

**EMPLOYEES PERCEPTION OF STRATEGIC CHANGE AT
THE KENYA NATIONAL AUDIT OFFICE**

NANCY K. GATHUNGU

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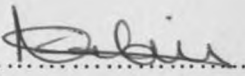
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**A Research Project Submitted In Partial Fulfillment of the
Requirement for the Award of Master of Business Administration
(MBA) Degree, School of Business, University of Nairobi**

OCTOBER 2008

DECLARATION

This research project is my original work and has not been submitted for examination to any other University or College for the award of degree, diploma or certificate.

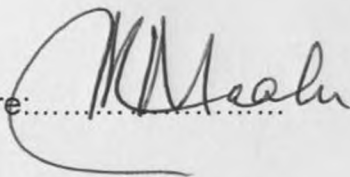
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DEDICATION

This project is dedicated to Ted and Liane, for the frequent belly laughs that keep me young. God bless you always.

ACKNOWLEDGEMENT

Many people generously contributed to making this project a success and to all of them

I am eternally grateful;

To my supervisor J. Maalu for support, advice and patience;

My family and friends for encouragement, belief in me and understanding when I couldn't attend all the functions;

My colleagues, for total support and for tirelessly cheering me on;

And most of all, to God, for answered prayers.

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ABBREVIATIONS AND FIGURES

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AFROSAI-E - African Organization of Supreme Audit Institutions –English Speaking 44

INTOSAI - International Organization of Supreme Audit Institutions 45

KENAO - Kenya National Audit Office 51

SAI - Supreme Audit Institution 51

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ABSTRACT

The environment in which organizations operate is dynamic and highly unpredictable. Due to the constant changes, organizations are required to continuously adapt so as to strategically meet the evolving challenges and exploit emerging opportunities to ensure survival and success.

It is recognized that employees of an organization are its greatest assets. Any changes being implemented in an organization will have a marked impact on the employees as individuals and collectively as groups, be it positive or negative, either in the way they perform their duties or in the way they relate to each other and to the organization's other stakeholders. Change starts with the perception of its need and the change in individuals is influenced by the various perceptions each has on the organizational changes being implemented. Managers of an organization undergoing change must put themselves in their employees' shoes to understand how change looks from that perspective so as to ensure complete support from the employees.

This study sought to determine the perception the employees of the Kenya National Audit Office, a unique public sector organization, have on various change initiatives that had been introduced and the factors influencing those perceptions. The study was considered important as it would provide information on how to ensure employees are fully engaged in the change process as well as provide feedback on the process itself from the employees' perspective. Understanding the ways in which employees view and react to change provides a basis for developing new change management strategies that may bring employees perceptions into alignment with what is desired by the leadership of an organization, thereby, influencing the desired reactions to change.

The findings of the study indicate that the employees of the Kenya National Audit Office were highly aware of the changes taking place and the reasons for the changes. They perceived themselves as having the ability and the desire to change, as well as the awareness of why change was happening. The perception of the need for change

was highly in favor of turning around the organization into a more effective and professional office with increased level of efficiency, to ensure success in a changing environment

The findings further indicate that the employees would prefer to play a greater participative role or be more involved in the entire change process from identification of the need and not just during implementation. They seek greater empowerment to experiment and to make decisions as well as adequate and timely provision of the requisite resources to implement the changes. The employees further perceive that the culture of the organization is an impediment to implementation of change and are of the view that the management of the office had not fully addressed this area.

The findings support documented theories on approaches to effective change management as well as previous studies on organizational strategic change and provides key information on how employees view change and how it impacts on them. The key perceived elements were, the changing environment, need for effectiveness, professionalism and concern for stakeholders, communication, clarity of vision, training and development to reduce resistance, resource availability, top level management support and realignment of culture to enable successful implementation of strategic change.

CHAPTER ONE: INTRODUCTION

1.1 Background

Strategy is defined by Johnson and Scholes (2007) 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 and to fulfill stakeholder expectations. All organizations exist within an environment in which they interact with as open systems and on which they depend on continuously, for their inputs and for release of their outputs. The environments in which organizations, whether private or public operate in, are dynamic and highly unpredictable, and due to the constant changes taking place, organizations have to continually survey the environment and ensure survival and success by adapting themselves to strategically meet the new challenges and exploit the new opportunities brought about by the changes. Firms have to carry out continuous strategic diagnosis which is a systematic approach to determining the changes that have to be made to a firm's strategy and its internal capability in order to assure the firm's success in its future environment (Ansoff and McDonnell, 1990).

The rapidity of change taking place in the social, political and economic environments is creating a marked impact on organizations as well as individuals (Harigopal, 2001) and the change in individuals is influenced by the perception one has about the various changes taking place. Perception refers to a person's distinctive understanding of a situation which may or may not reflect the objective truth of the particular situation. Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into a meaningful and coherent picture of the world, while Barber and Legge (1976) in Brown(1998) refer to it as the process of receiving, selecting, acquiring, transforming and organizing the information supplied by our senses. Recognition of the need for change and acceptance of the change in an organization is consequently influenced by the separate individual perceptions of the employees in an organization. This is in turn influenced by the information availed and the manner

in which it is availed by the leadership in the organization. Beckhard and Harris (1987; 92) in Burnes (2004) refer to the "critical mass" of individuals or groups whose active commitment is necessary to provide the energy for change to occur in an organization. Change must, therefore, be accepted as the norm in an organization, for sustainability, as it affects an individual more fundamentally than it does the organization as a whole (Bridges, 1986; Jick, 1990 in Sharma, 2007).

1.1.1 Strategic Organizational Change

Strategic decisions involve change in organizations which simply refers to transition from one state to another with focus on being different. Vithessonthi (2005) in his study on employees' reaction to change cites Meyer (1982) and Nadler (1998) as referring to the concept of organizational change as an effort or a series of efforts designed to modify certain aspects or configurations of an organization like identity, goals, structure, work processes or human resources. Once an organizational strategy has been formulated, change management is employed to ensure that the changes required to achieve the strategy are guided in the planned direction, conducted in a cost effective manner, and completed within the targeted time frame and with the desired results (Davis and Holland, 2007). Strategic change, therefore, implies existence of a strategy that an organization has developed and the organization's vision and strategy shape and direct that change (Gichobi, 2006). Two types of change can be distinguished; one that leaves the nature of the firm intact, and strategic change, which transforms the firm, its products, its markets, its technology, its culture, its systems, its structure, and its relationship with governmental bodies and other stakeholders (Ansoff, 1979).

Change is an inevitable aspect of life. As change manifests itself in a variety of ways, it does not hold the same connotations across people, situations, and context. Globalization of economics and resultant competition, liberalization, deregulation, privatization, mergers and acquisitions, development of internet and web based technology have changed the landscape in which organizations and businesses used to operate in the past (Sharma, 2007). It is a reality that the magnitude, speed,

unpredictability and impact of change are greater than ever before as new products, processes and services appear at an ever increasing rate especially with the advent of information technology (Burnes, 2004). Every organization, therefore, has to identify where it needs to be in the future in relation to a turbulent environment and how to accomplish the changes necessary to get there. The process of strategy thus helps an organization cope with strategic change.

Organization change flows from, and is concerned with implementing an organization's predetermined strategy (Burnes, 2004). Ansoff (1998) presents the strategic success hypothesis as follows; a firm's performance potential is optimized when the following three conditions are met; the aggressiveness of the firm's strategic behavior matches the turbulence of its environment; responsiveness of the firm's capability matches the aggressiveness of its strategy and the components of the firm's capability must be supportive of one another. Strategic capability ensures that an organization has the skilled, committed and well motivated employees it needs to achieve sustained competitive advantage (Armstrong, 2001).

Change in organization has two critical dimensions, the business dimension and the people dimension. The business dimension looks at the scale, the magnitude, the duration and the strategic importance of the change. The people dimension of change involves the alignment of the organization's culture, values, people and behaviors to encourage the achievement of desired results. The people dimension looks at how an employee in an organization experiences the change process and strives to assist employees cope with the changes. Helping employees cope with change in an organization is one of the most critical success factors in strategic change management. According to Mintzberg *et al* (1998b), there are five main and interrelated definitions of strategy; plan, ploy, pattern, position and perspective. The definition of strategy as a perspective sees strategy as a somewhat abstract concept that exists primarily in peoples' minds. For members of an organization, the actual details of its strategy are irrelevant and what is deemed important is that everyone in the organization shares a common view of its purpose and direction which, whether people are aware of it or not, informs and guides decision-making and actions and

consequently, without the need for detailed plans, the organization, through a shared understanding pursues a consistent strategy/purpose (Burnes, 2004).

Employees are deemed to be major stakeholders in any organization. A critical factor influencing performance and thereby success of any organization is how employees perceive the various initiatives that the management of an organization introduces to realize its strategic goals. For an organization to change successfully, individuals and teams or groups must undergo the required changes so as to realize collective organization change. The leadership in an organization must ensure that the human side of change is fully addressed if they are to succeed in implementation of the changes required. This will involve addressing issues like involvement in the change process, ownership of the change, communication and culture. Aosa (1992) states that employee involvement programmes, performance appraisal and incentive schemes to motivate and reward employees all enhance a company's capability for improving performance. This is further emphasized by Johnson and Scholes (2007) who state that the most important resource of an organization is its people and the roles people play, how they interact through both formal and informal processes, and the relationships that they build are crucial to the success of strategy. For true commitment to occur, conventional management wisdom sees the need for employees to accept and believe in an organization's goals (Price, 2001).

The theoretical foundations of change management namely, the Individual Perspective School, the Group Dynamics School and the Open Systems School portray the importance of individual and group behaviour as impacting on overall performance as indicated in Burnes (2004). The Open Systems School of change management sees organizations as open in two respects, firstly they are open to, and interact with their external environment and secondly they are open internally as various subsystems interacting with one another (Burnes, 2004). It is, therefore, clear that no organizational change can be implemented smoothly if the entire body of staff is not committed to the change process. Individuals, teams, managers and senior leaders have to be fully engaged in the change management process of an

organization and both organizational change management and individual change management must be used together to ensure success.

Following widespread research, a model has been developed by the PROSCI Learning Centre (www.prosci.com) termed the ADKAR model which is an acronym derived from the words awareness, desire, knowledge, acceptance and reinforcement. The model creates the link between individual performance, the organization, change management and business results. Managers must understand and manage employees' acceptance and willingness to support the various change initiatives introduced in an organization through creating awareness of the need for change, desire to participate and support the change, knowledge of how to change, empowerment of the people to change and constant reinforcement to sustain the change. Motivation is the key to engaging support and total commitment from the staff (Hiatt, 2006; Hiatt, 2004; Hiatt and Creasy, 2003).

1.1.2 Overview of the Kenya National Audit Office

The Office of the Controller and Auditor General was established in 1955 under the Exchequer and Audit Act, Cap 412 and was subsequently entrenched in the Constitution at Independence in 1963. The Controller and Auditor-General, who enjoys security of tenure, is appointed by the President and vacates the office when he attains the prescribed retirement age which was set at 65 years in 2004. The Office is governed by three statutes, which are, The Constitution of Kenya, The Exchequer and Audit Act, Cap 412 and The Public Audit Act, 2003. Following the enactment of the Public Audit Act 2003 (which became operational in January, 2004) a Kenya National Audit Commission chaired by the Controller and Auditor-General and the Kenya National Audit Office (KENAO) were established.

Prior to the enactment of the Public Audit Act, 2003, the organisation had previously been divided into two separate independent organisations, namely The Office of the Controller and Auditor General, and The Auditor General, Corporations. The Office of the Controller and Auditor General was in charge of the audit of Government

Ministries and agencies, while the Auditor General, Corporations was in charge of the audit of State Corporations. The two organisations were merged in 2004 to create KENAO, and the audit of Local Government was also introduced. The office, headed by the Controller and Auditor General is currently structured into five departments each headed by a Deputy Auditor General. These five departments are: Finance Administration and Human Resource, Central Government, Local Authorities, State Corporations, and the Specialized Audits department.

The mandate of KENAO is enshrined in the Constitution of Kenya and enabling Acts of Parliament. It is to carry out audits, within statutory set deadlines, and to assess the economy, efficiency and effectiveness of the Central Government, courts, local authorities, National Assembly, statutory bodies/state corporations, commissions and other government agencies, and submit reports to Parliament. The following are the core functions of KENAO: to approve withdrawals of finances from the Consolidated Fund; to ascertain that all funds that have been appropriated by Parliament are applied to the purpose for which they were intended; to audit and report to the National Assembly on the Financial Statements of Central Government, all Courts, National Assembly, State Corporations and Commissions, and Local Authorities at least once in every year; to carry out Regulatory Compliance Audit through ascertainment of compliance with legislation, policy, rules and regulations; to assess the extent of economy, efficiency and effectiveness in the management of public resources through Performance Audit (Value for Money); and to carry out Environmental Audit focusing on the environmental impact assessment for sustainable development and resource management. The last three functions are fairly new areas which have brought about changes in the organization.

KENAO is a public sector organization, being the Supreme Audit Institution (SAI) of Kenya. The Government of Kenya has been increasingly concerned with adapting and developing structures and values of public service institutions that will achieve greater efficiency and more responsiveness to public needs through widespread public sector reforms. There has been a rapid shift in the economic and social environment all over the world, more so due to globalization and enhanced public

awareness of civil rights and obligations with regard to governance and public service, and the role of the public sector has evolved from a mere regulator to one that secures the welfare of every member in society. In this regard, KENAO plays a vital role in promoting accountability and good governance through the financial, compliance and performance evaluation audits, thus promoting economic, efficient and effective use of resources in the public sector in Kenya as well as supporting the public service towards results based performance. In an effort to respond and sustain its capabilities in meeting the challenges posed by demands for accountability and good governance, KENAO has embarked on a deliberate strategic change process which has affected the entire organization structure, the methods of carrying out its mandate, and the staff.

The Kenya National Audit Office has been experiencing tremendous changes since the year 2004. The urgency for change has been driven by the following forces: changes in legal framework through the enactment of the Public Audit Act, 2003; government reform processes; competition within international Supreme Audit Institutions (SAIs); changing clients' needs due to advancement in technology; emerging challenges in the audit profession and stakeholder demands, namely the Kenyan Public and Donors. Planned change was introduced in the year 2004 resulting to a Strategic Plan 2004-2009, being the first strategic plan since the inception of the office of the Controller and Auditor General in 1955. Upon re-assessment of the environment and the urgency for change, the Office came up with a revised Strategic Plan 2007-2012 to provide a roadmap for progress from the position in 2007 to the ideal planned position in 2012.

In order to achieve the planned change, KENAO has been undergoing transformation by way of reforms, retraining and revitalization in the manner in which it conducts business with considerable emphasis being placed on instilling professionalism in the audit service delivery, as well as production of high quality and timely audit reports. In this regard, the office has set up a reorganization strategy designed to aid in facing the challenges of transformation. Alongside these changes, the office has come up with a new organization structure and new audit branches,

including Quality Assurance, Value for Money, Environmental, Public Debt, Fraud Investigations and Computerized Audits. The office is also in the process of building capacity to handle the new and emerging audits, including areas suggested by other accountability institutions such as the African Organization of Supreme Audit Institutions- English speaking (AFROSAI-E), and the International Organization of Supreme Audit Institutions (INTOSAI). KENAO has also set up a new research unit to facilitate the office in keeping abreast with changing trends in the audit profession, handling the emerging audits as well as collecting information and data from the many contemporary sources, including the media. The purpose of this study is to determine the perception the staff of the Kenya National Audit Office have of the changes taking place in their organization.

1.2 Statement of the Problem

Employees are deemed to be major stakeholders in any organization. A critical factor influencing performance and thereby success of any organization is how employees perceive the various initiatives that the management of an organization introduces to realize its strategic goals. For an organization to change successfully, individuals and teams or groups must undergo the required changes so as to realize collective organization change. Perception of change by the employees in an organization will determine whether it is viewed positively as an opportunity, or negatively as a threat within the organization and this in turn determines the degree of support, commitment, buy-in, resistance or outright rejection of the change initiatives being introduced (Ansoff and McDonnel, 1999).

Vithesonthi (2005), in his study on the perception based view of the employee states that, understanding the ways in which employees establish certain reactions to change will provide a potential avenue for developing a range of change management strategies that may bring employees' perceptions in alignment with those desired, thereby strengthening the degree to which employees support organizational change. He further emphasizes that understanding employees' perceptions and attitudes before, during, and after the implementation of

organizational change may prove to be valuable to firms, managers, and consultants, which is corroborated by Chew *et al* (2006), in their study on the manager's role in implementing organization change, where they state that managers should listen to employees' opinions and understand their perspective and feelings on the imposed changes throughout the change process. Managers must also understand employees' acceptance and willingness to apply and support change in order to prevent both poor customer service and the resignation of employees.

Clearly, it is not possible to achieve the change process within an organization if the people aspect of change is not adequately addressed. Kotter (1996) asserts that successful change goes beyond conventional management and involves leadership that seeks to establish direction, align peoples' aspirations as well as motivate and inspire people. Individuals within an organization have to embrace change so as to steer the organization to achieve the desired change or attain the desired results.

The Kenya National Audit Office is a unique organization, being the supreme audit institution in Kenya. The organization has been undergoing a tremendous change process since 2004 when it was established under the Public Audit Act, 2003 with an expanded mandate. The expanded mandate led to the establishment of new audit units to cover the new and emerging audits including environmental audits, public debt, forensic audit, computerized audits and quality assurance. A new organizational structure was also established which created the need for KENAO to put in place new systems, and build additional capacity to enhance efficiency and effectiveness in its operations. Changes in the structure have created new positions and abolished others and as such, there has been need to re-align staff. Further, KENAO has continuously been strengthening the skills of the employees through among others, induction programmes, training, and continuous collaboration with other Supreme Audit Institutions (SAIs) as well as private audit firms in Kenya.

Various studies on strategic change management have been conducted, (Gekonge, 1999; Rukunga, 2003; Nyamache, 2003; Gichobi, 2006; Mugo, 2006; Nyalita, 2006;

Kiini, 2007), which have given insight into the approaches, challenges and responses faced and practiced by various Kenyan organizations including KENAO, in the management of strategic change as well as the key factors influencing the changes. The studies have mainly concentrated on the views of senior management and the top change leadership in the various organizations, which has been cited on several occasions as a limitation (Mugo, 2006; Nyalita, 2006; Kiini, 2007) due to lack of gaining a full perspective, of the entire cross-section of employees' views concerning strategic change management. A study on capacity management strategies (Ochieng, 2006), further indicates that there is a limitation when targeting senior management only in an organization to provide data on behalf of their departments, as they may concentrate on reporting what is expected instead of what the reality on the ground is, to protect their positions as change agents and to indicate success in their initiatives.

There exists a knowledge gap on change management from the perspective of the employees who are affected by change and who are expected to implement change successfully, which the study seeks to address. The study seeks to address the question; what perceptions do the employees of KENAO have with regard to the management and implementation of the strategic changes taking place within the organization?

1.3 Objectives of the Study

The objectives of this study will be;

1. To establish the employees' perception of the changes taking place at the Kenya National Audit Office.
2. To determine the factors influencing the employees' perception of the changes.

1.4 Significance of the Study

The study will be important to the management of KENAO and other public institutions as it will be a source of information on how to ensure employees in an organization are fully engaged in the change process. It will also be an important source of feedback on change process and how it is viewed by employees in an organization.

The study will assist KENAO in ensuring successful and continuous implementation of organizational change through engagement of individual and team changes within the organization.

Future scholars may also find the study findings useful as a basis for further research to extend, refine or validate the findings of this study, which will also contribute to more information on strategic change management, especially within the Public Sector in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Strategy

Strategy is 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 and to fulfill stakeholders' expectations (Johnson and Scholes, 2007). Strategy defines an organization's purpose in terms of goals, objectives, and priorities, its business in terms of products and market scope, its obligations to its stakeholders, competitive advantage and positioning of an organization in the environment within which it operates. Strategy is about making choices which will affect targeted outcomes and involves large scale future oriented plans for interacting with the competitive environment to achieve company objectives (Pierce and Robinson, 2007). Price (2001) indicates that a strategy is the means by which an organization seeks to meet its objectives, is deliberate choice, and a decision to take a course of action rather than reacting to circumstances. It focuses on significant long term goals rather than day to day operating matters.

Mintzberg (1994) gives five main and interrelated definitions of strategy as; a plan, ploy, pattern, position and perspective. The definition of strategy as a plan views strategy as some form of consciously intended course of action which is developed deliberately and designed in advance of the actions it governs. Strategy as a ploy is where the organization employs a maneuver to outwit or outsmart a competitor and shed off competitor threat. Strategy as a pattern is where strategy is developed in the absence of intention's and without pre-conception, thereby emerging from a stream of actions, and is only visualized after the events it governs. Strategy as a position involves positioning or locating an organization in the environment in order to achieve or maintain a sustainable competitive advantage. The definition of strategy as a perspective sees strategy as a somewhat abstract concept existing in people's minds. Burnes (2004) quotes Mintzberg *et al* (1998b) as indicating that what is viewed as important is that everyone in the organization shares a common view of its purpose and direction which informs and guides decision making and actions.

Mintzberg (1994) further argues that strategy emerges over time as intentions collide with and accommodate a changing reality and thus one might start with a perspective and conclude that it calls for a certain position which is to be achieved by way of a certain created plan, with the eventual outcome and strategy being reflected in a pattern evident in decisions and actions over time.

Johnson (1987) has three basic views of strategy; the rationalistic view, which sees strategy as the outcome of a series of preplanned actions designed to achieve the stated goals of an organization in an optimal fashion; the adaptive or incremental view, which sees strategy evolving through an accumulation of relative changes over time; and the interpretative view; which sees strategy as the product of individual and collective attempts to interpret past events (Burnes, 2004). On the other hand, Johnson and Scholes (1993) describe strategy as; concerning the full scope of an organization's activities to its environment; the process of matching its activities to its resource capability; having major resource implications affecting operational decisions, being affected by values and beliefs to those who have power in an organization, affecting the long-term direction of an organization.

Strategies exist at a number of levels in an organization. There is corporate level strategy which is concerned with the overall purpose and scope of an organization and how value will be added to the various business and activities of the organization, there is the business level strategy which relates to the operation and direction of each of the individual businesses within an organization or group of companies and there is the functional level strategy which concerns business functions and processes such as finance, marketing, manufacturing, technology and human resource (Burnes 2004; Johnson and Scholes, 2007).

Strategy in an organization has to be properly formulated, implemented and controlled to ensure success. Strategic management, therefore, includes understanding the strategic position of an organization, making strategic choices for the future and turning strategy into action. In order to ensure success, an organization has to continuously scan its environment, both internally and externally

to determine the changes that have to be made to a firm's strategy and internal capability in order to assure the firm's success in its future environment (Ansoff and McDonnell, 1990). This is due to the dynamism and turbulence taking place in the environments in which organizations exist. The rapidity of change in the social, political and economic environments is creating a marked impact on organizations as well as individuals (Harigopal, 2001). The rate of technological change seems to increase every time when new scientific discoveries are made, work values within organizations change, there is knowledge explosions requiring organizations to operate differently (Gongera, 2002), product obsolesces and political and economic upheavals also occur due to globalization.

Strategies to cope with the changes will, therefore, involve change in organizations for sustainability and survival. An organization will require to continuously match its resources and activities to the environment in which it operates, viewed as strategic fit. This requires constant identification of opportunities in the environment and adaptation of resources and competencies so as to take advantage of these opportunities. An organization may also build on its resources and competencies to create opportunities or to capitalize on them (Johnson and Scholes, 2007) and this will involve leveraging of the resources and competencies of the organization to provide competitive advantage and to yield new opportunities. Strategy implementation, therefore, involves assigning responsibilities of specific tasks or processes to specific individuals or groups and managing the process (Nyalita, 2006).

2.2 Strategic Change Management

Change can be defined simply as a transition from one state to another with focus on being different. Davis and Holland (2002) define change management as the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results, thereby focusing on the process of change. Todd (1999) defines change management as a structured and systematic

approach to achieving a sustained change in human behaviour within an organization, focusing on the people aspect of change. According to Thompson and Strickland (2005), change management is the use of systematic methods to ensure that a planned organizational change can be guided in the planned direction, conducted in a cost effective and efficient manner and completed within the targeted time frames.

Nauheimer (2005) describes change management as the process, tools and techniques employed to manage the people side of change, processes to achieve the required outcomes and to realize the change effectively within the individual, change agent, the inner team and the wider system (Nyalita, 2006). Armstrong (2001) indicates that strategic change is concerned with organizational transformation while Burnes (2004), indicates that organizational change cannot be separated from organizational strategy and vice versa. Strategic change management is the process of delivering the strategy of an organization in a controlled, efficient and effective manner comprising processes of governing a portfolio of programmes, projects and initiatives within the context of a wider strategy for the organization. Managing strategic change involves alignment and re-alignment of policy, systems, styles, values, staff and skills of an organization to realize a strategy (Thomson and Strickland 2003), and will aim at aligning the organizations structures, systems, processes and behaviour to the strategy being implemented in each particular organization.

According to Armstrong (2001) strategic change deals with the broad long term and organization wide issues and is about moving to a future state, which is defined generally in terms of strategic vision and scope and covers the purpose and mission of the organization and its corporate philosophy. If change in an organization is to be successful, it must address the powerful influence of the paradigm and cultural web on the strategy being followed by the organization and must in addition link the strategic operational and everyday aspects of the organization (Johnson and Scholes 2007).

The objective of organizational change management is to maximize the collective benefits of all the people involved in the change and minimize the risk of failure of implementing the change (Nyalita 2006). Successful change management process depends largely on the context in which change is taking place, the time within which the change is needed, the scope or degree of change, the organizational resources and characteristics needed to be maintained, diversity of staff groups and divisions in organizations, managerial and personnel capabilities to implement change, degree of change resources availability or capacity, readiness of the workforce to change and the power that changer leaders have to inspire change, and these all play crucial roles, in the change management process (Johnson and Scholes, 2003).

Mugo (2006) in his study on strategic change management practices, indicates that regardless of the strategic change management approach adopted in an organization, the four issues that need to be identified and addressed in a change process are, the need for or drivers of change; the type of change to be implemented, obstacles or resistance to change which must be overcome in order for the desired change to be achieved and measured, and evaluation of objectives and goals of the change process.

2.3 The Context and Forces of Change

Organizations are complex systems that to survive, have to respond continuously to changes in their environments (Burnes, 2004). Organizations differ in many ways, in their work culture, management and leadership styles, structure and designs, resources, technology, work processes and techniques, employees and their expectations, the customers served and the complexity of the business environment in which they operate. Harigopal (2004) is categorical that to enable successful implementation of any intended change in organizations, such change should be congruent with the dynamism, complexity and uniqueness of the organization.

An organization cannot operate in a vacuum and it is not possible to seal off all or any parts of an organization, given that it must be open to and interact with its

environments if it is to secure resources and sell its products. Burnes (2004) refers to the contingency theory, which maintains that the structures and practices of an organization and, therefore, its performance are dependent or contingent on the circumstances it faces, while Johnson and Scholes (2007) maintain that the pace of change especially, technological change, and the speed of global communications mean more and faster change in organizations.

Organization exists in the context of a complex commercial, political, economic, social, technological, environmental and legal world, which Johnson *et al* (2005) categorize into the PESTLE framework. The external environment is highly dynamic and complex and influences implementation of strategic changes in an organization. This environment changes continuously and is more complex for some organizations than for others. Pettigrew and Whipp (1991), warn that the process by which strategic changes are made seldom moves directly through neat successive stages of analysis, choice and implementation because changes in the firm's environment persistently threaten the course and logic of strategic changes (Armstrong, 2001). Smit *et al* (2007) also warn that when the pace of change in the environment outstrips the pace of change inside the organization, the organization will run into problems.

Johnson and Scholes (2007) indicate that the approach taken to managing strategic change requires to be context dependent as it will not be the same for all situations in all types of organizations. They further indicate that the success of any attempt at managing change will be dependent on the wider context in which that change is taking place and managers need to balance the different approaches to managing strategic change according to the circumstances they face. Pierce & Robinson (2007) state that although a firm has little or no control over environmental factors, the factors exercise considerable influence over the success of its strategy and strategic surveillance is imperative in monitoring the broad range of events inside and outside the firm that are likely to affect the course of its strategy.

Johnson *et al* (2005) lists contextual features within an organization which may impact on the approach to change in an organization as follows; time available for

the change to be implemented, the scope or degree of change required, the organization resources and characteristics needed to be preserved, diversity of experience, views and opinions within the organization, availability of managerial and personnel capability to implement the change capacity in terms of change resource, readiness of the workforce for change, and the power possessed by the change leaders to impose the change, and re-emphasizes the same in Johnson and Scholes (2007). The organization culture prevailing is also viewed as important when implementing strategic change.

Harigopal (2004) states that any factor in the environment that interferes with an organization's ability to attract the human, financial and material resources it needs or to produce and market its services or products becomes a force of change, while Johnson & Scholes (2007) refers to the forces of change as structural drivers of change and emphasizes that managers need to understand the differential impact of the external influences and drivers on particular industries, markets and individual organizations. According to Smit *et al* (2007) managing change is one of the most difficult challenges facing managers and understanding when and how to change is a vital function of management in today's fast changing world. If leaders and managers do not sense the need for change and do not look beyond their boundaries, they will lead their organizations to failure. Johnson & Scholes (2007) agree and indicate that to manage change successfully, an analysis of the forces pushing for change both within and external to the organization as well as the forces resisting change may be made using the force field analysis which will provide an initial view of the change problems that need to be tackled.

Aosa (1992) appropriately concludes that it is the relevant trends in the external environment that determine the opportunities and threats that face the company and, consequently, directly affect the strategic alternatives available to the company, and it is crucial to obtain an understanding of the environment in which the company is operating.

2.4 Approaches to Change Management

Various change management models have been advanced by major theorists and practitioners which can be classified under two basic approaches, namely the planned approach to change management and the emergent approach to change management.

2.4.1 Planned Approach to Change

The planned change approach proponents view organization change as a process of moving from one fixed state to another, through a series of preplanned steps. The approach distinguishes change that is consciously embarked upon and planned by an organization as opposed to types of change that might occur by accident, impulse or are forced on an organization (Marrow, 1969, in Burnes, 2004). Burnes cites Kurt Lewin as advancing several planned change models; Action Research, first coined in 1946, and The Three-Step model. The Action Research Model is a two pronged process which emphasizes that change requires action which should be directed at achieving the change; secondly it emphasizes that successful action is based on analyzing the prevailing situation rationally, correctly and identifying all possible alternative solutions before choosing the most appropriate. Lewin further emphasized that for change to be successful, there has to be a *'felt-need'* which refers to an individual's inner realization that change is necessary and, if felt need is low in a group or an organization, introducing change becomes problematic (Burnes, 2004). Action Research involves the organization, the subjects or people and a change agent.

The Three-Step model on the other hand proposes that a successful change project involves three steps; unfreezing, where the current equilibrium or status needs to be destabilized to enable old behaviour to be unlearned and new behaviours to be successfully adopted; moving; where people perceive the need for change and are ready to try out new ideas: and refreezing, which seeks to stabilize the group to a

new equilibrium and consolidate new practices and behaviour (Burnes, 2004; Harigopal, 2004).

Kotter (1996) on the other hand, proposes an Eight (8) Step Model as follows: establishing a sense of urgency, which requires helping others see the need for change and the importance of acting immediately, it is also crucial to gaining the needed cooperation; creating a guiding coalition by making sure there is a powerful group guiding the change, one with leadership skills, bias for action, credibility, communications ability, authority, and analytical skills; developing a vision and strategy, which is necessary in helping direct the change effort for effective and successful implementation of the change; communicating the change vision, and making sure as many people as possible understand and accept the vision and the strategy; empowering employees by removing as many barriers as possible so that those who want to make the vision a reality can do so; generating short-term wins by creating some visible, unambiguous successes as soon as possible; consolidating gains and producing more change, which involves changing all systems, structures and policies that do not fit in the transformation vision and; anchoring new approaches in the culture of the organization.

Bullock and Batten (1985) summarizes planned change in four broad stages or phases namely: exploration phase which involves awareness of the need for change; planning phase, which involves understanding the organization's problem, collecting necessary information to enable correct diagnosis of the problem; setting the change goals and designing the appropriate action plan to achieve the goals; action phase, where an organization implements the change so planned, manages the change process and evaluates the implementation practices; and the final phase, the integration phase which involves consolidating and stabilizing change and reinforcing new behaviour (Burnes, 2004).

2.4.2 Emergent Approach to Change

Proponents of the emergent approach view change as a continuous and dynamic process that emerges in an unpredictable and unplanned fashion (Burnes, 2004). The approach emphasizes four features in change management; structures, cultures, organization learning and managerial behaviour and power politics. Burnes further indicates that emergent change consists of ongoing accommodation; adaptations and alterations that produce fundamental change without prior intentions to do so.

Pettigrew and Whipp (1993) and other processual analysts focus on the interrelatedness of individuals, groups, organizations and society, and the processual model emerges where temporal aspects of change are used as a means of breaking down the complex process of an organization change into manageable portions (Burnes 2004). Change in an organization is viewed as cutting across functions, spanning hierarchical divisions and has no clearly defined starting or finishing points.

The emergent approach views change as a process that unfolds through the interplay of multiple variables within an organization and stresses the developing and unpredictable nature of change. Senge (1990) introduces the learning organization model where a learning organization is viewed as perpetually seeking change and using learning for experimentation and communication to renew itself constantly and this is viewed as requiring an open management style, and encouraging initiative and risk (Burnes, 2004). In his examination of strategic change in companies, Quinn (1980) advanced logical incrementalism as an emergent approach to change, where he argues that managers consciously and proactively move forward incrementally by learning through doing (Johnson and Scholes, 2007).

Planned change approach views organization change as a process of moving an organization from one state to another through a series of pre-planned steps, whereas emergent change approach views change as a continuous and unpredictable process of aligning and re-aligning an organization to its environment.

2.5 Styles of Change Management

Johnson and Scholes (2007) have advanced different styles of managing change which may be employed appropriately according to the organizational context as follows: *education and communication*, which involves the explanation of the reasons for and means of strategic change, the style is appropriate where there are problems in managing change due to misinformation or lack of information; *collaboration or participation* in the change process, whereby those who will be affected by the change are involved in identification of the strategic issues, the strategic decision making process or the planning of strategic change; *intervention*, which is the coordination of and authority over processes of change by a change agent who delegates elements of the change process such as idea generation, data collection, detailed planning and identification of critical success factors to project teams or taskforces; *direction*, which involves the use of personal managerial authority to establish a clear future strategy and how the change will occur, it is a top-down approach associated with a clear vision or strategic intent developed by a leader in the organization; and *coercion* which is the imposition of change involving explicit use of power and may be necessary in times of crisis.

The two authors further emphasize that the styles of managing change are not mutually exclusive in a change program and may also be applied differently in different stages in the change process. The styles may also differ from person to person.

2.6 Leadership in Change Management

Management of change is often directly linked to the role of a strategic leader (Johnson *et al*, 2005). Strategic leadership is referred to by the authors as the process of influencing an organization or group within the organization in its efforts towards achieving an aim or goal. Cole (2002) defines leadership as a dynamic process at work in a group whereby, one individual over a long period of time and in a particular organizational context influences the other group members to commit

themselves freely to the achievement of group tasks and roles. He further stresses that leadership is not confined to one person but may be shared between members. Johnson and Scholes (2007) define a strategic leader as an individual upon whom strategy development and change are dependent upon and who are personally identified with and central to the strategy of organization. Leadership is also emphasized as a process of influencing an organization or group within an organization in its efforts towards achieving an aim or goal and a leader is viewed not necessarily as someone at the top of the organization but as someone in a position to have influence (Johnson *et al*, 2005).

Smit *et al* (2007) indicate that leadership involves taking the lead to bridge the gap between formulating plans and reaching goals and involves elements such as influencing people, giving orders, motivating people, managing conflict and communication. They identify the following as the components of leadership; authority, power, influence, delegation, responsibility and accountability. Okuto (2002), in her study on the human factor in change management cites Kiedrowski (2001) that the management of change is a critical leadership skill and managers must use proven strategies to influence, inspire and encourage each person, reduce their concerns and enhance their skill in implementing the required changes.

Leadership calls for abilities to deal with ambiguity and to demonstrate flexibility, insight and sensitivity to context (Johnson & Scholes, 2002) and it is also viewed as being about values and emotions (Burnes, 2004). Strategic change efforts within an organization cannot succeed where there is a vacuum in strategic leadership. The leadership in an organization undergoing a transformational change must drive the process of change far enough in order to alter employees' perceptions and hence bring about revised personal impacts (Gekonge, 1999). According to Bateman and Zeithmal (1993), a leader influences others to attain goals, outstanding leaders have a vision, and they move people and organizations in directions they would otherwise not go. Leaders are also required to be forward looking and to clarify direction for their organizations. They advance several leadership traits as follows; drive; having a high level of effort; high need for achievement and persistence as well as initiative;

leadership motivation, where a person in addition to drive exhibits a want to lead and high need for power; and integrity which portrays correspondence between words and actions. These traits are seen as inspiring trust in others; self confidence in the face of challenges and setbacks, and knowledge of the business.

The ability to perceive the needs and goals of followers and to adjust one's personal leadership approach accordingly, are viewed by Bateman and Zeithmal (1993) as crucial, as leadership means being able to assess others, evaluate the situation and select or change behaviour to more effectively respond to the demands of the prevailing circumstances. Strategic change management requires transformational leaders who can readily translate the vision of an organization into reality and get people to transcend their personal interests for organizational interest. Such leaders generate excitement and revitalize organizations, they stir imagination and generate insights, and they have a vision, communicate the vision effectively and build trust to enable employee commitment and support for the change efforts. Peck and Slade (2006) as cited by Lewis *et al* (2007) emphasize that disengagement can exist under conditions of poor leadership and when the level of trust between managers and employees is low. Price (2001) emphasizes that leaders should be able to take tough decisions, handle ambiguity and give direction while Armstrong (2001) states that a leader's job is to build up and maintain team spirit and morale and that leadership is dependent on the environment and the actual leader.

Leadership is viewed as the forces that make things happen and can distinguish the change efforts that succeed from those that do not succeed. To enable organizational success in turbulent environments, leaders must anticipate changes that may take place, must be innovative and be excellent. Walter (2004) refers to the Mckinsley Studies which show that leadership sets the tone of an organization and can build acceptance of change through symbolic behaviour by practicing hands-on participation, positive reinforcement of desirable actions, pointing out of role models of desired behaviour and supporting myths of exceptional actions. He refers to important elements of managing the change activation process as; creating goals and major thrusts then repeatedly stressing their importance; managing

changes in strategy and in the focused climate; carefully guiding and evaluating the performance of each individual; and assessing important incentives to the key people and exercising power to encourage these incentives.

Hill and Jones (2001) state that a strategic leader must demonstrate commitment to the particular vision of the organization, and lead by example. In addition, the leader must portray "*emotional intelligence*" which is a term coined by Daniel Goleman (1995) to describe a bundle of psychological attributes that many strong leaders exhibit like self-awareness, self-regulation, motivation, empathy and social skills. Grant (2000) indicates that leaders must clarify shared vision, enrich the culture of an organization, and develop alignment between the different parts of the organization and among shared vision, strategy, organizational design and human resources promoting understanding of the vision. Change management requires turning around on organizational culture which in turn demands visible leadership which appeals to employees feelings as much as to their intellect (Wortzel and Wortzel, 1997). Strategic leadership is key to the success of strategic organizational change.

2.7 The People Dimension of Change

Change management is about helping people through change (Hiatt and Creasy, 2003). It is the process, tools and techniques for proactively managing the people side of change in order to achieve desired results. Change in organizations may be classified into; technological changes, product or service changes, administrative changes and people changes involving attitudes, expectations and behaviours. The classifications can be pooled into two dimensions namely the business dimension and the people dimension of change. Gongera (2002) states that to achieve change, the organization's management must be prepared to get people to understand that the changes being introduced are good and desirable and refers to this as the human dimension of change.

The people dimension of change involves the alignment of the organization's culture, values, people and behaviours to encourage the desired results and addresses how employees experience and cope with the change process. Johnson and Scholes (2007) refer to people as being at the heart of strategy and further acknowledge that the knowledge and experience of people can be the key factors enabling success of strategies. They go further to emphasize that possession of resources, including people, does not guarantee strategic success, but the way the resources are deployed, managed, controlled and in the case of people, motivated, creates competencies leading to strategic capability. The authors emphasize that many of the problems of managing change result from failure to understand, address and implement the change in the context of people as a cultural and political context within which strategy is developed and delivered.

Thomas and Strickland (1999) observe that core competencies of an organization reside in its people and not in its assets or balance sheet, while Johnson and Scholes (1999) emphasize that human resource management policies should be integrated with strategies and the strategic change process. The human resource managers must critically be concerned with the way employees relate to the nature and direction of the firm as they can either block strategic change or be significant facilitators of the change (Okuto 2002). Cornwall (1990) indicates that people experience change in terms of learning process, and their self-esteem affects and leads to display of different coping stages and strategies including denial, defense, discarding, adaptation and eventually internalizing the change process (Gekonge, 1999). He further indicates that employees can be assisted to successfully cope with change through empathy, support, skills acquisition through training and provision of intelligible and accurate information to them.

Kanter *et al* (1992) believes that the first step to implementing change is coalition building by involving those whose involvement really matters and seeking support from power sources and stakeholders, while Hax and Majluf (1996) claim that milestones and review mechanism to track progress and ensure internal recognition and reward to reinforce desired behavior should be established within an

organization. They further indicate that the corporate philosophy of an organization has to provide a unifying theme, and a vital challenge to all organizational units, communicate a sense of achievable ideals, serve as a source of inspiration for confronting daily activities and become a contagious, motivating guiding force contingent with the corporate ethics and values which conditions the behaviour of individuals within the organization.

Bateman and Zeithmal (1993) state that in a strong organizational culture, everything from the physical environment to the way in which employees interact, conveys information about a company's values and organizations succeed and fail not only based on how well they are led but on how well followers follow. The most effective followers are deemed to be capable of independent thinking and at the same time are actively committed to organizational goals.

Employees in an organization should be empowered, thereby enhancing their confidence in their ability to perform their jobs and their belief that they are influential and important contributors to the organization. Empowerment results to changes in employees' belief and allows them to participate in decision making, expressing confidence in their ability to perform at high levels and encourages people to take personal responsibility for their work. Walker (2004), states that the selection and development of the firm's people are key components of capability building, and employees must be compensated and rewarded so that they can contribute to a firm's strategy. He emphasizes that a critical influence on a firm's ability to execute its strategy is the firm's people and the culture they create and perpetuate, indicating that organizational culture entails employees' norms and expressive behaviour as they direct thought and activity toward or away from the organizational goals. Hegarty *et al* (1989) emphasize that every activity a company undertakes requires human resources and people constantly seek stability and dependability in their job. The way an employee is treated creates hopes or fears in other employees and equity and preferably equal treatment is sought. Change leadership must ensure that they fully address the human side of change or their efforts will fail. This involves addressing concerns like involvement of all the levels of the organization, ownership

of the change, communication by giving the right information in a timely manner and cultural diagnosis to address organizational readiness for change.

Effective management of the people dimension of change requires managing five key phases, (Hiatt and Creasy, 2003; Hiatt, 2004; Hiatt, 2006) namely, awareness, desire, knowledge, ability and reinforcement; which are portrayed by the acronym ADKAR. According to the authors, and based on numerous researches, the first step to enable change is to create awareness of the need for change and this is the first element in the ADKAR model.

Awareness represents a person's understanding of the nature of change, why the change is being made and the risk of not changing. Factors influencing people's recognition for the need for change include a person's view of the current strategy, how a person perceives problems, the credibility of the sender, circulation of misinformation or rumors and contestability of the reasons for change.

Desire is the second element and represents the motivation and ultimate choice to support and participate in the change. Desire is about personal choice and is influential by; the nature of the change, what the change is and how it will impact on the person; the organizational or environmental context for the change, the employees' perception of the organization; the individual's personal situation, as well as the intrinsic motivators that are unique to an individual.

Knowledge is the third phase and represents the information, training and education necessary to know how to change. It includes training and education in the skills and behaviours needed to change; detailed information on how to use new processes, systems and tools, and understanding of the new roles and responsibilities associated with change. Factors impacting successful achievement of the knowledge phase are; the current knowledge base of the individual, the capacity or capability of the person to gain additional knowledge, the resources available for education and training and the access to or existence of the required knowledge.

Ability is the fourth element and represents the demonstrated capability to implement the change and achieve the desired performance level. It is turning knowledge into action. Factors impacting a person's ability to implement change include; psychological blocks, physical abilities, intellectual capability, time available to develop the needed skills and the availability of resources to support the development of new abilities.

Reinforcement is the final phase and represents the internal and external factors that sustain a change. It includes any action or event that strengthens and reinforces the change within an individual or organizations and the factors contributing to the effectiveness of reinforcements are; the degree to which the reinforcement is meaningful to the person impacted by the change; the association of the reinforcement with actual demonstrated progress or accomplishment; the absence of negative consequences, and the accountability systems to reinforce the change.

Thomson and Strickland (2007) indicate that an effectively communicated vision is a valuable management tool for enlisting the commitment of company personnel to actions that get the company moving in the intended direction, while Mockler (1993) emphasizes that motivation is the key to obtaining the necessary commitment from those carrying out strategies and related enabling plans. Nauheimer (2005) describes change management as the process, tools and techniques to manage the people side of change, the processes to achieve the required outcomes and to realize the change effectively within the individual change agent, the inner team and the wider system (Nyalita, 2006). Nyalita further states that the objective of organizational change management is to maximize the collective benefits of all the people involved in the change and to minimize the risk of failure of implementing change. A change programme should describe the change process to all the people involved and explain the reasons why the changes are occurring. The information should be complete, unbiased, reliable, transparent and timely.

The change management continuum model (www.rapidbi.com) has three development phases: inform phase which prepares people for changing their

behavior; educate phase which enables people to begin making decisions about whether to accept or reject the change; and commitment phase where change is implemented. People need to be empowered in the organization to make decisions and to be responsible for their actions as well as to gain control over how they will contribute to successful implementation of strategic change. The discussions on people dimension of change management rally around the urgency for change, vision for change, employee empowerment and execution of the change strategies.

2.8 Organizational Culture and Change

Dennison (1990) describes culture as referring to “the underlying values, beliefs, and principles that serve as a foundation for an organization’s management system, as well as the set of management practices and behaviours that both exemplify and reinforce those basic principles” (Brown 1998). Eldridge and Crombie (1974), also cited by Brown (1998) refers to culture as the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals continue to get things done.

Walker (2004) states that learning a firm’s culture provides a set of focal points for decision making as well as providing models for effective questioning and experimentation, while Thompson *et al* (2007) concur, indicating that the tighter the cultural-strategy fit in an organization, the more that culture will steer the personnel into displaying behaviour and adopting operating practices that promote good strategy execution. For strategic change to occur successfully in an organization, this will require changes in the dominant culture or sub-cultures which may not be in tandem with the desired change. Wortzel and Wortzel (1997) reinforce that turning around an organization’s culture demands visible leadership which appeals to the employees’ feelings as much as to their intellect while Bateman and Zeithmal (1993) declare that in a strong organizational culture, everything from the environment to the way in which employees interact conveys information about a company’s values.

Brown (1998), while touching on people, states that people are often locked into traditional or habitual ways of doing and seeing things and this undoubtedly affects their ability to contemplate new options or new solutions. The compatibility of the elements of the strategy with the prevailing culture must be determined. He further clarifies that if cultural change in an organization is to occur, there must be a felt need for the change which should be cascaded down the entire organization. During the period of change, employees perception of what is going on will change substantially as the consequences of new systems, policies, and procedures become clearer and as the new changes are being reinforced, employees redefine their understanding of them and learn how to implement the new rules and procedures through and with colleagues. Brown adds that individuals are then able to put the changes occurring in perspective and to work out what they mean for themselves and for the organization as a whole. He concludes by saying that organization culture suggests that people rather than systems and structures should be the key focus of attention when trying to understand how organizations behave and that understanding employees' interpretations of process and events is important. A strong consistent culture which is strategically appropriate by fitting both the organization's strategy and environment, adaptable and so able to cope with change, which values both key stakeholders and leadership at all levels, and which has a strong mission is associated with high performance over sustained periods of time.

Aosa (1992) emphasizes that it is important that the culture of an organization be compatible with the strategy being implemented because where incompatibility occurs, this will lead to a high organizational resistance to change.. He cites Desmond and Parasuraman (1986) as arguing that companies can run into trouble when they fail to take into account their corporate cultures as they make changes in their strategy, further indicating that incompatibility between strategy and culture can lead to high organizational resistance to change and demotivation which can in turn frustrate the strategy implementation effort.

2.9 Employee Involvement in Organizational Change

Marchington and Goodman (1992) in Armstrong (2001:790) define employee involvement as consisting of "those practices which are initiated principally by management, and are designed to increase employee information about and commitment to the organization". Guest and Fatchette (1974) also cited by Armstrong (2001) refer to employee involvement as participation and define it as any process through which a person or group of person determines what another person or group of persons will do. Stevens (1990) on the other hand believes that participation is about employees of an organization playing a greater part in the decision making process.

Armstrong (2001) goes ahead to distinguish between involvement and participation from the various definitions, indicating that employee involvement is a process initiated by management to increase the information given to employees to enhance their commitment, while participation refers to collective rather than individual processes which enable employees to influence decision. Cole (2002) on the other hand refers to employee participation as the participation of non-managerial employees in the decision-making process of the organization and indicates that it can lead to improved efficiency and effectiveness in customer service as well as enhanced ability to make important operational decisions, increased employee commitment and motivation. Burnes (2004) refers to participation as the process of involving people in decision making and change activities within organizations. He refers to the main theories underpinning the understanding of employee involvement as cognitive dissonance, depth of intervention and psychological mores whose main argument is that the more a change challenges a person or groups' existing mores of behaviour, beliefs or assumptions, the more resistance it is likely to meet and thus an appropriate involvement strategy, should be defined on how people are likely to react.

Beckhard and Harris (1987) in Burnes (2004) argue that the key objective for organizations is to gain the active support of the critical mass of people necessary to

bring about change, whose level of support may be split into those who let it happen, those who help it happen and those who make it happen. He further goes on to say that an involvement strategy needs to take into account the size and duration of the proposed change, while Wortzel and Wortzel (1997) state that a leader or leaders should assure themselves of sufficient support from key persons at different levels of the organization. Nganga (2006) in his study on employee perception of strategy refers to employees as partners in shaping the dominant culture of the organization.

Clarke (1994) states that individual and organizational learning stem from effective top-down communication and promotion of self-development and confidence which in turn encourages the commitment to and shared ownership of the organization's vision, actions and decisions. Once people have been involved in the diagnosis of the problems and development of solutions, they see the need to change and this generates a conducive climate for change (Mutuku, 2004). Bateman and Zeithaml (1993) states that employees should be given responsibility, adequate authority and have accountability in the course of carrying out their duties, and further stresses that empowerment is crucial in enhancing employees' ability to perform their jobs and their beliefs that they are influential contributors to the organization.

Involvement of the employees in the change process will ensure commitment, ownership and complete buy-in of the changes that need to be made in an organization. Burnes (2004), states that there are two activities that can secure involvement; communication, which he terms as an essential demand of change activities and claims that the establishment of a regular and effective communications process should reduce people's level of uncertainty and eliminate one of the main obstacles to people's willingness to get involved in the change process. Staff should be allowed the freedom to discuss the change issues openly to enable self-conviction of the need for change. The second activity is getting people involved by not treating staff as obstacles to change but involving them and making them responsible for it. Burnes stresses that communication and involvement are essential to gaining people's understanding of the need for change. The change process should provide support for employees as they deal with the change and

where possible involve the employees directly in the process itself to enable successful implementation (Nyalita, 2006).

Honig *et al* (2003) in their study on organizational change adjustment and the individual cite proponents of even greater involvement (Kurstedt & Mallak, 1996) as proposing that employees be allowed to choose the level and the way in which they wish to be involved. In addition, they refer to Cameron *et al*'s (1993) findings that involved employees contribute significantly to implementation of new change while employees subsequently involved and empowered show commitment (Dessler, 1999), thereby increasing the prospects of a successful transformative change (Covin & Kilman, 1990).

2.10 Employee Perception of Change

Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into a meaningful and coherent picture of the world, while Barber and Legge (1976) as cited by Brown(1998) refer to it as the process of receiving, selecting, acquiring, transforming and organizing the information supplied by our senses. Smit *et al* (2007) define perception as the process in which individuals arrange and interpret sensory impressions in order to make sense of their environment and stresses that it is important for a manager to realize that what employees perceive is often different from objective reality and people react not to reality but to what they perceive as reality. They go further to say that no two individuals are the same and differences between people are discernible when it comes to age, gender, mental status, or number of dependants, while differences in emotional intelligence, intellectual capacity, personality, learning experiences, perceptions, values, attitudes and motivation among others are difficult to discern. They conclude by saying that managers require a sound knowledge of the complex nature of people.

Ansoff and McDonell (1999) state that during resistance inducing changes, the gap between perception and reality can substantially and unnecessarily increase the

level of resistance to change. Perception of change will determine whether it is viewed as a threat or as an opportunity within the organization and this will determine the support, commitment, buy-in or resistance portrayed by the staff. Johnson and Scholes, (2004; 2007), state that a change starts with the perception of its need, and a wrong initial perception will be the first barrier to change. Managers effecting change underestimate substantially the extent to which members of the organization understand the need for change, what it is intended to achieve and what is involved in the changes. They further state that members of an organization need to make sense of what is happening themselves. Perception of members of an organization is important in that when well analyzed and executed, it should furnish or make available to management critical information on which decisions impact on organization's success on the side of employees or other stakeholders(Owidi, 2006).

Mullins (1999) defines perception as the mental functions of giving significance to stimuli such as feelings or shapes, (Owidi 2006). Prasad and Sayeed (2006) in their study on perception of change found that there was a link between individual and organizational change by establishing that the effective states of individuals and positive perception of organizational characteristic, directly control the very base of transformational process, while Min *et al* (2006) in their research findings indicated that managers should be alert at all times to employees' reaction to change in order to make change successful. Further, managers must understand employees' acceptance and willingness to apply and support change in order to prevent poor customer service.

Strebel (1997) states that managers and employees view change differently and while both groups know that vision and leadership drive successful change, far few leaders recognize the ways in which individuals commit to bring about change. He further adds that while top level managers see change as an opportunity to strengthen the business by aligning operations with strategy, for many employees, including middle managers, change is neither sought after nor welcome as it is viewed as disruptive and intrusive, and as upsetting the balance. The psychological dimension of personal compacts comes into play through addressing implicit aspects

of employment relationships with an organization by incorporation elements of mutual expectation and reciprocal commitments arising from feelings like trust and dependence between the employee and, the employer. Employees ask themselves questions like; how will they have to work in the face of change; what recognition or reward or other personal satisfaction will be received from their efforts and are such rewards worth it. In the context of a major change program, a manager's sensitivity to this dimension of his or her relationship with subordinates is crucial to gaining commitment to new goals and performances standards. Streble further indicates that in the social dimension of personal compacts, employees gauge organizational culture by noting what the company says about its values in its mission statements and observing the inter-play between company practices and management attitudes towards them. Perceptions about the company's main goals are tested between financial and non financial objectives and when employees determine whether management practices what is preaches (Harvard Business Review, May-June, 1996).

Smit *et al* (2007) state that people cannot concentrate on all the stimuli in their environments at one time, and they tend to perceive selectively in fragments. The fragments so perceived are not chosen uniformly but selectively depending on the perceiver's interest, background, experience, attitude among other factors. They stress that selective perception helps in quicker perception but carries the risk that inaccurate assessments may be made of what is being perceived. Employees' interest, expectations, and their previous experiences influence what they perceive as well as the context in which an object or an issue is being perceived. Further, the differences in perception depend on who is doing the perceiving, what is being perceived and the context in which perception occurs, indicating that characteristics of the object being perceived can cause perceptual differences (Smit *et al* 2007). Honig *et al* (2003) in their study on organizational adjustment and the individual state that the more ominous and tangible the perceived threat, the higher the change intensity perpetrated by the perceiving individual or organization.

Nganga (2004) in his research on employee perception of strategy indicates that employees are the driving force behind success and they are complex beings whose interest may not necessarily coincide with that of management. He cites Mullins (1999) as emphasizing the need for managers to be aware of the perceptual differences between themselves and that of their employees which may give risk to organizational conflict. Perception is influenced by intelligence, personality, expectations, motivations and interests. Nganga (2004) states that strategy should galvanize everyone to the common objectives of the organization and develop a unity of purpose across all levels and it is imperative that all members of the organization perceive things in a similar manner which can in turn result to behavioral patterns that are consistent with the desired objectives of the organization leading to successful implementation of change.

2.11 Resistance to Change

According to Ansoff and McDonell (1990), resistance to change is a multi-faceted phenomenon which introduces delays, additional costs and instability into the change process. They note that resistance is not confined to strategic planning only, but occurs whenever there is a departure from historical behavior, culture and power structure and further note that the following may occur during the change process; procrastination and delays in triggering the process of change; unforeseen implementation delays and inefficiencies which may slowdown the change and lead to escalation of costs; and presence of efforts within the organization which may sabotage the change efforts. The authors distinguish two types of resistance to change as; systemic resistance to change; and behavioral resistance to change. Chew *et al* (2006) add that resistance to change is often understood from the management standpoint as a perceived behaviour of organization's members who refuse to accept an organizational change.

Ansoff (1998) indicates that behavioral resistance may be both by individuals or groups within an organization and people may resist change either due to self-interests, misunderstanding and lack of trust, different assessments or low tolerance

to change. On the other hand, systemic resistance refers to incompetence by the organization, represented by the differences in capacity required for new strategic work and the capability available to handle it, (Kiini 2007). Kagan and Evans (1994) indicate that systemic resistance arises from inappropriate knowledge, information, skills and management, while behavioral resistance derives from the reactions, perceptions and assumptions of individuals and groups within an organization. They further say that while systemic resistance can be dealt with by good management practice, consultation and information flows, behavioral resistance includes emotional reactions such as lack of trust and is more difficult to deal with.

Resistance to change is a natural phenomenon but it is likely to be greater if levels of involvement and information are low. Change can generate deep resistance in people and in organizations, making it difficult if not impossible to implement organizational improvements. At a personal level, change can arouse considerable anxiety about letting go of the known and moving to an uncertain future. At the organizational level, resistance to change can come from three sources; technical resistance which arises from the habit of following common procedures and the consideration of sunk costs invested in the status quo; political resistance which can arise when organizational changes threaten powerful stakeholders such as top executives, personnel or call into question past decisions of leaders; cultural resistance, which takes the form of systems and procedures that reinforce the status quo thereby promoting conformity to existing values, norms and assumptions about how things would operate (Kagan and Evans, 1994).

Doppelt (2003) states that resistance to change can be expected whenever the possibility of a change in culture appears and it is a natural reaction or safety response to interruption to the status quo. Senge (1990: 80) as cited by Doppelt (2003) states that resistance is neither capricious nor mysterious. It almost always arises from threats to traditional norms and ways of doing things which are woven into the fabric of established power relationships, and the norm is entrenched because the distribution of authority and control is enhanced. Burnes (2004) states that one of the major mistakes companies can make when introducing change is to

fail to recognize, and deal with the real and legitimate fears of the managers and staff and although people's concerns tend to focus on the proposed change, they will be strongly influenced by outcomes of previous change initiatives.

According to Ansoff and McDonnell (1990), the level of resistance to change is determined by the following factors: the degree of discontinuity in the historical culture and power implied by the change; the strength of positive or negative loyalty towards the organization felt by the participants; and the strength of culture and power at the respective power centre. They further state that due to distorted perceptions, resistance may usually be higher than justified by the factors of the situation. The authors further indicate that behavioral political scientists view resistance as a natural manifestation of different realities according to which groups and individuals interact with one another and consequently both individuals and groups resist change proportion to the degree of threat and discomfort introduced by the current increment of change. They conclude by saying that the gap between perception and reality can substantially and unnecessarily increase the level of resistance (Ansoff & McDonnell, 1990).

Conner (1998) argues that human beings seek control and tend to fear and avoid ambiguity of disruption, whether it is positive or negative and hence what people resist in reality is not the change but the implications of the change, (Gichobi, 2006). Unless managers involved in change management appreciate the employees' views, they will be stuck in the middle in their efforts to implement organizational change (Mugo 2006). To minimize resistance, managers must define the terms and persuade employees to accept them. Leadership must drive the process of change to alter the employees' perception and bring about revised personal impact.

Cummings and Worley (2004) propose the following strategies for dealing with resistance to change: *empathy and support*; emphasizing that the first step in overcoming resistance is learning how people are experiencing change, this strategy can identify people who are having trouble accepting the changes, the nature of their resistance, and possible ways to overcome it but requires a great deal of empathy

and support and demands a willingness to suspend judgment and to see the situation from another person's perspective. When people feel that those who are responsible for managing change are genuinely interested in their feelings and perceptions, they are likely to be less defensive and more willing to share their concerns and fears; *communication*; indicating that people resist change when they are uncertain about its consequences, lack of adequate information fuels rumors and gossip and adds to the anxiety generally associated with change and effective communication about changes and their likely results can reduce this speculation and allay unfounded fears; and *participation and involvement*; whereby an organization's members are directly involved in planning and implementing change and it is viewed as one of the oldest and most effective strategies for overcoming resistance. Participation can lead to both the designing of high quality changes and to overcoming resistance to implementing them. Members can provide a diversity of information and ideas, which can contribute to making the innovations effective and appropriate to the situation and they can also identify pitfalls and barriers to implementation. Involvement in planning the change increases the likelihood that members' interests and needs will be accounted for during the intervention and consequently the participants will be committed to implementing the changes.

Bateman and Zeithmal (1993) give general reasons of resistance as follows: inertia, not wanting to disturb the status quo as the old ways of doing things are comfortable; timing, where it is deemed poor especially when managers and employees are busy or under stress; surprise, if change is sudden, unexpected, or extreme and; peer pressure, where workgroups resist new ideas even if individually they do not oppose strongly. They further indicate that change specific resistance stemming from what people perceive as the personal consequences of change are, self-interest, misunderstanding and differential assessments of the proposed change.

The authors propose the following strategies for dealing with resistance; *education & communication*; employees should be educated about upcoming changes before they occur and both the nature and the logic for the change should also be adequately communicated through one on one discussion, presentations to groups,

reports memos or by other means; *participation & involvement*; it is deemed important to listen to the people who are affected by the change, to involve them in the change's design and implementation, and management should also use their advice whenever feasible as participation and involvement will lead to consideration of important issues which may have been overlooked; *facilitation and support*; management should make the change as easy as possible for employees and be supportive of their efforts and this involves providing the training and other resources employees need to carry out the change and perform their jobs under new circumstances and will include decentralized authority as well as empowering people to make decisions and to improve their performance while offering support involves patiently listening to problems, being understanding if performance drops temporarily or if the change is not perfected immediately, and generally being on the employees' side and showing consideration during difficult periods; *negotiation and rewards*; whenever necessary, management can offer concrete incentives for cooperation with change by way of job enrichment, rewards such as bonuses, wages and salaries, recognition, job assignments and perks which can be examined and even restructured to reinforce the direction of the change; *manipulation and co-optation*; this involves use of subtle covert tactics to implement change and requires giving a resisting individual a desirable role in the change process; and *coercion* which involves applying punishment or threat of punishment to those who resist change and using force to make people comply.

The strategies advanced by the various authors on how to manage resistance to change center around communication, participation and involvement and facilitation to ensure the entire body of staff is engaged in organizational change process.

2.12 Summary

The preceding discussions on change management indicate that change starts with the perception of its need, and a wrong initial perception will be the first barrier to change. Johnson and Scholes (2004; 2007) state that managers effecting change underestimate substantially the extent to which members of the organization

understand the need for change, what it is intended to achieve and what is involved in the changes, and this affects successful implementation. Members of an organization need to make sense of what is happening themselves, and perception is important in that when well analyzed and executed, it should furnish or make available to management critical information on which decisions impact on organizations success on the side of employees or other stakeholders (Owidi, 2006).

The various studies on change management conclude that change must be accepted as the norm in an organization, for sustainability, as it affects an individual more fundamentally than it does the organization as a whole (Bridges, 1986; Jick, 1990 in Sharma 2007). Recognition of the need for change and acceptance of the change in an organization is predominantly influenced by the separate individual perceptions of the employees in an organization and this is in turn influenced by the information availed and the manner in which it is availed by the leadership in the organization. It is, therefore, clear that a substantial number of staff or the entire body of staff must be committed to the change process for organizational change to be implemented smoothly, which Beckhard and Harris (1987; 92) in Burnes (2004) refer to as the "critical mass" of individuals or groups whose active commitment is necessary to provide the energy for change to occur.

Perception of change by the employees in an organization will determine whether it is viewed positively as an opportunity, or negatively as a threat within the organization and this in turn determines the degree of support, commitment, buy-in, resistance or outright rejection of the change initiatives being introduced (Ansoff and McDonnel, 1999). Change creates anxiety in an organization and if the anxieties so created are not fully addressed, can lead to failure in implementation of strategies. Understanding the ways in which employees establish certain reactions to change will provide a potential avenue for developing a range of change management strategies that may bring employees' perceptions in alignment with those desired, thereby strengthening the degree to which employees support organizational change (Vithesonthi 2005; Chew *et al* 2006).

Strebel(1997) states that managers and employees view change differently, and while both groups know that vision and leadership drive successful change, far few leaders recognize the ways in which individuals commit to bring about the change. Change can generate deep resistance in people and in organizations, making it difficult if not impossible to implement organizational improvements. At a personal level, change can arouse considerable anxiety about letting go of the known and moving to an uncertain future. Burnes (2004) stresses that communication and involvement is essential to gaining people's understanding of the need for change. The change process should provide support for employees as they deal with the change and where possible involve the employees directly in the process itself (Nyalita, 2006) to enable successful implementation. Nganga (2004) states that strategy should galvanize everyone to the common objectives of the organization and develop a unity of purpose across all levels and it is, therefore, crucial that all members of the organization perceive things in a similar manner which can in turn result to behavioral patterns that are consistent with the desired objectives of the organization leading to successful implementation of change.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was carried out through a survey which was used to establish how the staff of the Kenya National Audit Office perceive the changes taking place within the organization, and to determine the factors influencing their perceptions. Mugenda and Mugenda (1999) note that a survey research attempts to collect data from members of a population and describe existing phenomena by asking individuals about their perception, attitudes, opinions, behaviour or values. Cooper *et al* (2003) concur, emphasizing that it is easy to learn about peoples' opinions and attitudes through surveying, as well as their intentions and expectations.

3.2 Target Population

The population of interests consisted of 721 members of non-management staff of the Kenya National Audit Office. A staff list of in-post staff as at 30 June 2008 was obtained from the Human Resource department.

3.3 Sampling

Stratified random sampling was used to select the sample. Levin *et al* (2008) note that stratified sampling is efficient as it ensures representation of items across the entire population. The target population was subdivided into three strata comprising heads of units, audit operational staff and non-audit staff. Simple random sampling was then used to select a proportionate representation from each stratum to get a total sample size of 100 staff members. Gay (1981) as cited by Mugenda and Mugenda (1999) advocates a sample size of 30 and above or 10% of the accessible population, as adequate as a rule of thumb and the sample size was considered well above the minimum. The following table indicates the sample size.

Table 1: Sample Selection

Strata	Target Population	Sample Proportion	Sample Size
Unit Heads	123	15%	19
Audit Operational Staff	547	15%	83
Non- Audit Staff	51	15%	8
Total	721		110

3.4 Data Collection

Primary data was collected using a semi-structured questionnaire. The questionnaire was divided into two parts and administered through drop and pick method. Part I comprised of general questions relating to the employee while Part II comprised of questions relating to the changes taking place in KENAO and how they had been managed. Where necessary, clarification was given to the respondents.

3.5 Operationalising Perception

In order to measure the employees' perception of the changes taking place in the organization, the following dimensions relating to the principles of change management will be used; the urgency for change, the change vision, empowerment for change, change execution and reinforcement to sustain the change. A Likert scale of 1 to 5 will be used to measure the extent to which the staff agree or disagree with the issues raised and these will further be used to determine if they have an influence on perception together with the general questions. The following table indicates the dimensions, related issues and the relevant questions.

Table 2: Operationalising Perception

Dimension	Relevant Issues	Relevant Questions
Urgency	<ul style="list-style-type: none"> • Factors influencing change • Reasons for change • Objectives of the change • Communication • Achievements and benefits 	7, 8, 9, 10, 11, 12, 13
Vision	<ul style="list-style-type: none"> • Strategic Plan • Image of the organization • Purpose • Clarity and focus • Core values and beliefs • Inspiration 	14, 15, 16, 17, 18, 19, 20
Empowerment	<ul style="list-style-type: none"> • Knowledge on how to change • Ability to change • Training • Resources • Support • Communication 	21, 22, 23
Execution	<ul style="list-style-type: none"> • Leadership • Implementation process • Management Support • Involvement • Culture • Challenges 	24, 25, 26, 27, 28, 29
Reinforcement	<ul style="list-style-type: none"> • Leadership • Rewards • Consequences • Resources • Resistance 	30, 31, 32, 33, 34, 35, 36, 37

3.6 Data Analysis

The questionnaires was edited for completeness and consistency and coded to enable analysis. Descriptive statistics including means, cross-tabulations, frequencies and percentages were used to analyze the perceptions of the employees and the factors influencing their perceptions.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

The results of the data analysis indicating the various perceptions that the employees of KENAO have on the changes taking place in the organization are detailed in this chapter. The study was designed to achieve two objectives; to establish the employees' perceptions of the changes taking place at the Office and to determine the factors influencing those perceptions.

Employees were asked to give their opinions on various dimensions relating to the principles of change management and rate their views on a Likert scale of 1-5 depending on the question, where 5 represented the highest or best positive sentiment and 1 represented the highest level of negative sentiment. The dimensions researched on were, urgency for change, change vision, empowerment to change, change execution and reinforcement of the change taking place within the organization. The research targeted one hundred and ten (110) non- management respondents drawn from the five departments of KENAO and sub-divided into three strata comprising; heads of units, audit operational staff and non audit staff to ensure proportionate representation. Out of these, ninety nine (99) were able to participate in the study by filling the questionnaire. This constitutes 90% response rate which was considered adequate for analysis.

4.2 Employees Perception of the Urgency for Change

The findings indicate that 95% of the employees of KENAO were aware of the various changes which have taken place within their organization in the preceding five years. The changes were described as follows; introduction of new audit units to carry out new audit services, improved terms and conditions of service, recruitment of new officers from the private sector, new legislation to govern public sector auditing, quality assurance application in the audit process, training and use of information technology in the audit process. The respondents also indicated that the

office had procured new and modern furniture, introduced a medical scheme and internal promotions were taking place.

4.2.1 Perception of the factors influencing change

The respondents were to give their opinion on the extent to which predetermined forces/factors influenced the changes taking place at KENAO. The range was 'not at all (1)' to very great extent (5). The scores of not at all/less extent have been taken to present a variable which had a mean score of 0 to 2.4 on the continuous Likert scale ;($0 \leq S.E < 2.4$). The scores of 'moderate' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \leq M.E. < 3.4$) and the score of large extent/very large extent have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq L.E. < 5.0$).

Table 3: Employees Perception of the Factors Influencing Change

	Mean	Std. Deviation	Rank
Need to meet expanded mandate	4.0187	.86854	1
Need to plan ahead and remain effective	3.9252	.91838	2
Changing technology	3.8785	1.04349	3
Changing environment	3.7009	1.08345	4
The declining quality of audit reports	3.5140	1.19246	5
Changing clients needs	3.3645	1.07627	6
The magnitude of inefficiency	3.0654	1.15963	7
Weak management at KENAO	2.8505	1.24993	8
It was a government directive	2.3925	1.21124	9
Change for the sake of change	1.6729	.99788	10

Source: Research Data

The findings from Table 3 show that the staff perceived that the declining quality of audit reports, changes in environment, changing technology, need to plan ahead and remain effective and need to meet the expanded mandate have greatly influenced the changes taking place at KENAO (mean of 3.51 to 4.0187). Notably the need to expand the mandate of the office had the greatest influence. Weak management at KENAO, magnitude of inefficiency and changing clients' needs were

identified to be having moderate influence on the changes taking place. On the other hand; change for the sake of change, and changing because it was a government directive were perceived as having the least influence on the changes taking place. This is an indication that all the employees of KENAO to a large extent understand and are part of the change programme, they know that changes are taking place, why they are being implemented and the benefits they will gain from the change process.

The findings are a further indication that the staff were aware that both the internal and external environment within which KENAO was operating was changing and the organization was required to change also. The employees were also highly aware that the Public Audit Act, 2003 had expanded the mandate of KENAO to include emerging audits like performance auditing which was perceived as the force that had the most influence on the changes taking place. This is in line with Johnson et al's (2005) observation that the external environment influences implementation of strategic changes in an organization. Change for the sake of change, government directive and weak management were ranked low as factors influencing changes. This further indicates that the staff had an inner realization that change was necessary which Lewin refers to as a 'felt need' in Burnes (2004).

4.2.3 Perception of the objectives of the change program

Respondents were requested to give their views on various predetermined objectives of the change program ranging from not important at all to very important. In the employees opinion, as indicated in Table 4, turning around KENAO into an effective and professional office, increasing the level of efficiency, giving independence to KENAO, complying with public sector reform program and taking care of stakeholders interest were perceived as the most important objectives (mean of 3.77 to 4.5). Notably turning around KENAO into an effective and professional office was perceived as being the most important objective. The employees did not consider, reduction of staff or costs or increasing funding from the government as being very important.

Table 4: Employees Perception of the Purpose for Change

	Mean	Std. Deviation	Rank
Turnaround KENAO into an effective and professional office	4.5140	.80522	1
Increase the level of efficiency	4.4206	.81307	2
Give independence to KENAO	4.1402	1.07676	3
Comply with public sector reform programs	4.0093	.94665	4
Take care of stakeholders interest	3.7757	1.18408	5
Comply with donor conditions	3.2897	1.25148	6
Reduce costs	3.0000	1.22089	7
Increase funding from the government	2.9346	1.40263	8
Reduce staff	1.5888	.87904	9

Source: Research Data

4.2.4 Perception of communication methods

The respondents were required to indicate in their view the pre-determined means predominantly used to communicate the awareness of change. The findings indicate that workshops and retreats, official circulars and the grapevine/rumours were predominantly used to communicate the awareness of the changes taking place. Notably, workshops and retreats and official circulars were also viewed as being the most effective means of communication in creating awareness (mean of 3.64 to 3.70), as shown in Table 5.

Although grapevine and rumors was considered as a method frequently used in communication it was not considered very effective. Hegaty et al (1989) emphasizes that communication by giving the right information in a timely manner ensures that change efforts will not fail. Burnes (2004) further states that communication can secure employee involvement and buy-in to the change process which also reduces the level of uncertainty in an organization.

Table 5: Employees Perception of Effectiveness in Communication

	Mean	Std. Deviation	Rank
Workshops and retreats	3.7009	1.19917	1
Official circulars	3.6355	1.11078	2
Meetings	3.1121	1.25388	3
Grapevine(rumors)	2.6542	1.54860	4
KENAO Newsletters	1.8318	1.10305	5
Mass media	1.5047	.89415	6

Source: Research Data

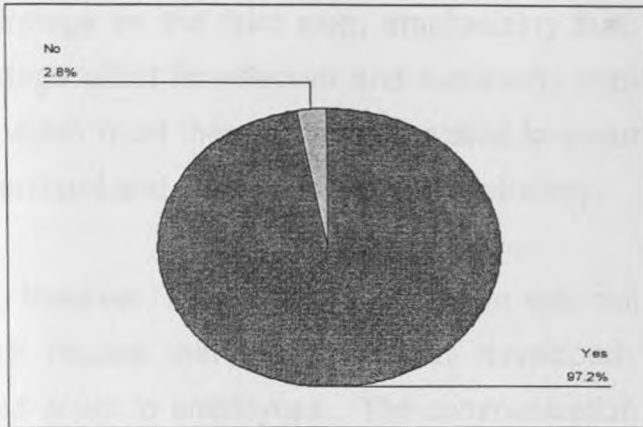
4.2.5 Perception of the benefits for supporting change

Respondents were requested to rate predetermined individual benefits to be derived for supporting the changes taking place ranging from not important at all to very important. The employees perception on individual benefits indicated that enhanced respect and reputation within KENAO, improved training opportunities, increased job satisfaction, improved job security and growth opportunities were considered highly(important /very important) with means of 3.54 to 4.16. Notably, enhanced respect and reputation within KENAO was considered as the most important individual benefit to be gained from supporting the change initiatives.

4.3 Employees Perception of the Change Vision

The respondent were asked if they were aware whether KENAO had a strategic plan and 97.2% of them indicated that they were aware with only 2.8% indicating lack of knowledge. Over 60% of the respondent also indicated that they possessed a copy of the strategic plan which clearly states the vision and mission of the organization. Out of the 38% who did not have a copy of the strategic plan, 79.4% indicated they had seen it, which is an indication that the organization has widely communicated the plan through distribution of copies to ensure staff are appropriately informed of the direction the organization is taking.

Figure 1: Awareness of the Strategic Plan



Source: Research Data

Further, over 95% of the total respondents indicated they knew the vision and mission of KENAO and in their opinion confirmed that the vision, mission and core values of the organization reaffirm the understanding of why KENAO exists and its aspirations for the future to a great extent, with the core values ranking highest.

The employees were further requested to give their opinion on the extent to which the vision of KENAO met predetermined factors with the range from 1- not at all to 5- very great extent. The findings from Table 6 show that the employees perceive the change vision as being clear and concise, built around clients and inspirational to a large extent/very great extent with (mean of 3.63 to 3.93).

Table 6: Employees Perception of the Change Vision

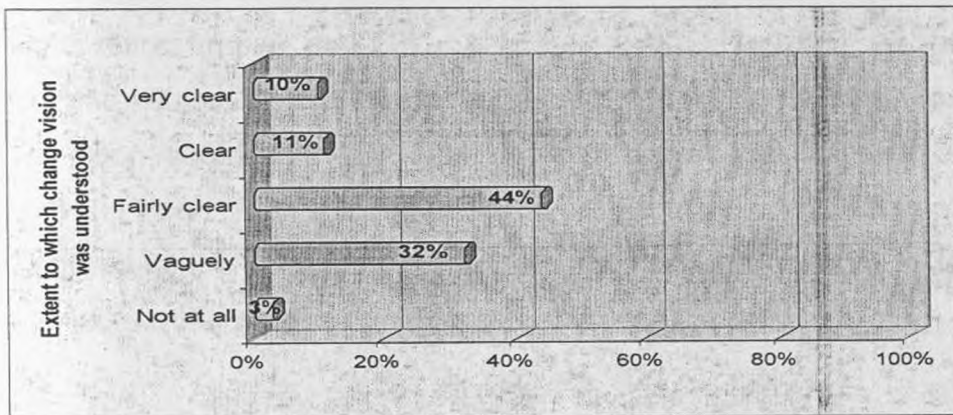
	Mean	Std. Deviation	Rank
Clear and concise	3.9346	.83859	1
Built around clients	3.6916	.93578	2
Inspirational	3.6355	1.04964	3
Widely shared	3.3364	1.03654	4
Linked with daily behaviour	3.1308	1.14170	5
Created participatorily	2.8318	1.15322	6

Source: Research Data

Kotler (1996) in his Eight Step model of change management proposes developing a vision and strategy as the third step, emphasizing that it is necessary in helping direct the change effort for effective and successful implementation of the change. The change vision must then be communicated to ensure that as many people as possible understand and accept the vision and strategy.

The findings, however, indicated that the vision was not created in a participatory manner which implies that the vision was developed by top management and communicated down to employees. The communication, however, seems to have been effective as when respondents were asked to indicate the extent to which the vision was clearly articulated and understood by the staff, 65% indicated it was very clear, clear and fairly clear with only 35% indicating not at all or vaguely.

Table 7: Extent to Which the Change Vision was Understood



Source: Research Data

4.4 Employees Perception of Empowerment to Change

4.4.1. Perception of empowerment

The respondents were requested to give their opinion on the extent to which pre-determined methods employed to empower staff to facilitate the changes empowered the employees. The range was not at all (1) 'to' very great extent (5).

Table 8: Employees Perception of the Methods Facilitating Change

	Mean	Std. Deviation	Rank
Staff training and development	3.6822	1.08678	1
Standard of excellence and capacity to meet them	3.2430	1.05366	2
Clearly defined and prioritized responsibilities	3.2243	1.06672	3
Adequate knowledge and information to enable good decision making	3.1963	1.03194	4
Adequate authority to match responsibilities	3.1776	1.03535	5
Employee participation/involvement	2.8785	1.04349	6
Respect and recognition as important contributors to the organization	2.8505	1.22708	7
Constant feedback on performance	2.8318	1.10305	8
Creation of a trusting and open environment	2.6636	1.18117	9
Recognition for work done	2.6355	1.23924	10
Freedom to experiment and fail	2.4486	1.16743	11

Source: Research Data

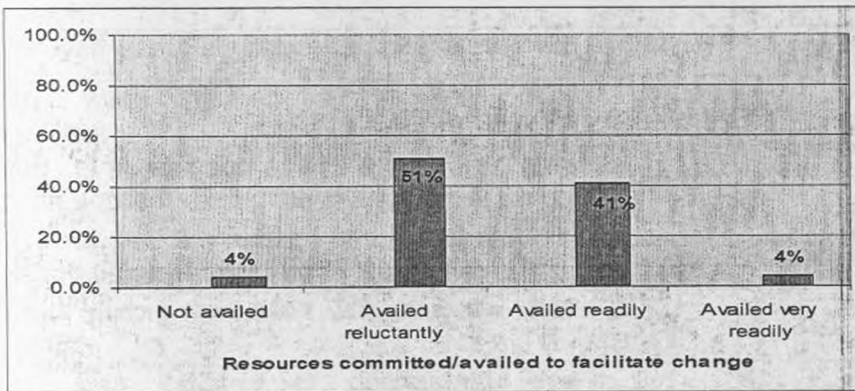
The findings from Table 8 indicate that staff training and development has made the greatest contribution to empowerment of staff in facilitating the changes taking place in the organization (mean of 3.68). It is noted, however, that the freedom to experiment and fail was not considered as a method used to empower staff, getting the lowest mean score of 2.45. This is an indication that the staff of KENAO although having been given the necessary training and responsibilities to empower them to implement the changes do not feel they have the freedom to experiment further or explore other areas of change.

Bateman and Zethmal (1993) state that empowerment enhances the confidence of employees in their ability to perform their jobs and their belief that they are influential contributors to the organization. Empowering people means allowing them to participate in decision making, expressing confidence in their ability to perform at high levels, setting meaningful and challenging goals and encouraging people to take personal responsibility for their work. The management of KENAO requires to look at the area of giving staff the freedom to experiment, which can enhance facilitation of the change process in the organization.

4.4.2 Perception of availability of resources to facilitate change

The respondents were requested to give their opinion on how the resources were committed or availed to facilitate the changes. Out of the total respondents, 55% indicated that the resources were either availed reluctantly or not availed at all while 45% indicated that they were availed readily. This is an indication that although staff were given the necessary skills to empower them to change, the requisite tools were not delivered or availed on time or at all which may have affected the speed of implementation.

Table 9: Employees Perception of Resource Availability



Source: Research Data

The respondents further rated the staff as having the ability to change to a large extent/very large extent. In their view, desire to make the changes and awareness of the need for change were rated as moderate while knowledge about how to change had a mean score of 3.1 which is also moderate. This is a further indication that training and development, which was rated as the method predominantly used to empower staff was perceived as highly necessary and the employees considered this as important for gaining the required knowledge on how to change.

4.5 Employees Perception of Change Execution

4.5.1 Perception of change initiation

The respondents were to give their opinion on the extent to which they agreed with pre-determined issues concerning change execution at KENAO.

Table 10: Employees Perception of Change Initiation

	Mean	Std. Deviation	Rank
Changes was initiated at top level management	4.1308	.98176	1
The changes were fully supported by top level management	3.6729	1.07085	2
The changes were fully supported by the staff	3.1682	1.12002	3
Change was initiated at middle level management	3.1215	.97816	4
Concerns of clients and other stakeholders were taken into account during the change programme	2.9813	1.02774	5
Concerns of staff were taken into account during the change programme	2.8224	1.07995	6
The level of communication was effective open and honest	2.5794	1.13302	7
Change was initiated at operational level management	2.5701	1.10839	8

Source: Research Data

The findings from Table 10 indicate that in the respondents' opinion, change was initiated by top level management and was also fully supported by the management (mean of 3.67 to 4.23). In contrast, support of the changes by the staff, concern for clients and other stakeholders as well as concern for staff were only agreed with to a moderate extent. Johnson et al (2005) emphasize that management of change is often directly linked to the role of a strategic leader while Johnson and Scholes (2007) define a strategic leader as an individual upon whom strategy development and change are dependent upon and who are personally identified and centered to the strategy of an organization.

The findings are an indication that the top leadership in the organization has taken its role seriously in initiating and supporting the changes and the employees are aware of this.

4.5.2 Perception of change implementation

Respondents were further requested to give their opinion on pre-determined factors influencing the speed of implementation of the changes at the organization. The findings indicated that the employees perceive that the top leadership, management organizational objectives, training of all employees and the vision/mission of KENAO had the greatest influence to a very large extent in speeding up implementation of the changes with a mean scores ranging from 3.51 to 3.98.

Use of training was perceived to be the method used predominantly in change implementation with a mean score of 3.897, while recruitment of new staff and aligning structures around clients were only rated moderately.

4.5.3 Perception of the challenges faced in implementation

Respondents were requested to give their opinion on the extent to which predetermined challenges faced KENAO in implementation of change. As indicated in Table 11, the issue of culture and technological facilities were perceived as being the greatest challenges with mean scores of 3.61 and 3.59 respectfully. Employee involvement and strategy itself were only viewed as having a moderate extent in challenging implementation.

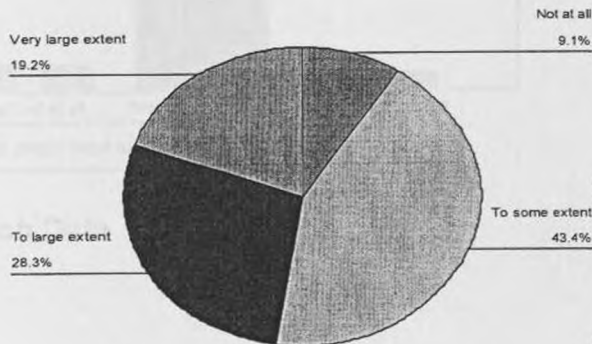
Table 11: Employees Perception of the Implementation Challenges

	Mean	Std. Deviation	Rank
Culture	3.6075	1.07946	1
Technological facilities	3.5981	1.21204	2
Organizational structure	3.4953	1.11062	3
Policies and procedures	3.4860	1.05834	4
Leadership	3.4673	1.10161	5
Communication	3.4486	1.13465	6
Financial Resources	3.3925	1.17968	7
Support systems	3.3738	.98597	8
Employee involvement	3.3271	1.21139	9
Strategy itself	3.2150	.98122	10

Source: Research Data

Notably, the issue of culture was viewed as playing a central and prominent role with 91% of the respondents indicating that to some extent, to a large extent and to a very large extent; it had a role to play. However, predetermined aspects of culture targeted for change were rated as having only been practiced to a moderate extent. Thompson et al (2007) state that the tighter the cultural-strategy fit in an organization, the more that culture will steer the personnel into displaying behaviour and operating practices that promote execution. The findings indicate that although the culture of the organization was perceived as playing a central role in change implementation and as being one of the main challenges, it was not adequately addressed by the management.

Figure 2: Role of Culture



Source: Research Data

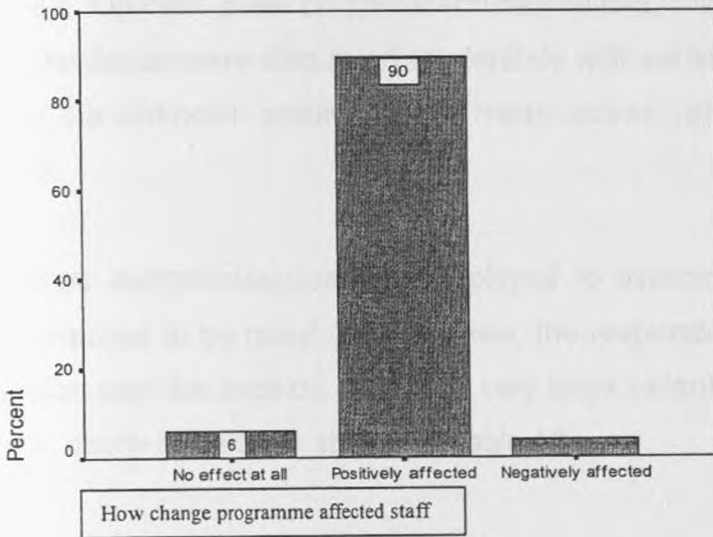
4.6 Employees Perception of Reinforcement of the Change

4.6.1 Perception of the effect of change

Respondents were required to give their views on the extent to which they agreed with predetermined issues relating to what the changes being implemented meant for KENAO. New ways of doing work, new systems and tools, new reporting structures as well as new audit services were perceived as having been very significant with mean scores ranging from 3.5 to 3.98.

Respondents were also requested to give their opinion on how the change programme had affected staff and 90% indicated that the effect was positive. Over 99% of the respondents also agreed that the magnitude of the effect was significant to very significant.

Table 12: Effect of Change



Source: Research Data

4.6.2 Perception of the risk of not changing

Respondents were to give their opinion on predetermined risks of not changing for the staff. The findings indicate that the greatest perceived risks of not changing was fewer promotional opportunities, job dissatisfaction and reduced job satisfaction with mean scores ranging from 3.50 to 3.84. Loss of employment was not considered a significant risk.

4.6.3 Perception of resistance to change

Respondents were further requested to give their view on predetermined factors that may have been obstacles to implementation of change. Limited time, budget and resources had the highest mean score of 3.48 although it was only rated as being an obstacle to a moderate extent. Staff resistance and middle management resistance were also rated as being obstacles only to a moderate extent. This is an indication that the staff do not perceive themselves as being resistant to the changes being implemented. Opinion given on predetermined factors, that may have contributed to individual resistance were also rated moderately with satisfaction with the status quo and fear of the unknown getting higher mean scores ranging from 3.23 and 3.32 respectively.

Predetermined methods/approaches employed to overcome resistance to change were also required to be rated. In their view, the respondents indicated that training and education was the method used to a very large extent in overcoming resistance with a mean score of 3.99, as shown in Table 13.

Table 13: Employees Perception of Methods for Overcoming Resistance

	Mean	Std. Deviation	Rank
Training and education	3.9907	.95656	1
Effective and open communication	3.2056	1.23425	2
Coercion and authority	2.7383	1.16826	3
Use of local(within KENAO)change leaders	2.7009	1.05701	4
Use of reward	2.4019	1.29484	5
Promise of reward	2.2991	1.21481	6
Use of consultants	2.1869	1.08272	7
Manipulation	2.0561	1.37245	8
Ignoring(wait for natural death to occur)	2.0280	1.19320	9

Source: Research Data

The use of reward, promise of reward and manipulation were not considered as methods used to overcome resistance.

The respondents were in addition requested to rate the KENAO management on predetermined issues with respect to change reinforcement. Dedication and commitment to the change process received the highest rating with a mean score of 3.57 indicating that the staff perception on management support in organizational change was very high. The management was also rated moderately on other issues like reinforcement to maintain the change, support for staff during implementation, and honesty and openness concerning the changes. This indicates that the employees' perception on management concern and seriousness in implementing the changes is highly positive.

4.7 Factors Influencing the Employees Perception of Change

Further analysis of the data through cross tabulations between general questions relating to the employee and questions relating to the changes taking place in the organization was done with a view to determining if there were significant differences in perception among the employees. The findings revealed the following;

4.7.1 Factors influencing the change

Respondents within the five departments ranked the various predetermined factors influencing change differently. Employees based in the Finance, Administration and Human resource department as well as the Central government department ranked the need to meet the expanded mandate first followed by the need to plan ahead and remain effective and changing technology in that order. Employees based in the Corporations and Specialized audit departments ranked changing technology as the major factor influencing change while those in the Local government department perceived the need to plan ahead as the major factor. The findings give an indication that the department within which employees of the organization are based was experiencing change differently thereby influencing the perceptions the employees had on the change initiatives.

Analysis in terms of where staff were based geographically within the organization also revealed differences in perception of the factors influencing change. Employees based at the headquarters perceived the need to meet the expanded mandate, need to plan ahead and remain effective and changing technology as the major influences in that order. Staff based within Nairobi but not at the headquarters on the other hand perceived the changing environment as the main factor followed by the need to meet the expanded mandate and the changing technology in that order, while staff based furthest from the headquarters at the provinces, ranked the need to plan ahead and remain effective as the main force of change followed by the need to meet the expanded mandate and changing technology as third.

4.7.2 Communication

The findings indicate almost uniform perceptions among the various cadres of staff where the means of communication used to communicate the change and their effectiveness is concerned. The use of workshops and retreats as a predominant method of communication and its effectiveness was ranked top by both the unit heads and non-audit staff and second by the audit operational staff. The audit operational

staff ranked official circulars first while both the unit heads and non- operational staff ranked it second. The findings are an indication that communication was uniformly applied in the organization leading to similarities in perceptions.

Based on geographical location, staff based at the headquarters ranked workshops and retreats first and official circulars second while staff based outside the headquarters ranked official circulars first and workshops and retreats second in terms of the predominant method used to communicate change and its effectiveness. This may be an indication that staff based outside the headquarters first received communication in form of official circulars before attending workshops or training where further information was communicated.

4.7.3 Benefits of supporting the change

The findings indicate various differences in perceptions of the benefits to be gained for supporting the change among the different cadres of staff and based on the period of service. Audit staff and those who have served for less than twenty years perceived that enhanced respect and reputation within the organization as the top most important benefit, while non-audit staff and staff who had served for over twenty years perceived improved training opportunities as the main benefit to be gained from supporting the change.

4.7.4 Strategic plan

The findings indicate that 89% of the unit heads and 58% of the audit operational staff possessed a copy of the organization's Strategic Plan while non of the non-audit staff had a copy. This is an indication that there may have been some discrimination in the distribution of the copies of the strategic plan, which is the major document detailing the changes the organization was implementing.

4.7.5 Empowerment to change

The findings indicate slight differences in perception on the methods used to empower staff to change with respect to the number of years served and the level of education. Staff who had served for less than five years and those who had served for more than ten years considered staff training as the top most method while those who had served between five and ten years considered adequate knowledge and information to enable good decision making followed by staff training and development as the major methods of empowerment.

Irrespective of the level of education, all respondents agreed that training and development was the method predominantly used to empower staff to change. This perception was also the same with respect to the cadre of staff, giving an indication that the Kenya National Audit Office heavily invested in training and developing its entire body of staff.

4.7.6 Challenges in implementing change

The various cadre of staff portrayed differing perceptions on the challenges facing the organization in implementing change. Unit heads perceived that culture followed by support systems were the main challenges. Audit operational staff perceived technological facilities followed by culture as the main challenges, while non-audit staff indicated that support systems followed by employee involvement as being the main challenges. Both the unit heads and the audit operational staff ranked employee involvement last as a challenge although it scored high means of 3.17 and 3.35 (moderate extent). This may be an indication that non-audit staff feel more sidelined with respect to implementation of change while all staff would prefer greater involvement.

4.7.7 Risk of not changing

Differences in perception of the risk of not changing were noted between the audit staff and the non-audit staff, where the audit staff were of the view that fewer promotional opportunities followed by job dissatisfaction were the main risks while non-audit staff were of the opposite view that the risk was mainly job dissatisfaction followed by fewer promotional opportunities.

CHAPTER FIVE: SUMMARY AND CONCLUSIONS

5.1 Introduction

The objectives of the study were to establish the employee's perception of the changes taking place at the Kenya National Audit Office and to determine the factors influencing the employees' perception. In order to achieve the objectives, the study examined key strategic change dimensions relating to the principles of change management through the use of a questionnaire directed to non-management staff of KENAO. This chapter gives a summary of the main findings of the study with respect to the objectives and conclusions drawn thereof. The chapter also gives recommendations, limitations to the study and suggestions for further study.

5.2 Summary

The findings indicate that the employees perceived the culture of the organization as playing a central and prominent role in change implementation. Notably, culture was also viewed as posing the greatest challenge to implementation. The employees were of the opinion that the issue of culture was, however, not adequately addressed and this may have been an impediment to speedy implementation of change. This is an indication that the staff perceive the organization as still locked in traditional or habitual ways of doing things which is affecting successful implementation of change. Brown (1998) states that organization culture suggests that people rather than systems and structures should be the key focus of attention when implementing change and the management of KENAO should address this area.

The employees of the organization also indicated that the resources required to facilitate the changes were either availed reluctantly or not availed at all. Further the respondents indicated that limited time, budget and resources were major obstacles to implementation. This is an indication that although the staff perceived management as fully supporting the change and themselves as being willing and ready to change, the resources required to make the change happen were not being

availed in a timely manner or were scarce, which slowed down implementation and caused frustration. Support for change by the leadership requires adequate provision of the requisite tools as well as the necessary skills. The management of KENAO requires to ensure that there is adequate planning for funds and timely sourcing of the requisite resources to facilitate implementation of the changes successfully.

There were significant differences in perception of the various issues relating to change management within the Kenya National Audit Office among the various cadres of employees and with respect to the area of operation geographically and between the different departments. This is an indication that the staff were affected differently and in varying degrees by the change process leading to them experiencing the process differently and thus perceiving it differently.

The staff indicated that the government had played a key role in supporting the changes taking place at KENAO by allocating the much needed resources to implement change and by enacting the enabling legislation to make the office more independent. They, however, were of the view that more funding was required and the office should be completely de-linked from the main stream civil service to enhance independence which would enable speedier implementation of the required changes. The respondents also felt that KENAO's clients had a role to play by cooperating with the office and ensuring timely submission of accounts for audit and requested information.

Further suggestions and comments on the change process indicated that the employees of KENAO have very strong opinions and suggestions regarding the process. The respondents were of the view that communication regarding the changes should be enhanced from the initial stages, at identification of the changes required, so that the input of the employees is taken into consideration comprehensively. They further were of the view that management should recognize special talents and abilities of the staff during implementation, as well as emphasizing support and reducing bureaucracy. The employees were expecting the management of KENAO to implement the change faster as they were aware that it

was needed and it was enhancing professionalism in the provision of audit services, and they indicated that management should set the best example in all fields and circumstances and treat all staff equally.

A major recurring theme in additional information provided by the respondents on the change process was the request by the employees for teambuilding and bonding sessions between the management and the staff to enhance teamwork.

5.3 Conclusion

Smit et al (2007) stress that it is important for a manager to realize that what employees perceive is often different from objective reality and people react not to reality but to what they perceive as reality. Ansoff and Mcdonell (1999) indicate that the gap between perception and reality can substantially and unnecessarily increase the level of resistance to change and managers should, therefore, be alert at all times to employees' reaction to change in order to implement change successfully. Managers must put themselves in their employees' shoes to understand how change looks from that perspective and to examine the terms of the personal compacts between the employees and the company (Strebel, 1996).

The findings of the study indicate that the employees of KENAO are fully aware that change is required in their organization to ensure it has a future in a dynamic environment. They see KENAO as requiring change in order to meet the expanded mandate and to turn it round into a more effective and professional office with increased level of efficiency. Further, the employees are of the view that they as individuals have the ability to change, are fully aware of the need for change and desire to make the change happen. They also perceive that they will gain enhanced respect and reputation within their organization for supporting the changes being implemented.

The employees, however, do not feel that they are fully involved as participants in the change process and are also not fully empowered to experiment. They are also

of the view that the required resources needed to implement changes are not forthcoming in a timely manner causing delays in implementation. The employees further perceive the culture of the organization as being an impediment to change implementation and desire management to address this area more seriously.

5.4 Recommendations

Respondents indicated that they were of the opinion that they were not fully involved in the change process and require enhanced freedom to make decisions and experiment. It is recommended that the management of KENAO explores this area with a view to further empowering staff to facilitate implementation of change. Empowerment will require greater involvement and participation, recognition for work done and constant feedback on performance as well as use of reward to increase performance. This is in addition to further enhancing training and development to equip the employees with the relevant skills to implement required changes.

Resource availability was cited as a major obstacle indicating that the staff, though willing to implement the change, were hampered by lack of requisite resources or delayed acquisition. Proper planning and budgeting for resources required in implementing the changes should be put in place to enhance the speed and success of implementation.

Culture realignment to new strategies must also take place to ensure that the traditional methods of doing work are addressed so as to reduce their effect in implementation of change, as new methods become more reinforced.

There is also need to enhance communication on the change process to the entire body of staff to ensure uniform understanding of the need for change and the implementation process. This will ensure that all staff have the same knowledge and understanding. It is particularly important to ensure the employees are active contributors to identification of the change required and implementation so that they develop a stronger sense of ownership and this will enhance support for the change

and faster implementation. In particular, all staff should be given a copy of the Strategic Plan and be sensitized on the changes being implemented and the envisaged effect in the organization. Other important stakeholders like the KENAO clients should also be involved to ensure that their interests are taken fully into consideration.

5.5 Limitations

Due to lack of enough time and financial resources, the study focused on a sample of the staff to gain an understating of the perception the employees have on the changes taking place. With adequate time it would have been more desirable to carry out a full census to determine the views of the entire body of staff. It is also acknowledged that respondents' bias may have been an inevitable part of the study given that the employees were required to give a judgement on their institution. This was, however minimized by encouraging anonymous responses.

Further, the study only focused on non-management staff, whose views may not be reflective of the entire KENAO employees including the top leadership, and the interpretation of the findings of this study should be done with this in mind.

The research was quantitative in nature and to a certain extent only identified the aggregate position with respect to the various issues without interrogating the quality of individual responses or probing for further information through interviews. A qualitative study could be conducted in future to delve deeper into the reasons behind how and why employees perceive change management as identified in this research.

5.6 Suggestion for Further Study

Strategic decision involves change in organization which refers to transition from one state to another with focus on being different. Due to the dynamism in the environment within which organizations operate, the magnitude, speed, unpredictability and impact of change are greater than ever before and organizations have to constantly scan the environment to ensure they remain relevant. As such, limitation in resources considerably reduced the scope of this study which would have given greater insight into change management from the perspective of the employees.

It is, therefore, suggested that similar studies be replicated in other organizations from the perspective of various stakeholder point of view especially from clients of organizations who are impacted by the changes organizations may introduce.

In particular, it is suggested that a study making comparisons between the views of top leadership and non-management staff in the same organization be carried out to determine the contrasts, if any, on perceptions. The suggested studies will go a long way in validating the findings of this study and promote objectivity.

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APPENDICES

RESEARCH INSTRUMENT

APPENDIX I

PART I GENERAL INFORMATION

1. Name (optional) _____

2. Which Department are you in?
 - (i) Finance Administration and Human Resource
 - (ii) Central Government
 - (iii) Corporations
 - (iv) Local Government
 - (v) Specialised Audit

3. Under which title does your job fall?
 - (i) Branch Head/Unit Head
 - (ii) Operations - Audit Staff
 - (iii) Operations - Non-audit Staff

4. Where are you based?
 - (i) Headquarters (Anniversary Towers)
 - (ii) Nairobi (outside Anniversary Towers)
 - (iii) Provinces

5. What is your cumulative period of service in Government Audit?
 - 5-10 Years
 - 11-20 Years
 - 21-30 Years
 - Over 30 Years

6. Level of education?
 - (i) Primary
 - (ii) Secondary
 - (ii) Middle Level College
 - (iv) University (1st Degree)
 - (vi) University (Masters)

PART II CHANGES AT KENAO

SECTION A URGENCY FOR CHANGE

7. Are you aware of the major changes that have occurred in KENAO in the last 5 years?

Yes

No

8. Briefly describe the changes that have been implemented.

9. In a scale of 1-5, rate by ticking against each of the force/factor, the extent to which you think it influenced the changes taking place in KENAO.

Use the key as follows: **1**-Not at all, **2**-Less extent, **3**-Moderate extent, **4**-Large extent, **5**-Very great extent

	1	2	3	4	5
i. Need to plan ahead and remain effective	[]	[]	[]	[]	[]
ii. Need to meet the expanded mandate	[]	[]	[]	[]	[]
iii. It was a government directive	[]	[]	[]	[]	[]
iv. The magnitude of inefficiency	[]	[]	[]	[]	[]
v. The declining quality of audit reports	[]	[]	[]	[]	[]
vi. Weak management at KENAO	[]	[]	[]	[]	[]
vii. Changing clients' needs	[]	[]	[]	[]	[]
viii. Changing environment	[]	[]	[]	[]	[]
ix. Changing technology	[]	[]	[]	[]	[]
x. Change for the sake of change	[]	[]	[]	[]	[]
Others (Please list and rate)					
i.					
ii.					
iii.					

10. The following may have been some of the objectives of the change programme at KENAO. Please rate each of the objectives to the extent to which, in your view, you consider it important. Use the scale as follows:

1-Not important at all, 2-Less important, 3-Moderately important, 4-Important, 5-Very Important

		1	2	3	4	5
i.	Turnaround KENAO into an effective and professional office	[]	[]	[]	[]	[]
ii.	Give independence to KENAO	[]	[]	[]	[]	[]
iii.	Reduce staff	[]	[]	[]	[]	[]
iv.	Increase the level of efficiency	[]	[]	[]	[]	[]
v.	Reduce costs	[]	[]	[]	[]	[]
vi.	Take care of stakeholder interests	[]	[]	[]	[]	[]
vii.	Increase funding from the government	[]	[]	[]	[]	[]
viii.	Comply with donor conditions	[]	[]	[]	[]	[]
ix.	Comply with public sector reform programs	[]	[]	[]	[]	[]
	Others (list and rate)					
i.						
ii.						
iii.						

11. To what extent were the following means used to communicate the awareness of change at KENAO? Use the scale as follows:

1 Not used at all, 2 Rarely used, 3 Frequently used, 4 Predominantly used

		1	2	3	4
i.	Official circulars	[]	[]	[]	[]
ii.	Meetings	[]	[]	[]	[]
iii.	KENAO Newsletters	[]	[]	[]	[]
iv.	Mass media	[]	[]	[]	[]
v.	Grapevine (rumors)	[]	[]	[]	[]
vi.	Workshops and retreats	[]	[]	[]	[]
	Others (Please list and rate)				
i.					
ii.					
iii.					

12. In your view, to what extent were the following means of communication effective in creating awareness of the change being implemented at KENAO? Use the scale as follows:

1-Not at all, 2-Less extent, 3-Moderate extent, 4-Large extent, 5-Very great extent

	1	2	3	4	5
i. Official circulars	[]	[]	[]	[]	[]
ii. Meetings	[]	[]	[]	[]	[]
iii. KENAO Newsletters	[]	[]	[]	[]	[]
iv. Mass media	[]	[]	[]	[]	[]
v. Grapevine (rumors)	[]	[]	[]	[]	[]
vi. Workshops and retreats	[]	[]	[]	[]	[]
Others (Please list and rate)					
i.					
ii.					
iii.					

13. The following may be some individual benefits for supporting the change in KENAO. Please rate each of the benefits to the extent to which, in your view, you consider it important. Use the scale as follows:

1-Not important at all, 2-Less important, 3-Moderately important, 4-Important, 5-Very Important

	1	2	3	4	5
i. Enhanced respect and reputation within KENAO	[]	[]	[]	[]	[]
ii. Improved growth opportunities	[]	[]	[]	[]	[]
iii. Increased job satisfaction	[]	[]	[]	[]	[]
iv. Improved job security	[]	[]	[]	[]	[]
v. Improved training opportunities	[]	[]	[]	[]	[]
Others (Please list and rate)					
i.					
ii.					
iii.					

SECTION B KENAO'S VISION

14. Does KENAO have a Strategic Plan?

Yes

No

15. Do you have a copy of the Strategic Plan?

Yes

No

16. If you answered no in the above question, have you seen a copy of the Plan?

Yes

No

17. Do you know the Vision and Mission of KENAO?

Yes

No

18. In a scale of 1-5, rate the extent to which in your opinion the following reaffirm the understanding of why KENAO exists and its aspirations for the future. Use the key as follows:

1-Not at all, 2-Less extent, 3-Moderate extent, 4-Large extent, 5-Very great extent

	1	2	3	4	5
i. Vision	[]	[]	[]	[]	[]
ii. Mission	[]	[]	[]	[]	[]
iii. Core Values	[]	[]	[]	[]	[]

19. In a scale of 1-5, rate the extent to which in your opinion the vision of KENAO meets the following criteria; Use the key as follows:

1-Not at all, 2-Less extent, 3-Moderate extent, 4-Large extent, 5-Very great extent

	1	2	3	4	5
i. Is clear and concise	[]	[]	[]	[]	[]
ii. Is built around clients	[]	[]	[]	[]	[]
iii. Is inspirational	[]	[]	[]	[]	[]
iv. Is widely shared	[]	[]	[]	[]	[]
v. Is linked with daily behaviour	[]	[]	[]	[]	[]
vi. Was created participatorily	[]	[]	[]	[]	[]

20. To what extent was the change vision clearly articulated and understood by the staff?

Please tick one

Not at all []; Vaguely []; Fairly clear []; Clear []; Very clearly []

SECTION C EMPOWERMENT TO CHANGE

21. The following may have been some of the methods employed to empower staff to facilitate the change process in KENAO. Please rate each according to the extent to which in your view it empowered staff.

Use the key as follows: 1 not at all; 2 less extent; 3 moderate extent; 4 large extent; 5 very great extent

	1	2	3	4	5
i. Clearly defined and prioritized responsibilities	[]	[]	[]	[]	[]
ii. Adequate authority to match responsibilities	[]	[]	[]	[]	[]
iii. Standards of excellence and capacity to meet them	[]	[]	[]	[]	[]
iv. Staff training and development	[]	[]	[]	[]	[]
v. Employee participation/involvement	[]	[]	[]	[]	[]
vi. Adequate knowledge and information to enable good decision making	[]	[]	[]	[]	[]
vii. Constant feedback on performance	[]	[]	[]	[]	[]
viii. Recognition for work done	[]	[]	[]	[]	[]
ix. Creation of a trusting and open environment	[]	[]	[]	[]	[]
x. Freedom to experiment and fail	[]	[]	[]	[]	[]
xi. Respect and recognition as important contributors to the organization	[]	[]	[]	[]	[]

22. How were the resources committed/availed to facilitate the change? Please tick one

- Not availed []
- Availed reluctantly []
- Availed readily []
- Availed very readily []

23. In your view, how would you generally rate KENAO staff in the following areas:-

Use the key as follows:-

1- not at all; 2 - less extent; 3 - moderate extent; 4 - large extent; 5- very great extent

	1	2	3	4	5
i. Awareness of the need for changes	[]	[]	[]	[]	[]
ii. Desire to make the changes	[]	[]	[]	[]	[]
iii. Knowledge about how to change	[]	[]	[]	[]	[]
iv. Ability to change	[]	[]	[]	[]	[]

SECTION D CHANGE EXECUTION

24. Please rate the extent to which you agree with each of the following issues concerning changes at KENAO Use the scale as follows: 1 Not at all, 2 Less extent, 3 Moderate extent, 4 Large extent, 5 Very great extent

		1	2	3	4	5
i.	Change was initiated at top level management	[]	[]	[]	[]	[]
ii.	Change was initiated at middle level management	[]	[]	[]	[]	[]
iii.	Change was initiated at operational level management	[]	[]	[]	[]	[]
iv.	Concerns of clients and other stakeholders were taken into account during the change program	[]	[]	[]	[]	[]
v.	Concerns of staff were taken into account during the change program	[]	[]	[]	[]	[]
vi.	The level of communication was effective open and honest	[]	[]	[]	[]	[]
vii.	The changes were fully supported by top level management	[]	[]	[]	[]	[]
viii.	The changes were fully supported by the staff	[]	[]	[]	[]	[]

25. The following may have been some of the factors which influenced the speed of implementation of change most in KENAO. Please rate each according to the extent to which in your view it speeded up implementation.

Use the key as follows: 1 not at all; 2 less extent; 3 moderate extent; 4 large extent; 5 very great extent

		1	2	3	4	5
i.	Vision/Mission	[]	[]	[]	[]	[]
ii.	Top Leadership	[]	[]	[]	[]	[]
iii.	Management	[]	[]	[]	[]	[]
iv.	Consultants	[]	[]	[]	[]	[]
v.	Employee participation/involvement	[]	[]	[]	[]	[]
vi.	Reward systems	[]	[]	[]	[]	[]
vii.	Training of all employees	[]	[]	[]	[]	[]
viii.	Organizational objectives	[]	[]	[]	[]	[]
ix.	Benchmarks	[]	[]	[]	[]	[]

26. The following may have been some of the methods used to implement changes. Please rate each according to the extent to which in your view it was used.

Use the key as follows: 1 not at all; 2 less extent; 3 moderate extent; 4 large extent; 5 very great extent

	1	2	3	4	5
i. Aligning systems to the vision	[]	[]	[]	[]	[]
ii. Aligning structures around clients	[]	[]	[]	[]	[]
iii. Development of self directed work teams	[]	[]	[]	[]	[]
iv. Use of training	[]	[]	[]	[]	[]
v. Recruitment of new staff	[]	[]	[]	[]	[]

27. The following may have been some of the challenges facing KENAO in implementation of change. Please rate each according to the extent to which in your view it affected implementation.

Use the key as follows:-

1 not at all; 2 less extent; 3 moderate extent; 4 large extent; 5 very great extent

	1	2	3	4	5
i. Organization Structure	[]	[]	[]	[]	[]
ii. Strategy itself	[]	[]	[]	[]	[]
iii. Leadership	[]	[]	[]	[]	[]
iv. Culture	[]	[]	[]	[]	[]
v. Financial Resources	[]	[]	[]	[]	[]
vi. Support systems	[]	[]	[]	[]	[]
vii. Communication	[]	[]	[]	[]	[]
viii. Policies and procedures	[]	[]	[]	[]	[]
ix. Employee involvement	[]	[]	[]	[]	[]
x. Technological facilities	[]	[]	[]	[]	[]

Others (Please list and rate)

i.

ii.

iii.

28. Did the issue of cultural change play a central and prominent role? Please tick one.

Not at all []; To some extent []; To large extent []; Very large extent []

29. The following are aspects of culture that may have been targeted for change. Rank each according to the extent to which it was practiced. Use the scale as shown below.

1 Not at all, 2 Less extent, 3 Moderate extent, 4 Large extent, 5 Very great extent

	1	2	3	4	5
i. Reorienting the entire perception on business	[]	[]	[]	[]	[]
ii. Adopting private sector approach	[]	[]	[]	[]	[]
iii. Making prompt decisions and taking responsibility for the decision	[]	[]	[]	[]	[]
iv. Basing reward on performance/productivity	[]	[]	[]	[]	[]
v. Managing and keeping time	[]	[]	[]	[]	[]
vi. Availing information freely(reducing on secrecy)	[]	[]	[]	[]	[]
vii. Reducing managerial approval layers	[]	[]	[]	[]	[]
viii. Scrapping the bureaucratic structures	[]	[]	[]	[]	[]
ix. Devolution/empowering lower level staff	[]	[]	[]	[]	[]
x. Making key stakeholders the focal point	[]	[]	[]	[]	[]
Others (Please list and rate)					
i.					
ii.					
iii.					

SECTION E REINFORCEMENT OF THE CHANGE

30. What do the changes mean to KENAO? Please rate each of the following to the extent to which, in your view, you consider it significant.

Use the scale as follows: 1 Not at all, 2 Less extent, 3 Moderate extent, 4 Large extent, 5 Very great extent

	1	2	3	4	5
i. New ways of doing work	[]	[]	[]	[]	[]
ii. New systems or tools	[]	[]	[]	[]	[]
iii. New reporting structures	[]	[]	[]	[]	[]
iv. New job roles	[]	[]	[]	[]	[]
v. New clients	[]	[]	[]	[]	[]
vi. New audit services	[]	[]	[]	[]	[]

31. How did the change programme affect staff?

Please tick one

- No effect at all []
 Positively affected []
 Negatively affected []

32. How would you describe the magnitude of the effect in (31) above?

Please tick one

- Insignificant []
 Moderately significant []
 Significant []
 Very significant []

33. In your view what is the risk of not changing for the staff. Please rate each of the following to the extent to which, you consider it a significant risk. Use the scale as follows:

1-Not at all, 2-Less extent, 3-Moderate extent, 4-Large extent, 5-Very great extent

- | | 1 | 2 | 3 | 4 | 5 |
|---|-----|-----|-----|-----|-----|
| i. Reassignment or transfer to other departments/sections | [] | [] | [] | [] | [] |
| ii. Job dissatisfaction | [] | [] | [] | [] | [] |
| iii. Fewer promotional opportunities | [] | [] | [] | [] | [] |
| iv. Lower job security in the long run | [] | [] | [] | [] | [] |
| v. Reduced job satisfaction | [] | [] | [] | [] | [] |
| vi. Immediate loss of employment | [] | [] | [] | [] | [] |

Others (Please list and rate)

- i.
 ii.
 iii.

34. The following are some of the factors that may have been obstacles to implementation of change in KENAO. Rate by scoring against each the extent to which in your view it was an obstacle.

Use the scale as follows: 1-Not at all, 2-Less extent, 3-Moderate extent, 4-Large extent, 5-Very great extent

- | | 1 | 2 | 3 | 4 | 5 |
|--|-----|-----|-----|-----|-----|
| i. Employee and staff resistance | [] | [] | [] | [] | [] |
| ii. Middle management resistance | [] | [] | [] | [] | [] |
| iii. Poor top management support | [] | [] | [] | [] | [] |
| iv. Limited time, budget and resources | [] | [] | [] | [] | [] |
| v. Organizational inertia and politics | [] | [] | [] | [] | [] |

35. The following are some of the factors that may have contributed to individual resistance to change. Rate by scoring against each the extent to which it contributed to individual resistance to change.

Use the scale as follows: 1 Not at all, 2 Less extent, 3 Moderate extent, 4 Large extent, 5 Very great extent

	1	2	3	4	5
i. Misunderstanding and lack of trust	[]	[]	[]	[]	[]
ii. Fear of inability to develop relevant skills	[]	[]	[]	[]	[]
iii. Ignorance	[]	[]	[]	[]	[]
iv. Fear of demotion or retrenchment	[]	[]	[]	[]	[]
v. Fear of the unknown	[]	[]	[]	[]	[]
vi. Fear of social displacement	[]	[]	[]	[]	[]
vii. Parochial self interest	[]	[]	[]	[]	[]
viii. Satisfaction with the status quo	[]	[]	[]	[]	[]

Others (Please list and rate)

i.

ii.

iii.

36. How would you rate the following methods/approaches with respect to the extent to which they have been used to overcome resistance to change.

Use the scale as follows: 1 Not at all, 2 Less extent, 3 Moderate extent, 4 Large extent, 5 Very great extent

	1	2	3	4	5
i. Training and education	[]	[]	[]	[]	[]
ii. Effective and open communication	[]	[]	[]	[]	[]
iii. Use of local (within KENAO) change leaders	[]	[]	[]	[]	[]
iv. Use of consultants	[]	[]	[]	[]	[]
v. Promise of reward	[]	[]	[]	[]	[]
vi. Use of reward	[]	[]	[]	[]	[]
vii. Ignoring (wait for natural death to occur)	[]	[]	[]	[]	[]
viii. Manipulation	[]	[]	[]	[]	[]
ix. Coercion and authority	[]	[]	[]	[]	[]

Others (Please list and rate)

i.

ii.

iii.

37. How would you rate the management in the following?

Use the key as follows: 1- not at all; 2 - less extent; 3 - moderate extent; 4 - large extent; 5- very great extent

	1	2	3	4	5
i. Reinforcement to maintain the change	[]	[]	[]	[]	[]
ii. Support for the staff during implementation of the change	[]	[]	[]	[]	[]
iii. Honesty and openness concerning the changes	[]	[]	[]	[]	[]
iv. Dedication and commitment to the change process	[]	[]	[]	[]	[]

38. What is your comment on the role of the government in facilitating / inhibiting change at KENAO?

.....

.....

.....

.....

39. What suggestions or comments would you make about the entire change process taking place in KENAO?

.....

.....

.....

.....

THANK YOU FOR YOUR COOPERATION

LETTER OF INTRODUCTION

Nancy K. Gathungu
P.O. Box 30084-00100
NAIROBI

Dear Colleague,

RE: INTRODUCTION LETTER

I am a post-graduate student in the School of Business at the University of Nairobi, pursuing a course leading to a degree of Master of Business Administration (MBA). In partial fulfilment of the requirements of the course, I am conducting a study entitled "*Employees Perception of Strategic Change at the Kenya National Audit Office*", and I wish to collect data using the enclosed questionnaire.

You have been selected as one of the respondents and I am, therefore, kindly requesting you to fill the questionnaire. The information is needed purely for academic research purposes and will be treated with the utmost confidentiality. In no way will your name appear in the final report.

A copy of the final report can be availed to you upon request. If you require any further information, please do not hesitate to contact me on cell phone number 0722793650.

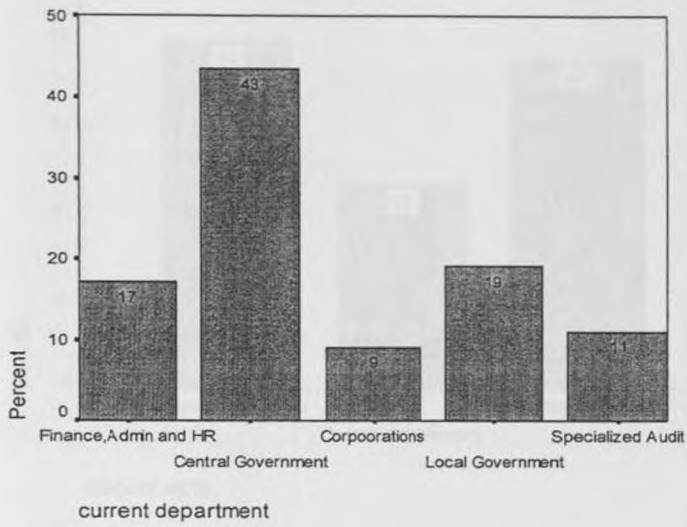
Thank you in advance for your cooperation.

Nancy K. Gathungu

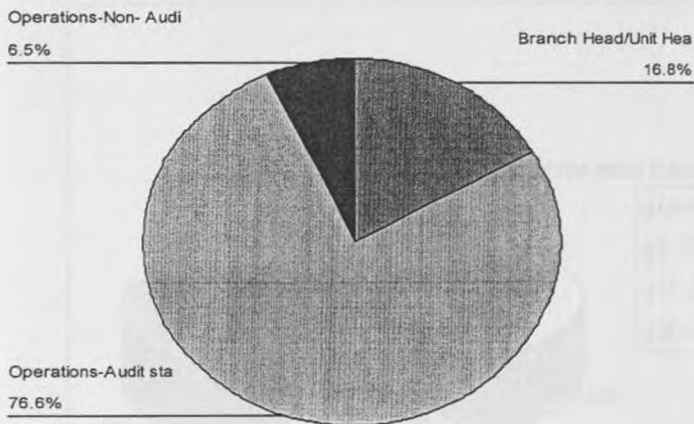
22 August 2008

DATA ANALYSIS

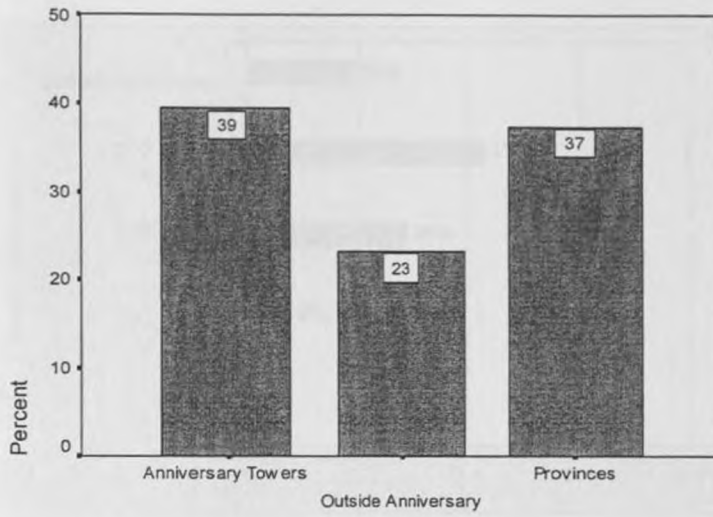
Q2



Q3

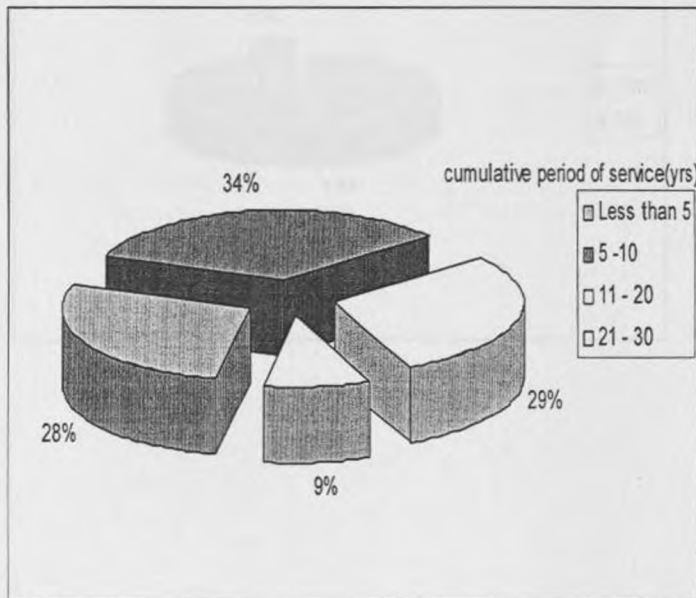


Q4

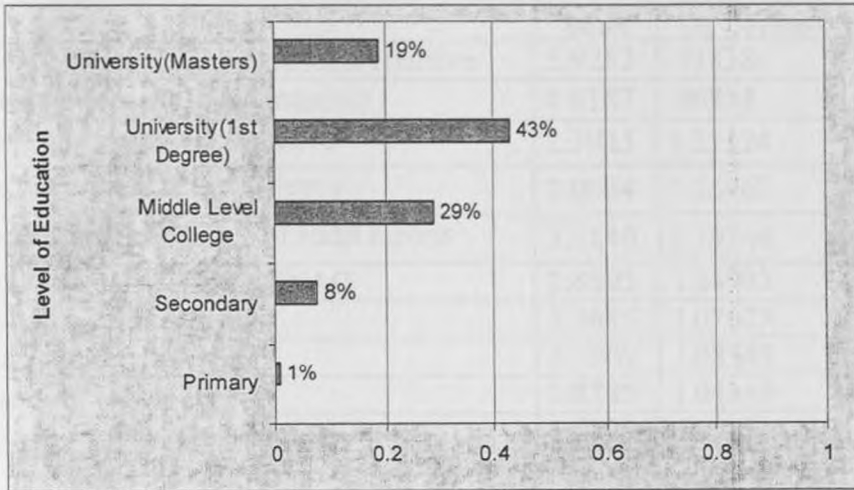


place of work

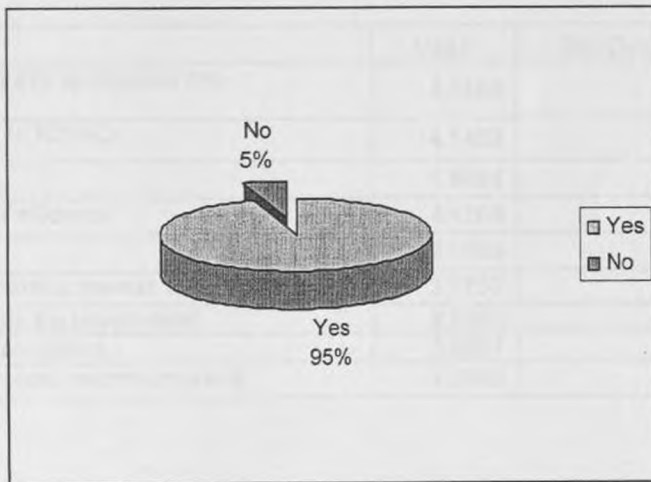
Q5



Q6



Q7



Q 9

Table: Extent to which the following forces/factors influence the changes taking place at KENAO

	Mean	Std. Deviation
Need to plan ahead and remain effective	3.9252	.91838
Need to meet expanded mandate	4.0187	.86854
It was a government directive	2.3925	1.21124
The magnitude of inefficiency	3.0654	1.15963
The declining quality o of audit reports	3.5140	1.19246
Weak management at KENAO	2.8505	1.24993
Changing clients needs	3.3645	1.07627
Changing environment	3.7009	1.08345
Changing technology	3.8785	1.04349
Change for the sake of change	1.6729	.99788

Q 10

Objectives of the change Programme

	Mean	Std. Deviation
Turnaround KENAO into an effective and professional office	4.5140	.80522
Give independence to KENAO	4.1402	1.07676
Reduce staff	1.5888	.87904
Increase the level of efficiency	4.4206	.81307
Reduce costs	3.0000	1.22089
Take care of stakeholders interest	3.7757	1.18408
Increase funding from the government	2.9346	1.40263
Comply with donor conditions	3.2897	1.25148
Comply with public sector reform programs	4.0093	.94665

Q 11

Means of Communication

	Mean	Std. Deviation
Official circulars	3.0000	.76479
Meetings	2.4953	.86192
KENAO Newsletters	1.6355	.81718
Mass media	1.2617	.55519
Grapevine(rumors)	2.5888	1.17323
Workshops and retreats	3.0374	.78818

Q 12

Effectiveness of the Means of communication

	Mean	Std. Deviation
Official circulars	3.6355	1.11078
Meetings	3.1121	1.25388
KENAO Newsletters	1.8318	1.10305
Mass media	1.5047	.89415
Grapevine(rumors)	2.6542	1.54860
Workshops and retreats	3.7009	1.19917

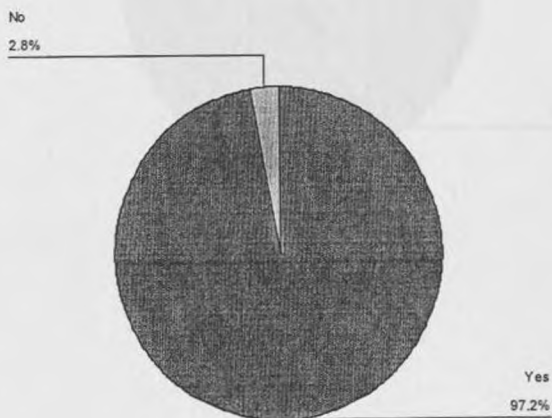
Q 13

Benefits of supporting change

	Mean	Std. Deviation
Enhanced respect and reputation within KENAO	4.1682	.80665
Improved growth opportunities	3.8037	.93606
Increased job satisfaction	3.9813	.97110
Improved job security	3.5421	1.13504
Improved training opportunities	4.0654	1.04855

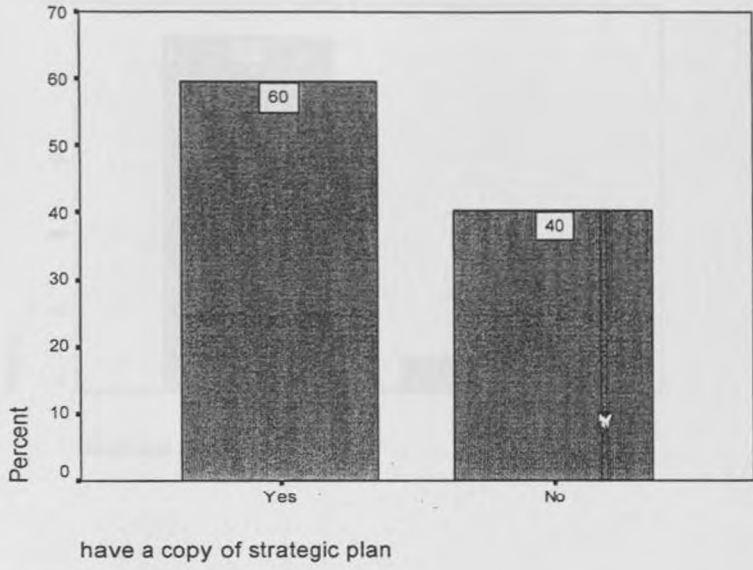
Q 14

Strategic Plan

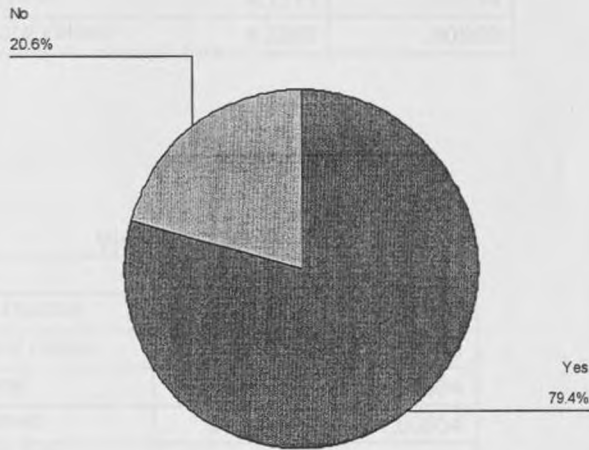


Q 15

Copy of Strategic Plan

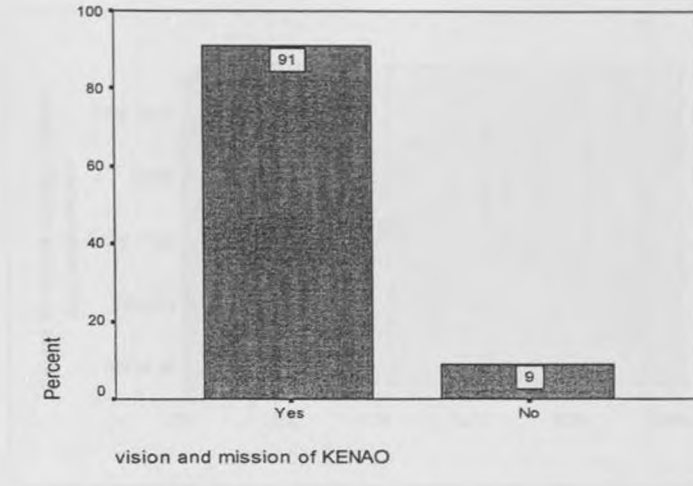


Q 16



Q 17

Knowledge of Vision and Mission



Q 18

Existence of KENAO and its Aspirations for the Future

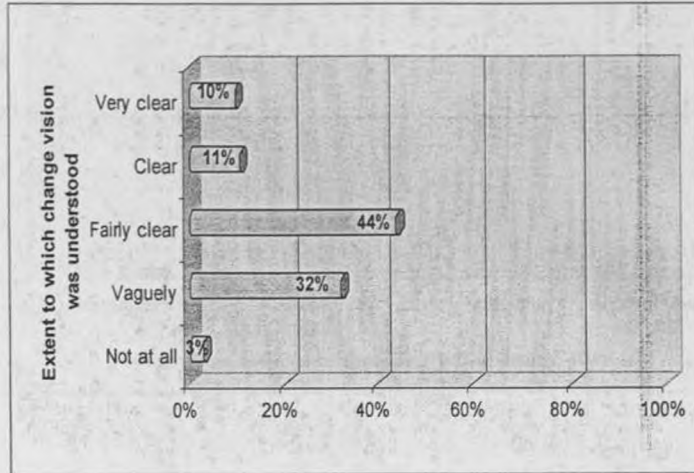
	Mean	Std. Deviation
Vision	4.1121	.93493
Mission	4.1215	.90814
Core Values	4.2056	.80959

Q 19

Vision Effectiveness

	Mean	Std. Deviation
clear and concise	3.9346	.83859
built around clients	3.6916	.93578
inspirational	3.6355	1.04964
widely shared	3.3364	1.03654
linked with daily behaviour	3.1308	1.14170
created participatorily	2.8318	1.15322

Q 20

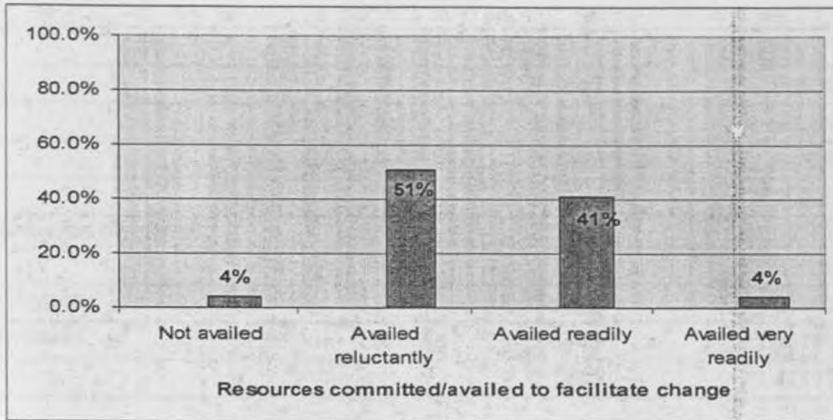


Q 21

Methods Employed to Empower Staff

	Mean	Std. Deviation
Clearly defined and prioritized responsibilities	3.2243	1.06672
Adequate authority to match responsibilities	3.1776	1.03535
Standard of excellence and capacity to meet them	3.2430	1.05366
Staff training and development	3.6822	1.08678
Employee participation/involvement	2.8785	1.04349
Adequate knowledge and information to enable good decision making	3.1963	1.03194
Constant feedback on performance	2.8318	1.10305
Recognition for work done	2.6355	1.23924
Creation of a trusting and open environment	2.6636	1.18117
Freedom to experiment and fail	2.4486	1.16743
Respect and recognition as important contributors to the organization	2.8505	1.22708

Q 22



Q 23

Rating of Staff

	Mean	Std. Deviation
Awareness of the need for change	3.4673	.94487
Desire to make the changes	3.4299	1.09124
Knowledge about how to change	3.1308	1.03781
Ability to change	3.5234	1.01262

Q 24

Change Execution

	Mean	Std. Deviation
Changes was initiated at top level management	4.1308	.98176
Change was initiated at middle level management	3.1215	.97816
Change was initiated at operational level management	2.5701	1.10839
Concerns of clients and other stakeholders were taken into account during the change programme	2.9813	1.02774
Concerns of staff were taken into account during the change programme	2.8224	1.07995
The level of communication was effective open and honest	2.5794	1.13302
The changes were fully supported by top level management	3.6729	1.07085
The changes were fully supported by the staff	3.1682	1.12002

Q 25

Factors Influencing Speed of Implementation

	Mean	Std. Deviation
Vision/mission	3.5140	.93531
Top leadership	3.9813	.90054
Management	3.7290	.84194
Consultants	2.5047	1.20826
Employee participation/involvement	2.8879	1.15192
Reward systems	2.7757	2.33638
Training of all employees	3.5981	1.08905
Organizational objectives	3.6449	1.05734
Benchmarks	3.1963	1.11117

Q 26

Methods of Implementation

	Mean	Std. Deviation
Aligning systems to the vision	3.2804	1.03518
Aligning structures around clients	3.0561	.89897
Development of self directed work teams	3.4393	.98266
Use of training	3.8972	1.02731
Recruitment of new staff	3.4953	1.04947

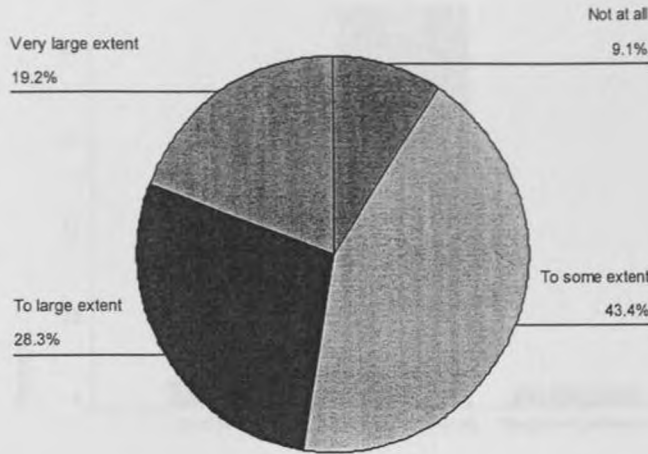
Q 27

Challenges faced in Implementation

	Mean	Std. Deviation
Organizational structure	3.4953	1.11062
Strategy itself	3.2150	.98122
Leadership	3.4673	1.10161
Culture	3.6075	1.07946
Financial Resources	3.3925	1.17968
Support systems	3.3738	.98597
Communication	3.4486	1.13465
Policies and procedures	3.4860	1.05834
Employee involvement	3.3271	1.21139
Technological facilities	3.5981	1.21204

Q 28

Role of Culture



Q 29

Aspects of Culture Targeted for Change

	Mean	Std. Deviation
Reorienting the entire perception on business	3.2897	1.00009
Adopting private sector approach	3.3364	.94113
Making prompt decisions and taking responsibility for the decision	3.1402	1.08548
Basing reward on performance/productivity	2.4393	1.19888
Managing and keeping time	3.3458	1.06490
Availing information freely(reducing on secrecy)	2.7757	1.20775
Reducing managerial approval layers	2.7850	1.18184
Scrapping the bureaucratic structures	2.7009	1.26054
Devolution/empowering lower level staff	2.5888	1.23589
Making key stakeholders the focal point	2.9346	1.11821

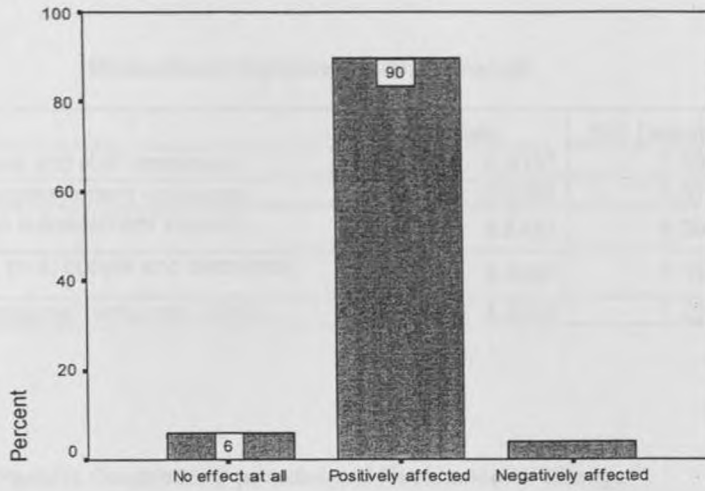
Q 30

Meaning of change to KENAO

	Mean	Std. Deviation
New ways of doing work	3.9813	1.01852
New systems or tools	3.8972	.90005
New reporting structures	3.6262	1.08613
New job roles	3.1776	1.07995
New clients	2.5327	1.24626
New audit services	3.5234	1.23124

Q 31

Effect of the Change Programme



how change programme affect staff

Q 32

Magnitude of effect

	Frequency	Percent	Cumulative Percent
Insignificant	1	1	1
Moderately significant	31	31.3	32.3
Significant	56	56.6	88.9
Very significant	11	11.1	100.0
Total	99	100.0	

Q 33

Risk of not Changing

	Mean	Std. Deviation
Reassignment or transfer to other departments/sections	3.2710	1.09519
Job dissatisfaction	3.8037	1.13636
Fewer promotional opportunities	3.8411	1.11719
Lower job security in the long run	3.3832	1.21037
Reduced job satisfaction	3.5047	1.11062
Immediate loss of employment	2.3364	1.33843

Q 34

Obstacles to Implementation of Change

	Mean	Std. Deviation
Employee and staff resistance	2.8037	1.26222
Middle management resistance	2.8224	1.07118
Poor top management support	3.2243	1.30535
Limited time, budget and resources	3.4860	1.19246
Organizational inertia and politics	3.3364	1.25099

Q 35

Factors Contributing to Individual Resistance to Change

	Mean	Std. Deviation
Misunderstanding and lack of trust	3.1215	1.15506
Fear of inability to develop relevant skills	3.1682	1.12841
Ignorance	2.8505	1.24993
Fear of demotion or retrenchment	2.8131	1.21415
Fear of the unknown	3.2336	1.24066
Fear of social displacement	2.7944	1.19542
Parochial self interest	3.0748	1.20299
Satisfaction with the status quo	3.3271	1.31591

Q 36

Overcoming Resistance

	Mean	Std. Deviation
Training and education	3.9907	.95656
Effective and open communication	3.2056	1.23425
Use of local(within KENAO)change leaders	2.7009	1.05701
Use of consultants	2.1869	1.08272
Promise of reward	2.2991	1.21481
Use of reward	2.4019	1.29484
Ignoring(wait for natural death to occur)	2.0280	1.19320
Manipulation	2.0561	1.37245
Coercion and authority	2.7383	1.16826

Rating Management

	Mean	Std. Deviation
Reinforcement to maintain the change	3.4486	.89267
Support for the staff during implementation of the change	3.0561	1.04459
Honesty and openness concerning the changes	3.0187	1.07266
Dedication and commitment to the change process	3.5701	1.12529

CROSS- TABULATIONS

Q9 vs q3

Place of work	Finance, Admin and HR	RANK	Central Government	Rank	Corporations	Rank	Local Government	Rank	Specialized Audit	Rank
need to plan ahead and remain effective	3.76	2	3.88	2	4.22	3	3.95	1	3.72	4
Need to meet expanded mandate	4.12	1	3.95	1	4.22	3	3.89	2	3.91	2
It was a government directive	2.52	9	2.11	9	2.44	9	2.31	9	2.54	8
The magnitude of inefficiency	3.11	8	3.05	7	3.11	7	3.05	7	3.00	7
The declining quality of audit reports	3.59	4	3.40	6	3.67	6	3.37	6	3.91	2
Weak management at KENAO	3.35	6	2.81	8	2.78	8	2.74	8	2.91	9
Changing clients needs	3.29	7	3.41	5	3.78	5	3.42	5	3.09	6
Changing environment	3.41	5	3.79	4	4.33	2	3.71	3	3.55	5
Changing technology	3.64	3	3.86	3	4.44	1	3.68	4	4.00	1
Change for the sake of change	1.76	10	1.53	10	1.56	10	2.00	10	1.64	10

Q9 VS Q4

	Anniversary Towers	Rank	Outside Anniversary Towers	Rank	Provinces	Rank
Place of work						
need to plan ahead and remain effective	3.85	2	3.78	4	4.00	1
Need to meet expanded mandate	4.08	1	4.00	2	3.98	2
It was a government directive	2.56	8	1.83	9	2.32	9
The magnitude of inefficiency	1.32	10	2.70	7	3.22	7
The declining quality o of audit reports	3.62	4	3.43	6	3.43	5
Weak management at KENAO	3.10	7	2.70	7	2.81	8
Changing clients needs	3.28	6	3.57	5	3.43	5
Changing environment	3.44	5	4.13	1	3.81	4
Changing technology	3.77	3	3.91	3	3.92	3
Change for the sake of change	1.69	9	1.48	10	1.78	10

Q11 VS Q3

job title		Official circulars	Meetings	KENAO Newsletters	Mass media	Grapevine (rumors)	Workshops and retreats
Branch Head/Unit Head	Mean	3.8333	3.3889	1.6111	1.6667	2.8889	4.0000
Rank		2	3	6	5	4	1
Operations-Audit staff	Mean	3.5270	3.0405	1.7568	1.4189	2.6216	3.5135
Rank		1	3	5	6	4	2
Operations-Non-Audit staff	Mean	3.4286	2.7143	2.4286	1.5714	2.7143	4.2857
Rank		2	3	5	6	3	1

Q11 VS Q4

Place of work		Official circulars	Meetings	KENAO Newsletters	Mass media	Grapevine (rumors)	Workshops and retreats
Anniversary Towers	Mean	3.2051	3.1795	1.6410	1.5897	2.8205	3.7692
Rank		2	3	5	6	4	1
Outside Anniversary Towers	Mean	4.0000	2.6957	1.7826	1.2609	3.0000	3.5652
Rank		1	4	5	6	3	2
Provinces	Mean	3.7027	3.2162	1.9189	1.4865	2.3243	3.5946
Rank		1	3	5	6	4	2

Q 12 VS Q3

job title	Official circulars	Meetings	KENAO Newsletters	Mass media	Grapevine (rumors)	Workshops and retreats
Branch Head/Unit Head	3.8333	3.3889	1.6111	1.6667	2.8889	4.0000
Rank	2	3	6	5	4	1
Operations-Audit staff	3.5270	3.0405	1.7568	1.4189	2.6216	3.5135
rank	1	3	5	6	4	2
Operations-Non- Audit staff	3.4286	2.7143	2.4286	1.5714	2.7143	4.2857
Rank	2	3	5	6	3	1

Q12 VS Q4

Place of work		Official circulars	Meetings	KENAO Newsletters	Mass media	Grapevine (rumors)	Workshops and retreats
Anniversar y Towers	Mean	3.2051	3.1795	1.6410	1.5897	2.8205	3.7692
	Rank	2	3	5	6	4	1
Outside Anniversar y Towers	Mean	4.0000	2.6957	1.7826	1.2609	3.0000	3.5652
	Rank	1	4	5	6	3	2
Provinces	Mean	3.7027	3.2162	1.9189	1.4865	2.3243	3.5946
	Rank	1	3	5	6	4	2

Q13 VS Q3

job title		Enhanced respect and reputation within KENAO	Improved growth opportunities	Increased job satisfaction	Improved job security	Improved training opportunities
Branch Head/Unit Head	Mean	4.2778	3.7222	4.1667	3.5556	4.1667
	Rank	1	4	2	5	2
Operations-Audit staff	Mean	4.1351	3.8243	4.0405	3.5270	4.0000
	Rank	1	4	2	5	3
Operations-Non- Audit staff	Mean	4.1429	3.4286	3.0000	3.1429	4.4286
	Rank	2	3	5	4	1

Q13VS Q5

cumulative period of service		Enhanced respect and reputation within KENAO	Improved growth opportunities	Increased job satisfaction	Improved job security	Improved training opportunities
Less than 5	Mean	4.5000	4.0000	4.2000	3.4333	4.1333
	Rank	1	4	2	5	3
5 -10	Mean	3.8824	3.8235	3.8235	3.5000	3.8824
	Rank	1	3	3	5	1
11 - 20	Mean	4.2143	3.4643	3.9643	3.4643	4.0714
	Rank	1	4	3	4	2
21 - 30	Mean	3.8571	3.8571	4.0000	4.0000	4.5714
	Rank	4	4	2	2	1

Q15 VS Q3

Job title	Have a copy of strategic plan			
	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Branch Head/Unit Head	16	89	2	11
Operations-Audit staff	43	58	31	42
Operations-Non-Audit staff	0	0	7	100

Q18 VSQ6

Level of education		Vision	Mission	Core Values
Secondary	Mean	4.0000	4.0000	4.6250
		2	2	1
Middle Level College	Mean	4.0769	4.1538	4.3077
		3	2	1
University(1st Degree)	Mean	4.0222	4.0222	4.0000
		1	1	3
University(Masters)	Mean	4.3500	4.3000	4.3500
		1	3	1

Q18 VSQ6

Level of education		Vision	Mission	Core Values
Branch Head/Unit Head y	Mean	4.2778	4.2222	4.4444
		2	3	1
Operations-Audit staff	Mean	4.1216	4.1081	4.1216
		1	3	1
Operations-Non-Audit staff	Mean	3.4286	3.8571	4.4286
		3	2	1

Q21 VS Q5

	Less than 5	Rank	5 -10	Rank	11 - 20	Rank	21 - 30	Rank
Clearly defined and prioritized responsibilities	3.13	3	3.26	3	3.07	5	3.14	7
Adequate authority to match responsibilities	3.03	5	3.12	4	3.07	5	3.57	4
Standard of excellence and capacity to meet them	3.20	2	3.09	5	3.18	3	3.71	2
Staff training and development	3.57	1	3.41	2	3.90	1	4.14	1
Employee participation/involvement	2.90		2.59		2.93		3.00	8
Adequate knowledge and information to enable good decision making	3.07	4	3.94	1	3.36	2	3.43	5
Constant feedback on performance	2.7	7	2.47	7	3.18	3	2.86	9
Recognition for work done	2.60	8	2.29	9	2.68	8	3.00	8
Creation of a trusting and open environment	2.60	8	2.32	8	2.75	7	3.43	5
Freedom to experiment and fail	2.40	10	2.12	10	2.57	10	2.71	10
Respect and recognition as important contributors to the organisation	2.93	6	2.53	6	2.61	9	3.71	2

Q21 VS Q6

	Rank		Rank		Rank			Rank
	Secondary		Middle Level College		University(1st Degree)		University (Masters)	
Clearly defined and prioritized responsibilities	2.63	6	3.31	2	3.20	3	3.10	7
Adequate authority to match responsibilities	3.13	2	3.08	3	3.11	5	3.15	6
Standard of excellence and capacity to meet them	3.00	5	3.04	5	3.22	2	3.40	3
Staff training and development	4.25	1	3.50	1	3.42	1	4.10	1
Employee participation/involvement	2.38	10	2.69	7	2.78	7	3.20	5
Adequate knowledge and information to enable good decision making	2.38	10	3.08	3	3.18	4	3.50	2
Constant feedback on performance	2.63	6	2.58	6	2.69	8	3.25	4
Recognition for work done	3.13	2	2.31	10	2.53	10	2.65	10
Creation of a trusting and open environment	3.13	2	2.35	9	2.58	9	2.80	9
Freedom to experiment and fail	2.63	6	2.15	11	2.36	11	2.60	11
Respect and recognition as important contributors to the organisation	2.63	6	2.54	8	2.84	6	2.90	8

Q21 VS Q3

	Rank		Rank		Rank	
	Branch Head/Unit Head		Operations-Audit staff		Operations- Non Audit staff)	
Clearly defined and prioritized responsibilities	3.17	5	3.22	3	3.57	2
Adequate authority to match responsibilities	3.11	6	3.50	2	2.71	4
Standard of excellence and capacity to meet them	3.39	3	3.19	4	2.71	4
Staff training and development	3.94	1	3.53	1	4.14	1
Employee participation/involvement	3.22	4	2.80	6	1.86	11
Adequate knowledge and information to enable good decision making	3.50	2	3.14	5	2.14	8
Constant feedback on performance	3.11	6	2.73	8	2.92	3
Recognition for work done	2.56	10	2.55	10	2.43	6
Creation of a trusting and open environment	2.78	9	2.58	9	2.43	6
Freedom to experiment and fail	2.28	11	2.43	11	2.00	9
Respect and recognition as important contributors to the organisation	3.06	8	2.76	7	2.00	9

Q22 VS Q4

	Anniversary Towers		Outside Anniversary Towers		Provinces	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Not availed	1	3	2	9	1	3
Availed reluctantly	22	56	12	52	20	54
Availed readily	14	36	9	39	14	38
Availed very readily	2	5	0	0	2	5

Q22 VS Q2

	Finance, Admin and HRM		Central Government		Corporations		Local Government		Specialized Audit	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Not availed	0	0	1	2	0	0	2	11	1	9
Availed reluctantly	10	59	27	63	2	22	8	42	7	64
Availed readily	6	35	15	35	6	66	7	36	3	27
Availed very readily	1	6	0	0	1	12	2	11	0	0

Q23 VS Q2

current department		Awareness of the need for change	Desire to make the changes	Knowledge about how to change	Ability to change
Finance, Admin and HRM	Mean	3.1176	3.3529	3.1765	3.1765
	Rank	4	1	2	2
Central Government	Mean	3.3721	3.3721	3.0698	3.5349
	Rank	2	2	4	1
Corporations	Mean	3.7778	3.5556	3.0000	3.6667
	Rank				
Local Government	Mean	3.7895	3.8421	3.2632	3.6842
	Rank	2	1	4	3
Specialized Audit	Mean	3.0909	2.6364	2.6364	3.0909
	Rank	1	3	3	1

Q26 VS Q3

job title		Aligning systems to the vision	Aligning structures around clients	Development of self directed work teams	Use of training	Recruitment of new staff
Branch Head/Unit Head	Mean	3.1667	2.8333	3.1111	3.9444	3.7778
	Rank	3	5	4	1	2
Operations -Audit staff	Mean	3.2703	3.0270	3.3243	3.7973	3.4324
	Rank	4	5	3	1	2
Operations -Non-Audit staff	Mean	2.8571	3.2857	4.7143	4.1429	3.4286
	Rank	5	4	1	2	3

Q26 VS Q6

level of education		Aligning systems to the vision	Aligning structures around clients	Development of self directed work teams	Use of training	Recruitment of new staff
Secondary	Mean	3.0000	3.5000	4.6250	4.3750	3.5000
	Rank	5	3	1	2	3
Middle Level College	Mean	3.1923	2.8462	3.3077	3.3846	3.3077
	Rank	4	5	2	1	2
University(1st Degree)	Mean	3.1778	3.0222	3.1778	3.8222	3.5111
	Rank	3	5	3	1	2
University(Masters)	Mean	3.4500	3.0000	3.4500	4.3000	3.7000
	Rank	3	5	3	1	2

Q27 VS Q3

job title		Organizational structure	Strategy itself	Leadership	Culture	Fin Resources	Support systems	Comm.	Policies and procedures	Employee involvement	Technological facilities
Branch Head/ Unit Head	Mean	3.5000	3.2222	3.6111	4.1111	3.6111	3.7222	3.556	3.556	3.1667	3.39
	Rank	7	9	3	1	3	2	5	5	10	8
Operations-Audit staff	Mean	3.5000	3.2568	3.5541	3.6351	3.3378	3.2432	3.500	3.5811	3.3514	3.69
	Rank	5	8	4	2	7	9	5	3	10	1
Operations-Non-Audit staff	Mean	3.5714	2.7143	2.7143	3.2857	3.7143	4.1429	2.571	2.8571	4.0000	3.57
	Rank	4	8	8	6	3	1	10	7	2	5

Q30 VS Q3

job title		New ways of doing work	New systems or tools	New reporting structures	New job roles	New clients	New audit services
Branch Head/Unit Head	Mean	4.0000	4.0556	3.8333	3.2222	2.5000	3.6667
	Rank	2	1	3	5	6	4
Operations-Audit staff	Mean	3.9865	3.8514	3.5135	3.1622	2.3243	3.3378
	Rank	1	2	3	5	6	4
Operations-Non-Audit staff	Mean	3.5714	3.8571	3.5714	3.0000	3.4286	4.4286
	Rank	3	2	3	6	5	1

Q30 VS Q2

current department		New ways of doing work	New systems or tools	New reporting structures	New job roles	New clients	New audit services
Finance, Admin and HRM	Mean	3.7647	4.0000	3.5882	3.2353	2.5882	3.7059
	Rank	2	1	4	5	6	3
Central Government	Mean	4.2326	3.9767	3.5814	3.0698	2.1628	3.3953
	Rank	1	2	3	5	6	4
Corporations	Mean	4.0000	3.8889	3.5556	3.4444	2.8889	3.2222
	Rank	1	2	3	4	6	5
Local Government	Mean	3.8421	3.8947	3.7895	3.5263	2.8947	3.6316
	Rank	2	1	3	5	6	4
Specialized Audit	Mean	3.3636	3.3636	3.1818	2.5455	2.0909	3.3636
	Rank	1	1	4	5	6	1

Q33 VS Q3

job title		Reassignment or transfer to other departments/ sections	Job dissatisfaction	Fewer promotional opportunities	Lower job security in the long run	Reduced job satisfaction	Immediate loss of employment
Branch Head/Unit Head	Mean	3.3333	3.8333	3.9444	3.6111	3.4444	2.1111
	Rank	5	2	1	3	4	6
Operations-Audit staff	Mean	3.2162	3.7162	3.7568	3.2568	3.4459	2.2568
	Rank	6	2	1	4	3	4
Operations-Non-Audit staff	Mean	3.4286	4.8571	4.7143	3.8571	4.5714	2.2857
	Rank	5	1	2	4	3	6

Q 34 VS Q3

job title		Employee and staff resistance	Middle management resistance	Poor top management support	Limited time, budget and resources	Organizational inertia and politics
Branch Head/Unit Head	Mean	3.3333	3.2222	3.2222	3.3333	3.3333
	Rank	1	4	4	1	1
Operations-Audit staff	Mean	2.7838	2.7973	3.2973	3.5676	3.4730
	Rank	5	4	3	1	2
Operations-Non-Audit staff	Mean	2.1429	2.7143	3.4286	3.2857	2.0000
	Rank	4	3	1	2	5

Q37 VS Q3

job title		Reinforcement to maintain the change	Support for the staff during implementation of the change	Honesty and openness concerning the changes	Dedication and commitment to the change process
Branch Head/Unit Head	Mean	3.4444	3.3333	3.3333	3.7222
	Rank	2	3	3	1
Operations-Audit staff	Mean	3.5000	3.1081	2.8649	3.5811
	Rank	2	3	4	1
Operations-Non-Audit staff	Mean	2.8571	1.4286	2.8571	2.2857
	Rank	1	4	1	3

Q37 VS Q6

level of education		Reinforcement to maintain the change	Support for the staff during implementation of the change	Honesty and openness concerning the changes	Dedication and commitment to the change process
Secondary	Mean	3.3750	1.7500	2.6250	3.0000
	Rank	1	4	3	2
Middle Level College	Mean	3.8077	3.0769	2.8846	3.6538
	Rank	1	3	4	2
University(1st Degree)	Mean	3.2667	3.0444	2.9333	3.3333
	Rank	2	3	4	1
University(Masters)	Mean	3.4000	3.4500	3.2000	3.9500
	Rank	3	2	4	1

Q37VS Q5

cumulative period of service		Reinforcement to maintain the change	Support for the staff during implementation of the change	Honesty and openness concerning the changes	Dedication and commitment to the change process
Less than 5	Mean	3.3667	3.1000	3.0333	3.4000
	Rank	2	3	4	1
5 - 10	Mean	3.4706	2.9412	2.9118	3.4118
	Rank	1	3	4	2
11 - 20	Mean	3.3929	3.0357	2.8571	3.7500
	Rank	2	3	4	1
21 - 30	Mean	3.8571	3.1429	3.1429	3.5714
	Rank	1	3	3	2