

**STRATEGIC CHANGES BROUGHT ABOUT BY BOMET
COUNTY IN KENYA TO IMPROVE PERFORMANCE**

BY:

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DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This study is dedicated to my family for their constant encouragement and patience throughout my academic struggle thus realizing my long cherished dream.

ABSTRACT

Change is an alteration of a company's strategy, organization or culture as a result of changes in its environment. Static competitive environment has been replaced by an increasingly dynamic uncertain environment thus organizational flexibility is getting more and more attention, which is the most important factor to acquire the future competitive advantage. While much has been written in the recent years about the concept of change management and competitive advantage, few organizations today truly have an effective, repeatable, project-level change management process and yet it is one of the most critical success factors for the organization County Government Of Bomet has been implementing various strategic change processes in order to improve their performance The county has changed its organization structure, its strategic focus, its employee size and composition and also its executive orientation. The changes have been brought about by the changing structures of the government from centralization to devolved government system. It is therefore important to find out the strategic change management practices at County Government of Bomet. The study sought to find out; strategic changes brought about by County Government of Bomet in Kenya to improve performance? The study used a case study research design. The target population was the executive committee if the County Government of Bomet. The study used purposive sampling technique to select the sample. Primary data collected using interview guides was analyzed using content analysis. From the findings, the strategic change management practices adopted by County Government of Bomet are; establishing change control process, people involvement in the strategic change process, adoption of new technologies, training of staff members. Therefore, County Government of Bomet has adopted diverse strategic change management practices. This would ensure that they managed change in the county systematically and ensure a smooth transition of the county government would be achieved. The county faced diverse challenges that slowed down the strategic change management process. The study recommends that the executives of County Government of Bomet should address the major challenges facing the management of strategic change to streamline the change process and enhance the success of the strategic change management in the county government. The executives of the County Government of Bomet should continuously evaluate the strategic change management initiatives being implemented in order to undertake the necessary correctional measures in the change process. The County Government of Bomet should conduct a research and pretest the different strategic change management practices to ensure that only the best practices are implemented.

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ACRONYMS AND ABBREVIATIONS

COK:	Constitution of Kenya
TFDG:	Task Force on Devolved Government
PFM:	Public Finance Management
FSP:	Fiscal Strategy Paper
MDGs:	Millennium Development Goals
ROA:	Return on Assets
ROI:	Return on investment
OPM:	Operating Profit Margin
ROCE:	Return on Capital Employed
SWOT:	Strengths Weaknesses Opportunities and Threats
ICT:	Information Computer Technology
C-NIMES:	County National Integrated Monitoring and Evaluation Systems
IFMIS:	Integrated Financial Management Information System
CIDP:	County Integrated Development Plan
IPPD:	Integrated Payroll and Personnel Database

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Strategic management is an ongoing process to develop and revise future oriented strategies that allow an organization to achieve its objectives, considering capabilities, constraints, and the environment in which it operates. Organizational environment consists of both external and internal factors. Environment must be scanned so as to determine development and forecasts of factors that will influence organizational success. Environmental scanning refers to the possession and utilization of information about occasions, patterns trends and relationships within an organization's internal and external environment. As business becomes more competitive and there are rapid changes in the external environment, information from external environment adds crucial elements to effectiveness of long term plans. Organizations have to update the core competences and internal strengths as per external environment.

Strategic changes can be defined as those alterations a firm makes in its business approach to better align itself with its environment in its efforts to maintain and/or improve performance. It is also defined as a difference in the form, quality, or state over time in organization's alignment with its external environment (Rajagopalan & Spreitzer, 1997 Van de Ven & Pool, 1995). The ability to achieve strategic change must rank as a strategic competence as it contributes to a key organizational capability and enhances effectiveness, to make changes happen smoothly it requires both leadership and management , both drives change in systems, culture and organization (Macmillan& Tampoe, 2000). It is commonly accepted that the business environment encompassing features of the legal, regulatory, financial, and institutional system of a country has an impact on the performance of firms. As barriers to doing business appear to vary widely across the different sectors, it has also been asserted that the business environment will

affect aggregate performance. Organizations have to change to align themselves to changes in their environments to ensure that organization is heading in the right direction (effectiveness).

The operation of county government started soon after the 2013 general elections, they are in charge of overseeing of functions such as the provision of health care, pre-primary education and maintenance of local roads, which were formerly foreseen by the Kenyan national government. The county governments are expected to mobilize revenue from other sources within their counties, such as taxes on property and entertainment (Kimenyi, 2013). It has been established that 84.5% of the revenues will be allocated to the national government and the 15 % to the county government the remaining 0.5% is designated as an equalization fund. In 2012, the Kenya national assembly accepted the commission of revenue allocation recommendation to allocate revenue to the country's county governments based on the weightings; population 45%, poverty index 20%, land area 8%, basic equal share 25%, fiscal responsibility 2%.In addition to transferring resources and responsibilities to county governments, there is need to evaluate not only the cost of the services but also the capacity of the county government to deliver those services under new governance. The idea is that those counties that manage their resource better and more effectively in mobilizing their own resources will be rewarded by receiving a higher share of the resources under the fiscal responsibility parameter. It is from this perspective that the proposed study seeks to determine strategic changes brought about by County Government of Bomet to improve performance

1.1.1 Concept of Strategy

Strategic management process consists of four components- environmental scanning, strategy formulation, strategy implementation and strategy evaluation. Strategy formulation produces a clear set of recommendations, with supporting justification that revise as necessary the mission and objectives of the organization, and the supply strategies for accomplishing them. A good strategy should be able to effectively solve the stated problems, practical in that it can be implemented in this situation with the resources available, feasible within reasonable time frame, cost effective, not overly

disruptive, and acceptable to key stakeholders in the organization. It's important to consider fit between resources plus competencies with opportunities, and also fit between risks and expectations.

To effectively direct and control the use of the firm's resources, mechanisms such as organization structure, information systems, leadership styles, assignment to key managers, budgeting, rewards and control systems are essential strategy implementation ingredients. The implementation of organization strategy involves the application of the management process to obtain the desired results. This process includes various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress and ultimately achieve organizational goals. Strategy evaluation throws the light on efficiency and effectiveness of the comprehensive plans in achieving the desired result. The significance of strategy evaluation lies in its capacity to coordinate the task performed by managers, groups and departments through control of performance.

1.1.2 Strategic Change

Strategic change involves fundamental changes in the business of the organization and its future direction. Successful strategic change is built on an overall strategic management system of the organization. The strategy of the organization legitimizes the change programmed; strategic change could be affected by the states of firms and their external environments. Because the performance of firms might be dependent on the fit between firms and their external environments, the change of external environments, requires firms to adapt to the external environments as a result, firms would change their strategy in response to the environmental changes (Hannan & Freeman, 1984).

Change is a result of organizations' quest for a strategic fit with the operating environment. It is therefore a response to the opportunities and threats inherent in the external environment. It can also result from internal challenges being encountered by the organization. Organizations need to devise ways of planning; predicting and managing change so as to achieve the desired results within the set limits and to minimize the effects of the change has on people (Kaufman, 1995).

1.1.3 Firm Performance

According to Hughes and O'Neill (2000) during the last two decades organizations have come under increasing pressure to improve performance and demonstrate greater transparency and accountability. This pressure has resulted in public sector organizations facing shifts in ways of operating. Strategic changes have been adopted and have had enormous significance on the performance of these organizations. Quantifying the benefits of change management can be difficult depending on the scope and depth of the changes. Many aspects of strategic change are quantifiable such as processes and procedures, efficiency and other performance metrics. There are also qualitative aspects of strategic change that are none the less important, such as employee morale and corporate culture. Zhang and Rajagopalan (2010) note that strategic change must have performance metrics in place to measure the process from start to finish and continued monitoring after. Company financial performance is of central interest to managers, researchers and policy makers. Yet there is little convergence of opinion how such performance should be measured. To evaluate a firm's performance, analysts need certain yardsticks the most frequently being used of ratios.

According to Hughes and O'Neill (2000) during the last two decades organizations have come under increasing pressure to improve performance and demonstrate greater transparency and accountability. This pressure has resulted in public sector organizations facing shifts in ways of operating. Strategic changes have been adopted and have had enormous significance on the performance of these organizations. Quantifying the benefits of change management can be difficult depending on the scope and depth of the changes. Many aspects of strategic change are quantifiable such as processes and procedures, efficiency and other performance metrics. There are also qualitative aspects of strategic change that are none the less important, such as employee morale and corporate culture. Zhang and Rajagopalan (2010) note that strategic change must have performance metrics in place to measure the process from start to finish and continued monitoring after.

1.1.4 The County Governments in Kenya

The quest for devolved system of governance in Kenya has been a longstanding one. The promulgation of the constitution of Kenya 2010 (CoK 2010) on the 27 August 2010 paved way for realization of the “dream” system of governance (Gabriel Lubale, 2012). Chapter eleven (Cap 11) of CoK 2010- devolved government specifically provides for the setting up of the county governments. The constitution of Kenya 2010 creates 47 county governments. The number is based on the delineation of administrative districts as created under the Province and District Act of 1992. The adoption of the CoK 2010 aims at fundamentally altering the governance framework through far reaching reforms.

Devolution of political power, responsibilities and resources have the most profound and transformative impact on governance and management of resources. If faithfully implemented, the CoK 2010 in general, and devolution in particular, should lead to revolutionary transformation of Kenya and facilitate achievement of Kenya Vision 2030. Devolution, however, is the most complex and the least understood aspect of the CoK 2010. It permeates all spheres of society and organs of government. Effective implementation of devolution, therefore, calls for recognition of this fact. It requires a comprehensive and well-coordinated government strategy based on consultation and cooperation between the various arms and departments of government. The Fiscal Strategy Paper (FSP) outlines the macroeconomic performance of the county which informs and guides the formulation of budget, tax and revenue policies. The main result of the FSP process is an estimate of resources that will be available to finance county recurrent and development expenditures. It goes into details regarding the contents of the FSP and covers the purpose of the strategy, contents of the macroeconomic framework, and contents of the fiscal framework. This FSP has followed the guidelines of the draft regulations although it has not been passed. In future the development of the FSP will be guided by both the national and the county Public Finance Management (PFM) regulations.

1.1.5 County Government of Bomet

Since the devolution of the government structure the country has underwent various changes. Organizational transformation impacts on the performance of the organization during the period of rethinking and uncertainty that precedes radical organizational transformation. The changes in the structure and leadership has greatly affected the performance of the county both financially and economical. The performance of the economies of Kenya's trading partners affects the county economy directly through demand for goods and services produced in the county and indirectly through increased investments in the national economy. The growth of major trading partners may also directly positively affect the county economy if that affords them to invest directly in the county. Effective county governance is about facilitation of the citizens of the various counties to realize their highest potential. Through working towards the realization of the objects of devolution as articulated in Chapter 11 of the CoK, 2010, county governance enhances access by citizens to opportunity. To avoid many of the challenges of uncoordinated planning and development, there is need to harmonize sectoral, national, localized as well as term planning to secure effectively our development outcomes.

Under the leadership of the governor H.E. Hon Isaac Ruto, his team of dedicated county executive members and the entire staff they were able to hit the ground running unlike most counties. The government was able to build the human resource capacity very fast by attracting highly qualified and talented personnel for the various departments, thereby enabling projects and programs to take off almost immediately. This is partly why the county government has been way ahead of other counties in the initiation and implementation of projects. Bomet County has also been ranked number one several times by treasury in the absorption of its fund allocation. The county has also improved service provision by investing in health care facilities, roads, pesa kwa wazee, cooperatives. There's been also devolution to the ward levels, oversight implementation of all projects and ensuring proper social audit and public participation. As a county government they are making a monumental positive impact on Mashinani, it should be appreciated that the journey to a fully functional devolved governments has just started and require nurturing. Notwithstanding challenges associated with change management in

any given setting. In the past year of devolved governance, all matters relating to the Operationalisation of the constitutional provisions on devolved government have been handled well by the county governments. This include the recruitment of county staff, the development of new policies, legislation, administrative procedures, the review of existing policies, legislation and administrative procedures required to effectively implement the devolved system of government and the proper working of county government.

Bomet county face immense challenges in not only addressing the development challenges arising from the demands of the CoK 2010 but also the additional challenge of raising the welfare of their citizens, acting as the engines of growth in the move towards achieving the goals set out in Kenya Vision 2030. The imperative of building attractive and sustainable settlements which meet the needs and improve the quality of life of local communities are major. As earlier illustrated, to meet these challenges, the county need to develop a clear and compelling economic and social vision for their areas, understand the various dynamics operating within their areas, deliver the appropriate services to build livable places, and develop strategies for realizing and financing that vision in partnership with other stakeholders. To do this, they will require an integrated development planning framework to effectively and proactively harness the resources at their disposal.

1.2 Research Problem

To achieve strategic change an organization need to manage many different change initiatives. This means setting up many small teams, each focused and resourced to achieve a specific outcome. The successful repositioning of an enterprise to meet new strategic aims often requires the building of new organization capability (Macmillan& Tompoe, 2000). It is likely that there is need for recognition of power structures in the organization, especially if transformational change is required. In order to effect this reconfiguration of power, it is likely that the momentum of change will need powerful advocacy within the organization, typically from the chief executive, a powerful member of the board or an

influential outsider: indeed, an individual or group combining both power and interest (Johnson& Scholes, 1999).

Management of strategic change should be based on the understanding of the processes so that the system design reflects real work practices and delivers user-focused outcomes. It also makes sure that people understand and accept changes more readily since they understand where changes may take place in current practice, and the benefits from the change being implemented (Green, 2005). Similarly managing strategic change helps an organization to develop an innovative vision for where the company needs to be, and in coming up with an innovative path for achieving excellence in their operations. The social, economic and political changes on the county have greatly compromised the ability to respond to the external environment and global environment affecting the county. As the county is undergoing the radical process of transformation given the changes in structure, systems and leadership, then it must adapt and align itself with the external environment in order to be able to compete both locally and globally in order to achieve its goals and objectives. There is need to understand the importance of political context in and around the organization, also the need to consider the strategy implementation within the political context. Political aspects of management in general and change specifically, are unavoidable; and the lessons of organizational life are as important for the manager as they are and always have been for the politician. However the political aspects of management are also difficult and potentially hazardous (Johnson and scholes, 1999)

Kingoina (2008) studied strategic change management practices at Municipal Council of Kiambu and found out that employees attitudes, technological developments, changing needs, government directives, for example, performance contracting, Vision 2030, influence change management practices. He however failed to link how strategic change management affects performance. Kulei (2013) studied the effects of strategic change on performance of deposit taking Sacco's in Nairobi County. The study established that training of staff was the major strategic change adopted by the Sacco's while improved return on assets and customer satisfaction were the major indicators of improved financial performance in the Sacco's, she however failed to link the study to how it affects the county governments of Kenya. The Office of the Governor provides overall coordination

of departments in the County for the effective and efficient implementation of government programs. It provides shared support services to other departments and coordinates development and implementation of policies and programs, including Kenya Vision 2030 and Millennium Development Goals (MDGs). However none of these studies have focused on effect of strategic change in the county governments. It is this knowledge gap that the researcher sought to bridge by conducting the study seeks to determine strategic changes brought about Bomet County in Kenya to improve performance?

1.3 Research Objective

The objective of the study was to determine strategic changes brought about by Bomet County in Kenya to improve performance.

1.4 Value of the Study

The study will be of benefit to various stakeholders of the country who comprise of the government, local community organizations, clients, employees, media, competitors, suppliers and consumer advocates.

Through this study the county government will be able to adopt the necessary strategic change and thus remain relevant and competitive in the market through enhanced and improved performance.

The study findings may be of great importance to the researchers, as it may contribute to both theoretical and practical knowledge on the effect of strategic change in the county governments. The study will help to bridge the knowledge gap that exists in this area of study. Scholars may find it important as it may increase the body of knowledge in this area. It may also assist the researchers in doing further studies on the same. It is hoped that the knowledge gained from the study may serve as a basis for planning and a point of reference for further studies in the field of strategic change.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews past studies regarding strategic change and how it influences organizational performance. Past literature in the area of strategic change has been presented lighting the importance of adopting and maintaining appropriate strategic change in an organization

2.2 Theoretical Foundation

Strategic management emerged as coherent academic field of research in the 1960s. Works such as Chandler's Strategy and Structure (1962), Ansoff's Corporate Strategy (1965) or the strategy reference text of the day, Harvard textbook Business Policy (Christensen, Andrews and Bower, 1973) contributed towards the foundations of this discipline. Focus has always been on how firms can achieve their goals, mainly in terms of competitive advantage, and profitability. As the literature on strategic management continues to mount giving attention to competitive advantage and the resource-based view of the firm, emerging streams of thought evolved to focus not on the new business entry, but on how new entries are undertaken

Strategic management is continuous process of strategic analysis, strategy creation, implementation and monitoring, used by organizations with the purpose to achieve and maintain a competitive advantage. Strategic planning if well conceptualized and implemented with an organization should result in strategic management. Strategic planning specifically entails the allocation of resources to programmed activities in such a way as to achieve a set of business goals in dynamic competitive environment.

It is commonly accepted that the business environment encompassing features of the legal, regulatory, financial, and institutional system of a country has an impact on the performance of firms. As barriers to doing business appear to vary widely across the different sectors, it has also been asserted that the business environment will affect aggregate performance. Organizations have to change to align themselves to changes in their environments to ensure that organization is heading in the right direction (effectiveness).

2.3 Strategic Management

Strategic Management relates to positioning and relating a firm to its environment in a way that will assure continued success. This requires application of various principles, techniques and advanced tools in strategic management. In the past focus on long-range planning assumed that the future was not expected to be significantly different from the past so extrapolation of history was sufficient. Strategic planning assumes the future is not expected to be a resemblance of the past hence not extrapolable.

Strategic management is a stream of actions which leads to the development of an effective strategy or strategies to help achieve corporate objectives. The strategic management process is the way in which strategists determine objectives and make strategic decisions (Lawrence & William 1988). Strategic management main focus is the achievement of organizational goals taking into consideration the external and internal environmental factors.

Porter (1985) argues that the essence of formulating comprehensive strategy is relating a company to its environment. It permits the systematic management of change. It enables the organization to purposefully mobilize resources towards a desired future. Chandler (1962) also argued that any effective successful strategy is dependent on structure, thus to achieve any effective economic performance the organization needs to alter its structure. Strategy is the determination of the basic term goals and objectives of an enterprise and the adoption of course action and the allocation of resources necessary for carrying out these goals.

2.4 Strategic Change

Change can be planned or emergent. Planned change is deliberate and pre-meditated. Planned change has been linked to organizational development. Emergent change is random, accidental and might be forced upon an organization (Burnes, 2004). The successful repositioning of an enterprise to meet new strategic aims often requires the building of a new organizational capability. Organizational capability is the collective skills of the organization developed to enable it to fulfill its objectives. It's much greater than structure and usually combined structure, culture, and process. Wholesale organizational transformation impacts on the performance of the organization during the period of rethinking and uncertainty that precedes radical organizational transformation (Macmillan and Tompoe, 2000). Greiner's model of change process emphasizes the role of the change agent (Greiner, 1997). A change is the individual, from inside or outside the organization, who takes a leadership role in initiating the change process. This change process involves two basic ideas to be effective. First, successful change requires a redistribution of power within the existing structure. Successful change is characterized by a greater degree of shared power within the organization hierarchy. Second, this redistribution of power occurs as a result of a developmental change process.

(Mintzberg, Ahlstrand & Lampel 1998), describe change management as the process of introducing controlled change in an organization. Organizations must establish a specific change control process for every type of change and consider a procedure specific to rapid and emergency changes. The creation of these processes must involve several interest groups. The success of strategic change in an organization depends on the extent to which people change the beliefs and assumption that they hold and their behavior in their organizational lives. Those who emphasize on a process view of strategy tend to highlight these aspects of change process. While not dismissing the need for planning, they stress the importance of achieving commitment of people in the organization to change and the need for behavioral change not only in terms of that which is formally controlled, but also in terms of everyday aspect of organizational life (Johnson & Scholes, 1999).

The organizations need to be seen as adaptive and continually changing learning organization, capable of benefiting from the variety of knowledge, experience and skills of individuals through a culture which encourages mutual questioning and challenge around a shared purpose or vision (Johnson& Scholes, 1999). Strategic change is long term in nature, affects the entire organization and aims at achieving effectiveness. Strategic change management is very important globally and it is influenced and affected by different internal and external factors, positively or negatively (Rose & Lawton, 1999). For strategic change initiatives to be successful managers should take into account external (legal, competitive, technical, social, political and economic factors) and internal factors (structure, culture, internal power, time, skills, history, scope, readiness and resource availability).

Ansoff (1990) identified two types of resistance to change namely, behavioral resistance and systemic resistance. The two types of resistance occur concurrently during a strategic change process and they produce similar effects which include delays, unanticipated costs, and chronic mal-performance of new strategies. However, the basic causes are different. Behavioral resistance comes as a result of active opposition to strategic change by employees, while on the other hand; systemic resistance is normally due to passive incompetence of the organization. Managing change must address the powerful influence of the paradigm and the culture web on the strategy being followed by the organization. If change is to be successful it also has to link the strategic and the operational and everyday aspects of the organization. This emphasizes the importance not only of translating strategic change into detailed resource plans, critical success factors and key tasks, and the way the organization is managed through control process but also of how change is communicated through the everyday aspects of the organization (Johnson and Scholes, 2002).

2.4 Organization's Financial Performance

A firm's performance relates to how the firm has been performing in terms of returns, profitability, efficiency based on firms- specific characteristics. Lumpkin & Dess (1996), suggested that performance is multidimensional in nature and as such multiple measures of performance should be considered. The relationship between the different measures of performance can be complex in nature with the growing firms not necessarily performing better when financial performance is taken into account. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes such as financial performance profits, return on assets, return on investment, product market performance, sales, market share and shareholder return (total shareholder return, economic value added (Davenport and Harris, 2007). Within corporate organizations, there are three primary outcomes analyzed: financial performance, market performance and shareholder value performance (in some cases, production capacity performance may be analyzed (Rhyne, 2005).

Company financial performance is of central interest to managers, researchers and policy makers. Yet there is little convergence of opinion how such performance should be measured. To evaluate a firm's performance, analysts need certain yardsticks the most frequently being used of ratios. Beaver (1996) determined the predictive power of thirty different ratios and established that ratios can be used to predict corporate failure as early as five years prior. Some of the factors that are assumed to be performance indicators as stated by Titman and Wessels (1998) are: profitability, size, leverage, liquidity and growth.

Zender (2010), firm financial performance is generally measured by profitability, liquidity, solvency, financial efficiency and repayment capacity. Profitability: Measures the extent to which a business generates a profit from the use of its assets and capital which are measured by Asset Turnover, Rate of return on assets (ROA), Rate of return on

equity (ROE) and Operating profit margin (OPM), Liquidity is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets. It is also defined as the ability to convert an asset to cash quickly. Liquidity is often calculated by using liquidity ratios.

Solvency is the ability of a business to have enough assets to cover its liabilities. It is often measured as a ratio, the "current ratio," which is the total current assets divided by the total current liabilities. In order to be solvent and cover liabilities, a business should have a current ratio of 2/1, meaning that it has twice as many current assets as current liabilities. This ratio recognizes the fact that selling assets to obtain cash may result in losses, so more assets are needed. Financial Efficiency is a level of performance that describes a process that uses the lowest amount of inputs to create the greatest amount of outputs. Efficiency relates to the use of all inputs in producing any given output, including personal time and energy. Financial efficiency of a business can be measured by: asset turnover ratio, stock turnover and debtor day's ratio. Repayment capacity is an individual's financial capacity to make good on a debt. Originators are required to look at a borrower's total current income and existing debt, to make sure that the existing debt plus the potential mortgage debt, property taxes and required insurance do not exceed a stated percentage of the borrower's income.

Measures of corporate performance measures are numerous, traditional common measures include; Return on Investment (ROI), Return on Assets (ROA), Return on Capital Employed (ROCE). ROI is a performance measure used to evaluate the efficiency of an investment or to compare the efficiency of different investments. To calculate ROI, the return (benefit) of an investment is divided by cost of the investment; the result is expressed in percentage or a ratio. Return on investment is a very popular measure because of its versatility and simplicity. If an investment does not have a positive ROI or if there are other opportunities with a higher ROI, then the investment should not be taken. Return on assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to

generate earnings. It's calculated by dividing a company's annual earnings by its total assets. Return on capital employed indicates the efficiency and profitability of a company's capital investment. It is one of the most important operating ratios that can be used to assess corporate profitability. It is expressed as percentage and can be very revealing about the industry in which a company operates the skills of management and occasionally the general business climate.

2.5 Relationship between Strategic Change and Financial Performance

A group of authors (Almaraz, 2004; Smith 2011; Brown et al., 2003) have linked successful change management to improvement in the financial performance of organizations. Even when managed in the most professional manner, business change is difficult for many to deal with. The change is almost always accompanied by insecurity, resistance and low morale. When management of change is poor, the results can be devastating. Every aspect of the business can suffer, leading to a lowering of profitability (Brown and Waterhouse, 2003). According to (Hughes and O'Neill, 2000) during the last two decades organizations have come under increasing pressure to improve performance and demonstrate greater transparency and accountability. This pressure has resulted in public sector organizations facing shifts in ways of operating. Various corporate change strategies have been adopted by different public sector agencies, many of these cloning managerial practices from the private sector. These changes in public sector organizations have had enormous significance on the performance of these organizations.

Implementing strategic change is a double edged sword because it simultaneously generates expected performance gain and unexpected performance loss (Goolsby, & Arnould 2003). To realize the performance benefits of strategic change, an organization must detect and diagnose performance in strategic change implementation. The impact of strategic decision-making activities by management has been found to influence firm performance. Mintzberg, (1994) in analyzing two organizations for over two and a half

years, found that there was an increase in revenue turnover and profits especially when top management increased their involvement in successful strategic change management. In a study involving 139 companies from Fortune 500 firms, Pearce II and Zahra (1991) found that there is a positive relationship between participative top management and earnings per share of firms, increase in firm customer base, asset quality, quality of service, increase in production and increase in market share. They argued that in taking appropriate measure at the rightful time where strategies seems to failing achieving set goal, energies channeled and abilities to explicitly enhance strategies that propel firm's performance positively.

High levels of performance in firms may result in strategic change, as strategic change in organization strategies allows for change of taking a different course of action to ensure achievement of organization goal (Welch, 2000). Mintzberg (2004) puts it “only rich organizations can afford planning, or at least planners. Rhyne (2005) in his study found that firms which adopted strategic change were found to exhibit superior long-term performance, both relative to their industry and in absolute terms, he concluded that “whether strategic change resulted in superior performance, increase profit, increasing market share, customer base and increase asset based. Firm response to changes in their external and internal environments should be undertaken in strategic approach. It is their choice as to what actions to take, if any. Those actions, or choices of inaction, continually have performance implications in the organization. Strategic change help organization in managing the future and effective strategy formulation as it directs the attention and actions of an organization. Thus the assessment of strategic change becomes very crucial for firms seeking to improve their performance (Salamon, 2002).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the research methodology that was employed in the study. This chapter focuses on the research design, target population, sampling techniques and data collection instruments; analysis and presentation will be specifically dealt with.

3.2 Research Design

This study used a case study research design. A case study research design, attempts to describe or define a subject, often by creating a profile of a group of problems, people, or events, through the collection of data and tabulation of the frequencies on research variables or their interaction (Schindler, 2003). In this case, the research problem was the effect of strategic change on performance in County Government of Bomet. Thus, this approach is appropriate for this study as it helped to describe the state of affairs as they exist without manipulation of variables which is the aim of the study.

3.3 Data Collection

Primary data was collected using an interview guide which consists of questions that the interviewer asked when interviewing. The study made use of interview guide for data collection which was administered to each member of the sample population. The open-ended questions provide additional information that may not be captured in the close-ended questions. The interview guide was structured in various sections. The first section focused on the demographic information of the respondents. The second section had questions on strategic change management practices at the County Government of Bomet while the third section the financial performance of the County Government of Bomet. This was done in order to enhance its validity and accuracy of data to be collected for the

study. The interview guide was administered to the respondents using face to face method.

A total of eight respondents were drawn from various departments. These included Human Resource Director, Account Officer, Finance Director, Director of Administration, Chief of Staff, Principal Clerk, Procurement Officer and Finance Minister. These respondents were better placed in providing required data because they play a leading role in ensuring that they position the county government to transition smoothly and to improve its financial performance.

3.4 Data Analysis

Before processing the responses, the completed interview guides was edited for completeness and consistency. The qualitative data from the open ended questions was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or material or the study. It involves observation and detailed description of objects, items or things that comprise the object of the study (Cooper and Schindler, 2003). This was by developing a thematic framework from the key issues, concepts and themes emanating from open ended questions. The information generated will then interpreted and explained.

According to Nachmias & Nachmias (1996), content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate to trends. Content analysis is a widely used qualitative research technique. Rather than being a single method, current applications of content analysis show three distinct approaches: conventional, directed or summative. All three approaches are used to interpret meaning of the context of text data and, hence, adhere to the naturalistic paradigm, followed by the interpretation of the underlying context Hsiu and Sarah, (2005). The data obtained was compared with the existing literature in order to establish areas of agreement and disagreement.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the strategic change brought about by Bomet County to improve performance. The study was based on the following objectives: To determine strategic changes brought about by Bomet County in Kenya to improve performance. The study targeted 8 executives of Bomet County out of which the 8 executives participated in the interviews contributing to a response rate of 100%. The chapter covers the demographic information, and the findings based on the objectives.

4.2 Demographic Information of the Respondents

4.2.1 Department of Work

The researcher established that the study respondents were drawn from different departments including; Human Resource Director, Account Officer, Finance Director, Director of Administration, Chief of Staff, Principal Clerk, Procurement Officer and Finance Minister. It therefore implies that, the information collected from them is all-round and therefore more reliable owing to the rich source.

From the county government structure these are the main departments which are headed by executive directors. These directors report to the county governor, hence they link the lower level staff and the county governor.

4.2.2 Years of Employment

Table 4.1 years of employment

Number of years	frequency	%
0-6 months	1	12.5
6 months- 1.5 years	5	62.5
2 years	2	25
total	8	100

The study sought to establish the number of years employee had served in the county. From the above information, it was established that the most (62.5%) of the respondents have worked in the county for a period between 6 months and one and half years, 25% for a period of two years and 12.5% for less than 6 months. This implies that majority of the respondents have adequate experience in the county, keeping in mind the devolved structures are only two years old. Therefore the respondents have information that is useful in the strategic change process of the county.

4.2.3 Level of Education

Table 4.2 level of education

Education level	frequency	%
Certificate	0	0
Diploma	0	0
Degree	0	0
Master/postgraduate	8	100
Total	8	100

As shown in table 4.2, all respondents indicated that they had postgraduate education. This implied that the county executives were qualified for the position they held in the county as it is mainly comprised of university graduates. It therefore depicts that the county has an elite workforce. Most often, performance of the human resource is dependent on the education level and level training, therefore, it can be deduced that County Government of Bomet has an excellent workforce to improve its financial performance and to transition smoothly.

4.3 Strategic Change Practices at the County Government of Bomet

The objective of the study was to determine strategic change management practices adopted by County Government of Bomet. First I sought to find if the county has a strategic plan of which the response was positive as all the interviewees responded unanimously. The county strategic plan called the County Integrated Development Plan (CIDP) which runs for a period of five years. The findings are presented in the subsequent sections.

4.3.1 The Change Control Processes Established in the County

The study sought to determine whether there is a change control process as part of the strategic change management practice. Based on the findings, The County Government of Bomet has various change control process, this is seen through the rules and regulation that has been passed and enacted. The first mechanism for change control process is in form of legislation that is the acts governing the devolved structures. These acts are the county government act, the transition to devolved government act, intergovernmental relation act and the public finance management act. The second mechanism is through the institutional control mechanism that is the independent commission guiding the county government.

These findings depict that the county has change control process that would ensure that strategic change practices are adopted. It also ensures that the postulated rules and regulation are followed to the later. This strategic change management practice would give the company the sustainability and the higher success rate to the change process.

4.3.2 The Degree of People Involvement in the Change Process

The study sought to find the degree for people involvement in the change process, and through the findings the feedback was positive. The County Government of Bomet has involved all levels of personnel in its change process. There is high degree of people involvement and it's seen through the public participation in every stage of development. Also the staff is highly involved, the stakeholders are also involved in the process.

The findings implied that the degree of people involvement is relatively high and this has ensured the ownership of the county integrated development plan by the citizens of Bomet. People involvement has contributed positively to strategic change and the financial performance of the county.

4.3.3 How Power and Politics Have Influenced the Change Process

The study further sought to investigate how power and politics have influenced change in the county. The County Government of Bomet has felt the influenced of power both positively and negatively. It has influenced the county positively through the central force that pushes for the attainment of the set goals and objectives of the county. With the devolution both power and politics have been devolved with the resources. To a great extent power and politics has influenced strategic change positively, as it has created avenues, accountability and efficiency. The political aspect is felt through the governor of the county as it is in his best interest for the change to be implemented effectively and

efficiently. This has great impact on his political survival; therefore he is accountable to the county strategic plan and has to use his political power to effect change.

According to the respondents power and politics has influenced the county negatively in the sense that the funds are being misused for political gain. The findings depict that there is great influence of the change process through the use of power and politics. Politics and power is the major key element in the transition process of the bomet county government.

4.3.4 Adoption of New Technologies to Aid in the Change Process

The study further sought to establish if there were new technologies adopted to aid in the change process. To a great extent the responses were positive and the findings showed that the County Government of Bomet has adopted new technologies to aid in the transition process of the county. The findings show that the county has been allocated with sufficient resources that have enabled it to acquire and employ new technologies. The new technologies can be seen through the new systems that have been put in place. They are; integrated financial management information systems (IFMIS), County national integrated monitoring and evaluation (C-NIMES), Integrated payroll and personnel database (IPPD). They have also moved from manual to computerized daily operations, the information computer technology-ICT support digitalized, the use of fiber optic network.

This depicts that new technologies have been adapted to aid in the change process and, has positively contributed to smooth transition and improvement of the County Government of Bomet financial performance. The findings further point to the fact that County Government of Bomet change management process was aided by new technologies in order to guarantee the desired smooth transition and improved performance.

4.3.5 Considering the County as a Learning organization

The study investigated if the county is a learning organization that benefit from knowledge, experience and skills. The respondents unanimously agreed to the stipulated aspect as one of the counties strategic change management practice. This is seen through the various employees from many fields that have been hired and has brought the county new skills and increased accountability. Also since the county are new systems themselves and never been trailed anywhere makes it a learning organization. The county also recruiting staff from various factors has helped the human resource to learn from each other and borrow knowledge from the various sectors.

The county being considered as a learning organization has greatly influenced the transition process to devolved system of governance smoothly and has also increased the financial performance level of the county. This depicts that county as a learning organization was a significant strategic change management practice that County Government of Bomet applied to a great extent in the management of their change process. Therefore, the company change management strategy was likely to be highly effective as it was being implemented as a crucial transition aspect.

4.3.5 Recruitment of New Staff

The study further sought to investigate if the County Government of Bomet is recruiting any new staff. The respondents gave a positive remark that the county is recruiting new staff. As one of the aspect of strategic change practice it has greatly impacted on the transition and the financial performance of the county. The staffs were being adapted from the former local authorities and other from various sectors both governmental and private. The recruitment is an ongoing process because of the search of professionalism and expertise in the areas of description. Due to the change in structures the county needs a much bigger human capacity to occupy the vacant positions created by the devolved government structures.

The respondents stipulated that the county is recruiting young and energetic professionals mostly from the private sector who've come up with fresh ideas to spur efficiency in the county. These findings depicts that recruiting new staff is one the strategic change process aspect that the county has invested in to help in the devolved structures and in the improvement of the financial performance in County Government of Bomet.

4.3.6 Training of New Staff and Executive Committee

The study investigated whether the county is training its new staff and the executive committee to help the cope in the new structures and the changing roles. The findings depicted both the positive aspect and the negative aspect. The respondents indicated that there is challenge in terms of the change management because of the provision of the training on the change management courses. The study showed that there is deficit in the provision of the change management courses and therefore hard for the staff and executive to cope in the new system.

Based on the findings to a great extent the County Government of Bomet is training its staff and executive committees. The findings showed that the County Government of Bomet is carrying out induction of its staff, capacity building of the staff and also has allocated budgeting for training. Also the trainings are conducted as per the professional performance and per the skills required to carry out the operation This depicts that training of new staff and executive committee to cope in the new structures and the changing roles is a strategic change process aspect that the county has adopted. Training of the staff has improved the financial performance and also the devolution has run smoothly.

4.3.7 Managing Resistance and organization culture

The study also sought to find the form of resistance that the county government of Bomet faces. Through the findings it's seen that the county faces both behavioral and systematic form of resistance. The respondents also pointed out that resistance has been a major challenge in the strategic change process. Systematic resistance is seen through the poor management of funds, control of budgets and the political interference through the national government and the commissions governing the counties. Behavioral is felt through the different employees working in the county. Since all are from different backgrounds there is conflict between them and also status quo. The county government is managing resistance through the people involvement program that includes staff, the various stakeholders and the citizens. This way the people can feel like they are part of the process and they themselves can affect the change process.

The findings also showed that the organization culture hasn't been felt yet due the non-existence of the system before. Though the various employees come with their own culture, there is need to work together as one and have one perception and similar goals in order to achieve the objectives of the county. Therefore, the county government is currently carrying out staff rationalization program, to bring harmony to the county human resource. These findings depict that the county government of Bomet has experience both resistance and the influence of organizational culture as a strategic change process.

4.3.8 Challenges Faced In the Strategic Change Process

The study further sought to establish the challenges faced in the change process by the County Government of Bomet. The main challenges includes; resistance to change from various directors cadres due to fear of loss of power, limited resources, divergent perception between the staff and executives about strategic change, inadequate of human capacity. Fear of loss of power is due to the status quo of the staff from the local

authority government, because of the change in the structures and the changing roles brought about by the devolved system. The perception of the staff and executives is totally contradicting because of lack of clear understanding of the change process. The anticipation of the process is different and has brought a little conflict between the staff and executives. Inadequate human capacity is seen in the sense that there are minimal skills with the employees of the county. They do not have the capacity to effectively manage and adapt to the county specific change process needs.

The limited resources I felt in the aspect of facilities that is the office equipment and space and also the mismanagement of funds. This limited resource is due to the new structures that need furnishing and renovation in order to accommodate the new staff being recruited. Therefore, the company faced diverse challenges that slowed down the strategic change management process. This illustrates that the strategic change management process being implemented by County Government of Bomet faced various challenges which hindered the effectiveness of the change process. It has therefore adversely influenced the financial performance and the smooth transition as it has resulted to delays, unanticipated costs, and chronic mal-performance.

4.4 Financial Performance of the County Government of Bomet

The objective of the study was to determine the strategic changes brought about by County Government of Bomet to improve performance.

4.4.1 Level of financial performance of the County

The study investigated the financial level of the county government of Bomet. The respondents pointed out that the financial level of the county is relative high. The absorption level of the allocated revenue to the county government of Bomet is relatively high at a rate of 96% as per the fiscal paper 2014. It was also ranked the first county in terms of development projects for the last three quarter term. Though there is room for

improvements keeping in mind that the county governments are still at its introduction stage and haven't fully realized its financial potentials.

This finding depicts that the financial performance of the county is excellent and has greatly impacted on the strategic change process positively. The transition to devolved system has been a success because of the financial capacity of the county and the proper absorption of the development projects revenue.

4.4.2 Solvency level of The County

The study further sought to investigate the solvency level of the county. The respondents had mixed reactions to the level as there were no ascertain of the assets in the county. The respondents pointed that there is adequate assets to help them run their operations smoothly. It was established that there were liabilities that had been absorbed by the new devolved government from the previous regime and this has to great extent influenced their solvency rate.

These findings depict that the County Government of Bomet is not doing well in managing their assets and liabilities.

4.4.3 The repayment capacity

The study investigated the repayment capacity of the county. That's how the county government make good on debt. From the findings the county has the ability, though it hasn't incurred any debt yet. The debt repayment I covered by the county treasury by the county fiscal paper and debt management.

These findings depict that the county government of Bomet has the repayment capacity and this would not challenge the strategic change transition and bring out success in its financial performance.

4.4.4 The financial efficiency

The study further investigated the financial efficiency of the county. County Government of Bomet has the ability to use the greatest amount of inputs to create the greatest amount of output. The respondents pointed that the county is using the labour based contracts in their development projects, their procurement process is competitive and the staff performance is excellent. This has greatly influenced the financial efficiency, and therefore escalated the financial performance of the County Government of Bomet.

These findings depict that the County Government of Bomet is financially efficient to be successful in the strategic change process and to improve financially.

4.4.5 The liquidity level of the County

The study further sought to investigate the liquidity level of the county. The findings stated that being a government it is constrained by the strict and long process for both the acquisition and disposal of assets. It is the governed by the public procurement disposal act 2006 (PPDA).

These depicts that it has negative effect on the efficiency of converting assets onto cash quickly. Therefore hinders the strategic change process and the financial performance negatively. Hence the transition process may not be smooth.

4.5 Discussion of Findings

This chapter has analyzed the findings from the respondents of County Government of Bomet. The strategic management practices adopted by the County Government of Bomet are; establishing change control process, people involvement, influence of power and politics, adoption of new technologies. The county also practiced being a learning organization, recruiting new staff, training of the staff, managing any form of resistance and influence of culture. Thus, County Government of Bomet has adopted diverse

strategic change management practices to ensure that they managed change in the county systematically and a smooth transition of the county would be achieved.

From the study findings, the County Government of Bomet has various change control process, this is seen through the rules and regulation that has been passed and enacted. The first mechanism for change control process is in form of legislation that is the acts governing the devolved structures. These acts are the county government act, the transition to devolved government act, intergovernmental relation act and the public finance management act. The second mechanism is through the institutional control mechanism that is the independent commission guiding the county government. These findings corroborated with Mintzberg, Ahlstrand & Lampel (1998), describe change management as the process of introducing controlled change in an organization. Organizations must establish a specific change control process for every type of change and consider a procedure specific to rapid and emergency changes. The study found out that County Government of Bomet has established various control mechanism to a great extent. Therefore, the county change management strategy was based on research findings and therefore likely to be highly effective.

From the study findings the county government of Bomet has involved all levels of personnel in its change process. There is high degree of people involvement and it's seen through the public participation in every stage of development. Also the staff is highly involved, the stakeholders are also involved in the process. According to Johnson & schools (1999), while not dismissing the need for planning, they stress the importance of achieving commitment of people in the organization to change and the need for behavioral change not only in terms of that which is formally controlled, but also in terms of everyday aspect of organizational life (Johnson& Scholes, 1999). Based on the findings the County Government of Bomet has involved its people to a great extent to public participation. This strategic management change aspect has been highly effective in the County Government of Bomet through the devolution state.

From the study findings the study found out that the challenges in managing strategic change were; employee resistance, middle management resistance due to perceived loss

of power and or limited involvement in the strategic change process, poor executive support towards strategic change initiatives when the executive sponsor either does not play a key and visible role in supporting the strategic change effort, or shift their support too soon after the process of strategic change, limited time and resources allocation, corporate inertia and politics where the organizational culture pushes back the strategic change initiative and divergent views and differential perception about strategic change between the managers and subordinates about strategic change. County government of Bomet encountered behavioural resistance and systemic resistance that resulted to delays, unanticipated costs, and chronic mal-performance of new strategies in managing strategic change.

The findings are similar to Boomer (2007) who postulated that Some of the greatest strategic change management obstacles are include, employee resistance, middle management resistance due to perceived loss of power and or limited involvement in the strategic change process, poor executive sponsorship when the executive sponsor either does not play a key and visible role in supporting the strategic change effort, or shift their support too soon after the process of strategic change, limited time budget and resources and corporate inertia and politics where the organizational culture pushes back the strategic change initiative.

From the study findings the financial performance of the County Government of Bomet is relatively remarkable. The county has been ranked as first in the absorption rate in funds allocation. According to Zender (2010), firm financial performance is generally measured by profitability, liquidity, solvency, financial efficiency and repayment capacity. The county government has to great extent depicted a positive financial performance, though it's not a profit making entity it has the capacity to meet is financial needs and also relatively good in financial management. The county is still at its introduction stage the financial performance is excellent and has made it possible for the transition process to go smoothly. This findings corroborated with a group of authors, Almaraz, 2004; Smith 2011; Brown et al. (2003) have linked successful change management to improvement in the financial performance of organizations. Even when

managed in the most professional manner, business change is difficult for many to deal with. The change is almost always accompanied by insecurity, resistance and low morale. When management of change is poor, the results can be devastating.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objective of the study. The research sought to establish the strategic changes brought about by County Government of Bomet to improve performance.

5.2 Summary

The study established that the County Government of Bomet has been applying strategic change management practices in its operations. Among the strategic change management practices are; establishment of change control process, involvement of people in the change process, power and politics. The county also adopted new technologies, training of staff and executive committee and managing of resistance. The county was also faced by various challenges that hinder the strategic change process. From the study it is established that the county has adopted diverse strategic change management practices.

These findings depict that the county has change control process that would ensure that strategic change practices are adopted. It also ensures that the postulated rules and regulation are followed to the later. This strategic change management practice would give the company the sustainability and the higher success rate to the change process. The findings show that the county has been allocated with sufficient resources that have enabled it to acquire and employ new technologies. The new technologies can be seen through the new systems that have been put in place. This implies that new technologies have been adapted to aid in the change process and, has positively contributed to smooth transition and improvement of the County Government of Bomet financial performance

This findings show that recruiting new staff is one the strategic change process aspect that the county have invested in to help in the devolved structures and in the improvement of the financial performance in County Government of Bomet. The findings showed that the County Government of Bomet is carrying out induction of its staff, capacity building of the staff and also has allocated budgeting for training. Also the trainings are conducted as per the professional performance and per the skills required to carry out the operation This depicts that training of new staff and executive committee to cope in the new structures and the changing roles is a strategic change process aspect that the county has adopted.

The county being considered as a learning organization has greatly influenced the transition process to devolved system of governance smoothly and has also increased the financial performance level of the county. This depicts that county as a learning organization was a significant strategic change management practice that County Government of Bomet applied to a great extent in the management of their change process. The strategic change being implemented by County Government of Bomet faced various challenges which hindered the effectiveness of the change process. It has therefore adversely influenced the financial performance and the smooth transition as it has resulted to delays, unanticipated costs, and chronic mal-performance.

5.3 Conclusions

The study concludes that County Government of Bomet has been applying strategic change management practices in its operations. The strategic change management practices adopted by County Government of Bomet included; establishing change control process, involvement of people in the change process, adoption of new technologies and recruiting new staff. Other strategic management practices adopted by the County Government of Bomet is training new staff and the executive committee and managing resistance. The study further concludes on the challenges faced by the County Government of Bomet in the transition to devolved system of governance.

The study concludes that the county has established change control process, that provides rules and regulation to curb the change control process. The county has two change control mechanism that is the legislation and the institutional control mechanisms. The legislation is seen through the acts passed by the county assembly through parliamentary proceedings. The institutional is by the independent commissions that guide the county governments. Therefore the county has adopted change control process as a strategic change practice that would help in the transition smoothly and to gain financial improvements.

From the findings the study concluded that people involvement is one of the strategic management change practices that have helped in the smooth transition of the county government to a devolved system. The people are involved through public participation during the passing of bills through the parliamentary proceedings, consultations and round table forums. These have ensured ownership of people in the change process. The study concludes that the County Government of Bomet has adopted new technology to aid in the change process. The county ensured that there is adequate location of resources that would ensure acquisition of new technologies and systems. The findings further conclude to point to the fact that County Government of Bomet change management process was aided by new technologies in order to guarantee the desired smooth transition and improved performance.

Further the study concluded that the county is recruiting new staff, these is because of the vacant position created by the new devolved structures. This is among the strategic management practices adopted by the county to improve on its financial performance. The county is also training it new staff to cope in the new roles brought about by the new devolved structure of governance. Therefore this has greatly help in the transition process of the county and in the excellent financial performance. The study also concludes that the county is a learning organization that benefit from knowledge, skills and experience. This is depicted through the hiring of staff from various sectors and also the

rationalization of the human capacity in the county. Therefore the county being a learning organization has positively influenced the strategic change process.

From the study findings the study concludes that the strategic change management process being adopted by County Government of Bomet is faced various challenges which hindered the effectiveness of the change process. The main challenges includes; resistance to change from the county staff due to fear of loss of power, limited resources, divergent perception between the managers and subordinates about strategic change and lack of human capacity. Therefore, the county faced diverse challenges that slowed down the strategic change management process.

The study concludes that the County Government of Bomet has excellently performed in it financial aspect. From the findings its seen that the county has been ranked top of the other counties on the absorption rate of its funds, it is also financially efficient as it is able to meet if financial demands and has met it development plans. Therefore the excellent financial performance of the County Government of Bomet is tandem with the smooth transition of the county to devolved system.

5.4 Recommendations

The study recommends that the executive committee should address the major challenges facing the management of strategic change to streamline the change process and enhance the success of the strategic change management in the company.

The study recommends that the County Government of Bomet should continuously evaluate the strategic change management initiatives being implemented in order to undertake the necessary correctional measures in the change process. This will help to avert any weakness of the strategic change management initiatives being implemented. The study further recommends that the County Government of Bomet should conduct a research and pretest the different strategic change management practices to ensure that only the best practices are implemented.

5.5 Limitations of the study

The study was limited by the tight schedule of the respondents which limited their availability for the interview. However, the researcher made appointments with the respondents which facilitated their participation in the interview. The respondents are governed by the county secrecy bond, whereby the staff is not supposed to give any information relating to the county to third party. Therefore some respondents were not free enough to respond to interview.

The research findings might not be general and applicable to other counties in Kenya owing to the fact that different counties use different approaches in the management of strategic change. The study could not control the respondents' attitude which could have affected the quality of information given.

5.6 Areas of further research

Since this study explored the strategic changes brought about by County Government of Bomet in Kenya to improve financial performance, the study recommends that; similar studies should be done in other county governments of Kenya. This would ensure comparison and to allow for generalization of findings on the management of strategic change in the county governments of Kenya.

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APPENDICES

APPENDIX I COVER LETTER

CHEPKOECH MERCY KORIR,
UNIVERSITY OF NAIROBI,
P.O BOX 30197,
NAIROBI.

AUGUST, 2014.

Dear sir/madam,

RE: DATA COLLECTION

I am a postgraduate student at the University of Nairobi undertaking a master in business administration degree majoring in strategic management. One my academic outputs before graduating is a research project and for this I have chosen the research topic “strategic changes brought about by County Government of Bomet in Kenya to improve in financial performance”.

This is kindly to request you to assist me to collect the data by responding to the interview guide. The information you provide would be used strictly for academic purposes and will be treated with utmost confidence. A copy of final report would be available to you upon request. Your assistance would be highly appreciated.

Yours sincerely,

Chepkoech Mercy Korir.

APPENDIX II

INTERVIEW GUIDE

SECTION A: Background information of respondent

- a) Name
- b) Department of work
- c) Years of employment
- d) Academic achievement

Section B: Strategic Change Management Practices

- a) How have you established any change control processes in Bomet County?
- b) How effective is the strategic change process in your organization?
- c) To what degree are the people involved in strategic change process, how are they contributing to change?
- d) Is there any adoption of new technologies to aid in the change process?
- e) Do you consider the county as a learning organization that benefit from knowledge, experience and skills?
- f) Is the county recruiting any new staff?
- g) Does the county train is staff and executive committee to help in coping in the new structures of the government and the changing roles?
- h) How has power and politics contributed to strategic change process?
- i) Is there any form of resistance and how is the county managing resistance?
- j) How has the organization culture influenced the adoption of strategic change process?
- k) What challenges does the county face in the adoption of the strategic change process?

SECTION C: Financial Performance of the County Government of Bomet.

- a) How would you describe the level of financial performance in your county?

- b) Does the county have the ability of to have enough assets to cover its liabilities?
- c) How profitable is the county relative to its total assets?
- d) Does the county have a financial capacity to make good on a debt?
- e) Does the county have the ability to use the lowest amount of inputs to create the greatest amount of outputs?
- f) How effective does the county has the ability to convert an asset to cash quickly?