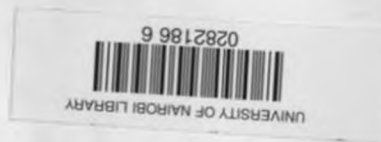


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MANAGEMENT OF STRATEGIC CHANGE AT MUNICIPAL COUNCIL OF MAVOKO

BY: JOSEPH MBATHA MAINGI



A MANAGEMENT RESEARCH PROJECT PRESENTED IN PARTIAL
FULFILLMENT OF
THE REQUIREMENTS OF THE MASTER OF BUSINESS ADMINISTRATION
UNIVERSITY OF NAIROBI.

SEPTEMBER 2005

DECLARATION

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This Management Project is my original work and has not been presented for a degree in any other University.

Signed: Maingi
Joseph Mbatha Maingi
D61/P/7529/02

Date: 24/10/05

The Project has been submitted for examination with my approval as the University Supervisor.

Signed: Maalu
Jackson Maalu,
Lecturer, Faculty of Commerce
University of Nairobi.

Date: 25/10/05

DEDICATION

To My Parents Timothy Mbatha & Nancy Maingi and my Family, Kala, Frazier, Nancy and Wambui

ACKNOWLEDGEMENTS

PROLOGUE

"The successful organizations of the future are those which are able to anticipate the need for change and effectively change accordingly. They are not bound by tradition or past practices rather they are guided by what is happening in the market place."

Prof Evans Aosa (1998)

My journey would not have been successful had it not been for the valuable support, assistance and guidance from colleagues, friends and family members. My journey is not better but for your encouragement, insight and assistance during the course of my study programme. My heartfelt gratitude to all of them. However, I'm obliged to mention a few of them whose knowledge made special contributions.

I would like to thank my supervisor, Mr. Idris for sharing his valuable time, coordination and guidance during my entire period of study. Secondly, to Mr. Charles, Director of the Ministry of Local Government for facilitating the necessary support letter and during the course of my study. The Town Clerk, Maitope Treasurer and staff of Maitope Council of Maitope who assisted in providing the second advertisement for the study. In development and support to Mr. Wilson Phipps and Robert Ryan of the University's approved Modules. The staff of Trade County Council for providing the meeting, transportation and financial support. In that regard, my special thanks to Mr. Lawrence Mbatia and Mr. Eric M. Mwangi of the Kenya local governments related organisations.

Finally, special thanks to Mr. George M. Mwangi and my family for their understanding and support during the most stressful of my study course. God bless you.

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ABSTRACT

Local authorities in Kenya could be a basic good focus for economic development and its place in the economic and legal framework should be such that it allows them to play a fundamental role in the country's governance and growth.

The study sought to establish how the Municipal council of Mavoko had handled the reforms initiated by the government in their change programme and if the reforms have had any impact on the overall performance of the council in terms of improving local service delivery to its residents, strengthening of the financial management and accountability and whether the council has been able to eliminate (if any) all outstanding local debts.

The study was conducted using the case study research design. The researcher conducted in-depth interviews with the top management team of the council, who were involved the change program and gave the management view of the reforms. Also reports from the council records did provide useful information, which was useful in the compilation of these study report.

The study identified that the council though not quite distinct did use the Rose and Lawton model for public sector change management. This model proposes a dozen action steps to managing change in the public sector. The steps are; assuring support from the stakeholders; using leadership to generate support for change; building in stability to reduce uncertainty and anxiety; surfacing dissatisfaction with present state to demonstrate the need for change; developing organizational arrangements for the transition and

building in feedback mechanisms. From the data collected, it became evident that the reforms have had great impact on the overall performance of the council, as they have been able to increase their revenue and revenue base as evident from the attached income statements attached in appendix iii over the period 2000 to 2004. FY 2000/01 Ksh 21,883,317.00; FY 2001/02 Ksh 29,272,060.00; FY 2002/03 Ksh 35,852,318.00; FY 2003/04 Ksh 80,042,190.00. The service delivery to its residents has also improved a lot.

The results from these studies can be used as a lesson to the other local authorities in the country who are contemplating on embracing the reforms, to the Kenya local government reform personnel, Ministry of local government and policy makers can be used as documented findings for reviewing the progress and direction of the reforms.

CHAPTER ONE: INTRODUCTION

1.1 Background

The complexity of strategy begins with lack of consensus on the precise definition of strategy. Chandler (1962) defines strategy as the “determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary to carry out the goals” while Mintzberg defines strategy in five dimensions, not in isolation but interrelated as Plan, Ploy, Pattern, Position and Perspective. Johnson and Scholes (2002) defines strategy as “the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of the market and fulfils its stakeholders expectations”.

Lack of a precise definition of strategy can be attributed to the fact that strategy is a multi-dimensional concept, which embraces all critical activities of the firm providing it with a sense of unity, direction, purpose and facilitating the necessary changes induced by its environment. Most academicians’ argue that strategy is a unifying theme that gives coherence and direction to the actions and decisions of the firm. Strategy is about winning; it is purely a matter of intuition and experience. Analysis does play a role in the strategy process of a company and a good plan is based on quality information. That Strategy guides organizations to superior performance through establishing competitive

advantage and also acts as a vehicle for communication and coordination within organizations.

Strategy is the heart of Strategic management for it helps organizations to formulate, implement and evaluate strategies in the course for success. When managers are developing strategy, they perform various analyses, which lead to the identification of critical tasks that need to be performed. Ansoff and McDonnell (1990) observes, Strategic management activity is concerned with establishing objectives and goals for the organization and with maintaining a set of relationships between the organization and environment which will enable it to pursue its objectives, which are consistent with organizational capabilities and continue to be responsive to environmental demands. Aosa (1988) observes Strategic management includes all the activities that lead to definition of the organization's objectives and to the development of programmes, actions and strategies to accomplish these set objectives.

Burnes (2000) notes that perhaps the biggest challenge to Managers today is the issue of how Organizations can cope with both the dynamic environment in which they operate given the constraints, challenges and threats they face. Some organizations are experiencing extreme turbulence while others appear to operate in a relatively stable environment. The days when certainties held good has been replaced with one where the pace and uncertainty of change varies from Company to Company, Industry-to-Industry and Country-to-Country. Whether due to economic, technological, cultural or social factors, organizations are faced with a period of rapid and unprecedented changes.

Johnson and Scholes (2002) argue that managers whether in public or private sectors, are finding it difficult to make sense of the business environment in which they operate. One reason attributed to these is the speed of change. The pace of technological change and speed of global communication mean accelerated change now than ever before. Pearce and Robinson (2000) note that it's the crucial responsibility of managers to ensure that the organizational capacity to survive within the chaotic environment is a feat to be achieved through managers adapting their organizations to the changing environment.

Change management, whether in the private or public Sector is a daunting and often an elusive exercise. Strelbel (1995) estimates that, 20% to 50% of the organizations that set out to make radical change did report success. Osborne and Gaebler (1993) note that after 20 years of implementing environmental legislation to clean up air and water, still pollution in America was as bad as ever. They accept that change is difficult.

At the beginning of the 21st century change is everywhere. The reality of yesterday proves wrong today and nobody can really know what will be the truth tomorrow. Handy (1995) noted that as in the renaissance, the 21st century will be an exciting time, a time of great opportunities for those who can see and seize them but of great threat and fear for many. The signals of economic dislocation are clearly visible. Fluctuating interest rates, currencies, plummeting employment, volatile oil prices and explosive trade tensions plague the world. The cause some allege high cost labor is the culprit, others single out deficiencies in corporate management, others blame Government monetary, fiscal or industrial policies or lack of them.

Different models for leading change successfully have been established. For example, the eight stage process by Kotter and Kurt Lewin Action research model. These models if properly applied, practitioners, academics and writers argue, should see change through successfully. However even with these approaches and models to change management, change programs still report dismal performance not least the Kenyan experience.

Johnson and Scholes (2002) note that there are different types of strategic change observable in organizations, varying from incremental change, which is reactive (adaptation) or proactive (tuning) to transformational change, which can also be reactive or proactive (planned). Diagnosing the need for and means for change might include the identification of symptoms of strategic drift and the use of cultural web and force field analysis as a means of identifying blockages of change and potential levers of change. Processes for managing strategic change include the importance of changes in organization structure and control, appropriate styles of managing change, the need to change organizational routines and symbols and the importance of political processes, communication and other change tactics. They note that are different roles in change process including those of change agents, middle managers, other members of the organization, different stakeholder groups and outsiders. Different approaches to change are likely to be necessary according to different context and in relation to the involvement and interest of different groups. The management of strategic change cannot be thought of or put into effect in isolation. Effective strategic change is built on effective overall strategic management.

1.2 Local Authorities in Kenya

Local Authorities in Kenya could be a good focus for grass root democracy and basic focus of economic development. Its place therefore in the economic and legal framework should be such that it allows them to play a fundamental role in the country's governance and growth.

Deterioration of services delivered by local authorities in Kenya is evident though lack of financial resources is normally the excuse given by many local authorities. Local authorities are part of an integrated system of national and local institutions that should be working together in pursuit of common objectives; the inability of local authorities to meet their share of development responsibilities undermines efforts towards national economic growth. Concern has been aired in many quarters locally here, over the deterioration of services delivered by local authorities in Kenya (Budget speech 1997/1998); with more regular complaints in the newspapers about poor service delivery by local authorities. Local authorities in Kenya have the cardinal responsibility to secure and deliver sustainable development through the provision of sustainable services to the local community (ministry of local government policy statement, 2001). These services range from pre-primary to primary education, health, housing, water, sewerage disposal, road construction and maintenance, retail markets, vehicle parking, recreational facilities etc. In order to deliver the services mentioned above local authorities get their revenues from land/property rates, produce cess from specified crops, sand harvesting, single business permits, user charges on markets and bus parks, game reserves, grants among others which constitute the revenue for the local authorities.

Data obtained from the Kenya local government reform programme indicate that many local authorities depend on local authority transfer funds (LATF) grant from the central government to meet their expenditure needs, with close to half the number of all the authorities (80 out of 175) budgets made up of over fifty percent local authority transfer fund money and two thirds (120 out of 175) authorities budgets made of over forty percent of the same grants. This kind of scenario undermines the ability of local authorities to provide sustainable services to their local residents especially if the grant is not forthcoming for one reason or the other.

The last few years have witnessed a widespread acceptance of the concept of sustainable development, which was adopted in Rio de Janeiro in, May 1992 at the United Nations conference on environment and development (Global report on human settlements 1996). It is through these concepts that the government outlines its ultimate objective of creating financing mechanisms whereby local authorities would be in a position to finance their local infrastructure needs without continued dependence on the central government (Ministry of Local government policy statement 2001). The most prudent thing for local authorities would be to develop their own local revenue sources through strategies aimed at improving collection of revenue to be able to provide sustainable services to their residents.

With the new government in place and high potential for more powers to be devolved to local authorities as proposed in the draft bill of the new constitution of Kenya (C.K.R.C, Sept 2002), the Kenyan people have higher expectations for better services from local

authorities though they have failed to deliver services according to the expectations of the respective local communities.

1.3 Municipal Council of Mavoko

Municipal council of Mavoko is known as one among the few local Authorities in Kenya, which has been able to provide services efficiently for instance water, sewerage to its residents as well as maintains sound financial management operations, Rao (2004).

After independence, in 1964 during the demarcation of provincial and district boundaries, urban council of Mavoko was carved out of the City council of Nairobi and became part of Masaku County council. In 1978, Mavoko urban council was elevated and became Town council of Mavoko but still part of Masaku County council. In 1993, Mavoko Town council was elevated and became Municipal council of Mavoko until today. Municipal Council of Mavoko covers an area of 596 square kilometers. It borders Kajiado district to the south, Nairobi to the west and Machakos to the east. It stretches up to the Machakos junction on the Nairobi–Mombasa road.

Athi-River is an industrial town, which has old major industries i.e. Kenya meat commission, East African Portland cement, Bamburi cement, K.A.P.A, Export Processing Zones. Mavoko has a population of about 80,000 people with an annual income (financial year 2002-2003) of Ksh.125,000,000.00. It provides the following services to its resident's water, roads, education (nursery schools), sewer and refuse collection. Due to

its location being near the Ministry of local government headquarters, new policies being introduced are easy for the Ministry to monitor and evaluate. Also due to industrialization, Mavoko is faced with the challenge of managing refuse collection, industrial waste from the tanneries, pollution being emitted by these industries. Mavoko has six electoral wards, with two nominated Councilors.

1.4 Statement Of The Problem

The Government through Ministry of Local Government started implementing the Local Authorities Reforms Programs from 1998. The reforms are aimed at increasing efficiency and productivity in local Authorities by aligning the civil service structures, systems and processes to the new role of Government and inline with the rising expectations of the public. The objectives of the reforms are to increase/maximize revenue collection for operations and maintenance, redefinition and rationalization of functions, staff and management of the wage bill, pay benefits reforms, training and capacity assessment, clarification of mission and vision statement, strategic plan, determination of core functions, policy priorities, identification of functions for divesture or outsourcing, determination of optimal staffing levels among other objectives.

Ministry of Local Government has always used the Municipal council of Mavoko as a test ground or for pilot study when testing or implementing new policies. This is attributed to the fact that historically Municipal council of Mavoko has been one of the few Local Authorities where, good stable management, financial performance, and

political leadership is in place. For instance less wrangles/infighting, no instances of chief officers being locked out of their offices, corruption, malpractices and unqualified Audited reports by Controller and Auditor General. The challenges the council is facing in terms of managing the industrial pollution and waste refuse collection system and the growing population against the existing resources. These are some of the factors that the Ministry of Local Government attributes for use Municipal Council of Mavoko. Also the way change management practices are adopted in public sector is bound to be different than the way they will be done in the private sector. Hence the reasons behind the choice of Mavoko for the case study.

A number of studies have been carried out by scholars in relation to strategic change management. These include (Rukunga 2003, Ogwora 2003, Nyamache 2003, Mwambingu 2002 and Bwibo 2000). These studies have given insights into the challenges and responses of some Kenyan organizations in the change management process.

Kariuki (2003) did a survey of revenue enhancement strategies by local authorities in Kenya. However, to the best of my knowledge, no study has been done on strategic change management in local authorities hence a gap exists into understanding how these changes have been managed in the public sector. A case study involving a local authority offers itself as a suitable avenue in developing an in-depth understanding of change management processes in the public sector.

One poses the question of whether the change effort at the council is tracking on plan albeit with emergent challenges. Are the process models that Mavoko is applying consistent with the vision and strategic objectives relative to theoretical change models? How are the factors such as culture, stakeholders, team play, leadership, reward and recognition affecting the reform performance? In order to research on these issues, it is intended to answer the following questions; what are the change management practices adopted by the council and what are the main barriers in implementing the changes?

1.5 Objectives of The Study

The study seeks to establish the following issues:

- (i) The change management practices adopted by Municipal council of Mavoko in their change program.
- (ii) Identity the challenges faced and there effects.

1.6 Significance Of The Study

The study will be useful to the senior management and staff of the Municipal council of Mavoko, other local authorities and the ministry of local government, as they will have an opportunity to gauge the progress and direction of the change effort. It will also be a source of information should they be faced with similar situations in the future. For academicians and other researchers wishing to carry out further research, it will contribute to existing literature in the field of strategic change management and the

legislators may use the study to make meaningful contributions during the forthcoming debate on the proposed amendments to the local government Act cap 265. Potential foreign/local investors will use the findings of the study to evaluate their investment's portfolio, as it will be a source of ready information for making sound decisions for instants grants.

CHAPTER TWO: LITERATURE REVIEW

2.1 The External Environment

The environment is the source of resource inputs for the organization. Once the latter receives the inputs, they transform them into outputs, which go back to the environment. For success to be obtained this input transformation output cycle has to continue uninterrupted. This chapter demonstrates that the environment provides the organization with opportunities and threats and the same environment is dynamic thus presenting different opportunities and threats at different times.

Johnson and Scholes (2002), identify political, economic, social technological and ecological factors as comprising the external environment that present the organization with opportunities threats and constraints. Aosa (2002) notes that managers have to constantly monitor developments in the environment and take action to maintain an appropriate relationship between their organization and external environment. This relationship is the strategy of organization, Barbara (1997)

Ansoff and McDonnell (1990) state that the environment can either be relatively stable or turbulent. They categorize the environment turbulence into five levels that are on a continuum; repetitive, expanding, changing, discontinuous and surprise. Each of these levels requires different levels of strategic aggressiveness and organizational responsiveness.

Burnes (2000) notes that due to political, economical, social and technological changes, the history of organizations has been that of change and upheaval since the Industrial age. Because of the pace of change and uncertainty, such change vary from organization to organization however, no matter what the level of turbulence is, what matters is the ability of the organization to cope with the environmental constraints, challenges and threats.

2.2 Strategic Change Management

Hills and Jones (2001) see strategic change as the process of moving an organization away from its present state towards some desired future state to increase its competitive advantage. They observe that most organizations have gone through some kind of strategic change, as their management has tried to strengthen their existing core competences and build on ones to compete more effectively. Reengineering, restructuring and innovation have been the three kinds of strategic change tools pursued in recent times. Strategic change aims at aligning structures, systems, processes and behavior to the new strategy.

Organizations are in a rapid and unprecedented change brought about by forces of global competition, rapidly changing technologies and deregulation. The pertinent issue is how organizations can cope with both the environment in which they operate and the constraints, challenges and the threat they face? The most important motive for change in

a business enterprise according to Kanter (1984) is to improve the organization's ability to meet and satisfy its customer's needs.

Undoubtedly, the way changes are made and the appropriateness of the approach adopted, have major implications for the people experience change and their perceptions of the outcome. The Institute of Management (1995) study established that managers appear to report considerable levels of dissatisfaction with the outcome of change. The study found out that while most managers supported the change, many were anxious not only about the outcome of the change but also the process of change itself. Many of the managers have doubts about both the approach to and outcome of the change. The reality according to many observers is that organizations can and do experience severe problems in managing change effectively (Beer et al., 1990; Taylor 1995). It is clear that to manage change successfully, even on small scale can be complex and difficult, therefore managers have a right to be anxious about organization change given the many examples which have gone wrong (Cummings and Huse, 1989; Kanter et al., 1992).

Miyumu (2003), organizations have been following different approaches to change management. Some are choosing to follow the prescriptions of writers such as Handy (1989), Kanter (1989) and Peters and Waterman (1982) while others seek to emulate Japanese experience as popularized by writers such as Hamel and Prahalad (1989) and Whitehill (1991). However, whatever particular form change takes and whatever objectives it seeks to achieve, organizations cannot expect to achieve success unless those responsible for managing it understand the different approaches on offer and can match

them to their circumstances and preferences. On this basis understanding the theory and practice of change management is important Burnes (1996).

Two approaches to successful change management have been advanced. These are the planned approach and the emergent approach. The planned approach works best in a stable and predictable environment while the emergent approach works best under turbulent environment. It has been observed that organizations face a continuum of change circumstances, ranging from stable to turbulent environment with varying levels of turbulence. Such situations may not be best handled by either planned or emergent approach. There needs to be an approach that is contingent and adaptive to different circumstances, Burnes (2000).

2.3 Context of Strategic Management in the Public Sector

The context of strategic management can be defined as the societal role of the organization and environment, technological and human resource factors, Ring and Perry (1985). With changes in context, a unique set of managerial constraints arises. Following Thomson's (1967) lead, constraints are defined as fixed conditions (structural or procedural) that tend to exist for some period of time to which an organization and its management must adapt. Context also influences the nature of managerial behavior; the actions of a manager at arriving at a decision regarding with how to deal with a given content. Aspects of strategic management in the public sector are likely to differ with

those in the private sector. Dealing with these relatively unique needs may require managerial behaviors different from that usually prescribed for private sector managers.

Basic distinctions do exist between the public and private sectors and they are critical to understanding the differences in strategic management processes. The most influential of the difference stem from the organic law is the constitution. In an effort to maintain separation of power, constitutional draftsmen sharply divided policy formulators from policy implementers. Thus legislatures initiate but generally do not implement policy. Conversely executive branch agencies often can pursue only legislatively authorized objectives.

Its difficult to conceive of situations in which top management teams in the private sector organizations are prohibited by corporate charter from engaging in strategic implementation or in which only "outside" directors can make major strategic decisions. To the contrary a direct link between strategy formulation and implementation and the active involvement of all the relevant parties throughout the process is deemed to be essential to effective private sector policy making.

Public sector organizations are more open to the external environment. Constituents of the public sector unlike their private sector counterparts have direct constitutionally or legislatively based avenues of access to strategy makers through for example sunshine provisions requiring open public meetings on most legislative matters. They demand and invariably receive the attention of their elected representatives. Failure to pay attention to these constituents invites grave risks for elected public sector officials through process

such as recall or referenda. Private sector chief executives or board of directors on the other hand, may ignore most constituent's demands for direct input to the policy formulation and implementation processes. Moreover they can generally do so with relatively little risk of their careers or to their organizations legitimacy and credibility.

In addition Whorton and Worthley (1981) identify significant organization culture differences between the two sectors. They make the special note of the paradox of public administration; that is, a constraining negative force they term "bureaucracy" frequently is at odds with positive force, the high ideals associated with public service. Many behaviors that are viewed as acceptable strategic management in the private sector assume altogether different symbolic meaning in the public sector. For example an outstanding performer awarded a bonus in a public organization often is perceived instead as a "crony".

Ring and Perry (1985) notes that the public sector has established a number of processes for example ombudsman and ethics committee, to monitor the conduct of public officials, parallels of which are rarely found in the private sector. They identify some factors influencing strategic management in the public sector and provide a basis for five propositions outlining constraints related to strategic management in the public sector that are unique to it and that generally are not accounted for in the discussions of strategic management processes.

2.3.1 Context and Strategic Management Practice between the Public and Private Sectors

The general management functions of government in Kenya are constitutionally spread out and separated among and across judiciary, executive and legislature. The purpose of separation of power, Allison (1983) argues is not to promote efficiency but to prevent the arbitrary exercise of power. This separation of functional responsibility frequently contributes to vagueness and/or ambiguity in policy and objectives, which must be strategically managed.

Clear and precise policy statements may lead to public executives to believe there is less need for judgments of nuance, less need to exercise caution and discretion thus, ambiguity in strategy, characteristic of many public organizations therefore may be an asset.

In contrast, private sector organizations operate within the framework of a limited number of relatively stable goals such as growth, profitability and market share. Peters and Waterman (1982) noted that top management of more effective organizations appears to focus their attention on a limited set of clearly defined objectives. Thus Ring and Perry (1982) noted the following proposition, which describes an important distinction between public and private sector; policy directives tend to be more ill defined for public than for private organizations; the relative openness of decision-making creates greater constraints for public sector executives and managers than for their private sector counterparts;

public sector policy makers are generally subject to more direct and sustained influence from a greater number of interest groups than are executives or managers in the private sector; public sector managers must cope with time constraints that are more artificial than those that confront private sector management; policy legitimating coalitions are less stable in the public sector and are more prone to disintegrate during policy implementation.

Cumulatively, the five propositions present a set of demands that affect the behavior of those who manage the strategy process in the public sector. In responding to these demands, successful public managers resort to processes and employ skills that frequently differ from those associated with strategic management in the public sector although Quinn (1980) prescribes similar behavior for private sector managers.

2.3.2 The Public Sector and Change Management

The Public Sector has not been spared by the challenges of the dynamic environment. They are challenged to justify their existence by taxpayers. Strategic Change Management is now a day-to-day management issue in public sector organizations, as they set to respond to the changing environment and compete effectively in order to remain relevant. Change Management skills are now necessary and all public sector managers must possess them.

Flynn (1997) defines the Public Sector as made up of Local Government, the Civil Service and other statutory agencies created by Government. He added that the public

sector includes all those state Institutions that are charged with the responsibility of policy and delivery of the goods and services that the Government has committed itself to delivering. In Kenya the Civil service, Local Authorities, Teachers Service Commission and Statutory Organizations, constitute the Public Sector (Civil Service Reform Secretariat, 1995).

After strategy formulation, strategy implementation is the next logical step. This involves putting the formulated strategy into action. Strategy implementation involves managing numerous intangible variables such as motivation and commitment of people, values and culture, organization behavior, and power relationships. Pearce and Robinson (1997). Even brilliantly formulated strategies with grand designs can fail without effective implementation.

Pettignew and Whipp (1991) in their study of firms, which had managed change successfully, argue that these organizations demonstrate five (5) important characteristics; First, Environmental assessment – Importance of understanding the business environment they are open learning systems, sensitivity to the environment in organization wide. Second, Leading change: To take the agenda for change specifically in terms of organizational context and the values and beliefs of those in the organization. Third, Linking strategy and operational change: Emphasis importance not only strategic change into detailed resource plans, critical success factors and key tasks and the way the organization is managed through controlled process but also how change is communicated through the mundane and symbolic aspects of the organizations. Fourth, Strategic human resource management –: Integrate human resource management policies with their strategies and the strategic change process. Training, employee relations,

compensation packages are not only mere operational for human resource department, they are crucially concerned with the way in which employees relate to the nature and direction of the firm and as such they can both block strategic change and also be significant facilitators of strategic change. Fifth, Coherence in Managing change: Consistency between intended strategy, the stated objectives their oppression in operation terms and behavior of executives to reinforce the strategy.

The direction of strategic change is consistent with what is happening in the environment and the way in which this is understood in the organization. It is also managed with due regard to stakeholders including suppliers and customers on whom the organization is critically reliant. The strategy is feasible in terms of resources it requires, the structuring of the organization and the changes that need to occur in organizational culture and operational routing. The strategic direction is clearly related to achieving competitive advantage or excellent performance and internally it is understood how this is so. Overall such coherence means that there is need to be an ability to hold the organization together as an efficient, successful entity while simultaneously changing it.

Strategic Change Management is defined as the actions, processes and decisions that are executed by an organization's members to realize their strategic intentions (Handy 1985). Management of strategic change is therefore how to create conditions that make proactive change a natural way of life. In a fast changing global economy, change cannot be an occasional episode in the life of a corporation. Companies with rigid structures will be swept away. Corporate cultures that can adapt will survive and thrive (Business Week – Reinventing America 1992).

2.4 Local Government System in Kenya

The Local Government Act Cap 265 Laws of Kenya is the Principal Law that creates and regulates the local Government System in Kenya and recognizes a local authority as a body corporate. The Act gives powers and responsibilities to the Local authorities to provide public services and to coordinate officers of a particular locality under the guidance from Ministry of Local Government. The management structure of Local authorities was inherited from the British Colonial two-tier system comprising of the policy making structure, council local communities and sub-committees and the Executive structure headed by chief officers the Town Clerk, Clerk to Council who is the Chief Executive Officer and heads of various departments, the sections and unit heads and support staff (Kenya Councilors handbook, 2002).

Decentralization of basic tasks of governance to lower hierarchies may be done using different ways, and in varying degrees (Wilson et al, 1998). In the Kenyan context, the three forms of decentralization are identified as; decentralization, delegation and devolution (Rondinelli, 1981). There are distinct differences between the three (Ngugi and Kelly 2002): Decentralization refers to situations where the central government disperses responsibilities for certain services to regional branch offices of the Central Government but does not involve transfer of authority to lower levels of government. Delegation refers to decentralization context where the central government transfers responsibilities for decision-making and administration of public functions to local government or other semi autonomous organizations that are not wholly controlled by

local government but are accountable to it. Devolution refers to decentralization context that involves transfer of authority for decision-making, finance and management to quasi-autonomous units of local government.

At independence local authorities were quite strong, delivering virtually all-important public services including education, health, water, housing and graded roads. However there was little demand for basic urban services at that time as population in urban centers was low and local authorities needed little manpower resources to implement basic infrastructure programs (Wamwangi 2002).

In 1993, the Government launched its first “decentralization” planning and administrative responsibilities to regional arms of the Central government (Gatheru and Shaks, 1998). The District focus for rural development strategy rose from the ashes of the collapsed local authorities to offer services in the rural areas and this contributed to the weakening of local authorities especially those in the rural areas that were left to offer little or no services. Governments around the world are reforming and strengthening these systems of local government and decentralizing responsibilities and resources to sub-national levels (Devas, 2001). Like other governments around the world, the Kenya government came up with policy changes aimed at decentralizing more responsibilities to Local Authorities. This was through creation of a Kenya Local Government Reform Programme (KLGRP) to deal with decentralization issues.

KLGRP traces its conceptual beginnings to Local Government workshop held in September 1991 in Mombasa. This workshop identified the need for Local Government reforms. A World Bank report on Local Government finance was completed in 1992 and the Government of Kenya completed its "Omamo Commission" report (Ngugi and Kelly 2000) on Local Government finance in 1995.

Rapid urbanization has hampered the ability of local authority to cope with the demand for services. Non-payment of local tax by payers and the failure by Local Authorities to collect all revenue due to them aggravates the situation. Tax evasion by residents leaves the Local authorities with little realizable revenues e.g. in Nairobi non-payment of water bills; lack of enforcement authority reduces the ability of the local authorities to recover unpaid tax, as they have to rely on the police officers and provincial administration for enforcement. Poor management of resources in local authorities creates a credibility gap with residents whom they purport to serve, with citizens resisting taxation on the basis of no services to match taxation.

Administrative problems such as loss of colossal funds, lack of accountability, rent seeking activities all affect effective utilization of revenues. Revenue control procedures in many local authorities are not applied leading to loss of much needed revenue. There is also a human resource development crisis as a result of an over bloated wage bill due to over-employment of unskilled labor. Local authorities lack autonomy to make local decisions due to the enormous powers vested with the Minister of local government.

2.5 Models of Strategic Change Management

Major Theorists and practitioners have proposed a number of models for strategic change management. The eight (8)-stage process proposed by Kotter is a typical model. This model consists of the following stages;

Establishing sense of urgency; this is crucial to gaining the needed co-operation. With low urgency it is difficult to bring together a group with enough power and credibility to guide the effort or to convince key individuals to speed necessary time to create and communicate a change vision. By examining the market and competitive realities, identifying and discussing key issues crisis or opportunities can establish urgency.

Creating guiding groups; no one individual is able to develop the right vision and communicate it effectively to large numbers of people, eliminate key obstacles and get the change going on. A strong group composed of the right members with high level of trust and having a shared objective is needed. The group should be able to work as a team with enough responsibility and authority. Position power, expertise, credibility and leadership should be the key characteristics to be considered when forming the group or team.

Develop a vision and strategy; in order to implement change successfully; it is necessary to have a clear vision to help direct the change effort. An effective vision should be imaginable, desirable, feasible, focused, flexible and communicable. The firm should also develop strategies for achieving the vision, which should be clear and well understood by all members of the organization. The vision should be grounded in a clear and rational understanding of the organization, its market environment and competitive trends.

Strategy provides the logic and a first level of detail of how the vision can be accomplished.

Communicating the Change Vision; all means possible should be used to communicate the new vision and strategies. Such means include employee bulletins, staff meetings, memos and newspapers, formal or informal interactions. The term leading the change should be role models to the employees with exceptional behavior. Communication of change vision can be undermined by behavior on part of key team members who seem to be inconsistent with the vision. The senior management behavior is carefully monitored so as to identify and address inconsistencies between words and deeds

Empowering Employees; this involves getting rid of obstacles, changing systems or structures that undermine the change vision and encouraging risk taking and non traditional ideas, activities and actions. To fully empower employees following could be done; Confront supervisors who undercut/sabotage needed change, provide training employees required, make structures that are compatible with the vision, have and communicate clear sensible vision, align information and personnel systems to the vision

Short-term win; one should plan for visible improvements in performance or wins and also create those wins. Also the people who make those wins should be recognized and rewarded. Running a transformation without serious attention to short term wins is extremely risky.

Consolidate gain and have more change; change all the systems, structures and policies that do not fit in the transformation vision. Employee and promote people who can implement the change vision.

Anchor new approaches in the culture; create better performance through better customer and productivity-oriented behavior, more and better leadership, and more effective management. Articulate the connections between the new behaviors and organizational success. Also develop means to ensure leadership development and success.

Kurt Lewin came up with three models;

Action Research Model; this model emphasizes that change requires action and also the recognition that successful action is based on analyzing the situation, identifying possible alternative solutions and choosing the one most appropriate to the situation at hand.

The three-step model; this model proposes going through the steps of unfreezing, change and refreezing. Unfreezing involves removing all those forces maintain the organization behaviors at its present level. Change involves acting on the results of unfreezing i.e. take action to move to the desirable state of affairs. Refreezing seeks to stabilize the organization at the new state of equilibrium.

Phrases of planned change; the phrases of planned change approach have four stages of exploration, Planning, Action and Implementation. These were developed by Bullock and Battern (1995). Exploration involves becoming aware of the need for change, searching for an agent, and establishing a contract with the consultant, which defines each party's responsibilities.

Planning involves the change process of collecting information, establishing change goals and getting key decision makers to approve and support the proposed changes. Action phrase involves change implementation and evaluation of results in order to make

adjustments as necessary. Integration phase involves reinforcing new behaviors, gradually decreasing reliance on consultant, diffusing successful aspects of the change in the organization and training staff to monitor the changes constantly and seek to improve upon them.

According to its authors, this model has a broad applicability to change situations since it incorporates key aspects of many change models. It overcomes the confusion between the processes and phrases of change.

Kanter's et al (1992) model of change management focuses on managing the political context by providing information, resources support for the change effort. The main theme is that for organizational change to be successful, it needs to be holistic and systematic, addressing individual, social and organizational factors. The model suggests a number of actions that should be taken during change management; building coalitions by seeking support from power sources and stakeholders; articulate a shared vision of the mission, goals and desired results; define the structure and process that will guide the change, including clear reporting relationships, coordination between activities and teams and accountability for outcomes; ensure communication to keep people informed, education and training to increase their capacities; institute policy and systems review, in order to align the strategy with resource allocations, operations, systems and staffing; enable local participation and innovation by clearly specifying fixed goals while encouraging local variation in their implementation; ensure standards, measures and feedback mechanisms as a way of monitoring the process and results; provide symbols, signals and rewards that demonstrate and support commitment to changes.

While change management concepts and methods vary, the basic elements are similar; a vision to align the organization; communicate why the changes are necessary; involving the affected people actively in the change process; provide people with the skills to actively support the change process; marketing new approaches; institutionalize new approaches to avoid erosion effects.

Rose and Lawton (1999) have proposed a model for public sector change management. They propose a dozen action steps to managing change in the public sector; assuring support of the stakeholders; using leadership to generate support for change; using symbols and language to stress the importance of change; building in stability to reduce uncertainty and anxiety; surfacing dissatisfaction with present state to demonstrate the need for change; participation in change to build ownership; rewarding behavior in support of change; making time and opportunity to disengage the present state; developing and communicating a clear vision of the future; using multiple and consistent leverage points; developing organizational arrangements for the transition and building in feedback mechanisms

Whatever the approach, the role of the top management must be to create the climate for pockets of good practice, to grow, and to nurture them where they appear. Only in that sense should pockets principle be a top down one (Butcher et al 1999).

2.6 Forces of Change

Organizations and Managers would understand the approaches on offer, identify their own circumstances and needs, and then choose the approach they find suitable. Aosa (1996) notes there is need to synchronize the management and Implementation of change with the context within which such a change is being carried out. This is especially true with the Africa context where management has been shown to be different. Many signals of change abound in the current business environment can be traced in some fundamental forces of change. For instance growth of capital intensive manufacturing (use of machines), accelerated tempo of new technology, concentrated patterns of consumption and liberalization of the world economy after fall of communism. These forces have had specific implications for change in organizations i.e. globalization of markets, technological obsolesces and technical improvements, increase in size complexity and specialization of organizations and greater strategic awareness and skills of managers and employees, changes in company policies e.g. company gets new owners, new management/leadership or new chief executive and changes in workforce. All these pose certain challenges; hence change in the way of doing things is inevitable.

2.7 Resistance to Change

Resistance is a multifaceted phenomenon, which introduces unanticipated delays, costs and instabilities into the process of a strategic change, Ansoff and McDonnell (1990). They note that resistance manifests itself throughout the history of change and observe that during the change process all of the following may occur: procrastination and delays

in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than originally anticipated, and there are efforts within the organization to sabotage the change.

After the change has been installed, Ansoff and McDonnell (1990) the following may occur; There is a typical performance lag, the change is slow in producing the anticipated results and there are efforts within the organization to roll back the effects of the change to the pre-change status. In light of the above propositions, it explains the strong resistance against strategic planning.

Resistance could be caused by individuals, group resistance, organizational loyalty, perception verses loyalty, and cultural-political field. Ansoff and McDonnell (1990), causes of resistance can be traced to reactions by individuals on one hand and common actions by groups of individuals on the other. Both experience and literature on psychology show that individuals will resist change when it makes them insecure. For instance when a manager feels that the change may make him redundant, when he feels incompetent to perform in the new role defined by the change, when he is incapable and unwilling to learn new skills and behavior, if he is uncertain about the impact and implications of the change.

Groups will resist a change in proportion to which it; threatens the power of the group, violates accepted values and norms, is based on information that is regarded as irrelevant. During changes aimed at improving organizational performance, cultural/political

resistance will be moderated and may change to positive support in proportion to the following; the degree of improvement in performance promised by the change and the level of positive loyalty within the organization.

Ansoff and McDonnell (1990), thus concludes the level of resistance to change is determined by the following factors; The degree of discontinuity in the historical culture and power structure implied by the change, the strength of positive/negative loyalty towards the organization felt by the participants, strength of the culture and power drives at the respective power centers and end by noting that “because of distorted perception, resistance will usually be higher than is justified by the facts of the situation”.

Leadership is the process of influencing an organization or group within an organization in its efforts towards achieving an aim or goal, Johnson and Scholes (2002). Hence a leader is someone who is in a position to have influence. An example of Stakeholder Politics: is the removal of the Kenya Commercial Bank chief executive officer, who was hired in 1999 to turn round the bank, after three (3) successive years of declining profits, following growth in non-performing loans. The Daily Nation of 21st January 2003 reported that, the chief executive officer had to leave due to lack of confidence from major stakeholders, the board and employees. The immediate challenge for the incoming chief executive officer was to mobilize the support of the board of directors to support the change initiatives.

Change introduces and leads to emotional turmoil to those affected either positively or negatively. It may be resisted passively or be aggressively undermined. Resistance to change is a multifaceted phenomenon, which introduces unanticipated delays, cost and

instabilities into the process of strategic change (Ansoff 1994). To minimize resistance, managers must define the terms and persuade employees to accept them. Good leadership must drive the process of change to alter the employees' perception and bring about revised personal impact.

The following change tactics are useful in minimizing resistance to change; Visible short-term wins; some tasks in the strategy should be seen to be successful quickly. Such demonstrations of wins will galvanize commitment to strategy (Johnson and Scholes 2002). Job losses delaying tactical choice of where job losses should take place is important. Where job losses is to take place, there should be a visible, responsible and caring approach to those who loose their jobs: Timing; the change transformation should be built on perceived crises. Capitalization on window of opportunity in the change processes and the timing of the change should be clear.

Without proper leadership, employees will remain skeptical of the vision for change and distrustful of management and the management will likewise be frustrated and stymied by employee's resistance to change (Strebel, 1996). Building organizational capacity to the desired level can reduce systemic resistance.

2.8 Managing and Evaluating Change

Generally, a company can take two main approaches to manage change; top down change or bottom up change. Hill and Jones (2001) with top down change, a strong chief executive officer or top management team analyzes how to alter strategy and structure, recommends a course for action and then moves quickly to restructure and implement

change in the organization. The emphasis is on the speed of response and management of problems as they occur. Bottom up change is much more gradual. Top management consults with managers at all levels in the organization. Then over time, they develop a detailed plan for change, with a timetable for events and the stages that the company will go through. The emphasis here is on participation and on keeping people informed about the situation so that uncertainty is minimized.

They add that the last step in the change process is to evaluate the effects of the changes in strategy and structure on organization performance. They conclude by noting that a company must compare the way it operates after implementing change with the way it operated before. Hence managers' use indexes such as change in stock market price or market share to assess the effects of change in strategy. They can also assess whether the change has decreased the level of politicking, conflict and strengthened co-operation among the divisions and functions.

The change programme at Mavoko has been implemented since 1998 and is still going on. A study of how these changes have been managed may help to establish the reasons for its promising expected performance and its place in the continuum of change.

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter contains the steps followed in the execution of the study. They include defining the design, data collection and data analysis methodology.

3.1 Research design

The research problem in this study is researched using a case study, in this case Municipal council of Mavoko. The aim of the study is to document the Strategic change practices by the local authority in response to the reforms initiated by the Government. The case study method was chosen because it gives an in-depth understanding of the behavior pattern of the Municipality.

According to Odum and Katherine (1929) the case study method is a technique by which an individual factor or a group is analyzed in relation to any other group, while Young (1960) describes case study as a comprehensive study of a social unit be it that unit a person or a group, a social unit be it that unit, a person or a group, a social institution, a district or a community. The case study is a form of qualitative analysis where study is done in Institutions or situations and from this study data generalizations and inferences are made. However a case study has its limitations, in that the researcher might be unable to collect the data due to lack of access to the source or the researcher might be subjective or even the danger of false information, Saunders et al (2000).

3.2 Data Collection.

An interview guide (appendix 1) was used to interview the Town Clerk, Municipal Treasurer, and Engineer. These top chief officers were and are still intimately involved in the change efforts at the council and provided incisive information on the management perspective of change.

Secondary data was collected from various sources including financial statements and change programme reports prepared during planning, implementation and evaluation stages. Since some of these reports were on the assessment of the implementation and impact of the change effort, factors affecting its performance are available in such reports.

3.3 Data Analysis

Data was analyzed using conceptual content analysis. This type of analysis was suitable in that it did not limit the respondents on answers and had the potential of generating more information with more details. Analysis of primary data collected from the interviews and secondary data sources was guided by variables such as forces of change, approach to change management, change content and achievements of the reforms. The content was manually compared to determine the extent to which it collaborates or contradicts. Findings were then summarized into a report, discussed and conclusions made.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter discusses the findings of the study based on the analysis and interpretation of both primary and secondary data collected from various sources. Findings of the study focused on four main themes namely; forces of change, approach to change management, content of the change and the overall performance of the change.

4.2 Findings

From the findings, the results can be summarized based on the focused themes namely; forces of change, approach to change management, change management models and the overall performance of the change.

4.3 Profile of Municipal Council of Mavoko

Municipal council of Mavoko headquarters is based in Athi-River town, which is an industrial town in Machakos district of Eastern province of Kenya. In 1993, the council was elevated from a Town council and became known as Municipal council of Mavoko. It has a population of about 80,000 people and covers an area of 596 square kilometers bordering Kajiado district to the south, Nairobi to the west and Machakos to the east. It stretches from Embakasi after airport north road up to the Machakos junction on the Nairobi-Mombasa road.

The council provides the following services to its residents; provision of water, roads, education (nursery schools), sewerage and refuse collection. Athi-River is an industrial town that has major old industries i.e. East Africa Portland cement, Bamburi cement and Kenya meat commission. It is a fast growing town and due to industrialization it is faced with the challenge of managing and providing water connections and collection of industrial waste from the tanneries and the pollution emitted by these industries.

Table 1: Income Analysis for Municipal Council Of Mavoko

Year	Amount (Ksh)	Difference (Ksh)	Variance
2000-2001	21,883,317.00	Nil	Nil
2001-2002	29,272,060.00	7,388,743.00	25.24%
2002-2003	35,852,318.00	6,580,258.00	18.53%
2003-2004	80,042,190.00	44,189,872.00	55.21%

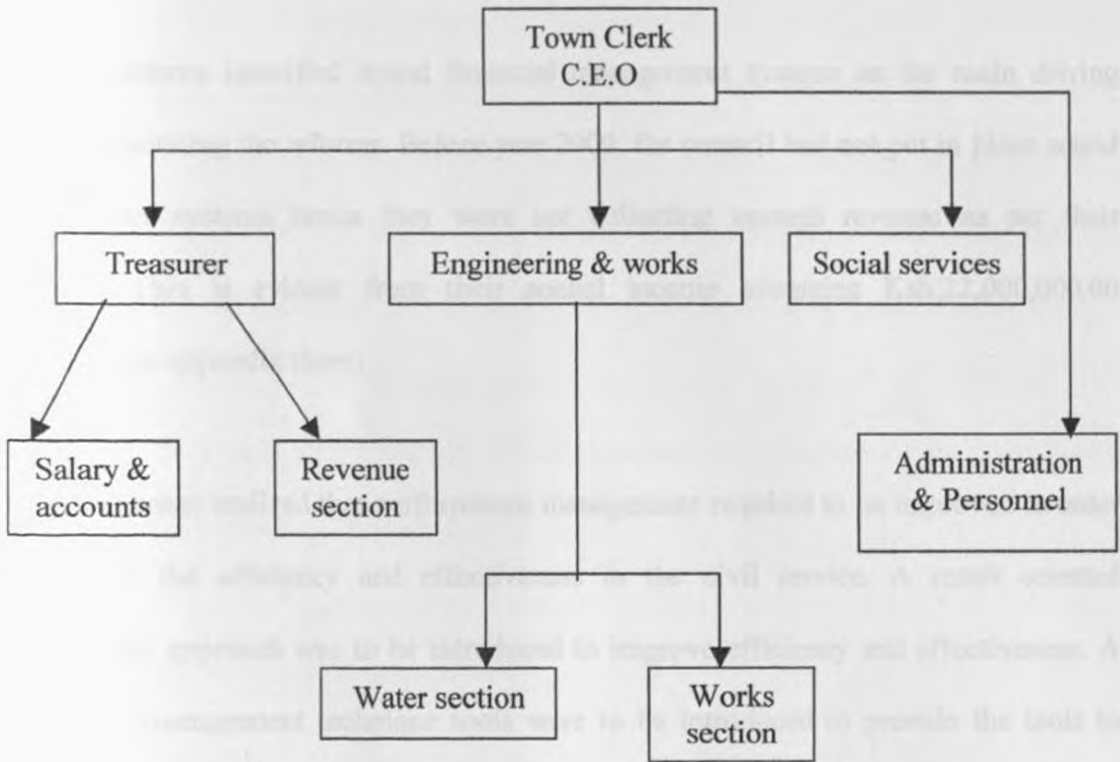
Source: Municipal Council of Mavoko

Property rates and metered water charge are the major source of income for Mavoko collecting Ksh. 23, 560,660.00 and Ksh.12, 897,605.00 respectively in the financial year 2003/2004 with the net income from the same year being Ksh.80,042,190.00 (see appendix three).

The management structure of local authorities in Kenya was inherited from the British colonial two-tier system comprising of the policy making structure; council local committees and sub-committees and the Executive structure headed by the Town Clerk in case of Municipalities and Clerk to Council in case of county councils. At Mavoko, the policy making structure is headed by His worship the mayor, the deputy mayor and the

councilors' while the executive structure is headed by the Town Clerk who is the chief executive officer as spelt out in the local government Act Cap 265 laws of Kenya.

Figure 1: Executive Structure of Municipal Council of Mavoko



Source: Municipal Council of Mavoko

The council organization structure has several departments which include; the Clerks department headed by the Town clerk who is also the chief executive officer of the council, Treasurers department headed by the municipal treasurer who is the chief financial controller, engineering and works department which includes water section, social services department which includes the council rental houses. This departments

work hand in hand as a team in order to see that the objectives of the council are met i.e. delivering efficient and effective services to its residents

4.4 Forces of change.

The respondents identified sound financial management systems as the main driving force necessitating the reforms. Before year 2000, the council had not put in place sound management systems hence they were not collecting enough revenue as per their potential. This is evident from their annual income averaging Ksh.22,000,000.00 annually (see appendix three).

The government realized that performance management required to be improved in order to enhance the efficiency and effectiveness in the civil service. A result oriented management approach was to be introduced to improve efficiency and effectiveness. A number of management technique tools were to be introduced to provide the tools to implement a result oriented management approach appropriate to the public service. These tools included service delivery benchmarks and standards, service charters, annual work programmes and performance contracts.

Today's consumer/public is enlightened, sophisticated and demands for better services so as to justify the taxes, rates and levies they pay. This was also identified as one of the forces necessitating the reforms. For instance, in the daily nation of 3rd February 2005 reports the dissatisfaction of a resident of Mavoko who questions the council's efforts in undertaking to conserve the environment. Public expectation has led the management to

come up with change management practices and skills that will assist it to understand, accept and support the needed business change for better service delivery in water provision, refuse collection, good roads, proper planned town and clean environment

The 1998 Act of parliament establishing local authority transfer fund to provide for resources and incentives to enable local authorities to improve local service delivery, strengthen financial management and accountability and eliminate all outstanding current local debts was the major force behind these reforms. A workshop held in September 1991 in Mombasa had identified the need for local government reforms. A World Bank report for local government finance was completed in 1992 and the government of Kenya completed its "Omamo commission" report (Ngugi and Kelly 2000) on local government finance in 1995.

4.5 Approach to change management.

From the planning work documents, it is clear that the planned approach to reform management was dominant in the initial stages, which the respondents did concur. The top-bottom approach, where reform activities were decided at the top and passed down for implementation. However as the reform process progressed, the emergent approach started to take root. Emergent approach emphasis is on four features in change management; structures, culture, organization learning and managerial behaviour. This creates an enabling environment for the organization to be change ready. The staffs involved were allowed to identify areas that required to be reformed and initiated the

reforms on a continuous basis. Managers' role is of facilitators and not doers. There focus is on information gathering, communication and learning. For instance, the management facilitated by purchasing computer accessories and equipments and the staff deployed to work with these networked machines would give a feedback to the management on the progress and problems they were encountering in the course of their duties.

The emergence of a down –top approach was encouraged. The staff that was involved in the reforms was always encouraged to air their views and raise their concerns if any and give recommendations. They were consulted before the management could make a decision e.g the type of computer accessories, stationeries to be bought. Reforms were becoming an open-ended activity across the council. Hence the change effort was planned and there is a clear line of sight to a future desired state.

4.6 Change management models.

Change experts have proposed a number of change management models. Some of these models were discussed in section 2.5 of this study report. Critically looking at these models, they seem to share common features that a change management process must entail. Though not quite distinct, the researcher could remotely pick out Rose and Lawton (1999) model for public sector change management.

Rose and Lawton model comprises of the following action steps; assuring support of the stakeholders; using leadership to generate support for change; using symbols and language to stress the importance of change; building in stability to reduce uncertainty

and anxiety; surfacing dissatisfaction with present state to demonstrate the need for change; making time and opportunity to disengage the present state; developing and communicating a clear vision of the future; using multiple and consistent leverage points; developing organizational arrangements for the transition and building in feedback mechanisms.

Though they proposed a dozen action steps to managing change in the public sector, the following was evident; assuring support of the stakeholders; who included the political wing of the council i.e. Councilors', members of staff, the ministry of local government and the general public (residents) of Mavoko was positive. The Councilors were well briefed before the reforms took place on the importance and the effects the changes would bring. Their concerns were taken into account before the reforms and by the time the reforms were being implemented, they were in support for these changes. Unlike in other local authorities where squabbles and fighting among the elected leaders is a common issue, at Mavoko this is a thing of the past. Political leadership is stable (Manyengo 2005).

Using leadership to generate support for change: This was through the Town clerk, Treasurer and various heads of department who are in the front line in support of the reforms; building in stability to reduce uncertainty and anxiety: This was done assuring the employees that there would be no job losses or retrenchments by computerizing their systems and records. Since the process began there has been no job losses as the affected members of staff were redeployed and given other duties, which is beneficial to both the

council and staff; surfacing dissatisfaction with the present state to demonstrate the need for change: The water billing system, business licenses permits, personnel records, rates and plot rents were manual, they were not consistent there is need to computerize, standardize and have consistent data of these records and fees always so as to seal loopholes for losing council revenue; participation in change to build ownership: Staff were actively informed, sensitized and involved on the need for the reforms and the benefits accruing. They were trained on computer skills; workshops organized to educate them and were consulted and involved in the decision-making processes;

Building in feedback mechanisms: The staff involved in the reforms were in-constant touch with the management and personnel from the Kenya local government reform programme, who are always available for any assistance. The respondents indicated that external consultants in this case Kenya local government reform programme personnel were involved in initiating the reforms, training of staff and tracking the process of the reforms.

4.7 Role of consultants

Consultants are an important input into a reform programme for a number of reasons. From their diverse experience, they bring in new ideas and expertise that may be lacking in an organization. They help the organization to deal with sensitive issues that are usually avoided by management. However it is important that a reform programme be initiated and controlled by the organization. The role of a consultant should be that of a facilitator. When the government was convinced that local authorities were under-

performing, consultancy to assess the civil service performance identified the problems and areas for reforms.

Consultants were involved in the formulation, planning, implementation, monitoring and evaluation of the reform programme. As was the case in Mavoko, the consultants (local authority reform programme personnel) were helpful in accessing expertise that lacked at the council and largely facilitated the reform process. From the respondents, it is evident that those who were involved in the reforms program and used to working using the Kenya local authority integrated financial management operation system are transferred to other councils who have not embraced this reforms, they would have difficulties in their new work stations even though each local authority has its own unique features

4.8 Achievements of the reforms.

From the respondents, the council has been able to install sound financial systems as is evident by the following features;

There is consistency of council data. Previously errors were common for instance in case of licensing business permit license is renewable annually. One could easily collude and falsify records and pay a lower fee in the current year while in the previous year he had paid a higher fee. However now that has been eliminated by having all the business premises details in the municipality computerized and having a standard rate system of licensing and billing. Hence pilferage of council data has been minimized.

The issue of having ghost workers that is common in many local authorities is not there. The payroll cannot be amended or altered by the salary section personnel, without the

relevant authority i.e. Town Clerk and Treasurer allowing them to key in any alterations (add or remove a name from the payroll) as it logged with a password administered by them hence Mavoko has put in place an integrated payroll and personnel database system. This is a computer based personnel management information system that intends to integrate the three (3) main personnel functions of computer control, payroll administration and personnel emoluments budgeting.

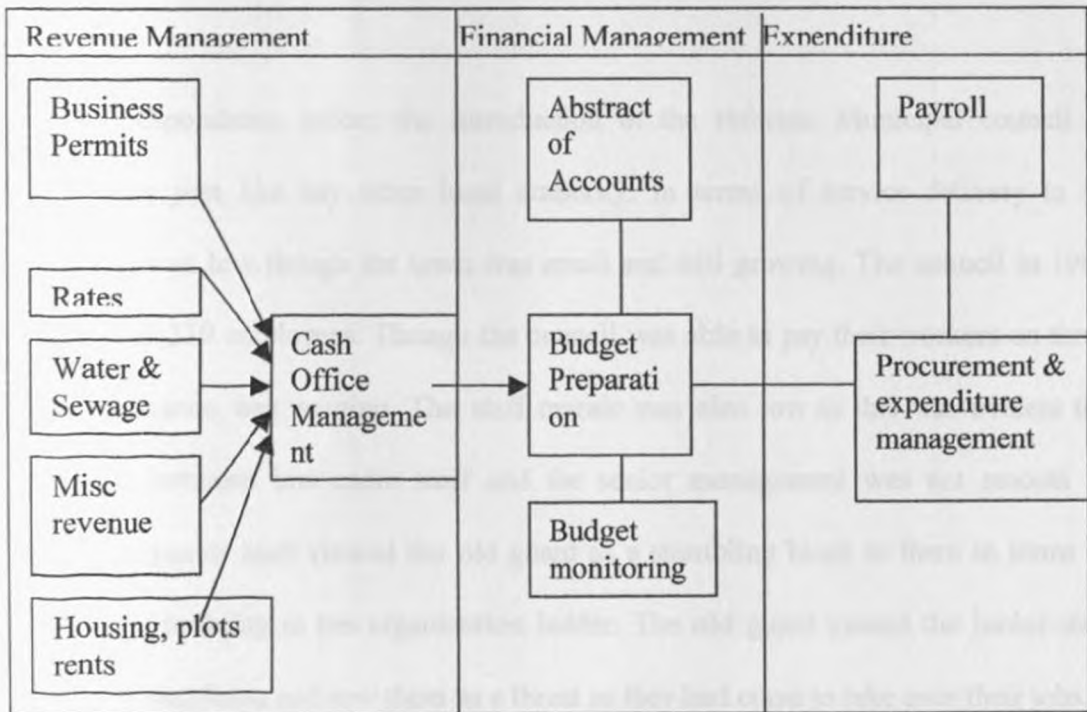
All the area within the municipality was zoned entered into computer data base and the rents and rates fees have since been harmonized hence the council is able to know by touch of a button the amount of plot rates and rents due in a particular year since they have the necessary details in their systems.

Financial management has improved and it has become easier to monitor the cash office, revenue and cess collectors, bank in terms of banking which has been a major problem that has led to financial mismanagement and failures in most of the local authorities. This has made the work of the Treasurer becoming more easy to manage and interesting as the first thing every morning, by a touch of the button he is able to know the previous day cash analysis, amount of revenue collected from each of the revenue collection points and the cash at bank hence he is able to plan his work better in terms of making payments or meeting financial obligations hence the issue of issuing bouncing cheques which is a common feature in most council does not arise.

Before the reforms, the staff never took their work serious as long as one had a "tall relative" councilor or was in good books with the management. One would report late for

work and leave early before the required time. They were not accountable for the work they did nor were there set targets e.g. revenue collectors did not have set targets to meet. However with the coming of the reforms, things have changed. Staffs are treated equally; work has become more interesting and exciting to do with the installation of the new networking systems. Staff salaries and allowances are paid on time and the workers Sacco is financially stable. Nepotism and favoritism is a thing of the staff and one feels part of the organization since there are involved in the day to day management decision making hence work is viewed as stimulating, exciting and enjoyable.

Figure 2: Local Government Integrated Financial Operations Management Systems



Source: Municipal council of Mavoko

The staff has become motivated in their duties and the morale has also gone up. This is evident with the enthusiasm with which they do their work as a team and are always eager to learn more in fact they are in praise of the reforms and these was noted by the researcher.

The above achievements have lead to council becoming more efficient and effective. The service delivery has improved and unlike previously where one would take a long time to get or renew business licenses/permit, it would now take less than ten minutes before you renew your license hence time one would take before being attended to or given service in the council has been greatly reduced.

From the respondents, before the introduction of the reforms, Municipal council of Mavoko was just like any other local authority. In terms of service delivery to its residents, it was low though the town was small and still growing. The council in 1998 had a staff of 219 employees. Though the council was able to pay their workers on time, their performance was wanting. The staff morale was also low as this was evident the relationship between low cadre staff and the senior management was not smooth or cordial. The junior staff viewed the old guard as a stumbling block to them in terms of their upward mobility in the organization ladder. The old guard treated the junior staff with a lot of suspicion and saw them as a threat as they had come to take over their jobs.

At this time the main source of revenue for the council was water, single business permits (previous called business licenses), rent and rates. There was laxity on the part of the

council in terms of enforcing the by-laws and revenue collection. The use of By-laws would have enabled them to ensure that there is promptness from owners of plots to pay when due their rents and rates, business premises owners would also have been paying for their licenses. This is evident by the fact that the council income was averaging between Ksh 21million to Ksh 22million per year. In the attached appendix iii, the council income statement for the financial year beginning first July 2000 to thirtieth of June 2001 was Ksh21, 883,317/=.

The council did not have warm relations with the ministry as it took time (years) before the ministry could come and conduct inspections as is required by the law. Also if the council had any matter which required immediate attention by the ministry, it took time before action could be taken, for instance in the case of budget proposals, it took time before they were approved and incase of a capital project which had been approved in the budget before the council could start to implement the project, they had then to go back to seek specific approval for the commencement of the said project. This took a lot of time, bureaucracy and loss of man-hours that could have been put into better use elsewhere.

From the respondents, the period prior to 1994, the preparation of the council budget was done by the accountant, who did not involve other staff members even from the other departments. Hence the budget preparation process was not participatory and normally it was an incremental budget which basically the accountant would just by him pick the previous year budget and adjust the items either upwards or downwards by a certain

percentage which he thought was favorable or suited the occasion. From the year 1995 onwards, the clerical staff in the treasurer's department began to be involved in the budget preparation process.

In 1998 through an Act of Parliament, local authority transfer fund was established to provide resources and incentives to enable local authorities to; improve local service delivery; strengthen financial management and accountability and eliminate all outstanding current local debts.

This fund was initially capitalized with 2% of the national income tax during its first year of operation FY1999-2000, but this has since been reviewed to 5% of the national income tax as stipulated by the LAFT Act. The fund distributed Ksh1billion in FY 1999-2000, Ksh. 2.3 billion in FY 2000-2001 and Ksh3billion in FY 2001-2002 to all the 174 local authorities based on a simple and objective formula (Table 2).

Table 2: National Local Authorities Transfer Fund Disbursements From 1999-2004

YEAR	AMOUNT (KSH)
1999-2000	1,000,000,000.00
2000-2001	3,000,000,000.00
2001-2002	3,000,000,000.00
2003-2004	4,000,000,000.00

Source: Kenya Local Government Reform Program

Table 3: LATF Disbursements to Municipal Council of Mavoko

YEAR	AMOUNT (KSH)
1999-2000	2,157,951.00
2000-2001	5,867,778.00
2001-2002	6,729,955.00
2002-2003	6,729,955.00
2003-2004	10,175,076.00

Source: Kenya local government reform programme

After the local authorities transfer fund Act was passed in 1998, the Kenya local government reform programme secretariat was formed and Municipal council of Mavoko along with seven (7) other councils (mentioned earlier in this study) were selected as pilot study for the reforms. This is when major changes came into place at the council in order to meet the objectives of LAFT Act. Initially, the financial management systems were done manually i.e. receipting, writing and posting books of accounts, daily cash analysis, and banking. Revenue collectors especially those who were stationed in stations which were not near the council office headquarters would take between two to three days before they could remit their daily collections. This made it difficult to supervise and monitor the collectors even the cashier at the cash office on a daily basis.

With introduction of the new Kenya local authorities integrated financial and operation systems in to place, which is computerized, a new system of working in the treasurer's department began. This required re-training of the staff so as to equip them with new

skills required to operate computers and run the programme. This was met with resistant from the staff as they saw this chance for the council to retrench and introduce redundancy. Just before this, the number of staff was 219 but now (December 2004) they are 181. However no member of staff was sacked or fired because of the reforms. The council did not replace those staff members who retired or died. The personnel from reform program trained the staff on how to run the programme. Other staff members were taken to colleges to learn more on how to operate the computers and acquire new skills. The council did and still provides resources for staff training and also has invested heavy in computer equipments and accessories as and when the need for any additional equipments need arises. Workshops and seminars were conducted so as to inform and involve the staff members on the need for the new reforms and their support for the changes. It was only a matter of a short time before the staff accepted and embraced the reforms. From the respondents once the sensitization exercise was over almost all of the staff members were eager for the reforms to begin.

With the financial system in place the work for the Treasurer and his staff has become more interesting and easy to monitor the progress of the collectors and cashier at the cash office unlike previously. For instance all collectors are required and they do submit their daily collections on a daily basis. In case there is a drop or the Treasurer is not satisfied with their days remittance he is able to question them immediately and know the cause and attend to it in case it was a drop in their collection. Also by the touch of a button one is able to get the daily cash analysis at the close of each business day and make a comparison with the previous day analysis, banking is done on a daily basis and one is

able to know the current balances at the bank, hence be able to make an informed up to date decision regarding income and also be able to cater for expenses comfortably. This is not the case in many local authorities as they are not able to know their daily cash analysis at the close that particular days collection, their banking and this is the reason why most of them are not able to meet their financial obligations as is evident by the case of so many bouncing cheques which they issue caused by lack of proper financial planning and management systems in place. This has greatly minimized the chances of the revenue collectors colluding even with the cashier and the custodian of council revenue, miscellaneous receipt books, as is the case in other councils. With these reforms it is evident that things have improved with the council income going up tremendously as seen from the attached income statements of the council attached in the appendixes. This caters for the second objective of the local authority transfer fund i.e. strengthen financial management and accountability which eventually leads to improving service delivery and eliminates previous long outstanding debts.

At the moment, the council has good cordial relationships with the ministry through the Kenya local government reform programme personnel who are always available incase of system failure, malfunction or any matter and they are on the ground monitoring the reform programme. With the integrated financial management and operation system in place, the service delivery has tremendously improved and the reform programme personnel put it at a rate of 85%. The researcher when on the ground also evidenced this, even by the manner in which the members of the public were being served how the refuse collection department was functioning and also their work schedule. The works

department has built refuse collection bins which are strategically placed in the town so that in case the tractors for collecting refuse broke down, members of the public will still have alternative place to throw their waste as they wait for the refuse vehicles to become operational.

The council budget preparation system has now changed. All the departments are involved in this exercise. Each department comes up with their proposals, which are then deliberated at the budget committee that comprises of the municipal treasurer, his staff and representatives of the other departments mostly heads of those departments. This are then incorporated into the final council budget, hence everyone feels part and parcel of the budget and is willing to work towards achieving and making it become a success. This budget is nowadays poverty eradication based unlike the previous year before the reforms. The projects and items in the budget are geared towards poverty eradication which is a requirement e.g. purchase of tractors to collect refuse in slums or purchase of grader for roads in the slum areas.

With the reforms, the council has been able to monitor closely all its water connection points on the ground by ensuring constant inspection to avoid illegal connections and also increased the water connections and improved water billing system to its residents though they have not been able to make connections in its entire area of jurisdiction. This has seen a great improvement in the amount of water fees collection over the years as is evident from the income analysis table attached at the appendix iii.

The council through the able leadership of Mayor Cllr. Joseph Musau, since it came into office on 29th February 2002 has completed several projects; it has purchased a 10 ton lorry at cost of Ksh6, 500,000.00, two refuse tractors' at Ksh 900,000.00, a tractor at Ksh 1,500,000.00 and constructed refuse receptacles costing Ksh 1,000,000.00. Livestock grazing in the town has been banned and 2000 trees at a cost of Ksh 1,000,000.00 have been planted.

The Council has also enlarged and completed the *kmc* sewer line at a cost of Ksh 2,100,000.00 hence leakages are a thing of the past. The EPZ drain has also been cleaned up. The road leading to KMC factory has been tarmacked at a cost of Ksh 15,000,000.00 using funds allocated from local authority transfer fund together with local resources. Eight kilometers of roads in the estates have been murrammed at a cost of Ksh 5,000,000.00. The council has constructed public toilets at makadara shopping center and Athi-river primary school thus sanitation is taken care off. Hence the council has spent Ksh 3,300,000.00 in a period of two years in tangible projects as reported on the daily nation of the 16th February 2005.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMENDATIONS.

5.1 Summary

The management has endeavored to bring out the best in every member of staff, encouraging them to be innovative in their respective departments and espouses the virtues of teamwork for the common good of the council. The reform process involved four phases; planning phase, capacity building, implementation, monitoring and evaluation phase

5.2 Conclusion

The reform effort is largely said to be succeeding. The changes are still taking place, Manyengo (2005). For instance when the reforms began, the council started with Pentium one computers and now they have Pentium four computers with a new upgraded server and SQL operating systems. They have also invested heavily in branded machines. There is greater team play and attention given to the members of the public who come to seek services from the council, which the researcher was highly surprised. Revenue collection is on an upward trend as evidenced from the past financial years and better financial systems are in place. This should be encouraging especially to other local authorities that are contemplating to undergo change, since change is inevitable and from the respondents, the future is bright for those councils who will embrace these reforms. As Aosa (1998) puts it, "being the best in the country is no longer good enough. The

challenge (and this is the standard to beat) is being the best in the world. This may sound difficult but it is achievable. The time for starting to achieve this is now rather than later”.

5.3 Recommendations;

- The council should speed up and have a strategic plan as an organization without a strategic plan is like a ship in the high seas without radar.
- The ministry of local government should extend the implementation of the reforms in all the other local authorities, as the benefits are evident at municipal council of Mavoko.
- The council should also update its valuation roll so that they can be able to charge rent and rates that reflect the current market prices.
- The council should with a disaster management policy and also have a fire fighting department fully equipped even though this has been factored in this final years; budget 2005/06.

5.4 Suggestions for further research.

The change program at Mavoko is on going. It is recommended that an evaluation of the change process be conducted in future for comparability. The study was designed to cover municipal council of Mavoko, however the Kenya local government reform programme involved the following councils i.e. county council of Wareng, Eldoret municipal council, Kiambu county council, Kirinyaga county council, Karatina county council, Embu municipal council, Nyeri municipal and Mavoko municipality. It would be

interesting to carry out a cross sectional study involving these councils and also the ministry of local government to include their experiences on change reform management.

Non-core functions are soon expected to be commercialized, contracted out and or privatized. How these will be carried out and the results there from will be an interesting area of study.

Performance improvement is a major objective of the reforms. This will be emphasized through result oriented management approach. A study to determine the extent to which performance in the public service will improve and the impact on the quality of service delivery will be interesting.

5.5 Limitations of the study.

The study depended largely on the interviews and discussions with respondents who were in top management. It would have been important to validate the findings with resources from interviews with lower scale employees to get their perspective.

Secondly, it would have been of value to obtain the views of other stakeholders such as residents of Mavoko, suppliers, councilors, suppliers and the business community at large.

The study looked at the period 1998 to 2004, where as changes are still being implemented in the various competencies in the council and the results might take time to be realized e.g. capacity building in readiness of the upcoming slum upgrading project in Mavoko with assistance from United Nations Habitat and the government of Finland.

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CONFIDENTIALITY OF CONFIDENTIAL INFORMATION

This is a Management Research Project as a requirement to obtain a
Master's Degree in Business Administration, University of Nairobi. My work of
research is on change management.

In the research, I am requesting the use of your Director's administrative
records with the Town Clerk and Chief Officers. Please note that all
information will be strictly confidential and will be used for research purposes only.
Appreciated research project will be credited to you on request.

Your cooperation will be highly appreciated.

APPENDIX ONE: INTRODUCTION LETTER

JOSEPH MBATHA MAINGI,
P.O.BOX 141 BURUBURU,
00515 NAIROBI.

To,
The Town Clerk
Mavoko Municipal Council
Athi –River.

Dear Sir,

RE: REQUEST FOR USE OF COUNCIL INFORMATION

I am carrying out a Management Research Project as a requirement in partial fulfillment of the degree of Masters in Business Administration, University of Nairobi. My area of study is process of change management.

To enable me do the research, I am requesting the use of your Council's information through interviews with the Town Clerk and Chief Officers'. Please note that any information used will be highly confidential and will be used for academic purposes only. A copy of the completed research project will be availed to you on request.

Your co-operation will be highly appreciated

Sincerely,

J.M.MAINGI

NB

The information obtained from this interview guide will be treated confidentially and will not be used for any other purpose other than academic.

A. To be answered by the Town Clerk.

1. What is the Council's mission statement?
2. What is the Council's vision?
3. What are the objectives of the Council?
4. What necessitated the change?
5. Who initiated the change effort?
6. Describe how, if at all changes have been initiated by the staff (heads of department, units or sections)?
7. Have external consultants been involved in the change programme? Please explain their involvement if at all.
8. Has the change programmes affected structures, systems, processes, services or behavior?
9. What specific elements of change have/are affecting strategies, structures, systems, processes, services and behavior?
10. How was urgency built to get employees to co-operate and participate in the reform?
11. Were specific teams mandated the responsibility to implement the changes? Please provide details.
12. What steps have you taken to ensure that the change momentum is achieved and maintained?
13. Did you have short-term targets to monitor the changes? Please provide details if so.

14. Where those who achieved such targets rewarded? Please provide details
15. What levels of resources were allocated to the change programme?
16. How does the top management indicate their support for the change programme and activities?
17. What has/is the change effort achieving and do you think the changes will last?
18. Please comment on the staff morale, loyalty and job security now compared to before?
19. What lessons have you learnt from change management so far?
20. Who are the major stakeholders?
21. Where the major stakeholders involved in the identification, formulation and implementation of the change process?
22. Have the changes been of any benefit to the Council, employees and stakeholders?
23. What challenges have you faced since introducing the changes?
24. How have you responded to the challenges?
25. Are there some challenges you have not responded to?
26. Why have you not responded to them?
27. What is the desired change destination and what future plans do you have for the Council?

B. To be answered by the Chief Officers'

1. What forces necessitated the changes introduced?
2. What were the changes introduced?
3. What was your response initially and now when informed of the intended changes?
4. How was it communicated to you?
5. Were you involved in the formulation and implementation of the change?
6. How did the employees view and respond to the change initially and now?
7. How were the employees informed and involved in the change process?
8. Are there any benefits from the change to the employees in your department and Council?
9. What specific elements of change have/are affecting strategies, structures, systems, processes, services and behaviors?
10. How was urgency built to get employees to co-operate and participate in the reform?
11. Were specific teams mandated the responsibility to implement the changes?
Please provide the details.
12. Please describe the process of team formation and the characteristics taken into account in picking the team members?
13. What was the role and powers of the team members?
14. What steps have you taken to ensure that the change momentum is achieved and maintained?

15. What challenges have you faced since introduction of the changes?
16. What were the changes introduced to your departments?
17. How have you responded to these challenges?
18. Are there some challenges you have not responded to?
19. How do you intend to respond to them?
20. What has/is the change effort achieving and do you think the changes will last?
21. What lessons have you learnt from change management so far?
22. What is your evaluation of the change and what do you foresee in the future?

Mavoko Municipal Council

INCOME ANALYSIS FOR PERIOD BETWEEN 01-JUL-2000 AND 30-JUN-2001

Code	Description	Total (KSh)
1-731-72	Sewer Use Charges	1,840,767
1-711-71	Metered Sales	10,005,977
1-111-31	Property Rates Current Year	3,977,453
1-122-31	Penalties for Late Payment BP Current Year	28,460
1-114-31	Penalties for Property Rates in Arrears other Years	88,015
1-123-31	Business Permits other Years	569,480
1-124-31	Penalties for Late Payment BP other Years	13,550
1-741-73	Conservancy Fee	180,540
1-121-31	Business Permits for Current Year	4,177,200
1-113-31	Property Rates other Years	864,295
1-112-31	Penalties for Property Rates in Arrears Current Year	7,250
1-714-71	Meter Rent	130,330
TOTALS (KSh)		21,883,317

Cashier's Name:

Signature Date:

INCOME ANALYSIS FOR PERIOD BETWEEN 01-JUL-2001 AND 30-JUN-2002

Code	Description	Total (KSh)
1-731-72	Sewer Use Charges	1,804,137
1-711-71	Metered Sales	15,570,148
1-111-31	Property Rates Current Year	4,883,048
1-122-31	Penalties for Late Payment BP Current Year	75,570
1-114-31	Penalties for Property Rates in Arrears other Years	54,603
1-123-31	Business Permits other Years	212,620
1-124-31	Penalties for Late Payment BP other Years	4,190
1-339-31	Other Administrative Fees & Charges n-m-a	42,500
1-715-71	Meter Sales	3,850
1-741-73	Conservancy Fee	158,039
1-121-31	Business Permits for Current Year	5,579,600
1-113-31	Property Rates other Years	638,825
1-112-31	Penalties for Property Rates in Arrears Current Year	44,352
1-714-71	Meter Rent	115,378
1-717-71	Reconnection Fee	85,200
TOTALS (KSh)		29,272,060

Cashier's Name:

Signature Date:

Mavoko Municipal Council

INCOME ANALYSIS FOR PERIOD BETWEEN 01-JUL-2002 AND 30-JUN-2003

Code	Description	Total (KSh)
1-731-72	Sewer Use Charges	1,840,880
1-711-71	Metered Sales	18,250,044
1-111-31	Property Rates Current Year	7,098,273
1-122-31	Penalties for Late Payment BP Current Year	68,690
1-511-41-10	Market Fees - Open Air Market	4,000
1-123-31	Business Permits other Years	1,884,840
1-339-31	Other Administrative Fees & Charges n-m-a	511,500
1-336-31	Bank Charges (Cheques)	21,300
1-511-41-09	Market Fees - KMC Market	1,000
1-511-41.04	Market Fee from Mlolongo Trade Center	2,000
1-511-41.02	Market Fee from Athi River Old Trade Center	26,830
1-511-41.05	Market Fee from Makandara Trade Center	3,000
1-715-71	Meter Sales	49,940
1-741-73	Conservancy Fee	190,660
1-121-31	Business Permits for Current Year	4,259,420
1-113-31	Property Rates other Years	1,234,467
1-112-31	Penalties for Property Rates in Arrears Current Year	72,854
1-511-41.06	Market Fee - Kyumbi Trade Center	2,000
1-714-71	Meter Rent	110,320
1-511-41-07	Market Fees - Slota Market	1,000
1-717-71	Reconnection Fee	214,000
1-611-51.01	Fees from Mavoko Nursery School	3,300
1-511-41-08	Market Fees - Sofia / Embakasi / Site & Service	2,000
TOTALS (KSh)		35,852,318

Cashier's Name:

Signature Date:

Mavoko Municipal Council

INCOME ANALYSIS FOR PERIOD BETWEEN 01-JUL-2003 AND 30-JUN-2004

Code	Description	Total (KSh)
1-8401-00-76-01-03	Slaughtering Fees	183,660
1-731-72	Sewer Use Charges	1,800
1-7101-00-62-07-03	Nursery Schools Fees	31,950
1-4208-00-31-01-03	Application Fees	893,194
1-711-71	Metered Sales	275,682
1-6101-00-52-01-03	Housing Estates Monthly Rent	411,403
1-7101-00-62-04-03	Nursery Schools Fees	22,500
1-4302-00-31-01-03	Quarries Extraction Fees (New approved rates)	7,774,440
1-2102-00-31-01-03	Penalties for Property Rates in Arrears current year	47,667
1-8603-00-77-02-03	Sewer Use Charge	1,444,583
1-8502-00-77-01-03	Industrial Water Connection Charge	1,500
1-4202-00-31-01-03	Court Fines	621,005
1-511-41-10	Market Fees - Open Air Market	10,360
1-2201-00-31-01-03	Business Permits for current year	5,239,837
1-8505-00-77-01-03	Meter Sales	863,069
1-8503-00-77-01-03	Metered Water Charge	12,897,605
1-4303-00-31-01-03	Mineral Extraction Royalties (Cement, Silica, etc)	1,003,560
1-2101-00-31-01-03	Property Rates current year	23,560,660
1-4101-00-31-01-03	Debts Clearance Certificate Fee	497,748
1-9104-00-81-01-03	Buildings Inspection Fee	427,000
1-5101-00-32-02-03	Market Fees	918,320
1-4206-00-31-01-03	Bank Charges	13,350
1-4111-00-31-01-03	Agency Fee (Fees from KHC, Insurance Firms, etc)	23,780
1-9103-00-81-01-03	Buildings Plan Approval Fee	1,970,000
1-4321-00-31-01-03	Garbage Dumping Fee	44,200
1-5101-00-32-03-03	Market Fees	12,500
1-4331-00-31-01-03	Building Stones Transportation Fees	439,700
1-4103-00-31-01-03	Plot Transfer Fee	252,000
1-8504-00-77-01-03	Meter Rent	96,575
1-1201-00-31-01-03	CILOR current year	4,316,435
1-8507-00-77-01-03	Reconnection Fee	246,400
1-9112-00-81-01-03	Sign Boards & Advertisement Fee	175,000

Mavoko Municipal Council

INCOME ANALYSIS FOR PERIOD BETWEEN 01-JUL-2003 AND 30-JUN-2004

Code	Description	Total (KSh)
1-8521-00-77-01-03	Water Kiosks Sales	1,091,250
1-2103-00-31-01-03	Property Rates Other years, including Penalties	7,160,753
1-5101-00-32-04-03	Market Fees	270,360
1-6201-00-31-01-03		22,390
1-8301-00-74-01-03	Refuse Collection Fee (Dust Bin Container Fee)	195,365
1-5101-00-32-05-03	Market Fees	509,260
1-4203-00-31-01-03	Impounding Charges	1,000
1-8501-00-77-01-03	Water Connection Deposit	622,600
1-4301-00-31-01-03	Sand, Gravel & Ballast Extraction Fees	2,606,900
1-5101-00-32-06-03	Market Fees	146,680
1-741-73	Conservancy Fee	80
1-7101-00-62-03-03	Nursery Schools Fees	2,350
1-5102-00-32-02-03	Market Plots Rent	851,519
1-2203-00-31-01-03	Business Permits Other Years Incl Penalties	1,639,630
1-717-71	Reconnection Fee	800
1-4207-00-31-01-03	Plot Application - Refundable	10,000
1-7101-00-62-02-03	Nursery Schools Fees	112,600
1-2202-00-31-01-03	Penalties for Late Payment BP current year	81,170
TOTALS (KSh)		80,042,190

Cashier's Name:

Signature Date: