, age, educational background, work experience and current position of the respondents. The result is presented as follows;

Table 4.1.1: Sex of Respondents

Sex Category	Frequency	Percent
Male	173	87.82
Female	24	12.18
Total	197	100

As it can be seen from the table 173 or 87.82% respondents are male and the rest 24 or 12.18% staffs are females.

Table 4.1.2: Age of the Respondents

Age	Frequency	Percent
Under 25	24	12.18
25-30	97	49.24
31-35	45	22.84
35-40	19	9.64
Above 41	12	6.1
Total	197	100

The above table shows the demographic characteristics of the respondents Majority (72.08%) of the respondents are between 25 and 35 years old, (9.64%) respondents who are between 35-40, (6.1%) while above 41 years old staff takes the rest 12.18% are under 25.

Table 4.1.3: Educational back ground of the Respondents

Educational Level	Frequency	Percent
Diploma	41	20.82
Degree	86	43.65
Masters	8	4.06
Others	62	31.47
Total	197	100

Above 60% of the respondents are diploma and degree holders. The rest 31% of respondents are categorized under others including 12 complete, 10+1, 10+2, and 10+3 who mostly work in operation areas.

Table 4.1.4: Work experience of the Respondents

Experience in Year	Frequency	Percent
0-2 year	108	54.82
3-4 year	69	35.03
5-6 years	9	4.57
above 7	11	5.58
Total	197	100

The above table shows the work experience of respondents. As it can be seen from the table the highest (54.82%) of respondents have experience of 0 to 2 years in the company, 35.03% respondents had 3-4 years of experience in the company, 4.57% respondents had 5-6 years of experience in the company and the rest 5.58% respondents had stayed above 7 years with the company.

Table 4.1.5: Current position of the employees in the company

Respondents position	Frequency	Percent
Clerical	93	47.21
Expert	16	8.12
Professional	73	37.06
Management	15	7.61
Total	197	100

With respect to the position of the respondents, 47.21% fall in lower level employees and the rest 52.79 % fall in expert, professional, senior managers and managers. This indicates that, it is a

fact that in every organization there are few managers and many non management category employees.

4.2 Practice of change management (Kaizen) model

Table 4.2.1: Familiarity with the term change management (kaizen)

Are you familiar with the term and practice of change management?		
Response	Frequency	Percent
Yes	88	44.67
No	109	55.33
Total	197	100

The respondents were asked whether they are familiar with the term kaizen and practice of change management or not. 55.33% of respondents reported that they are not familiar with the term. This is because they were not communicated well about this change management tool even though they were the one who implemented it. The interview result from managers is consistent with this result. There is a communication gap between change management team departments managers and low level employees. They don't communicate well and don't have a formal way of exchange information one from other. This communication gap will lead accompany to lose employees confidence on the company. One of the department head and member of change management team reported that "the top managers don't accept the feedback gathered from the other team members they consider under their knowledge and position."

Table 4.2.2: Participation in the change management (kaizen) process

Item:-Have you participated in the change management (kaizen) process before implementation?		
Response	Frequency	Percent
Yes	10	5.08
No	187	94.92
Total	197	100

In addition, almost all non-management respondents or 94.92% have not participated in the change management process before implementation the rest 5.08% respondents participated in the process. The managers that were interviewed particularly process owners of production,

quality control and operations reported that they were participating from start to end of kaizen implementation. However other process owners claim that they haven't been given an opportunity to directly participate in the change management process because of the top-down approach used by management. Depending on the interview, three department owners and two top managers were directly involved starting from the paper work and the company was formed department for the change process with five members and the other managers are involved after the paper work is completed which means in the implementation process.

Table 4.2.3: Importance of change management (kaizen) model

Item:-How important do you think the implementation kaizen		
Response	Frequency	Percent
Very low	-	-
Low	9	4.57
Moderate	142	72.08
High	46	23.35
Very high	0	-
Total	197	100

The above table presents the how important the implemented change management model(kaizen) is, As it can be seen from the table, the majority 72.08% of respondents consider moderate 23.35% consider it high and only 4.57% believe that its importance is low.

Table 4.2.4: Perception of employee on change effort by managers

Item:-How positive the response was		
Response	Frequency	Percent
Very low	7	3.55
Low	21	10.66
Moderate	107	54.31
High	56	28.43
Very high	6	3.05

Total	197	100
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The above table presents how positive the response of the workers for the change efforts from management, As it can be seen from the table, 3.55% of the respondents agree it's very low, 10.66% of the respondents considered is low, the majority 54.31% of respondents consider moderate, 28.43% of the respondents consider its high, only 3.05% of the respondents consider is very high. From this result we can deduce that top management had moderate commitment to change management.

Table 4.2.5: Perception of employee on change outcomes

Item:- Do u think the change efforts brought positive outcomes		
Response	Frequency	Percent
Yes	21	10.65
No	6	3.06
It is difficult to measure	14	7.11
I don't know	156	79.18
Total	197	100

The above table presents how the change effort brought positive outcome, As it can be seen from the table, 10.65% of the respondents agree the change brought positive outcomes, the only 3.06% of the respondents agree the change doesn't brought positive outcomes because they believe that the new model can't give job opportunity to many employees, 7.11% of the respondents agree is difficult to measure that and the rest and the major of the respondents don't know about the outcome. The researcher realizes that the inclusion of 'don't know' response category might have encouraged the participants to respond in this manner. However, from responses obtained to the question 'How the company change management practices look like' the respondents indicated a positive evaluation.

Table 4.2.6: Company change management practice

Item:-How the company change management practices look like		
Response	Frequency	Percent
It is improved	188	95.43
It is maintained	09	4.57
It is decreasing	-	-
Its stopped	-	-
Others	-	-
Total	197	100

The above table presents how the company change management practice look like ,As it can be seen from the table, the majority 95.43% of respondents agree that the change management practice is improved, the rest 4.7% of the respondents believes that the practice look like is maintained.

4.3 Challenges of change management

Table.4.3.1: Challenges faced during major changes

Item:-Main challenges and obstacles that organizations face during major changes						
Question items		Response				
		Very low	low	Moderate	high	Very high
Employee resistance	N	-	-	64	81	52
	%	-	-	33	42	25
Managers resistance	N	-	27	138	21	11
	%	-	13	70	11	6
Lack of knowledge	N	-	17	146	29	5
	%	-	9	74	15	2
Communication break down	N	-	11	38	21	127
	%	-	6	19	11	64
Insufficient training and devoted to training	N	-	2	22	41	132
	%	-	1	11	21	67
Costs exceed budgets	N	97	64	19	14	3
	%	49	32	10	7	2
Timeliness developed for change for change implementation was not feasible	N	3	9	162	23	-
	%	1	5	82	12	-
Insufficient employee participation in training	N	-	11	66	102	18
	%	-	6	33	52	9

The above table presents the average score for each of the questions as reported by all staff and process owners.

As it can be seen from the table, 33% of respondents consider moderate while the majority 42% consider it highly the minority 25% of the respondents consider very high in employee resistance during change management implementation and process.

When we came to the management resistance 13% of the respondents consider the resistance is low, majority or 70% of the respondents are moderate, 11% of the respondents consider the resistance is high and the rest 6% of the respondents considered the management resistance is very high.

When we came to the knowledge, 9% of the respondents consider the lack of knowledge is low the majority respondents 74% is considered Its moderate, 15% of the respondents considered the resistance is high and the rest 2% agreed he management resistance is very high.

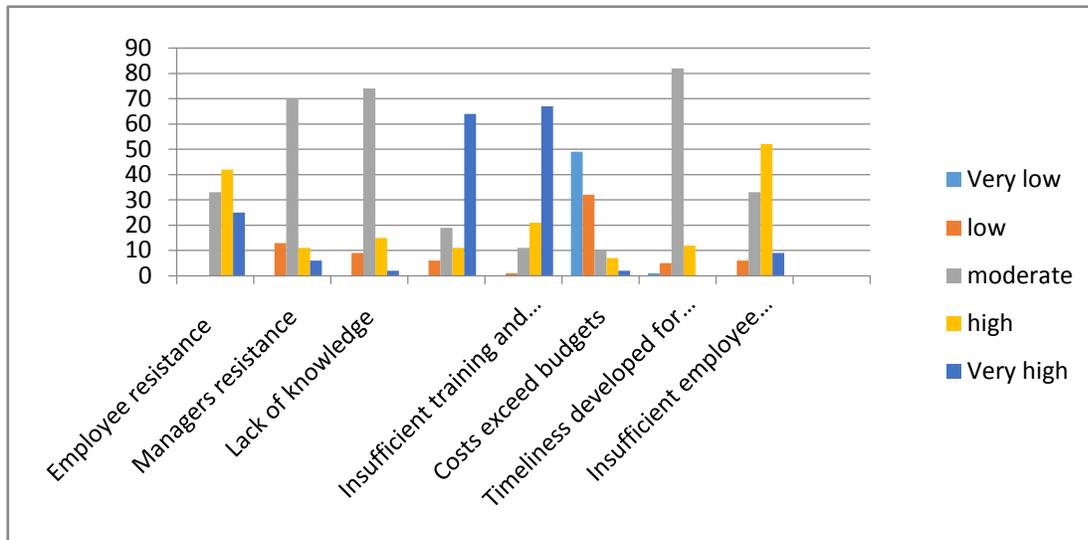
When it comes to communication breakdown 6% of the respondents considered its low, 19 % consider moderate 11% of the respondents considered is high and the majority 64% of the respondents are the communication breakdown is very high. and insufficient training and devoted to training average respondents 67% agree highly challenged the change management process, 21% of the respondents considered is high, 11% of the respondents considered is moderate and the rest and minority 1% of the respondents considered communication gap is low.

On the other hand the majority respondents 49% agreed cost is not affected the change or not exceed from the budget, 32% of respondents agreed its low, 10% of respondents considered its moderate while 7% and 2% of respondents agreed the cost exceed budget is high and very high.

When it comes to active participation of employee in the training the majority of the company employee is not well informed about the change management model, 6 % of the respondents agreed its low, 33% agreed is moderate, 52% or majority respondents considered its high and he rest 9% agreed is very high.

On the other hand timeliness development for change implementation 1% of the respondents considered is very low, 5% of the respondents agree is low, the majority 82% of the respondent considered its moderate and the rest 12% agreed is high.

Figure 4.1; Challenges and obstacles that organization faces during major changes



From the table and graph, identify the major challenges according to the responses. To summarize, the following challenges were found to be major once in the exact order of their appearance.

- Communications break down
- Insufficient training and devoted to training
- Insufficient employee participation in change implementation process.

According to the interview questions which are forwarded to the top managers and process owners of all departments of the company, the respondents highly focused and agreed there were the challenges. The main challenges were forwarded the following problems:

Managers responded that the manager faces different challenges starting from the beginning the top managers are mainly raise the challenges on lack of fund and the company having loss capacity to implement the change management capacity lack of knowledge about the new implemented model ('kaizen), the employee resistance the employee resists the change because they feel insecurity and lack of awareness about the change management model. Lack of time is also challenge the company because the change management team believes that the time which is given were not enough to implement the new change management. And lack of trainer and integrating the day to day activity with the change management activities and also the managers who are directly involved in the change management process were over loaded by other duty and responsibly.

According to the interview the managers faces most challenge during implementation of change management and allocation of responsibilities to each level of employees. the employee are resist

the change because of lack of knowledge and after the company implement kaizen model the system by itself minimize number of employees because one of the main principle of kaizen is to minimize the cost and the company minimize is employee number specially on the production department and the other employee frustrated and resist the new change management system.

Table.4.3.2: Has the company solved these challenges

Item:-Has the company solved these challenges?		
Response	Frequency	Percent
Yes	21	10.66
No	17	8.63
I have no information	159	80.71
Total	197	100

The above table presents the is the company solved the challenges, As it can be seen from the table, the majority (80.71%) of the respondents agreed they have no information about the company action to solve the challenges, 10.66% of the respondents agree the management solve the problem and the rest 8.63% of the respondents agree the management is not solve the challenge. The researcher realizes that like the previous question the inclusion of ‘I have no information’ response category might have encouraged the participants to respond in this manner. According to the interview the management tries to solve the challenges and there were different Action taken by the manager to tackles the challenge, some of the actions taken by the management are stated as follows;

Problem solving mechanism

It tries to tackle the challenges by hiring temporary employees for those departments which had loss man power. Managers explained the ways of problem solving method when they face with the above mentioned problem. This includes discussion and negotiation

Discussion: As it is explained in the above paragraph, there were many challenges in the implementation of kaizen model in the company. The management informs that they try to solve

the problem by giving training to the employee and even they try to arranging informal discussion time when the problems happen. One of the managers sated in the following way “*We try to convince the employee by giving training and some benefits and try to make the working environment safe and give promotion to motivate the employee and to minimize the frustration which is happen in the working environment.*”

Negotiation: Negotiation is one way of problem solving mechanism specially when there is problem in budget allocation “*we try to convince the owners and the manager of the company to minimize budget problem.*”

Table.4.3.3: Compatibility to the new change management model (Kaizen)

Item:-How the new change management model is compatible to your organization?		
Response	Frequency	Percent
Very low	-	-
Low	7	3.55
Moderate	167	84.77
Strong	9	4.57
Very Strong	14	7.11
Total	197	100

The above table presents how the new change management model (kaizen) is compatible to the organization, As it can be seen from the table, the majority (84.77%) of the respondents agreed that its moderate, (3.55%) of the respondents agree the compatibility is low and the rest (11.68%) of the respondents agree the change management or kaizen model is strongly and very strongly compatible to the organization. According to the interview all managers agreed the change management is compatible to the organization.

Table.4.3.4: Effectiveness of change management (kaizen) model

Item:-Express the extent of your agreement as how effective the new change management model is?		
Response	Frequency	Percent
Strongly Disagree	-	-
Disagree	7	3.55
Neither Agree Nor Disagree	134	68.02
Agree	33	16.75
Strongly Agree	23	11.68
Total	197	100

The above table presents how the new change management model (kaizen) is effective to the organization, As it can be seen from the table, the majority (68.02%) of the respondents neither agree nor disagree, (3.55%) of the respondents agree the change management model is not effective, (16.75%) of the respondents agree the change management is effective and the rest (11.68%) of the respondents strongly agree that the change management or kaizen model is effective. According to the interview, all interviewed managers are agreed the change management or kaizen model is effective to the company. They measure the effectiveness of the model because the companies Reduce cost, reduce cost of maintenance cost, use recovered property, and reused materials. And they also believe that the model is compatible with the company system.

Table.4.3.5: How the change management model has helped the company to achieve the desired goals

Item:-Express the extent of your agreement as to how the change management model has helped the company to achieve the desired goals?		
Response	Frequency	Percent
Strongly Disagree	-	-
Disagree	-	-
Neither Agree Nor Disagree	117	59.39
Agree	53	26.9
Strongly Agree	27	13.71
Total	197	100

The above table presents the extent of the respondent agreement as to how the change management model has helped the company to achieve the desired goal. As it can be seen from the table, the majority (59.39%) of the respondents neither agree nor disagree, the rest (40.61%) of the respondents agree the change management model help to achieve the company goal. according to the interview analysis all respondents strongly agree the change management model is helped the company to achieve the company goal.

finally, according to the interviewed analysis the company has visible reason for the change and the goal are transparent, the major goal of kaizen implementation was reduce labor cost, raw material costs, reduce maintenance cost and maintain and used aged machineries and it help the company to minimize the overall cost.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, LIMITATION AND RECOMMENDATIONS

This concluding chapter summarizes the objectives of the study, the major findings and conclusions. It also discusses the managerial and theoretical implications of the study, and makes recommendation for further research.

5.1 Summary of findings

The purpose of the study was to assess the overall organizational change management practice and challenges in the case of geosynthetics industrial works plc.

The study has adopted descriptive case study of research design by using both qualitative and quantitative methods, Semi-structured interview to be exact, to help the researcher get insights of practices and challenges of changes management in the process of kaizen implementation.

Based on the analysis of data and discussion of results, the followings are the summary of major findings of this study.

All respondents agree there were challenges like employee resistance, lack of knowledge and awareness about the implemented change management model(kaizen), lack of training and trainers, communication gap, insufficient training and devoted to training, insufficient employee participation in change process.

The descriptive analysis shows that, majority of the company employees are male and above 60% of the employees of the company are above diploma and degree holders and 47.21% of company staffs are fall in lower level employee and participated in operational works.

The results on practice and challenges of change management (kaizen) model shows, the majority 55.33% of respondents were not familiar with the term change management or kaizen model and only 5.08% of employees were participated in the implementation process. Out of the total respondents of

the questioner the analysis shows the majority or 72.08% and 54.31% of the employees consider the importance and the positive response is moderate but when we came to the outcome the researcher realize that the inclusion of “don’t know” response category might have encourage the participants to response in the manner, but from the response obtained to how the company change management practice look like the majority or 95.43% of respondents agree the practice is improved.

According to the questionnaire communication breakdown, insufficient training, resistance to change, and insufficient employee participation in change process are major problems. according to the interview analysis the main challenges were; lack of fund, lack of knowledge about the new implemented model, employee resistance, the employee were not devoted to training, lack of awareness, and lack of time, lack of skilled trainers; they were the major challenges faced by the managers.

According to the questionnaire analysis 80.71% of employees have no information has the company solved the challenges or not, but the interview analysis shows the management of the company try to solve and minimize the challenges by hiring temporary employees or those departments which had loss man power , by giving training and arrange informal discussion time to minimize the employee frustration and insecurity in the working environment and according to the budget and time problems the change management team try to convince the owners and the managers of the company to minimize the budget problem.

And finally the researcher also founded that the company is effective on the new change management model implementation in different ways, depending on the interview with top managers the company is profitable because the new model (kaizen) helps the company to minimize cost ofraw material, employee and daily labor cost, and the production process cost is comparatively low than before but the questionnaire analysis shows that the majority employees neither agree or disagree effectiveness and compatibility of the kaizen model.

5.2. Conclusion

The general purpose of the study was asses the overall organizational change management practices and challenges in Geosynthetics Industrial Works PLC and to the end the study sought to identify the challenges faces by the management and employees of the company.

The study had five specific objectives. These included; assess the practice and challenges that the management, department owners and the employee of the organization faces in the change management (kaizen) implementation process, identify the methods and measures that the management implemented to minimize the challenges, determine which stage of change management is most challenging for the management, assess how the new change management that is being implemented is compatible to the company structure and assess whether the new change management model is effective and helped the company to achieve the goal.

Therefore, after gathering data using interview with the top management of the company and questionnaires to department owners and all company employees of geosynthetics industrial works plc, The study came up with the following results;

The descriptive analysis on the assessment of the challenges interview and questionnaire result indicated that employees resistance, management resistance, communication gap, lack of knowledge, lack of training and trainer were the key problems faced by the top management and employees and there were a challenge on lack of budget and time also the challenge for the company management during change implementation.

After undertaking interviews with the top management and department owners of the company, the researcher came up with the problem solving mechanism which is taken by the managements were hiring temporary employees for those departments which had loss man power, giving training to the employee to improve the awareness and minimize the resistance, arrange informal discussion time when the problem happen and try to convince the employee by giving benefits and promotion to motivate employees and to minimize the frustration and by making the working environment safe.

Due to limited awareness the management and the employee resist the change. The company implements the change by using the change team and they are already working in the company and having other duties. According to the interview and descriptive analysis the company doesn't involve and participate out sourced experts.

The final specific objective, the majority respondents agree moderate response about the compatibility and effectiveness of change management model (kaizen) and how much the change management

kaizen mode is help the company to achieve the company goal. But the management staffs agreed the new change management model is effective and help the company to achieve its goal.

According to the interview analysis the company can reduce cost of production, cost of maintenance, and cost of new machinery purchase.

5.3 Limitation of the study

No study is without limitation. (Berg, 2001) Accordingly, this study is subject to the following limitations that future studies should address to shed more light on the practice and challenges of change management.

Even though it's very important to cover other change management models which is implemented in the company as a whole, because of the limitation of resources like finance, data and most importantly time, this study only considered the case of kaizen implementation in the case of geosynthetics industrial works plc. So the researcher advice future researchers to perform a study considering other change management model.

5.4 Recommendations

Even though the implemented change management model or kaizen practice is effective in the company to achieve the company goal, there is a need for more attention on the implementation process. This research provided the company with some useful information regarding the practice and challenges of change management. And it is likely to contribute in a significant way to the management of the company providing a set of information.

Based on the findings of the study the following recommendations are given.

- **Improve the level of awareness of the new change management model(kaizen)**

To begin any successful change process, the company must first start by understanding why the change must take place. As Lewin put it, "Motivation for change must be generated before change can occur. One must be helped to re-examine many appreciated assumptions about oneself and one's relations to others."

According to Lewin models the first part of the change process is usually the most difficult and stressful which is the unfreezing stage.

In order to accept the change and contribute to making the change successful, and to minimize the major problem which is employee resistance, the management should help the employee to understand how the changes will benefit them not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided after the uncertainty created in the unfreeze stage; the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

And in addition the management should focus on low level employees because most of the low level employee's educational background is under certificate complete and they don't have any knowledge and awareness about change management and scientific management systems.

- **Education:** - One of the most common ways to overcome challenges in change and resistance to change is to educate people about the actual change beforehand.
- When any organization starts cutting down the "way things are done", you put everyone and everything off balance. At this stage the company should plan regular training and develop guidelines to develop employees' knowledge about the new change management model and the company's overall activity.
- The company should give continuous training to minimize the resistance. The training helps the employee to accept the change and to minimize the frustration and insecurity in the working environment.
- According to Lewin's model, after the unfreeze stage, the major change stage will implement and where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. A related change model, the Change Curve, focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this specific aspect in more detail.

- In the final stage which is the refreezing stage when the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze.

The outward signs of the refreeze are a stable organization chart, consistent job descriptions and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; with a new sense of stability, employees feel confident and comfortable with the new ways of working.

➤ **Improve the relationship to minimize the communication gap between the management and low level employee**

Serious communications problems were documented in geosynthetics industrial works plc. The findings also indicated that most employees were not well informed about the change before implementation. Starting from the first stage through implementation the company should consider the communication roles of each group. Effective interpersonal communication has long been recognized as basic to any successful change management implementation practice.

In fact, the problem of communicating has become the number one and challenges in the change management implementation process.

To minimize these challenges:-

- The company should communicate often throughout the planning and implementation of the changes, describe the benefits of change management or new implemented tool and should explain exactly how the changes will affect everyone and prepare everyone for what is coming.
- **Communication:** -Communication of ideas helps people see the need for and the logic of a change. The education process can involve one-on-one discussions, presentations to groups, or memos and trainings and so on.

➤ **Increase number of participants in change process**

The company should increase number of participants in the change management process before implementation by;

- **Participation and involvement:** - If the employees or all department owners involve in the implementation of the change, they can often avoid resistance.
- **Negotiation and Agreement:** - In a scenario where someone or some group will clearly lose out in a change, and where that group has considerable power to resist it is necessary

that a delicate balance is struck between the goals of organization and the employees. A win-win scenario is ideal, if unachievable, the focus should be on minimizing the impact

- The company should use more knowledgeable experts or better to give training to the change management team. The company currently on the process to implement BSC model and to minimize the challenge which is faces before the management should give attention the challenges which is exist during kaizen implementation process.

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Appendix

Appendix1: Questionnaires to be filled by employees and managers of GIW PLC.



This questionnaire is prepared to be filled out by employees and managements of Geosynthetics industrial works plc. It is designed to collect data about practice and challenges of change management.

On the basis of your response and those of people like you, I hope to get a better understanding of the challenges on the practice of change management.

The purpose of this questionnaire is purely academic and hence will result in no negative consequence in your present job. This survey is collected for partial fulfillment of requirement of **Master degree In Business Administration at St. Mary's university school of graduate studies.**

Your honest and truthful answers mean a lot to this research. Therefore, I ask you to fill out this questionnaire with utmost honesty. I would like to extend my gratitude in advance for your time and cooperation.

Note: Fill out the form (all of it) and have it with you .The researcher will come and collect it from your work place.

Tensae Ashebir

tensaeashebir@gmail.com

General Direction

- Don't write your name.
- Please tick “√” sign in the box you selected

-
- How important do you think the implemented change (kaizen) is to your company?
 1. Very low
 2. Low
 3. Moderate
 4. high
 5. Very high

 - How is positive the response of the workers for the change efforts from management?
 1. Very low
 2. Low
 3. Moderate
 4. high
 5. Very high

 - Do you think the change effort brought positive outcomes?
 - Yes
 - 2. No
 - 3. It is difficult to measure
 - 4. I don't know

 - If your answer is "No" Please elaborate.....

.....

.....

.....

 - How the company's change management practice look like?
 - It is improved
 - 2. It is maintained
 - 3. It is decreasing
 - 4. It is stopped
 - 5. Other, please specify

.....

.....

9. Rank the main challenges and obstacles that organizations face during major changes in your opinion?

Rank the given alternatives

	Very low	low	moderate	high	Very high
Employee resistance					
Managers resistance					
Lack of knowledge					
Communication break down					
Insufficient training and devoted to training					
Costs exceed budgets					
Timeliness developed for change for change implementation was not feasible					
Insufficient employee participation in training					

Other, specify it

.....

10. Has the company solved these challenges?

- Yes
- 2. No
- 3. I have no information

11. If you answer for Q. 10 is yes, in what ways has the company tried to solve these challenges?

.....

.....

.....

12. How the new change management model for example Kaizen is compatible to your organizational structure?

- Very low
- 2. Low
- 3. Moderate
- 4. Strong
- 5. Very Strong

13. Express the extent of your agreement as to how effective the new change management model is?

- 1. Strongly Disagree 2. Disagree 3. Neither agrees nor disagrees
- 4. Agree 5. Strongly Agree

14. Express the extent of your agreement as to how the change management model has helped the company to achieve the desired goals?

- 1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree
- 4. Agree 5. Strongly Agree

15. In what Methods the company communicates the employee about the change?

- Department meeting
- Training sessions
- All-employee meeting
- Others- please released

..... **Thank you**
for your cooperation!

Appendix2: Interview Questions for top managers of GIW PLC.

Interview Questions for Top Management staffs and department heads

1. Are you participated in the change management process? If your answer is yes what was your role?

2. What are the main challenges faced by the managers?

3. At which change management stage the management face most challenges?

4. Does the company taken any action to tackle the challenge?

5. Do you think the change is effective and helps the company to achieve its goal?

6. If your answer is yes? How does u measure it?

7. At which change management stage the management face most challenges?

9. Do u believe the new change model is compatible to the organization structure?

10. Is their logical reason for change which are visible and the goals are transparent?

11. Anything more you want to discuss regarding the change management and its challenges?

