

CHANGE MANAGEMENT PRACTICES AT KENYA REVENUE AUTHORITY

BY

CHERUTICH LEAH JEPKORIR

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS UNIVERSITY OF
NAIROBI**

OCTOBER, 2016

DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signature: Date:

Cherutich Leah Jepkorir

D61/79988/2012

This research project has been submitted for examination with my approval as the university supervisor.

Signature: Date:

.....

Dr. Jeremiah Kagwe

Department of Business Administration

School of Business, University of Nairobi

DEDICATION

This project is dedicated to my parents Mr. and Mrs. Erick Chelimo for their continued encouragement, my sisters and brothers who as a family instilled in me the spirit of perseverance and determination. They left a legacy of patience and calmness that I have found valuable as I endured to complete my study. I wish to express my gratitude to all who stood by me to complete my study.

ACKNOWLEDGEMENT

First and foremost, I thank the almighty God who has been my source of strength and inspiration throughout my life. Without His grace, this work would not have been accomplished. I am grateful to the University of Nairobi, School of Business for having given me the opportunity to pursue this master's degree.

My sincere heartfelt gratitude and special thanks, goes to my supervisor Dr. Jeremiah Kagwe for his patience, continuous guidance, understanding and constructive criticism in this research project. Thank you for being my supervisor and accommodating me in your tight schedule.

I would like to thank all my family members for the contribution they have made to the success of this work in one way or another.

Finally yet importantly I would also like to thank my employer for the opportunity to be part of KRA family where I derived financial resources and expertise, and also allowing me to pursue the MBA course.

ABSTRACT

The prevalent dynamics in the current business environment offers no guarantees. The need for change management within organizations in order for them to survive and remain competitive has only increased over the last five decades. To remain competitive, organizations must be able to quickly respond to change. Change is a constant feature of organizational life and the ability to manage it is seen as a core competence of successful organizations. Change management is the application of knowledge, tools and resources to leverage the benefits of change. KRA has embraced reliable change management practices in its change process and that for KRA to successfully implement change there must be planning, constant communication, training and evaluation of the change process. This study sought to examine the change management practices adopted by KRA and also the challenges of change management in the organization. The study was based on the Resource Based view and Dynamic Capability Theories. The research was a case study and an interview guide was used to collect data. The data collected was analyzed using content analysis. The study established that there were some changes that were implemented in the organization and the change agents were identified from the employees within the organization. It was also found out that resistance to change was a major impediment to change coupled with structural constraints. The study recommended that organization should be flexible and organization structural strategy should be linked to all departments. It also recommended that all employees and stakeholders should be involved in change management process.

ACRONYMS AND ABBREVIATIONS

KRA Kenya Revenue Authority

RARMP Revenue Administration Reform and Modernization Program

ITMS Integrated Tax Management System

PIN Personal Identification Number

PMBO Programme Management and Business Analysis Office

ICT Information and Communications Technology

RBV Resource Based View

SCA Sustainable Competitive Advantage

ADKAR Awareness, Desire, Knowledge, Ability and Reinforcement

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
LIST OF ABBREVIATIONS AND ACRONYMS	v
CHAPTER ONE:	1
1.1 Background to the Study	1
1.1.1 Change Management.....	2
1.1.2 The Public Sector in Kenya.....	4
1.1.3 Kenya Revenue Authority	5
1.2 Research Problem.....	7
1.3 Research Objectives	8
1.4 Value of the Study.....	9
CHAPTER TWO:LITERATURE REVIEW	10
2.1. Introduction	10
2.2 Theoretical foundation of the study	10
2.2.2 Resource Based View Theory	10
2.2.3 Dynamic Capability Theory	12
2.3 Models of Change Management	12
2.3.1 ADKAR Model	12
2.3.2 Lewin's Three Step Model.....	12
2.3.3 Kotter's Eight-step Change Model	14
2.4 Change Management Practices	15
2.4.1 Top Management Support.....	15
2.4.2 Communication.....	16

2.4.3 Stakeholder Involvement	16
2.4.4 Culture.....	17
2.4.5 Employee Participation.....	17
2.5 Challenges of Change Management.....	17
CHAPTER THREE:RESEARCH METHODOLOGY	20
3.1 Introduction	20
3.2 Research Design.....	20
3.3 Data Collection.....	20
3.4 Data Analysis	21
CHAPTER FOUR:DATA ANALYSIS, RESULTS AND DISCUSSION.....	22
4.1 Introduction.....	22
4.2 Change Management Practices.....	22
4.2.1 Top Management Support.....	22
4.2.2 Communication.....	22
4.2.3 Stakeholder Involvement.....	23
4.2.4 Employee Participation.....	24
4.3 Challenges in Change Management.....	24
4. 4 Discussion of Findings.....	25
CHAPTER FIVE:SUMMARY, CONCLUSION AND RECOMMENDATIONS ...	28
5.1 Introduction	28
5.2 Summary of Findings	28
5.3 Conclusion.....	30
5.4 Limitation of the Study	31
5.5 Suggestions for Policy and Practice	32
REFERENCES.....	34
APPENDICE	39

APPENDIX: Interview Guide..... 39

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The prevalent dynamics in the current business environment offers no guarantees. The change dynamics that organizations are subjected to in their day to day existence has maintained a constant rate over the last five decades. The advent of information technology advancement accompanied with the liberalization of many economies in the globe has only aggravated the situation. Change management has sprouted into an unavoidable component of modern management. Kennedy (2005) understands that entities which disregard its necessity risk become non-competitive. Technological change has been the constant factor in the equation of modern business environments. Entities find themselves in need of adapting to new input requirements as well as implement current technological trends Piva et al., (2006). Another reason that rolls out improvement administration vital, is the one streamlined by the new mechanisms occasioned by globalization, mergers, acquisitions and corporate rebuilding.

According to Barney (1991), resource based view contends that organizations have in their possession enough resources, a situation which empower them to undertake ventures that improve their competitive advantage, at the expense of competitors with limited resources. That advantage can be sustained over a longer time period enough for the firm to protect its resources against imitation, transfer or substitution. Recognizing the need for change and preparing the readiness of organizations to undergo such a phase is a formidable task for any leadership.

KRA overall performance is affected by individual and group performance of its employees. KRA is under pressure from the government to execute the mandate of Revenue Collection, Trade Facilitation and Enforcement hence strong management change is a critical component for success. The existence of these challenges has created a need for change management in the agency, which will incorporate the adoption of new technological skills and know how without leaking talent to the job market (KIPPR, 2010). Change management is therefore relevant to KRA because the organization is surrounded by a dynamic environment and a match between the organization and environment is necessary.

1.1.1 Change Management

Change is a transition from one state to another with focus on being different. Change is the only constant in today's life - for individuals and organizations. Some changes can be reversible while others are not hence the risk involved in managing change. Change refers to a deliberate endeavor to enhance in some critical way, the operational capabilities of the organization. It is the way to mobilize internal resources and put the firm's capacity into better use (Mullins and Riseborough, 1999).

Organizational change is a social change and it can either be strategic or Operational. Unpredictable environmental conditions and instability are constraining organizations to change consistently (Brown and Eisenhardt, 1997). However, change is a risky undertaking that has unearthed unsatisfactory results in many entities that have attempted it. The idea of organizational change implies the shifting of an organization's normal way of conducting its activities from the current level towards a coveted future state keeping

in mind the end goal to increment hierarchical productivity and viability. Weick and Quinn (1999) saw authoritative change as either episodic or continuous. Episodic change is sequential while authoritative change is incremental and developing.

Davis and Holland (2002) see change in organizations as the plan of precise techniques to empower various leveled adjustments towards the orchestrated course, coordinated in a methodical way and finished up inside the assigned time traverse and with the sought results. Moran and Brighton (2011) characterized change administration as the way toward realigning the attitude in an association, methodologies and capacities to serve the regularly changing requirements of outside and inside clients.

Numerous theoretical models of change management exist which includes; ADKAR model, Lewin's model, Kotter's model, Bullock and Batten model and Learning Organization model. Every model endeavors to depict the procedure through which organizations effectively modify their business procedures, their hierarchical structure, authoritative atmosphere, asset abilities and culture to oversee change.

ADKAR as a model shows that to allow managing change by definitive implementers obliges them to center their idea on specific business comes to fruition. The model was at initially used as an instrument for understanding whether change association parcels like correspondence and get prepared were finishing the commonplace effect amidst advance occurrence. Kotter's (1996) 8 stages display delineates the essentials of overseeing change in associations through times of problematic change in the outside environment. Kotter's 8-stages resulting in change are;- Establish a sense of criticalness, forming an intense controlling coalition, creating an objective, putting forward the vision, enabling others to

follow up on the vision, planning for and making fleeting wins, Consolidating upgrades delivering still more change and institutionalizing new methodologies. Lewin (1946) demonstrates this with the three step model of unfreezing, changing and refreezing the new patterns created. Bullock and Batten (1985) summarize them in 4 broad stages: Investigation phase ÷ encapsules cognizance of requirement for change, sourcing for arrangements, arranging stage ÷ include understanding the issue, gathering data, setting change objectives, planning activity arranges, action stage ÷ including game plans for overseeing change, input forms, Integration stage ÷ including combining and balancing out change, strengthening new practices and so forth.

1.1.2 The Public Sector in Kenya

Public sector administration alludes to a broad degree than the normal organization. It is portrayed as the subjugation capacity of government, that is, the totality of organizations that are dealt with under open power. It is the total association structures inside which the ordinary activities of government are driven (Lane, 1993). Individuals when all is said in done section covers the going with workplaces: regular organization and branches of the central government, lawmaking body and lawful, adjacent governments, open or state wanders, sheets, parastatals, the security forces and master regulatory. In Kenya, the all inclusive community region is encountering changes to have its administrative structures to better serve needs of the organization and citizenry with improved movement of open organization (Hope, 2001). These multidimensional, related and interlocking changes are through Performance Improvement Strategy. The nation has gained huge ground through these changes that were tied down in the Performance Management System (PMS). The important changes are; Firstly, Results Based Management (RBM), a procedure under

which leader projects were acquainted in general society benefit with drive the attention on results.

People in general area has seen the consequences of globalization, the erosion of open division changes, local and worldwide organizations, environmental change, Information, correspondence and innovation (ICT) and human asset advancement (HRM), among other corporate level components. In a dynamic global operating environment, the mandate, approach and modalities of public service must be realigned and output orientation enhanced to increase professionalism, efficiency and responsive to the needs of those it serves. Also it has been dogged with serious challenges in attempt to manage change. For change management to effectively take root in the public sector, it is important to underscore the role played by, communication, leadership commitment and team work, and stakeholders' involvement in influencing management of change in public sector.

1.1.3 Kenya Revenue Authority

KRA was established by an act of parliament in 1995 as a semi-autonomous government agency responsible for revenue collection. The agency came into existence in 1995 and has drastically improved the country's taxation revenue through organized administration and collection practices. The majority of the nation's budgetary revenue comes from internal taxes, which go to pay for services such as health care and education. The Authority is under the general supervision by the Minister of Finance as an agent for the collection and receipt of revenue. KRA currently collects around 95% of government revenue. (Odundo, 2007). Since the origin of KRA, income accumulation has kept on developing while demonstrable skill in income gathering has been improved. Kenya

Revenue Authority income gathering developed by 48% from Kshs. 201.7 billion in 2002/2003 to Kshs. 297.7 billion in 2005/06. Be that as it may, the cost of gathering rose from 1.6% in 2002/03 to 1.9% in 2005/2006 because of costs connected with the usage of the Reform and Modernization Program (KRA, 2008). KRA is yet to work as a completely incorporated association since various procedures stay manual. Therefore the KRA Second Corporate Plan while recognizing these difficulties prescribed fitting procedures to address the same. This required the Revenue Administration Reform and Modernization Program (RARMP) which started in 2004/05 with the goal of changing KRA into a present day, completely incorporated and customer centered association. For example, numerous positive improvements were accomplished amid the usage of the First Phase of the Revenue Administration Reform and Modernization Program (KRA, 2011).

The challenges facing KRA include tax evasion, fraud, dumping of transit and import goods and illegal importation. In order to meet its challenging role of tax collection and administration KRA has always embarked on modernization programs on of which involve automation (Revenue reforms in Kenya; Experience and lessons 2012). Some of the automation programs include online application of personal identification number (PIN), ITMS, online PIN checker, iTAX among others. These initiatives are not merely resource intensive but also critical in service industry. KRA has program Management and business analysis office (PMBO) which is mandated to oversee the formation development and implementation of projects in the authority. In the recent past, it has been observed that the PMBO unit has been involved much on ICT based projects which have had various outcomes with varying impact on the authority's resources and plans.

1.2 Research Problem

Change management entails realigning the structural approach and objectivity of an organization to materialize change within it. Approaching on a managerial perspective, it comprises the organizational and habitual changes that are necessary to create room and maintain change. Management of change is indispensable as it influences the success or failure of a change program. Commonly, the end goal is to expand the aggregate advantages for all individuals required in the change and minimize the hazard or disappointment of progress. Change administration is a powerful device in guaranteeing that the association keeps up its significance regarding piece of the overall industry, income era, industry initiative and advancement of assets (Pearce and Robinson, 2002).

Kenya Revenue Authority is facing a lot of challenges which include tax evasion, fraud, dumping of transit and import goods, illegal importation coupled with increased demand for government funding. The government keeps reviewing the target that is to be achieved by the KRA to finance the different government departments hence there is need for efficiency and effectiveness. KRA is also surrounded by the turbulent and changing environment. Consequently, the authority must manage change systematically in the right way. This will enable the organization manage change.

Minimal international studies have trained their focus on factors influencing change management with reference to revenue collection. As per a meta-examination did by Rouse (2010) on the effect of progress administration on worker execution he contended that there exists a positive relationship between pioneer correspondence and representative execution. Walumbwa et al. (2008) analyzed the causal relationship

between change administration and representative execution and found that the worker's execution will be influenced by the change administration. Contemplates in change administration rehearses have likewise been done in Kenya Bwibo (2000) surveyed of vital change administration hones inside non-legislative associations in Kenya. Sikasa, (2004) did a study on client impression of progress administration hones in the home loan industry the instance of HFCK while Otiso (2008) concentrated on vital change administration rehearses the instance of Africa Merchant Assurance Company.

Change management research at the Kenya Revenue Authority have additionally been done in Kenya. Mwachiro (2013) surveyed impacts of inward controls on income gathering. Wawire (2011) embraced a study on influencers of significant worth included in the assessment of income in Kenya. Awitta (2010) analyzed the viability of income accumulation procedures at KRA in Nairobi. The researcher did not discover any study that has been completed in KRA on change administration practices, notwithstanding the way that the revenue gathering agency is confronting a constant procedure of progress internationally. This study therefore seeks to fill the research gap by answering the following questions in relation to KRA: What change management practices have KRA adopted? What challenges of change management is KRA experiencing?

1.3 Research Objectives

The objectives of the research were:

- i. To determine change management practices adopted by KRA.
- ii. To establish challenges of change management at KRA.

1.4 Value of the Study

The study will help in theory development by giving insights to the best practices to adopt to manage change in the public sector. This study will highlight insights of best practices to adopt to manage change.

The study will be useful to scholars as a reference for future studies and in pursuit of in-depth knowledge of change management framework as an effective tool towards adapting to the changing environment.

The study will be beneficial to the researcher in pursuit of knowledge about challenges of change management and the practices to adopt to manage the challenges of change within the organization.

The study is of value to the policy makers which include government and other relevant institutions since they will utilize the knowledge gained from this study to design relevant courses of action to manage change. The policies formulated would also be aimed at helping proper revenue collection as important economic bases in employment creation.

The study will be handy to the chain of command of KRA in execution of choices, vital arrangement and in administration of progress to cultivate positive open doors and minimize problematic events. Directors helping in change move can utilize the study to recognize potential imperviousness to change and the suitable systems to oversee change.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This section comprises data from different specialists who have done exploration in a similar area. The particular areas discussed here are hypothetical establishments of the study, models of progress administration, the change administration rehearses and the difficulties of progress administration hones.

2.2 Theoretical foundation of the study

2.2.1 Schools of thought of Change Management.

Burnes (2004) emphasizes that change management is governed by three schools of thought. They include the individual behavior, group dynamics and open systems. According to Individual behavior school of thought it's argued that behavior is learned and that Learning takes place through some external stimulus like reward, punishment and reinforcement. Psychologists add that individual's behavior is influenced by use of reason to interpret these external stimuli. So as to change behavior, it is essential to change the conditions that encourage it.

The Group Dynamics school of thought suggests that individuals are members of groups and their behavior is a representation of the group environment. Individuals therefore behave in a way to fit into groups. The thought on change must be at the get-together level and concentrate on reshaping the social affair's measures, parts and values (Smith et al, 2002). The third school of accepted is Open Systems. As per this idea of considering,

associations are made out of various interconnected subsystems. An adjustment in one subsystem impacts on alternate subsystems. These subsystems are in consistent association with the earth thus 'open'. There are four noteworthy subsystems in associations Miller, (2003). They include; - Objective and esteem suggestion subsystem, specialized subsystem, mental subsystem and administrative subsystem. The objective of the open systems instrument is to structure the components of an element in such a route, to the point that through doubtlessly described lines of coordination and affiliation, the general business goals are in light of current circumstances looked for after (Burnes, 2004)

2.2.2 Resource Based View Theory

Resource based hypothesis proposes that the ownership of key assets gives an entity a brilliant chance to gain competitive over its opponents. These upper hands thusly can help the association appreciate solid benefits. The heap of assets thought of review a firm was spearheaded by Penrose (1959). He argued that it is the diversity, not the homogeneity, of the beneficial administrations accessible from its assets that give every organization its one of a kind character. The thought of company's assets not being common is the premise of the RBV. Wernerfelt (1984) suggested that evaluating firms in terms of their resources could lead to insights that differ from traditional perspectives.

Accomplishing a Sustainable Competitive Advantage permits the firm to broaden its revenue base or above-normal returns. A SCA can be gotten if the firm viably sends these assets in its item showcases. Thusly, the RBV stresses vital decision, delegating to the

organization's administration of the imperative undertakings of recognizing, creating and conveying key assets to augment return.

2.2.3 Dynamic Capability Theory

Dynamic abilities hypothesis emerges from an asset based view (RBV) that sees the firm as owning reserves of profitable innovation or other firm-particular assets. Firms are heterogeneous regarding assets, capacities, and other resources. As a result of this, a RBV claims that a company's upper hand originates from techniques that explore existing firm-based resources. After some time researchers perceived that a load of benefits is insufficient to keep up initiative or competitive advantage amid quick or erratic change. Abilities are the business forms expected to arrange resources in invaluable ways. The idea of element abilities underlines the part of vital administration in adjusting, incorporating, and reconfiguring those resources for match the necessities of the evolving environment (Teece, Pisano, and Shuen, 1997).

2.3 Models of Change Management

The following paragraph discusses the three models of change management.

2.3.1 ADKAR

ADKAR was initially distributed by Prosci (1998) after research with more than 300 organizations experiencing significant change tasks, is a goal-oriented demonstration that permits alteration administration groups to anchor their exercises on particular business comes about (Hiatt, 2006). As a decision maker, one can utilize this model to recognize difficulties in the change procedure. Prosci's model of individual change "ADKAR" is an acronym for alertness, need, knowhow, capability and reinforcement. Basically, to roll

out an improvement effectively an individual needs regard for the necessity for change, achieving to share and reinforce the change, data on the most capable technique to change, ability to realize required aptitudes and practices and support to deal with the change. ADKAR depicts successful change at the individual level.

2.3.2 Lewin's Three Step Model

Kurt Lewin built up a change approach that comprises three stages: unfreezing, changing and refreezing. The model alludes to an extremely basic and functional model for comprehension of the change procedure. The primary purpose of this model is that a comprehension of the basic strides in the change procedure will expand the likelihood of effectively overseeing change. Lewin contends change happens in three stages specifically; unfreezing, changing and refreezing (Lewin, 1951). The unfreezing step comprises of the way toward inspiring individuals to acknowledge the change. The procedure may start by disconfirming the convenience or suitability of individuals' present practices, states of mind and work propensities. The developing similarly suggested as "altering" or "mobility," is separate through execution of the change. This is the era when the change ends up being veritable. It's in like manner, along these lines, the time that a large number individuals fight with the new reality. It is a period set apart with insecurity and fear, making it the hardest walk to overcome. It includes giving new data, new behavioral models, or new thoughts of taking a different perspective at things. Third step, refreezing goes for making new practices and conduct a lasting part of the operation or part after the procedure of execution of resultant progress has elapsed. Lewin discovered this progression particularly vital to see to it that people don't return to their old strategies for hypothesis or doing going before undertaking the change. Recognizing

rewards and noticing of efforts are often used to reinforce the new conditions because it is believed that positively reinforced behavior will likely be repeated. The intent here is to stabilize the workplace at the new equilibrium and ensure that the employee's new behavior is congruent with the environment being developed within the organization (Burnes, 2004).

2.3.3 Kotter's Eight-step Change Model

Kotter's 8-Step Model is based on Lewin's three stage model to make an improved point by point approach for actualizing change. For viable execution of progress, Kotter (1996) recommends eight stages to change administration as takes after; creation of an atmosphere of urgency, constitute a capable directing many managers to work as a gathering, building criticalness and implement the prerequisite alteration. Making a vision and the procedures for accomplishing the vision will speed up the change. Conveying the vision to all partners required during the time spent change utilizing each vehicle conceivable to impart the new vision and methodologies. Enabling others to follow up on the vision by evacuating obstructions to change and empowering hazard taking and inventive critical thinking activities and changing frameworks or structures. Merging upgrades and creating more change-utilizing expanded validity to change frameworks, structures and arrangements, enlisting and creating workers who can execute that vision Burnes, (2004). The last stride is systematizing new methodologies inside the association articulating the associations between the new conduct and corporate achievement.

2.4 Change Management Practices

The ultimate goal of organizational change is to adapt to the surroundings and improve the organizational output. The environment which organization is occasioned to is dynamic and turbulent hence organizations should alter permanently existing strategy, structures, policies, technology and practices. The change management practices that organizations should adopt include: Top management support, communication, employee participation, leadership, culture and stakeholder involvement.

2.4.1 Top Management Support

Change starts at the top and an association's decision makers must be the visionaries, champions and good examples for change (Dorfman and House, 2004). Whether change occurs effortlessly or proves difficult to attain depends in part on the atmosphere that an organization's leaders create. Elkins and Keller (2003) expressed that the relationship between a pioneer's practices and firm execution are seen to be impacted by common situational factors which incorporates the attributes of the assignment, environment, and subordinates. Sanda, (2011) contended that attractive work environment changes will require that all people connected with a change association are obviously educated and their comprehension on the way of the normal changes and the relationship amongst administration and change additionally looked for. Something else, any advance in such change will experience boundless limitations and may even relapse. This implies the qualities of representatives can impact the viability of order administration practices.

Vital authority must be involved individual visionaries and alluring transformational pioneers who are focused on making an authoritative culture that perspectives consistent change as an aggressive technique.

2.4.2 Communication

Correspondence is especially basic since specialists can find the opportunity to be told about the inescapable change, the avocation behind it and how it will profit every worker. A correspondence technique ought to be obviously set up since instability can be more upsetting than the down to earth parts of the hierarchical change. Feeling dubious around an approaching change and what position it might leave workers in is normal for those experiencing change Schweigerand Walsh, (2000). In this manner furnishing representatives with data about change can lessen uneasiness and vulnerability about expected results. Great correspondence helps workers transmit a message that encourages representative self-adequacy to help them execute change and instruct them about the change. Associations are implanted in informal communities, where different workers can greatly affect how individuals comprehend and conceptualize change arranges. There are social frameworks through which data about a change (justification for change, affect on work procedures) is traded and talked about Armenakiset al.,(2003). Consequently, it is critical to consider the effect such systems can have and the most ideal approaches to spread data about a change. Despite every organization and every change being different, it is argued that the adoption of a coordinated approach to the design and management of communication can help to avoid costly mistakes and increase the chances of success.

2.4.3 Stakeholder Involvement

Top management must get amass from political influencers and key stakeholders. Organizational change relies on the extent of bolster from political regulators and other key outside partners. The effect of these on-screen characters on the result of progress endeavors stems to a limited extent from their capacity to force statutory changes and

control the stream of essential assets to open associations. Political managers can impact the final product of arranged change by making and passing on a dream that clarifies the requirement for change, and additionally by selecting political nominees who incline towards the change and have the learning and aptitudes required for managing the change. As Golembiewski, (2005) proposes, getting support from administrative powers and political players includes genuine difficulties, given the requirements forced by the political setting in which open associations work. Bolster from other important outer partners features conspicuously in effective alteration endeavors. An association ought to accordingly draw in its partners, keeping in mind the end goal to execute changes viably.

2.4.4 Culture

Perspective on culture ought to be trained towards fruitful change administration to handle the crevice between the present and desired culture. Workers need to distinguish the new values required and also highlighting how this adoption can happen. At the point when an association just spotlights on maybe a couple of these components, the change is useless. To succeed, the three strands should be managed. Vital administration is the errand of keeping the three of these strands from getting to be unwound notwithstanding issues in one range. These incorporate the mission and methodology of the association, the structure and the human asset strategies (Doppler and Lautenburg, 2000).

2.4.5 Employee Participation

Giving the employees an opportunity to take part in a change has been deduced to be an effective means to aid reduce these unpleasant attitudes directed to transformations in organizations. This helps with guaranteeing that the substances of the hierarchical change are clearer furthermore advantage the change directors by increasing more data in regards

to the points of view and aptitudes of the representatives Lines (2004). Effectively participating is recognized as three ways :- incorporating those workers in errands where they can pick up a considerable measure of data about disparity and viability, giving representatives a vicarious learning background with the goal that they can build up their own certainty for finishing new undertakings and through enactive authority, where representatives make little strides towards a switch thus adequately developing certainty.

2.5 Challenges of Change Management

Over the years, change management has been hampered by numerous challenges. First obstacle for effective change management is poor sponsorship. Burnes. (2004) contends that under financing straightforwardly impacts the esteem a venture or change conveys to the association. Similarly that particularly impacts the regard a wander or change passes on to the affiliation. Thus that convincing equipping of benefits can amass and impel the affiliation, poor sponsorship can repress and defer fulfillment. Representatives decipher a truant or idle supervisor as a sign of how critical :-or immaterial - the activity is respected.

The second obstacle is resistance to change, employee resistance to change is common especially in government institutions. According to Kirkpatrick (1985) resistance to the change from employees is another major challenge of change management. Notable sections that have been observed to be fueling to resistance from employees incorporate absence of comprehension of why the change is occurring and "What's in it for me?", Long-tenured representatives might be unwilling to bolster the change, loss of control and responsibility for procedures, dread without bounds state, including worries over professional stability .

Third test for change administration is poor support and center administration responsibility. William. (1998) contends that administrators might not have any desire to bolster change when they see that the change is not adjusted to their operational targets or when they anticipate that negative effects will their everyday operations. Center administrators are maybe one of the greatest partners and conceivably greatest obstacles in times of progress. In the move, their key parts are communicator, advocate, mentor, contact and resistance chief. Be that as it may, these same directors can likewise be the most safe gathering to change. William (1998) assist expresses that if center administration opposes a change, so will their kin and commonly, resistance go up against a viral quality, spreading all through the association.

The fourth challenge is absence of progress administration resources and arranging is another normal restriction to effective change administration. As indicated by Lawler and Worley (2006) without assets, change administration exercises can't be finished and without satisfactory arranging, change administration can't be comprehensive and may come up short. The aggregate esteem a venture conveys to the association is specifically related with how well you deal with the general population side of progress and the asset.

The fifth challenge is lack of communication. As indicated by Angela (2010) the path in which the change procedure is imparted is a basic figure deciding responses. At the point when change is discussed viably with explanations behind the change, we are significantly more prone to "get tied up with it". Changes that are ordered with little correspondence are frequently ineffectively gotten in light of the fact that individuals fear the obscure.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research technique alludes to the arrangement of methods utilized as a part of examining and gathering information required for a specific research. It is additionally the use of the standards of information accumulation strategies and systems in any field of learning. This area depicts Research Design, Data Collection and Data Analysis.

3.2 Research Design

Research design is a sketch and the contingencies for research which cover the decisions from broad notions to complicated techniques of data collection and analysis (Johnson & Onwuegbuzie, 2010). This study adopted a case study because the analysis was biased to KRA as an organization. It aimed at getting detailed information regarding managing strategic change in KRA with this information coming from top level management staff of the corporation.

A case study permits an investigation to maintain the complete and meaningful characteristics of real life events (Yin, 1994). It includes a cautious and finish perception of social units. It is a strategy for study inside and out as opposed to broadness and places more accentuation on the full examination of a set number of occasions or conditions and different interrelations.

3.3 Data Collection

Primary and secondary data aggregation techniques were used in this study. In-depth interviews were conducted with interviewees who are head of key departments in KRA charged with change implementation. Key departments are; ICT, Customs and Border Control, Domestic Taxes, Investigation & Enforcement and Technical Support Services. Interview guides were issued in advance to help the interviewees recall facts, make references and to generally prepare for the interview as shown in the appendix. The interviewees were briefed in advance of questions to help them recollect facts and make references where necessary before the actual interview date. Secondary data was obtained from internal documents within the organization.

3.4 Data Analysis

The qualitative data was received in this study in light of the fact that the researcher can depict, decipher furthermore reprimand the subject of the exploration since it is hard to do as such numerically. The subjective examination was done utilizing content investigation. Content investigation is the orderly subjective depiction of the creation of the articles or materials of the study. It includes perception and definite portrayal of articles, things or things that involve the question of study. The subjects that were utilized as a part of the investigation are educated by the factors distinguished in writing. The information got from the meeting aide was dissected subjectively. Subjective information investigation put forth broad expressions on how classes or topics of information are connected.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter looks into the findings the study resulted into based on the sense and meaning derived from primary and secondary information. The findings of the study are presented as per the objectives of the research. The primary information was gathered using an interview guide whereby both genders were well represented in the study.

4.2 Change Management Practices

This section of the study sought to identify some of the practices adopted to manage change in the study organization. The interviewees were asked to identify and explain the change management practices in the study organization. The interviewees cited the following practices namely; Top management support, Communication, Employee participation and stakeholder involvement. The practices are discussed below to explain how each practice was used by the study organization to manage change.

4.2.1 Top Management Support.

The interviewees noted that the top management support to the change process was critical for successful change implementation. They noted that top management kept the change process moving while maintaining the operational integrity of the organization. The Commissioner General, Commissioners, and Managers played an oversight role in staff that change was essential to the agency and there were benefits to accrue from the change process. The interviewees cited the continuous communication from the Commissioner General's office on the reasons why all employees need to embrace the new changes. This made many employees change their perception and support the changes within their respective departments. A sense of urgency for change by advocating for change at all key staff meetings was also created by top management to reduce resistance to change. Interviewees reported that management provided access to assets as far as time, exertion and affirmed spending plan identified with change prepared on time to encourage the usage.

4.2.2 Communication

Frequently, change pioneers confer the blunder of assuming that others grasp the issues, need to change, and see the new course as clearly as they do. The best change programs sustain focus messages through standard, advantageous guidance that is both useful and practicable. Trades streams from the base and to the top, and are engaged to give laborers the right information at the perfect time and to ask for their data and feedback. Consistently this will require correspondence through tried and true means like email, memos, and routine orders.

Numerous supervisors misjudged that on the off chance that they discuss plainly with their workers, their employment is finished. Promote test uncovered that KRA delighted in a coordinated way to deal with correspondence where level and vertical structures were utilized to impart inside offices, amongst offices and at last entire association. Be that as it may, there are numerous reasons why workers may not hear or comprehend what their chiefs are stating the first run through around subsequently by executing the correspondence methodology which depended on great correspondence channels, much of the time offering data and scattering gossipy tidbits, they could minimize representative resistance connected with dread and instability. The interviewees noted the constant communication to customers give them confidence with the new systems due to connectivity problems experienced at the initial stages.

4.2.3 Stakeholder Involvement

KRA management have made connections with political administrators and key outside accomplices after some time by temperance of being a state office. Various leveled change depends on upon the level of support from political administrators and other key external accomplices. The impact of these influencers on the aftereffect of advance attempts stems to a restricted degree from their ability to constrain statutory changes and control the surge of basic resources for open affiliations. Political overseers can affect the aftereffect of orchestrated change by making and passing on a dream that clears up the necessity for change, and what's more by selecting political agents who are mindful to the change and have the data and capacities required for dealing with the change. As

indicated by the interviewees, KRA has had an incredible long spell of government support and this has prompted to better engagements with outside partners.

4.2.4 Employee Participation

It was noted that tangible change could occur participation of employees. The interviewees noted that employees were incorporated to the change initiative from the beginning. They pointed out that all employees were expected to participate in simulation exercise and in idea generation. Each department volunteered two staff to assist other users when challenges related to the new systems were experienced. They all agreed the results were increased job satisfaction, team performance and high employee work morale. The interviewees noted that training organized by the consultants provided another good forum for employees to actively participate in the change process. This contributed to adoption and created a sense of ownership.

4.3 Challenges in Change Management

Every one of the interviewees endorsed that forces of change in the agency were both outside and interior. The interviewees were solicited to clear up some from modifications the association is at present actualizing. Interviewees expressed there were enter challenges distinguished in overseeing change at KRA. They contended that the greatest snag was imperviousness to change. Interviewees reported that imperviousness to change cut over all levels inside the association. Advance test uncovered that a few representatives grasped transform, others inactively opposed change, while some effectively opposed change. As indicated by Ansoff, imperviousness to change is a state of mind that influences the change activity, backing off its starting, obstructing its effective usage and expanding its expenses. The interviewees noticed that the explanations behind imperviousness to change extend from instability, dread of loss of employment, craving to keep up business as usual, dread of exchanges to hardship ranges, dread of leaving the safe place, insufficient preparing and absence of inspiration .The resistance emerges from befuddle amongst new and old frameworks because of availability issues, poor correspondence at lower levels, deficient preparing and changes in work routine.

The interviewees pointed out that the effect of resistance was reduced level of overall performance, slowed service to customers, delay in the implementation and additional costs to pay external consultants.

The interviewees pointed out financial constraint as a challenge in change management. Automation of systems requires monetary allocation to finance acquisition of software, installation, payment to external consultants and staff training. The interviewees were asked to list some ways to tackle financial constraints and they cited the need to carry automation in phases, proper budgeting and solicit for funds from the government.

It was found that there were some structural constraints in managing change. These included politics within the organization. Competition for power at KRA and infighting among departments delay the process of change management. The independence of each department where the management make their own decision and managers develop the attitude that their department operate as stand-alone department also delay change management.

4. 4 Discussion of Findings

The study revealed that the forces that necessitated the changes were in order to enhance the Kenya Revenue Authority's performance and assist the Authority in meeting its goals and objectives which are mainly to increase the revenue collection and trade facilitation. The interviews also indicated that rapid development in Information technology, pressure for more revenue from Treasury, demand for efficient services from the government, changing operational environment, customer demand for more transparency, demand for good corporate governance and equal employment opportunities for all have all necessitated changes in KRA. Mullins (2002) indicated that major organizations globally have exhibited that all successful entities are continuously interacting with the environment and initiating alterations in their structural design or philosophy or policies or strategies.

Employees' conversion and refresher courses are conducted for various revenue programmes to enhance technical competences and ensure change management success. The interviews confirmed these findings that employees are empowered to cope with

change through engaging them at different levels of the organization by roping them into the design of the implementation strategy. The employees are also empowered with the necessary skills to effectively manage and cope with changes in the organisation, these ensures that they are up to date with relevant technology and skills needed to enhance performance within the organization.

The findings revealed that change agents were identified from the employees within the organizations where they were trained and equipped with necessary skills to effect the changes. They were identified from the various operational areas on the basis of their competence, willingness to change, potential to influence other staff in respective operational areas. The findings confirmed Odundo (2013) findings that change agents have been identified in many organizations undergoing change and plans are made to train them to undertake the tasks. Reform-minded staffs are identified to spearhead the reforms in various departments as project managers or project members.

The interviewees indicated that the challenges faced in change management in KRA were mainly resistance to change. Resistance to change is a multidimensional element which gives room to delays, unbudgeted costs and instabilities into the change procedure. Resistance may be behavioural or systematic. Behavioural resistance includes managers and employees that form power centres and coalitions. Mugo (2014) indicated that resistance to change, several competing initiatives, political turbulence, low or underestimated budget allocation are some of the challenges faced by organisations.

The interviews indicated that there had been some resistance from some staffs. It was found that majority of staff did not want to leave their 'comfort zones' as major re-organization of departments, functions, programmes, took place. Employees fear and resist organizational change because they feel threatened. Some think that the changes will impact on them negatively (Kline, 2007). Employees at times fail to foresee the positive impact that change will have on the organization they are more concerned with their well being and retaining capacity than that of the organization.

It was revealed that when staffs refuse to comply to change at KRA, they may grow pessimistic about their tenure with the organisation. Among other effects of resistance to

change is lowered morale that can be infectious to the entire staff. Employees not interested in different manners of operation may unsettle the entity with disturbances in regards to the advancement or a confrontational mindset with administration staff. Odundo (2013) prior showed there might be a power battle between those losing power and the ones gaining power. Huge associations with a divisional structure may waver as divisions neglect to perceive the advantage of progress to the whole association.

On the ways of overcoming resistance to change, it was established that the organisation identifies certain employees who were advocates for the new ways of working who were used to influence other people to accept change. KRA encourages those not happy with change to come forth for discussions. George & Jones (2008) notes that managers should be able to recognize where the resistance is coming from and they should come up with strategies to curb the same so that it cannot hamper the growth of the organization.

The interviewees demonstrated that KRA set out a vision, set deliverables in place and professionalism that motivated and instilled trust in the workers with a specific end goal to accomplish the set objectives. Senior administration workshops and meetings were additionally held. KRA also adjusted the cultural norms to the organization's way of life, circumstances, visions and objectives. KRA considered where it had originated from and where it needed to be in future in accordance with its vision. Mullins (2009) showed that building a group sharing a typical vision, culture and coordinating the frameworks, techniques and procedures was the prompt need of administration.

The interviewees indicated that change targets set by the administration had been accomplished at KRA. Income Administration Reform and Modernization Program which was started in 2003 enhanced productivity and administration conveyance. There has been a high rate of computerization and activities, for example, E-tax framework, the Simba framework have all helped enhanced proficiency and administration conveyance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

There are two study objectives to be achieved through this study; one is to determine change management practices adopted and two is to establish challenges of change management at KRA. This chapter will give a summary of study, conclusions, impediments of the study, recommendations for further research and contributions to theory development.

5.2 Summary of Findings

It was established that there were some major changes that had been implemented in the organisation. The need forces that necessitated the changes were in order to enhance the Kenya Revenue Authority's performance and assist the Authority in meeting its goals and objectives which are mainly to increase the revenue collection. Also the Authority needed the changes in order to collect revenue at minimal cost by building and utilizing an enabled professional team that is highly motivated. KRA was hampered with several difficulties in the realms of both external and internal factors such as political, technological, legal and social. The employees are empowered to cope with change through engaging them at all levels of the organization.

The change agents were identified from the employees within the organizations where they were trained and equipped with necessary skills to effect the changes. The change agents are rewarded by being given performance certificates and financial awards, employees are also commended. The vision and strategy for change was developed by

top management who were involved in setting the direction for the organization for the future. Surveys inform of interviews and questionnaires were used to monitor critical elements associated with organizational change at KRA. Key performance indicators for each reason for change are used to evaluate whether the change is effective. These monitor how well parts of the organization are working towards fulfilling its key business objectives which includes meeting tax targets.

It was established that the challenges faced in change management in KRA were mainly resistance to change, several competing initiatives, political turbulence, underfunding and underestimation of the willingness of employees to take part. The reasons for resistance were some staff did not want to leave their 'comfort zones' as major re-organization of departments, functions and programmes. On the some of the effects of resistance to change, staffs may feel less optimistic and hopeful about their professional future with the organisation. It was established that the organisation identifies certain employees who were advocates for the new ways of working who were used to influence other people to accept change. KRA also engages those who are opposed to a change. Communicating both early and often was also used.

There were few cases where the organization was required to put in place new equipments and machine so as to ease tax collection at KRA. There were some structural constraints in managing change, these included politics within the organization. The top management at KRA is involved in change management to reduce and control these structural constraints. The organization leadership considered the human and emotional aspects of change during the change. The employees who resisted change were not

victimized but they were encouraged to adopt to change. However, in some instances, coercion was used by transferring some of the existing staff from sections where the changes were taking place.

There were necessary preparations for change. This was done through training, mobilization of resources, consultations and change agents. The reform programme in KRA has led to serious restructuring of the various departments including the support departments at KRA head office. Business processes were automated to increase efficiency of the operations. The authority has adopted a more efficient corporate structure and system by setting up a projects office under the Commissioner General's office. KRA to develop staff they have come up with training programmes and a training school that has been able to make employees to be more confident in their work.

5.3 Conclusion

The study concludes that there were some major changes that had been implemented in the organization. The need forces that necessitated the changes were in order to enhance the Kenya Revenue Authority's performance and assist the Authority in meeting its goals and objectives which are mainly to increase the revenue collection. However as the changes were taking place, there were some forms of resistance to change from employees due to the fear of unknown after the changes took place.

The research concludes that management should be well equipped professionally when it comes to change management so that it can help employees to be able to embrace the changes and improve efficiency it also helps to create confidence in employees. It will also drive change management initiatives. Management should be competent so as to

manage resistance to change, ensure good strategy objective setting, giving a clear guidance and envision change for the future competencies.

Various factors have led to change management success in KRA for instance; effective communication channels, a conducive environment that supports change management, employee involvement, clear aims and planning, employee training an appropriate structure and implementing flexibility and leadership, positive attitude towards change management success, support from the top management, teamwork and capacity building. The management should make sure that the members of staff are working towards the targets they are given.

Change management objectives have been achieved at KRA since business processes have been automated hence sealing all tax evasion lop holes. All these have improved efficiency and service delivery. Management also does monitoring and evaluation. This is done monthly, quarterly and on annual basis. Monitoring and evaluation is of paramount importance to KRA because it allows the measurement and assessment of performance, guarantees more effective and efficient management of the corporate plan initiatives.

5.4 Limitation of the Study

The study was not without some limitations; a section of the respondents singled out for interviewing were hesitant in giving data expecting that the feedback collected would be utilized to victimize them or print a negative picture about KRA.

The analyst experienced challenges in sourcing data from the respondents as the data required was liable to territories of awesome mystery, sentiments, dispositions and recognitions, which can't be precisely measured or potentially checked dispassionately.

The study was limited to KRA head office in Nairobi where 20 respondents were interviewed in the study. The respondents' opinions could not be representative of all KRA employees.

5.5 Suggestions for Policy and Practice

Further research could be conducted in other organizations since they have different cultures, structures, management styles, values and resource capabilities. The study was conducted on a state corporation and it would be necessary to study management of change other government agencies to find out if there are any differences. The study will be extensive since it will cover a wide scope of study and the results will be interesting area of study. Traditionally, in most organizations change has been viewed in a negative context and the issue of change resistance has always been included as part of notorious impediments throughout the change process. It is recommended that further research be done to find out how organizations can positively leverage on this phenomenon to create competitive advantage in the business environment

5.6 Recommendations for the study.

This study makes recommendations that have policy implications for decision makers. The study found that KRA used structural/models (Lewin's 3 step model and ADKAR) to implement the strategic change. The researcher recommends that the organization should be flexible and organization structural strategy should be linked to all departments in order to add value and create synergy. The study also found out that not all the employees and stakeholders were involved in the strategy formulation and implementation. It is also recommended that all employees and stakeholders should be part and parcel of the strategic change process. Strategic change managements should be an organization wide process and not the exclusive preserve of the change specialists and upper management. The change leaders should have also created an environment that actually facilitates change.

The research study also contributes to theory by adding knowledge on how change management practices are used by KRA to manage change. The research study contributes by identifying reliable change management practices to adopt in managing

change in KRA. This study highlights insights of best practices to adopt to manage change in the respective organization.

REFERENCES

- Armenakis, A.A., Harris, S.G. & Mossholder, K.W. (2003), Creating readiness for organizational change. *Human Relations*, 46(6), pp. 681-703.
- Awitta, M. (2010). *Effectiveness of Revenue Collection Strategies at Kenya Revenue Authority in Nairobi*. Nairobi: University of Nairobi.
- Barney, J. (1991), 'Firm resources and sustained competitive advantage', *Journal of Management*, 17, 99-120
- Brown S.L & Eisenhardt K.M., (1997), 'The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations', *Administrative Science Quarterly*, 42, 1-34
- Bullock, R.J. & Batten, D. (1985) 'It's just a phase we're going through: a review and synthesis of OD phase analysis', *Group and Organization Studies*, 10, December, pp. 383-412
- Burke, W.W. (2002). *Organization Change: Theory and Practice*. Thousand Oaks, CA: Sage Publications.
- Burnes, B. (2004). *Managing change; a strategic approach of organizational dynamic. Fourth Edition*. England. Prentice Hall.
- Bwibo A. (2000). A survey of strategic change management practices within Non-Governmental Organizations in Kenya. *Unpublished MBA Project*, University of Nairobi.
- Davis & Holland. (2002), Manage change for business Gains. *Hart's E & P. December, 2002*.
- Dorfman, P. W., & House, R. J., (2004), Cultural influences on organizational leadership: Literature review, theoretical rationale, and globe project goals. *Culture, leadership, and organizations: The globe study of 62 societies* (pp. 51-73). Thousand Oaks: Sage.
- Elkins, T. & Keller, R. T. (2003), Leadership in research and development organizations: *A literature review and conceptual framework. The Leadership Quarterly*.

- Eriksson, M. & Sundgren, M., (2005). "Managing change: strategy or serendipity - reflections from the merger of Astra and Zeneca." *Journal of Change Management*. Vol. 5. iss. 1, pg. 15
- Fraenkel, J. R., & Wallen, N. E. (2000). *How to design and evaluate research in education*. New York: McGraw-Hill Higher Edu
- George, J., & Jones, G. (2008). *Understanding and managing organizational behavior*. (5th ed.). Upper Saddle River, New Jersey: Pearson Prentice Hall
- Golembiewski, R. T. (2005), *Humanizing Public Organization* . New York: Lomond
- Goodman, J., & Truss, C. (2004). The medium and the message: communicating effectively during a major change initiative. *Journal of Change Management*, 4(3), 217-228.
- Gwengi, E. (2010). *Strategic Change Management at Frigoken Kenya*; Unpublished MBA Project, University of Nairobi.
- Hiatt, J. M. (2006). "*Adkar: A Model for Change in Business, Government and Our Community*." Prosci. ISBN 1930885504, 9781930885509
- Hoffman, A. & Woody, J. (2008). *Climate change: What's your business strategy?* Boston, MA: Harvard Business School Publishing.
- Hop, K.R. (2001). '*The new public management- A perspective from Africa*' in Hope, K.R. (2001). *From crisis to Renewal: Development policy management*
- Johnson, R. B., & Onwuegbuzie, A. J. (2010). *Mixed research*. In R. B. Johnson & L. B. Christensen, *Educational research: Quantitative, qualitative, and mixed approaches* (4th ed., pp. 439-459). Thousand Oaks, CA: Sage.
- Jones, G. R., George, J. M., & Hill, C. W. L. (2000). *Contemporary management* (2nd ed.). Boston, MA: McGraw-Hill.
- Kennedy A.A. & Deal T.E. (2005) *Corporate Cultures: The Rites and Rituals of Corporate Life*. Perseus Publishing, Cambridge, MA, USA
- Kimaku, P.M. (2010). *Change management practices adopted by Barclays Bank of Kenya limited*; Unpublished MBA Project, University of Nairobi

- Kirkpatrick, D. L. (1985) *How To Manage Change Effectively*. Jossey-Bass Inc., San Francisco, California
- Kitchen, P.J, & Daly, F. (2002). Internal Communication during Change Management. *Corporate Communications: An International Journal*, 7(1)
- Kline, J. (2007). How to implement change in your organization. *Armed Forces Comptroller*, 52(1), 35. Retrieved from Master FILE Premier Database
- Kotter, J. (1996). Leading Change: Why Transformation Efforts Fail. *Harvard Business Review*
- Kotter, J.P. (1985). *Leading Change*, Boston: Harvard Business School Press, MA.
- Lane, J.E (1993). *The Public Sector: concepts, models and approaches*. London: Sage.
- Lawler E. & Worley, C. (2006). Designing organizations that are built to change." *Sloan Management Review* 48(1): 19-23.
- Lewin, K. (1958). Group Decisions and Social Change. *In Readings in Social Psychology*. Swanson, G. E., Newcomb, T. M. and Hartley, E. L. (Eds.) New York: Holt, Rhinehart and Winston.
- Machuki, V.N. & Aosa, E. (2011). The Influence of the External Business Environment on the Performance of Publicly Quoted Companies in Kenya. *Prime Journals*, 7, pp 205-218.
- Miller, D. & Friesen, P.H. (2003), *Organizations: A Quantum View*. Prentice-Hall: Englewood Cliffs, NJ, USA.
- Moran, J. W. & Brightman, B. K. (2011) 'Leading organizational change', *Career Development International*, 6(2), pp. 111 –118.
- Mugo, S.W. (2014). Change management practices and performance of Kenya Revenue Authority. University of Nairobi.
- Mwachiro, D B. (2013). *Effects of internal controls on revenue collection: a case of Kenya revenue authority*. Nairobi: University of Nairobi.
- Neyman, J. (1934). On the two different aspects of the representative methods. The method stratified sampling and the method of purposive selection. *Journal of Royal Statistical Society*, 97, 558-606.

- Odundo, A. (2007). *Effect of Information System on Revenue Collection by Local Authorities in Homa Bay County, Kenya*. *Universal Journal of Accounting and Finance, Kenyatta University*
- Otiso, H. N. (2008). Strategic change management practices: the case of Africa Merchant Assurance company. *Unpublished MBA Project, University of Nairobi*.
- Paton, R. A., & McCalman, J. (2000). *Change management: A guide to effective implementation*. (2nd ed.) London: Sage Publications.
- Pearce, J. A., & Robinson R. B. (2002). *Strategic management: Strategy formulation, implementation and control*. (8th ed.) Illinois: Irwin, Homewood.
- Philip J.K & Finbarr D. (2002) "Internal communication during change management", *Corporate Communications: An International Journal, Vol. 7 Iss: 1, pp.46 - 53*
- Piva M., Santarelli E., Vivarelli M. (2006). Technological and Organizational Changes as Determinants of the Skill Bias: Evidence from the Italian Machinery Industry, *Managerial and Decision Economics, 27: 63-73*
- Rouse, M.J. & Daellenbach, U.S. (2010), "Rethinking research methods for the resource-based perspective: isolating sources of sustainable competitive advantage", *Strategic Management Journal, Vol. 20, pp. 487-94*
- Sanda, M. A. (2011). Leadership and 'tipping' in workplace transformation: A critical review. *International Journal of Business and Social Science. 2 (5), 18-22*.
- Schweiger, D.M., & Walsh, J. P. (2000), Mergers and acquisitions: *An interdisciplinary view. Research in personnel and human resources management, 8, 41-107*.
- Senge, P. M. (1990). *The fifth discipline: The art and practice of the learning organization*. New York: Doubleday Currency
- Sikasa C. (2004). Customer perception of change management practices in the mortgage industry. The case of HFCK. *Unpublished MBA Project, University of Nairobi*
- Smith, M, Beck, J., Cooper, C.L., Cox, C., Ottaway, D. & Talbot, R. (2002), *Introducing Organizational Behavior*. Macmillan: London.
- Teece D.J., Pisano G., & Shuen A., (1997), 'Dynamic capabilities and strategic management', *Strategic Management Journal, 18(7), 509-533*

- Thompson, A.A. & Strickland, A.J. 2003. *Strategic Management: Concepts and Cases*, 13th edition. New York: McGraw-Hill
- Walumbwa, F., Avolio, B., Gardner, W., Wernsing, T., & Peterson, S. (2008), 'Authentic Leadership: Development and Validation of a Theory-Based Measure', *Journal of Management*, vol. 34 no. 1, pp. 89-126
- Wawire N H. W (2011). Determinants of value added tax revenue in Kenya. (PHD) CSAE conference paper, March 2011, <http://www.csae.ox.ac.uk/conferences/2011-edia/papers/426-Wawire.pdf>
- Weick, K. E., & Quinn, R. E. (1999). Organizational change and development. *Annual Review of Psychology*, 50, 361-386
- Wernerfelt, B., (1984), 'A resource-based view of the firm', *Strategic Management Journal*, 5, 171-180
- Yamane, T. (1973). "Statistics: an introductory analysis". New York: Harper & Row.
- Yin, R.K, (1994), *Case Study Research: Design and Methods*. Sage Publications.

APPENDICES

APPENDIX : Interview Guide

Section A: Personal details

Gender:

Department:.....

Position Held:.....

Level of Education:.....

Are you involved in implementation of change and what is your role?

.....

Section B: Change Management Practices

What major change(s) have been implemented in your organization?

.....

What force(s) necessitated these changes?

.....

Were these major changes planned or emergent? Please explain.

.....

How are the employees empowered to cope with the change in the company?

.....

How were the change agents identified? Have they been trained? and how are they rewarded?

.....

.....

How was vision and strategy for change developed and how was it communicated to all the employees and the stakeholders?

-
-

Were there regular updates from top management on the change management process? If yes, how often?

-

What monitoring methods do you use for the implementation of changes?

-

How do you evaluate the changes to determine whether is effective or not?

-

Section C: Challenges in change management

What are the main challenges encountered in managing change?

-

Has there been notable resistance to change(s)?

-
-

If yes, describe some of the factors contributing to resistance.

-
-

In your view, what are some of the effects of resistance to change?

-

.....

How do you overcome resistance to change(s)?

.....

Do you have financial constraints in managing change(s)?

.....

.....

If yes, what do you do about it?

.....

Do you have structural constraints in managing change?

.....

Was the company leadership involved in change management?

.....

.....

Did the organizational leadership consider the human and emotional aspects of change during the change process?(briefly explain)

.....

.....

Does the company's leadership prepare employees for the change that the organization and the environment demanded?

.....

.....

Does the company leadership create shared vision, set strategy and deploy appropriate leadership styles that inspire confidence in the employees' in order to achieve set goals?

.....

.....

To what extent do you think change management objectives have been achieved in your organization? Give your recommendations on areas of improvement

.....