

CHANGE MANAGEMENT AND PERFORMANCE OF KENYA FERRY SERVICES

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DECLARATION

This research project is my original work and has not been presented for the award of a degree or diploma of Kenyatta University of or any other academic institution.

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

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DEDICATION

This kindly and affectionately dedicates this paper to my entire family Mr and Mrs Laban Kahoro as one of the way to appreciate your much effort rendered to me as far as my education is concerned. I kindly pray to God to reward you on earth and hereafter.

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TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	ix
LIST OF TABLES	x
ABBREVIATIONS AND ACRONYMS.....	xi
ABSTRACT.....	xii
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 Change Management	3
1.1.2 Firms Performance.....	3
1.2 Research Problem	5
1.3 Objectives of the Study.....	7
1.3.1 General Objective	7
1.3.2 The Specific Objectives are;	7
1.4 Research Questions.....	7
1.5 Justification of the Study	7
1.6 Significance of the Study	7
1.7 Scope of the Study	8
1.8 Limitation.....	8
1.9 Organisation of the Study	8
CHAPTER TWO	9
LITERATURE REVIEW	9

2.1 Introduction.....	9
2.2 Theoretical Framework.....	9
2.2.1 Stakeholder Theory.....	9
2.2.2 Lewin’s Three-Step Change Theory.....	10
2.3.3 Kotter's 8-Step Change Theory.....	11
2.3 Empirical Review.....	12
2.3.1 Information Technology.....	12
2.3.2 Organization Structure.....	14
2.3.3 Organisation Culture.....	15
2.3.4 Communication.....	17
2.3.5 Organisation Performance.....	18
2.5 Summary of literature and Research Gaps.....	18
2.6 Conceptual Framework.....	21
CHAPTER THREE.....	22
RESEARCH METHODOLOGY.....	22
3.1 Introduction.....	22
3.2 Research Design.....	22
3.3 Target Population.....	22
3. 4 Sampling Strategy and Sample Size.....	22
3.5 Data Collection Instruments and Procedures.....	23
3.6 Validity and Reliability of Research Instruments.....	23
3.6.1 Validity.....	23
3.6.2 Reliability.....	23
3.7 Data Analysis and Presentation.....	24
3.8 Ethical Considerations.....	25

CHAPTER FOUR.....	26
DATA ANALYSIS AND PRESENTATION.....	26
4.1: Introduction.....	26
4.2: Response Rate.....	26
4.3: Demographic Characteristics of the Respondents	26
4.3.1: Gender of Respondents.....	26
4.3.2: Respondents Age Brackets	27
4.3.3: Working Experience	28
4.4 Organisation Performance	28
4.5: Technology Awareness.....	29
4.6: Organisation Culture.....	30
4.7: Organisation Structure	31
4.8: Communication.....	33
4.9 Regression Analysis.....	34
CHAPTER FIVE	36
SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	36
5.1Introduction.....	36
5.2 Summary and findings	37
5.3 Conclusion	37
5.4 Recommendations.....	39
5.5 Suggestions for Further Study	39
REFERENCES.....	41
APPENDIX I: LETTER OF INTRODUCTION	44
APPENDIX II: RESEARCH QUESTIONNAIRE.....	45

LIST OF FIGURES

Figure 2.1: Conceptual Framework	21
Figure 4.1: Gender of Respondents	27
Figure 4.2: Working experience	27

LIST OF TABLES

Table 3.1 Sample Size.....	23
Table 4.1: Response Rate.....	26
Table 4.2: Respondents Age Brackets	27
Table 4.3: Organisation Performance	28
Table 4.4: Technology Awareness.....	29
Table 4.5: Organisation Culture.....	30
Table 4.6: Organisation Structure	32
Table 4.7: Communication.....	33
Table 4.8: Model Summary	34
Table 4.9: Analysis of Variance (ANOVA)	35
Table 4.10 Regression Coefficients	36

ABBREVIATIONS AND ACRONYMS

CAD	Computer-assisted design
CAM	Computer-assisted manufacturing
IT	Information Technologies
KCB	Kenya Commercial bank
KFS	Kenya ferry services
KPA	Kenya Ports Authority
NIC	National Industrial Credit

ABSTRACT

Change management is a style of management that aiming to at encourage individuals and organizations to deal effectively with their work place changes. For change management to be successful and positively impact, organizational supervisors or managers should enroll employee participation and understand what motivates their team. Organizations undergoing transformations must have teams that champion the change process. This demands that all employees within the institutions desiring change especially the top management must commit to the change process. The study aimed to determine the impact of change management and the performance of Kenya ferry services. The specific objectives of this study were: to determine the impact of information technology on the performance of Kenya ferry services; to analyse the impact of organizational culture on the performance of Kenya ferry services; to examine the impact of organization structure on the performance of Kenya ferry services and finally to investigate the impact of communication on the performance of Kenya ferry services. The study used Stake holders' theory, Lewins three step change theory and Kotters 8- step change management theory. The used cross sectional survey research design administered through questionnaires. The target population was made up of all 62 responded in the four departments. Census was used for the purpose of this study and all the 62 respondents were used for the study because the number is manageable within the constraints of the study. The main data collection method for the study was questionnaires. The questionnaires were used because responses were gathered in a standardized way. Reliability was ensured through a piloted questionnaire. The pilot data was included in the actual study. The piloted questionnaire was subjected to a sample of 6 (10% of 62) staff members who were not included in the study. The 6 staff members were selected from KPA. Once the questionnaires were collected, they were edited to detect errors and omissions for consistency and completeness. The data analysis processes for quantitative items was done using SPSS version 24. Analysis of the answered questionnaires data was done using descriptive statistics such as standard deviation, t-tests and mean which described the characteristics of the collected data. Karl Pearson's Zero Order coefficient of correlation, ANOVA, and T-test was used to test variable relationships. The study concludes that for successful organizational change management to be achieved, it is mandatory to review the existing culture. This will put the various aspects under scrutiny to evaluate their importance and contribution to planning and implementing the change and the necessary adjustments required. Flow of information from one level to the next is delayed if the levels are many thus a reduction of the levels will contribute to effective communication. The study recommends that for successful change implementation, workers should be properly trained on change programmes and should be educated on the reasons for change. To avoid resistance to change, appropriate change strategies should be put in place by change managers the participative strategy is recommended for change managers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Change management is a “style of management that aims at encouraging organizations and individuals to deal effectively with the changes taking place in their work” (Green, 2010). Conner (2010) also defined change management as a set of principles, techniques and prescriptions applied to the human aspects of executing major change initiatives in organizational settings. While Moran and Brighton (2011) defined change management as the process of continually renewing an organization direction, structure and capabilities to serve the ever changing needs of external and internal customers.

Burnes (2004) asserted that change is an ever present feature of organizational life, both at the operational and strategic level. Due to its importance, change management is becoming imperative and needs appropriate managerial skills and strategy. For firm to survive, succeed and remain competitive in today’s highly volatile and continuously evolving business environment, it must be able to successfully manage the change which is as a matter of fact a necessity.

According to McLagan, (2011) “For change management to be successful and its impact positive, managers or supervisors in the organizations need to understand what motivates their team and enroll employee participation. In fact separating managers from leadership in terms of style is difficult because every manager needs to have leadership skills to get activities done and every leader should have managerial skills to induce workers to change directions. This is especially important in organizations or institutions which are going through change since constant motivation and guidelines are needed for effectiveness of employee performance.”

Change is unavoidable in organizations today and is of paramount importance to study how change factors affect employees’ performance. Change is what presses us out of our comfort zone and it is inevitable (Sidikova, 2011). The factors that contribute to change range from cost reduction, redundancies, technological, cultural change and performance improvement. Change management is the process tools and techniques to manage the people side of business change to achieve the required business outcomes also to realize that business change effectively within the social infrastructure of the workplace (Burnes, 2010).

According to Kitur (2015), “change comes in an organization in many forms: merger, acquisition, joint venture, new leadership, technology implementation, organizational restructuring, and change in products or regulatory compliance. The change may be planned years in advance or may be forced upon an organization because of a shift in the environment. Organizational change can be radical and alter the way an organization operates, or it may be incremental and slowly change the way things are done.”

In the global market economy, aging boomer population, less than honest world competition and technology introductions have all had change management impact. With the sudden financial shock in late 2008, many employers rushed to downsize their organizations to capture possible profits. In today’s business environment, it’s becoming obvious that nothing remains still (Olubayo, 2014). Olubayo (2014) emphasizes that “the rate of change which business organizations face have continued to increase more and more in the last five decades. This is as a result of advances in information and communication technology increasing democratization of economies and liberalization of economies across the globe.”

Due to the ever changing business environment modern organizational change is largely a result of external shocks rather than internal factors (Yang et al, 2008). When these changes occur organizations that adapt quickest create a competitive advantage for themselves, while the companies that refuse to change get left behind hence the need for an effective change management plan Change management is a continuous process that involves attempts to match the organization with its changing environment in the most advantageous way possible (Digman, 2009).

Despite the increase in the perceived necessity of change and attempts at implementing organizational change initiatives, it has been estimated that at least two-third of organizational change efforts do not result in their intended aims nor do they foster sustained change (Choi and Ruana, 2011). “Employee resistance is the most often cited problem encountered by management when trying to implement change, yet for an organization to change, it is essential that the employees of that organization also change. Therefore, employee cooperation with organizational change efforts is indisputably connected and related to either the ultimate success or failure of a change initiative” (Bovey and Hede, 2011).

1.1.1 Change Management

Adams, Bessant, & Phelps (2006) define change management as “a set of processes employed to ensure that significant changes are implemented in an orderly, controlled and systematic fashion to effect organizational change. Organization performance is based upon the idea that an organization is the voluntary association of productive assets including human, physical and capital resources for the purpose of achieving a share purpose.”

Machuki & Aosa (2011) observed that, Performance gives effectiveness indication of an organization. Organization performance can be measured using financial measures such as return on equity, return on assets among others. Additionally, performance can be measured by qualitative measures such as resources generation, competitiveness research and knowledge creation, as well as teaching and learning. One of the goals of change management is with regards to the human aspects of overcoming resistance to change in order for organizational members to buy into change and achieve the organization's goal of an effective and orderly transformation (Diefenbach, 2006).

As the pace of change accelerates, Pearce and Robinson (2011) observed that the nature of strategy planning work has shifted from emphasizing analysis and forecasting to communication, coordination, and control. Change management involves working with an organisation's stakeholder groups to help them understand what the change means for them, helping them make and sustain the transition and working to overcome any challenges involved. Change management research (Branson, 2008), indicates that if a proposed change cannot be aligned with the core vision, mission or goals of an organisation then the collective commitment of organisation members to the change may be difficult to obtain.

1.1.2 Firms Performance

According to Richard et al. (2009) performance encompasses three specific areas of firm outcomes: shareholder return (total shareholder return, economic value added, etc.); product market performance (sales, market share, etc.); and; financial performance (profits, return on assets, return on investment, etc.) and Performance is the accomplishment of a given task measured against preset known standards of speed, cost, accuracy and completeness (Brumbach, 2010).

Assessment of a company's performance should take into account many different measures as there are several factors that determine the performance of economic organization including asset base, leverage, performance of the loan book, corporate governance and the quality of staff and regulations in the industry. The essence of financial performance measurement is to provide the organization with the maximum return on the capital employed in the business (Ngui, 2010).

Hersey and Blanchard (2012) argued that “performance has multiple meanings depending on the discipline and they have given some of the definitions based on management scientists, marketers, accountants and economists. Although firm performance plays a key role in strategic research, there is considerable debate on appropriateness of various approaches to the concept utilization and measurement of organization performance.”

Harris, (2010) on the other hand, suggests that “organizations will determine the level of performance by the overall organizational performance. They argue that the frontier for using data is not just in measurement but also in identifying the most profitable customers, determining the right price, accelerating product innovation, optimizing supply chains, and identifying the true drivers of financial performance.” More high performance studies are likely to emerge in the future, partly because the science of analysis continues to improve and partly because the business environment continues to shift (Sharma, 2009).

Brumbach (2010) observed that “performance should incorporate both behaviours and results and not just results. In an economy where knowledge and service are key, competitive advantage comes not only through results, but through the behaviours people demonstrate when carrying out their roles and hence if effective performance is to be encouraged in our workplace we need to focus not only in what people do but also how they do it.”

1.1.3 Profile of Kenya ferry services

Kenya ferry services (KFS) provide transport via ferry in Kenya link to both pedestrian and vehicle traffic. They are used both in Mombasa and lake Victoria in KISUMU since 1900's where in Kisumu they have been used in lake Victoria to transport freight and passengers between Kenya Uganda and Tanzania at Kisumu, Mwanza , Bukoba, Entebbe ,port bell and Jinja while in Mombasa the ferry is used between Mvita and Likoni.KFS in Mombasa started in 1937 where the vessel used were pontoons driven motor boats. Modern vessels were introduced in 1957.Currently,

the ferry is the only link to the south coast and are operated by KFS which is a state corporation operating under the ministry of transport and infrastructure. (KFS, 2016)

In Mombasa KFS have ferries namely MV Nyayo, MV Harambee, MV Kilindini, MV Kwale and MV Likoni. Each ferry carries an average of about three hundred thousand passenger and five thousand five hundred motor vehicles in a day. The company has further diversified in business to include advertising space on an array of platform. Ferry services in Kenya were run by Kenya bus services on a franchise arrangement with the municipal council of Mombasa. In 1989, the government of Kenya decided to take over operation of the ferries by acquiring all the ferries namely Pwani, Mvita, ST Michael, Pombo and Mtogwe at a price of 10.5 million. Staffs were retained and Kenya port authority KPA transformed one of its subsidiary company called estate ltd to Kenya ferry services ltd in 1990. The government bought new ferries namely MV Nyayo, MV Harambe, MV Kilindini and MV Mtogwe at a cost of 367 million. This was done to supplement the existing fleet. The ownership of the company by the government was formalized in 1998 through a sectional paper no 3 of the same year, transforming KFS into an independent state corporation. Thus was done by transforming contributions of the government and those of KPA into equity. As a result share capital was increased from 2million to 500 million and the company is now 80% government owned and 20% owned by KPA. (KFS, 2016)

1.2 Research Problem

Change process in organizations usually happens due to the awareness of the need for change. Through change management organizations are able to reduce costs, to move from a good performance to a great performance, turn around a crisis situation, and catch up with rivals or to divest part of the organization. (Cummings & Worley, 2009)

Kenya has a significant demand for infrastructure and there are many issues to be addressed through the provision of modern infrastructure if the country is to meet its goals under the Vision 2030 plan. KFS (Kenya ferry services) has made some great advances over the last five years, with the addition of more ferries. However despite these successes it also faces a number of challenges such as sourcing sufficient funds, appropriate approach to deal with ferry maintenance and its assets in a more strategic manner, with good data informing these strategies. (Barua, Konana, Whinston & Yin, 2011),

In spite of the attention that the management of change has received, organizations especially in the KFS continue to experience problems in managing organizational change and the search for generalized laws of change still pervades the discipline (Mwikuyu, 2009). The Kenya ferry services is generally perceived to be resistant to change, it is also perceived to cling to outdated organizational cultures that hamper progressive change initiatives within the service. Some of the recognized challenges included poor technology, poor leadership and governance structures, rigid and outdated organisational culture, lack of proper communication on change management and a bureaucratic organisational structure (Atonga, 2010).

According to CIPEV (2009), there are feelings among Kenyans that the Kenya ferry services even in the advent of the ongoing reforms still has remained a hall mark of the status quo in that there is very little to write home about successful change management in the institution. This factor has also been attributed to lack of committed leadership to initiate and steer the change management process in the service as a whole. Lack of resources allocation and lack of proper investment determine the change management process in that even the little gains made are usually not supported (Mwikuyu , 2009).

KFS staff members have not fully embraced the culture of integrity as new integrity challenges continue to emerge calling for more robust mitigation strategies with fraud having shifted from manual to the automated environment making it harder to detect and resulting in high amount of revenue leakage. The automated environment has also exposed the KFS automated systems to hacking and other system abuse from both within and without. (Muchelule, 2010).

Several studies have been done in Kenya regarding to Strategic Change Management, for instance, Gichohi (2011) undertook a study on Strategic Change Management at the NIC Bank of Kenya, Mbuva (2009) researched on factors influencing change management practices at CFC Stanbic bank, while Nyagari (2009) focused on the effectiveness of change management practices at the Kenya Commercial Bank (KCB) Ltd. A knowledge gap therefore exists and hence this study seeks to address this gap by assessing the effect of change management strategies on performance of Kenya ferry services.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study will be to assess change management and the performance of Kenya ferry services.

1.3.2 The Specific Objectives are;

- i. To determine the impact of information technology awareness on the performance of Kenya ferry services.
- ii. To analyze the impact of organizational culture on the performance of Kenya ferry services.
- iii. To examine the impact of organization structure on the performance of Kenya ferry services.
- iv. To investigate the impact of communication on the performance of Kenya ferry services.

1.4 Research Questions

- i. What is the impact of information technology awareness on the performance of Kenya ferry services?
- ii. What is the impact of organizational culture on the performance of Kenya ferry services?
- iii. What is the impact of organization structure on the performance of Kenya ferry services?
- iv. What is the impact of communication on the performance of Kenya ferry services?

1.5 Justification of the Study

Leadership in public sector tend to face the great challenges due to the prominent rule-based and too bureaucratic leadership styles, non-performance based HRM culture, and lack of innovative management practices. The researcher is interested in conducting this study because no similar study of the same nature had been conducted in the study setting before. Several studies have been done globally, especially in the private sector. Few studies have been done on associations of change management in the public sector.

1.6 Significance of the Study

Further, the study will be important to the management of KFS and the Ministry of transport and infrastructure as it will help them understand how to manage change and how their understanding

can help the public sector enhance its performance. The study will also help other managers know the methods to use in managing change, which will help them improve their performance.

The study is of importance to other public sector institutions whose interest lies on improved services delivery for customer satisfaction. More specifically the policy makers in the public sector as they will be able to know certain important of change management and the bigger role in shaping their operations and how they affect performance. The study will also help the institutions in formulating a policy on areas that necessitate change management. The study findings in general, will contribute to the management of change within the public sector. The results of this study will be a source of reference material for future researchers and scholars.

1.7 Scope of the Study

The study was conducted in four departments in Kenya ferry services (Finance and Accounting, Human Resource, Procurement, Operations & Engineering) whereby the study accessed whether information technology, organizational culture and organization structure had an impact on change management in Kenya ferry services.

1.8 Limitation

Some of the respondents did not give all the required information by the researchers with a fear of being victimized. However, the researcher ensured proper documentation from the University to support the course.

1.9 Organisation of the Study

The foregoing chapter one provides the research background, research objectives, significance of the study, scope, and the limitations encountered in the course of the study. Chapter two presents literature review on the impact of change management and organisational performance and a conceptual framework.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the various past studies that has been carried out in relation to change management practices in organizations. The chapter presents the various literatures existing in the subject in terms of introduction, theoretical reviews, critical reviews summary and conceptual frame work.

2.2 Theoretical Framework

The theoretical review is comprised of theory's which are related to the researcher's area of study. In this study the researcher will use Stake holders' theory, Lewins three step change theory and Kotters 8- step change management theory.

2.2.1 Stakeholder Theory

Freeman (1984) founded this theory. In one of his latest definitions Freeman (2004) defines stakeholders as "those groups who are vital to the survival and success of the corporation" Stakeholder theory is an instrument to identify critical stakeholders in the environment of the change management practices in order to define developments for strategy. Moreover, in the contexts of business ethic and corporate social responsibility, stakeholder analysis has been used to identify important areas of concern. Using a range of influencing mechanisms, organizations in public sector may be able to take advantage of their position as high-saliency stakeholders to influence corporate managers and investment funds. They can develop power, urgency, and legitimacy.

Williamson (1993), the father of transaction cost economics, has argued that the direct principal-agent relationship between owners and managers is distorted with the addition of other stakeholders to the equation. Lewis (1958) suggests that stakeholder theory is intrinsically incompatible with all legitimate business objectives and undermines basic property rights and corporate responsiveness. Stakeholder theory considers economics and ethics issues that make companies take social responsibilities and present fairness to everyone involved in business, with the result that directors will run corporations for benefiting all stakeholders. Thus, the theory can be considered as a good combination between economy and ethics that enables the corporations to grow and promote service.

Stakeholder theory is relevant to this study because it considers economics and ethics issues that make companies take social responsibilities and present fairness to everyone involved in business, with the result that directors will run corporations for benefiting all stakeholders. Thus, the theory can be considered as a good combination between economy and ethics that enables the corporations to grow and promote service. Stakeholder theory also provides important insights into the ways in which firms and their managers interact with, governments, and other actors.

2.2.2 Lewin's Three-Step Change Theory

Kurt Lewin (2011) introduced the three-step change model. This social scientist views behavior as a dynamic balance of forces working in opposing directions. Driving forces facilitate change because they push employees in the desired direction. Restraining forces hinder change because they push employees in the opposite direction. Therefore, these forces must be analyzed and Lewin's three-step model can help shift the balance in the direction of the planned change.

According to Lewin, the first step in the process of changing behavior is to unfreeze the existing situation or status quo. The status quo is considered the equilibrium state. Unfreezing is necessary to overcome the strains of individual resistance and group conformity. Unfreezing can be achieved by the use of three methods. First, increase the driving forces that direct behavior away from the existing situation or status quo. Second, decrease the restraining forces that negatively affect the movement from the existing equilibrium. Third, find a combination of the two methods listed above. Some activities that can assist in the unfreezing step include: motivate participants by preparing them for change, build trust and recognition for the need to change, and actively participate in recognizing problems and brainstorming solutions within a group (Robbins, 2006).

Lewin's second step in the process of changing behavior is movement. In this step, it is necessary to move the target system to a new level of equilibrium. Three actions that can assist in the movement step include: persuading employees to agree that the status quo is not beneficial to them and encouraging them to view the problem from a fresh perspective, work together on a quest for new, relevant information, and connect the views of the group to well-respected, powerful leaders that also support the change. The third step of Lewin's three-step change model is refreezing. This step needs to take place after the change has been implemented in order for it to be sustained or "stick" over time.

The purpose of refreezing is to stabilize the new equilibrium resulting from the change by balancing both the driving and restraining forces. One action that can be used to implement Lewin's third step is to reinforce new patterns and institutionalize them through formal and informal mechanisms including policies and procedures (Robbins, 2006). Therefore, Lewin's model illustrates the effects of forces that either promote or inhibit change. Specifically, driving forces promote change while restraining forces oppose change. Hence, change will occur when the combined strength of one force is greater than the combined strength of the opposing set of forces (Robbins,2006).

Lewin three-step change model is relevant to this study because in change management, if there are two "good" strategies to choose or options to pursue, the decision makers must make a choice of a strategy they know will completely meet their needs. Their choice will probably be the lesser of two evils. Individuals are exposed to opposing positive and negative forces. This conflict is very common in public organizations today, especially regarding leadership. This conflict usually occurs between the leadership and the employees of the organization.

2.3.3 Kotter's 8-Step Change Theory

Kotter (2011) developed a model which should be used at the strategic level of an organization to change its vision and subsequently transform the organization. Each phase lasts a certain amount of time and mistakes at any phase can impact the success of the change. Its approach to change management is as follows: The first step is establishing a sense of urgency. It is imperative for the management to convince the employees and staff of the urgency of taking new direction in the organization.(Kotter, 2011). The second step is the creation of a guiding coalition. A coalition of people to lead the change effort should be formed. The team should have enough power, credibility, expertise, excellent leadership skills and a shared objective to foresee the success of the change (Kotter, 2011).

Third step is the development of a change vision. Kotter (2010) observed that developing a vision for the future is crucial at this point because it serves as a basis for decision making, motivates people to take action in the right direction and help coordinate actions of different people in a fast and efficient way. The forth step is the communication of the vision for buy-in. To get a buy in with the employees on the vision it needs to be communicated throughout the organization. Kotter

advised that under-communication and inconsistency is extremely common. The fifth step is about empowering broad based action among the employees. Kotter (2010), once the employees accept the new vision, they need to be empowered to act upon it.

The sixth step is the generation of short-term wins. Research shows that organizations tend to lose the change momentum very quickly. To keep the sense of urgency and fire blazing, short term wins are essential. Kotter (2011) explained that companies that experience significant short-term wins are much more likely to complete a transformation process. The seventh step is consolidation of gains to produce more change. Kotter warned that organizations should not declare victory before the changes and business improvements have sunk deeply into a company's culture as this may kill ongoing momentum allowing resistors to take over. The final step is the incorporation of changes into the culture. This step is about incorporating and anchoring the new practices and approaches into the corporate culture in order to make it stick and not get lost as soon as the pressure of change subsides, (Kotter, 2011).

This theory is relevant to this study because substantial change might be needed for the different divisions of the organisation and a step-by-step approach would be most beneficial. Leaders to successfully carry out implementation of change, they need to have skills and competencies to enable the role. The employee is the other stakeholder that has a part to play for the change management to be seamless. Employees need to be committed and apply the vision relayed by the management. However, the successful implementation of the model is dependent upon the eight steps being worked through in an orderly manner and fully completed.

2.3 Empirical Review

This section reviews the existing empirical studies on the effects of change management strategies on performance of Kenya ferry services. The chapter covers relations studies on; effects of information technology on the performance of an organisation; effects of organizational culture on the performance of an organisation; effects of organization structure on the performance of an organisation and effects of communication on the performance of an organisation.

2.3.1 Information Technology

“Organizations have undergone a revolution in the adoption and application of complex information technology. In the hope of extracting the greatest value from innovations,

organizations have adjusted their management structures, work processes and culture” (Orlikowski 2012). Yet, swift technology enhancement unintentionally reduces the presumed lifespan of many Information Technology (IT) systems. Organizations build and rebuild their existing IT systems in response market changes. The results of these initiatives are often rather disappointing. The world has more technology than ever before with technological changes increasing at an accelerating pace. “The amalgamation of data processing, communications and the advances of software allows firms to gain a competitive advantage, improve performance and develop new businesses from various areas. Use of information technology is now shifting from a supportive role to a more strategically oriented role in organizations” (Lucas & Turner, 2012).

The 2012s were marked by major breakthroughs in computing in organizations as organizations had undergone a revolution in the adoption and application of complex information technology. Nevertheless, swift technology enhancement unintentionally reduces the presumed lifespan of many IT systems. Organizations build and rebuild their existing IT systems in response to needs and market changes. The outcomes of these initiatives are often rather unsatisfactory. Half of these technological change proposals experience failure (Adam, 2011).

A study by Dauda and Akingbade (2011) examined how employee relation could be employed for technological change management. It also sought to determine effective method of using technological innovation for improved performance in the Nigerian manufacturing industry. Question based on the hypotheses were formulated and questionnaires were distributed to select 30 manufacturing industry in chemical, cement, steel, textile, beverages and industry in Nigeria. Findings revealed that there is no significant relationship between employees and technological change.

A study by Abbas et al., (2014) examined the effects of information technology on performance of Allied Bank employees in Pakistan. Unstructured interviews were used to gather data. It was figured out that technology greatly escalates the productivity of employees along with time saving. It greatly affects the workload on employees and ensures control over mistakes and frauds. Quick access to information and ease of use enables the bank employees to deliver quality service. The

study recommended that organizations which implement new technology should provide proper training to its employees to increase their performance.

“Technological change and its impact on the work force have become a focus of attention all over the world. The innovations include advanced communication systems, industrial robots, flexible manufacturing systems, computer-assisted design (CAD), and computer-assisted manufacturing (CAM). These modern technologies incorporate powerful and low-cost microelectronic devices that have the potential to increase productivity in office and factory production tasks” (Smith, 2011).

Kute and Upadhyay (2014) examined the relationship between technological changes and its impact on employee performance in commercial printing industry. The study found that employee’s performance is affected by technological changes in various ways like the level of motivation, employee turnover and redundancy at work. It was noted that technological changes affected employee performance and skills in the commercial printing industry. It is worth studying whether technological changes affect employee performance in universities.

2.3.2 Organization Structure

According to McLagan (2012), “there are three types of changes in the organization structure. They are transactional, transitional and transformational. Transactional changes only need minor interventions, for example, training or changing the incentive system, switching software. Transitional change is more complex and require change in roles/responsibilities, power bases and systems. Transformational change requires redesigning the entire organization, especially the fundamental beliefs and norms, in order to adapt to global business demand.” Capon (2009) said “organisations are sometimes made up of several or many individuals who may have different views in regard to a particular issue. Not all change initiatives are received well by the stakeholders. One must anticipate some resistance and formulate ways on how to overcome these resistances and win the support of the majority stakeholders. Organisations with good teamwork usually pull together to make sure the success of a change process unlike organisation with no unity where members pull apart hence sabotaging the change process.”

According to Duggan (2015) “organizational structure can inhibit or promote performance, and this may depend on how effectively the supervisory relationships and workflow influence

productivity.” He further elaborates that organizational structure affects how performance is measured and managed in an organization. A study by Csaszar (2008) developed and tested a model of how organizational structure influence organizational performance. Organizational structure was conceptualized as the decision-making structure among a group of individuals. The empirical setting was over 150,000 stock-picking decisions made by 609 mutual funds. The findings suggested that organizational structure has relevant and predictable effects on a wide range of organization performance.

As Edwards and Walton (2000) noted that “greater understanding helps reduce uncertainty which inevitably accompanies change. But since change initiative doesn’t concern everyone at the same level it is important to choose target groups and try to identify means of communication, whether it is trying to get workers to know change, understand it, agree upon it or get involved. Communication should not stop once everyone is involved in change, but rather adapted in each step. For example during early stages of change it is crucial to explain why change is important and how it is going to be enacted, during the implementation phase making sure that people know their efforts have not been in vain, after implementation phase praising and rewarding employees contribution to change.”

In their study Hao, Kasper and Muehlbacher (2012) investigated the relationship between performance and organizational structure, especially through organizational learning and innovation, based on evidence from Austria and China. The findings reinforce the important infrastructure position of organizational structure on performance. Organizational structure had more effects on organizational learning than on innovation, organizational learning has an indirect effect on performance through innovation, except the direct effect of structure on performance. No matter how big or small change is in organization it affects workers either positively or negatively. Impact of change on employees depends on whether they were well informed about change or not.

2.3.3 Organisation Culture

Culture is defined as “a mixture of values, sets, beliefs, communications and explanation of behaviour that provides guidance to people” (Awadh & Saad, 2013). “Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the rules of the game for decision-making, structure and power” (Wambugu, 2014). She is of the view that culture is based

on shared history and traditions of the organization combined with current leadership values. Organizational culture has certain factors that improve sustainability on basis of effectiveness. The improvement in productivity leads to employee commitment as norms, values and objectives help in improving culture of an organization. The system of organization is based upon effective establishment of culture that keep learning/work environment strong.

Awadh and Saad (2013) investigated the relationship between organizational culture and performance. The study recommended that strong culture of an organization be based upon managers and leaders help in improving performance level. Managers need to relate organizational performance and culture to each other as they help in providing competitive advantage. A study by Wambugu (2014) analyzed how employee's performance was influenced by organizational culture with a focus on Wartsila Limited, a private organization in Kenya. The study revealed that organizational values had a more significant effect to employee's job performance at Wartsila, than the organization climate as is mostly assumed as a vice versa relationship. Overall a positive relationship between employee performance and organization culture was realized, however the effect diversely varied amongst the variables with work processes and systems in Wartsila having more effect to employees performance.

Osei-Bonsu (2014) carried out a study to assess the extent of employee involvement in the change management processes, assess the impact of change management on employee job satisfaction and thirdly, attitude of employees after organizational change. The findings indicated that employees' involvement in the process was limited to provision of adequate information. It was also found out that generally, employees' job satisfaction was positively impacted by the change. Nadler and Tushman (2010) said "Organizational culture significantly affects organisation decisions and, thus, must be evaluated during an internal strategic-management audit. If strategies can capitalize on cultural strengths, such as a strong work ethic or highly ethical beliefs, then management often can implement changes swiftly and easily. However, if the firm's climate is not supportive, strategic changes may be ineffective or even counterproductive. An organisations culture can become antagonistic to new strategies, with the result being confusion and disorientation. An organization's culture should infuse individuals with enthusiasm for implementing and managing change."

A study by Kamugisha (2013) on the effects of change management in an organization; a case study of National University of Rwanda (NUR) sought to find out how National University of Rwanda was affected by change management. The study found that there are changes in the management of faculties. There are also changes in staff performance and requirements where administrative staffs are now to have at least a bachelor's degree in relation to the positions they occupy. These changes were found to affect the organization human resources in terms of recruiting, outsourcing and downsizing more staff to fill some new posts. Technological changes in terms of enhanced internet bandwidth in the university have considerably had a significant impact on the operations of the university both in academic and administration.

2.3.4 Communication

“When implementing an organizational change it is important that there is a communication strategy in place as uncertainty can be more stressful than the practical aspects of the organizational change. Feeling uncertain about an impending change and what position it may leave employees in is characteristic of those going through change” (Schweiger and Walsh, 2012). As such, providing employees with information about a change can help to reduce anxiety and uncertainty about expected outcomes.

Miller et al., (2004) posit that “when change announcements were communicated, those communications that were timely, useful, and addressed employees’ concerns were more likely to help employees feel ready for change. Good communication allay employees’ fears, transmit a message that fosters employee self-efficacy for being able to perform after the change is implemented, and educate employees about the change.” Furthermore, communication not only facilitates understanding but also enhances the buy in of employees to the strategic need for change (Van Dam et al., 2008). Communicating with individuals about their appraisal of the change and helping them find a point of personal power within the change movement fosters this confidence in the change (Burnes, 2004).

Goodman and Truss (2004) found that there was not much difference between those who had received a lot of information and those who had not, showing that even the best-planned communication strategy can still result in employees who feel like they have not received enough

information in a timely and appropriate manner. Therefore, ensuring the appropriate change communication strategy is matched to the type of change is very important.

Employees gauge reactions from each other to determine the meaning behind any change messages that are given. Miller et al., (2004) found that those employees who were part of networks such as these received more information than others. Therefore, it is important to consider the impact that networks can have and the best ways to distribute information about a change. Although every organization and every change is different, it is argued that the adoption of a coordinated approach to the design and management of communication can help to avoid costly mistakes and increase the chances of success. It is prudent to keep in mind that even the best planned organizational communication strategy may be affected by the social nature of employees in an organization. Organizations are embedded in social networks, where other employees can have a great effect on how people understand and conceptualize change plans. There are social systems through which information about a change (rationale for change, impact on work processes) is exchanged and discussed (Armenakis, Harris, and Mossholder, 2011).

2.3.5 Organisation Performance

Kenya ferry has enough ferries but the problem is in poor management. The top managers should be sacked immediately. But even as demands for reforms continued, it has emerged that the ferry firm is being underfunded by the government. Its fleet of ferries are too old and, therefore, costly to maintain. KFS has been facing a shortage of vessels since 2012 when Mv Pwani and Mv Mvita were withdrawn from operation because they were too old. Mv Mvita was commissioned in 1969 while Mv Pwani, formerly Mv Safina, started operations in 1975. The acquisition of new ferries has been held back by delays in the approval the design work. A Turkish firm has been commissioned to build the vessels. Plans by the KFS to launch commercial cruises jointly with a private partner have also stalled even after approval of the project by the national government.

KFS handles more than 300,000 passengers and more than 6,000 vehicles crossing the Likoni channel between the island and the South Coast mainland everyday. In 2014, the company transported about 108 million passengers and close to two million motorists from the island to and from the mainland. KFS was established in 1989 to run the ferries that link the island to the

mainland. Unlike the northern side of Mombasa that is linked by bridges at Nyali, Mtwapa Kilifi and Sabaki, the south coast depends entirely on ferries. Pedestrians do not pay for the service while motorists pay a modest fee.

KFS should improve the ferry maintenance schedules while government agencies should work together to control the flow of traffic in and out of ferries. Vehicles carrying tourists to the airport are given special clearance to board ferries but are delayed by matatus, tuk tuks and trucks which block roads around the ferry area. Kenya Ports Authority employees in the union, suggests that KFS should diversify its services to raise revenue and wants performance contracts to be introduced at the KFS. KFS should utilise the free services of Kenya Ports Authority Marine Services in order to cut maintenance cost instead of relying on private companies. Staff issues, which appear to be the cause of strained industrial relations, should be resolved immediately as this has contributed to frequent stand-offs.

2.4 Summary of literature and Research Gaps

Organizations have undergone a revolution in the adoption and application of complex information technology. In the hope of extracting the greatest value from innovations, organizations have adjusted their management structures, work processes and culture. Organizational structure had more effects on organizational learning than on innovation, organizational learning has an indirect effect on performance through innovation, except the direct effect of structure on performance. No matter how big or small change is in organization it affects workers either positively or negatively. Nevertheless, organizational culture has certain factors that improve sustainability on basis of effectiveness. The improvement in productivity leads to employee commitment as norms, values and objectives helps in improving culture of an organization.

The system of organization is based upon effective establishment of culture that keep learning/work environment strong. However, good communication allay employees' fears, transmit a message that fosters employee self-efficacy for being able to perform after the change is implemented, and educate employees about the change. Furthermore, communication not only facilitates understanding but also enhances the buy in of employees to the strategic need for change. The literature discusses theories that are related to the effects of employee reward system

to the organization performance namely: Stakeholder Theory, Lewins three step change theory and Kotters 8- step change management theory.

Muogbo (2013) did a study on the impact of change management on organizational growth and development in manufacturing firms in Anambra state in Nigeria. The study concluded that though strategic change management is not yet a common business practice among manufacturing firms in Anambra State, it has been identified as veritable tool for improving the competitiveness, performance levels, and structural development of manufacturing firms in Anambra State in particular and Nigeria in general. Gichunge, (2006) did a study on the effect of formal strategic change management on the performance of selected medium sized manufacturing enterprises in Nairobi. The study found that the majority of MEs have adopted some formal strategic change management which has improved their performance.

From the study of Kariuki (2011) on challenges and survival strategies of supermarkets in Nairobi, supermarkets undertake change programs in order to ensure survival in the sector. Study findings indicated that challenges from the competition and losses from the shop lifting and expiries of products as some critical challenges faced by most supermarkets. To enhance competitiveness and sustain performance, the supermarkets need to ensure appropriate measures are considered to entice customers. The local studies reviewed focused on banks, government institutions as well as manufacturing organisations. This created a research gap that this study sought to fill by identifying effects of change management practices adopted by Kenya ferry services and their relationship to organizational performance.

2.6 Conceptual Framework

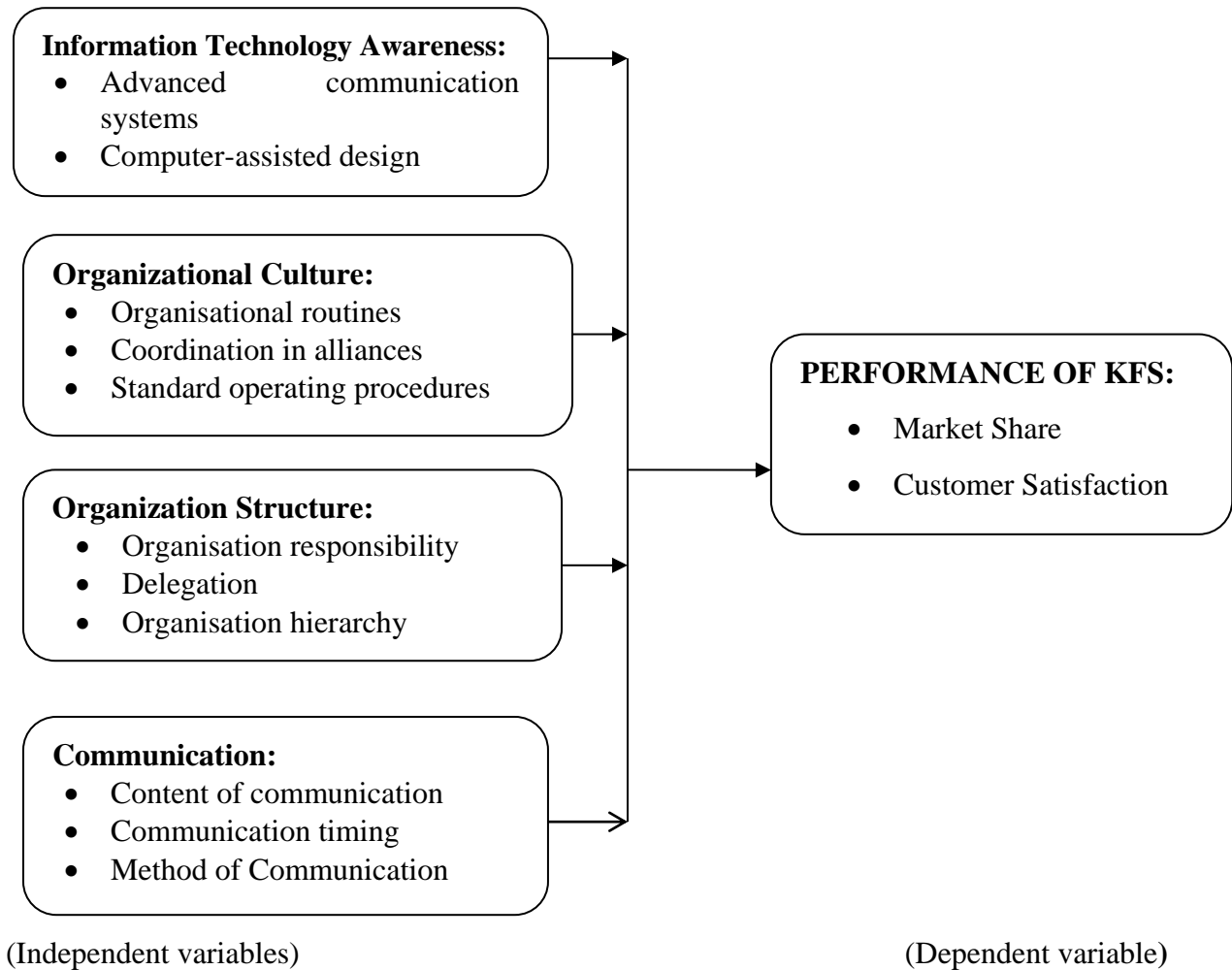


Figure2. 1: Conceptual Framework

Source: Researcher (2017)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research design and methodology used in the study. It outlines the study design, target population, sampling procedure, data collection instruments and procedures, validity and reliability of research instruments as well as data analysis and presentation. All these will be used in order to achieve the desired results as per the dictate of the research objectives.

3.2 Research Design

Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose. It constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2003). The study used a cross sectional survey research design administered through questionnaires. A cross-sectional survey collected data to make inferences about a population of interest (universe) at one point in time. The benefit of a cross-sectional study design was that it allowed the researcher to compare many different variables at the same time. This research design had the ability to accommodate large sample sizes; ability to distinguish small differences between diverse samples groups; ease administering and recording questions and answers; increased capabilities of using advanced statistical analysis; and abilities of tapping into latent factors and relationships.

3.3 Target Population

Population refers to an entire group of persons or elements that have at least one thing in common (Kombo and Tromp 2011). The target population in this study was 62 responded in the four departments (Finance and Accounting, Human Resource, Procurement, Operations & Engineering) and the managing director of KFS.

3.4 Sampling Strategy and Sample Size

Sampling essentially involves a system of selecting a population representation from the general population depending on the objective of the study, availability of money, time and effort in gathering research data (David & Mercado 2006). Census was used for the purpose of this study and all the 62 respondents were used for the study because the number was manageable within the constraints of the study.

Table 3.1 Sample Size

Name of Departments	No of Management	No of Employees	Sample size
General manager	1		1
Finance and Accounting	1	4	5
Human Resource	1	6	7
Procurement	1	5	6
Operations	2	23	25
Engineering	2	16	18
Total	8	54	62

Source: Author (2017)

3.5 Data Collection Instruments and Procedures

The main data collection method for the study was questionnaire. Questionnaires were used because they were practical and helped in collection of a large amount of data from many people within a very short period in a cost effective way. It was also easy to quantify the results of a questionnaire (Kazdin, 2011). The questionnaires used contained closed-ended questions which were used to limit the respondents' answers on the subject matter for easier analysis. The questionnaires were self-administered to the respondents who were given a period of two weeks to fill them.

3.6 Validity and Reliability of Research Instruments

3.6.1 Validity

Validity is defined as the extent to which a research instrument measures what is intended to measure (Fraenkel and Wallen 2000). The validity of data collected was made through collecting data from the relevant respondents of the KFS in the study with an introductory letter. The validity of the instrument was established by being given to experts, research assistant with experience and the supervisors who approved the instrument for data collection.

3.6.2 Reliability

According to Ogula (2005), reliability is the extent to which a research instrument yields measures that are consistent each time it is administered to the same individuals or yields consistent results after repeated trials. In order to ensure the reliability of the questionnaires, a pilot study was

undertaken to test whether the aim of the study would be achieved, whether there is any ambiguity in any item, whether the research objectives are appropriately addressed.

In this study reliability was ensured through a piloted questionnaire. The aim of the pilot study is to test the reliability of the questionnaires. Zikmund, Babin, Carr, and Griffin (2009) recommend questionnaire pre-tests to be done by personal interviews in order to observe the respondents reactions and attitudes. All aspects of the questionnaire were pre-tested including question content, wording, sequence, form and layout, question difficulty and instructions.

The pilot data was included in the actual study. The piloted questionnaire was subjected to a sample of 6 (10% of 62) staff members that were not included in the study. The 6 staff members were selected from KPA. The pre-test was conducted using Cronbach's Alpha coefficient reliability. Sekaran and Bougie (2010) highlighted that Cronbach's alpha coefficient ranges between 0 and 1 with higher alpha coefficient values of 0.7 and above being more reliable.

3.7 Data Analysis and Presentation

Data analysis method refers to examining what has been collected in a survey or experiment and making deductions and inferences; it includes scrutinizing the acquired information and making inferences (Kombo & Tromp 2006). Once the questionnaires were collected, they were carefully edited to detect errors and omissions for consistency and completeness. The data analysis processes for quantitative items was done using Statistical Package for Social Science (SPSS) version 24. The data from the answered questionnaires was analyzed using descriptive statistics such as mean, t-tests and standard deviation which described the characteristics of the collected data (Kothari, 2012). Karl Pearson's Zero Order coefficient of correlation, ANOVA, and T-test was used to test the relationships between variables. The researcher further analyzed the responses in terms of percentages.

Therefore, it was reliable test to adopt for the study. Hence, the regression model for this study was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby;

Y = Organisation Performance (value of dependent variable)

β_0 = Constant Variable

X_1 = Information Technology Awareness

X_2 = Organizational Culture

X_3 = Organization Structure

X_4 = Communications

ε = An error term

$\beta_1 \dots \beta_4$ = The corresponding coefficients for the respective independent variables

3.8 Ethical Considerations

Data collection is gathering information to prove some facts. The researcher obtained a letter from Kenyatta University academic office to facilitate data collection. The letter obtained from the university was used to permit the researcher to collect data in the field. The researcher dealt with Finance and Accounting, Human Resource, Procurement, Operations & Engineering in KFS in. The respondents were instructed appropriately and were given sufficient time to fill in the questionnaire.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1: Introduction

The chapter presents empirical findings and discussion of results on change management and performance with a specific focus on Kenya ferry services using variables and techniques mentioned in chapter three. Whereas data analysis has been in line with specific objectives are interpreted and implications drawn thereof. This was accomplished as presented by the findings that are discussed thereof:

4.2: Response Rate

Table 4.1: Response Rate

Respondents	Number of respondents	Percentage (%)
Received responses	54	87%
Un-received responses	8	13%
Expected responses	62	100%

A survey was conducted on 62 responded in the four departments (Finance and Accounting, Human Resource, Procurement, Operations & Engineering) and the managing director of KFS. 54 questionnaires were returned by respondents. This represented 87% of the response rate; 13% of the questionnaires were not returned by respondents as indicated in table 4.1 above. Mugenda and Mugenda, (2006) recommends that: 50% response rate is adequate, 60% good and any other response rate above 70% very good. Based on these recommendations, the response rate of 77% was rated very good. Therefore the data collected was capable of enabling the researchers arrive at a satisfactory conclusion about the study.

4.3: Demographic Characteristics of the Respondents

4.3.1: Gender of Respondents

The demographic characteristic of respondents is used in academic studies to determine the suitability of the respondents for the study. This was done using descriptive statistics and given in the figures below.

Gender

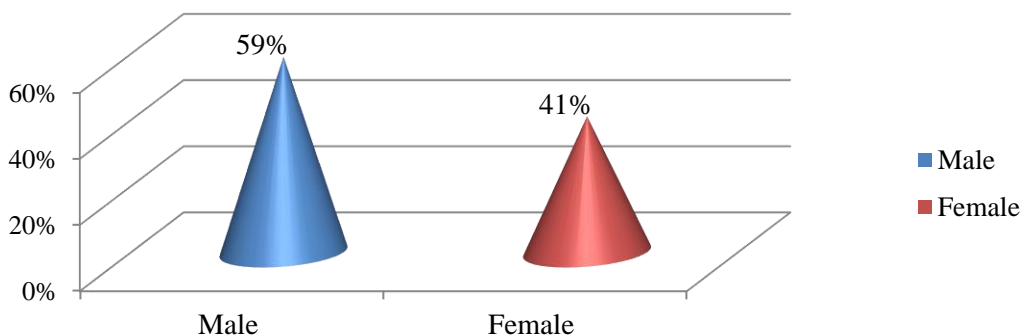


Figure 4.1: Gender of Respondents

The gender of the respondents was sought. Majority (59%) of the respondents were male while the rest (41%) of the respondents were female as shown in figure 4.1 above. The statistics show that majority of the employees under study in Kenya Ferry Services are male. The distribution however represents a fair gender balancing, an indication of successful efforts of various gender mainstreaming campaigns.

4.3.2: Respondents Age Brackets

Table 4.2: Respondents Age Brackets

Age	Number of respondents	Percentage (%)
20 years and below	0	0%
Between 21-30 years	9	17%
Between 31- 40 years	27	50%
41 years and above	18	33%
Total	54	100%

In a bid to find out the distribution of respondents by age, the researcher found that 50% of the respondents were between 31-40 years, 33% of the respondents were 41 years and above, 17% of the respondents were between 21-30 years while none of the respondents were less than 20 years. From the findings its clear that majority of the respondents 50% were between 31-40 years and this is because they have experience in the industry and that's why they have been entrusted with the responsibility they are undertaking in the KFS.

4.3.3: Working Experience

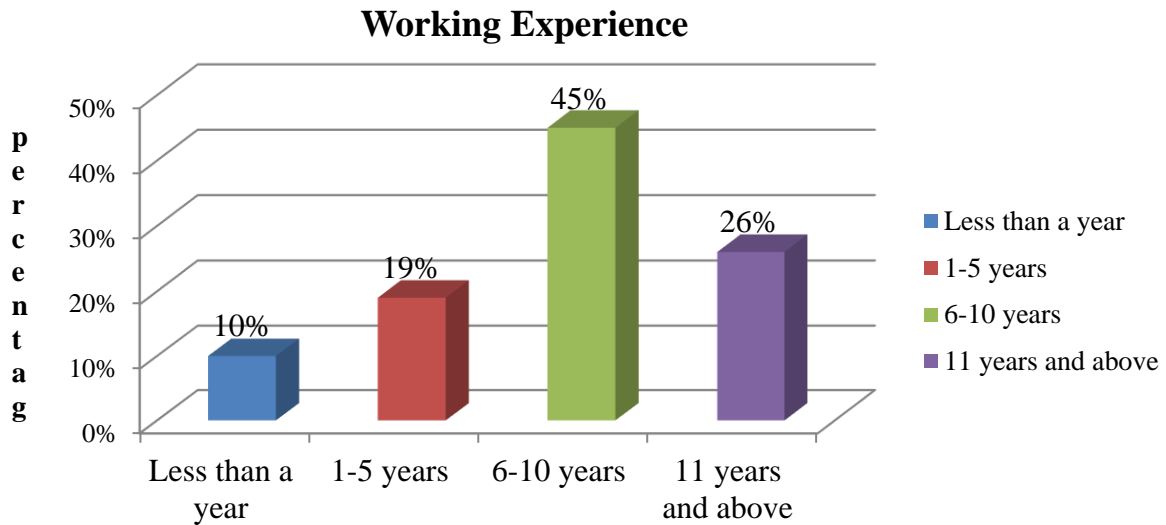


Figure 4.2: Working Experience

This question sought to investigate the number of years each respondent had worked in the school. Majority (45%) of the respondents had a working experience of between 6 to 10 years, 26% of the respondents had a working experience of 11 years and above, 19% of the respondents had a working experience of between 1 to 5 years and above while the remaining 10% of the respondents had a working experience of less than a year as shown in figure 4.2 above. This means that the respondents had adequate working experience with the KFS and therefore possess the necessary knowledge and information which was considered useful for this study.

4.4 Organisation Performance

Table 4.3: Organisation Performance

Organisation Performance	Mean	Std. Deviation
Customer Satisfaction	3.1111	.60397
Quality of services	3.4815	.66562
Employee Satisfaction	3.5926	1.05542
Improved Innovation	3.8889	.88310
staff development	2.7963	.93928

As shown in the Table 4.3 above, the researcher sought respondent's views on the trend of organizational performance in KFS: Customer satisfaction had a mean of 3.1111 and a standard

deviation of 0.60397 quality of services was supported by a mean of 3.4815 with a standard deviation of 0.66562. Employee satisfaction as supported by a mean 3.8889 with a standard deviation of 0.88310 and finally staff development was supported by a mean of 2.7963 with a standard deviation of 0.93928.

4.5: Technology Awareness

Table 4.4: Technology Awareness

Technology Awareness	Mean	Std Deviation
KFS has sufficient software evaluation	3.5000	.88488
Inability to retain technical staff (turnover).	4.1667	.37618
KFS has proper Information System security	3.4259	.81500
There is proper information systems interface	4.0926	.68041
There is adequate basic training on IT for all staff	4.3148	.60887
There are suitable structures to support automation	3.4630	.84033
Installation of new systems poses financial challenge to KFS	1.7963	.40653
There is good Technical compatibility hardware/software	4.1296	.55103
User of the information systems in KFS have requisite skills	3.4444	.86147
There is enough understanding of information system Capabilities	3.5185	.72008
There is enough support from user departments on information system	2.8519	.56326
There has been resistance to change since the introduction of information system	4.7593	.43155

As shown in the Table 4.4 above, the researcher sought respondent's views on the impact of information technology awareness on the performance of Kenya ferry services: Asked whether KFS has sufficient software evaluation had a mean of 3.5000 and a standard deviation of .88488. Inability to retain technical staff (turnover) had a mean of 4.1667 and a standard deviation of .37618. KFS has proper Information System security had a mean of 3.4259 and a standard deviation of .81500. There is proper information systems interface had a mean of 4.0926 had a standard deviation of .68041. There is adequate basic training on IT for all staff had a mean of 4.3148 and a standard deviant of .6088. There are suitable structures to support automation had a mean of 3.4630 and a standard deviation of 0.84033. Installation of new systems poses financial

challenge to KFS had a mean of 1.7963 and a standard deviation of 0.40653. There is good Technical compatibility hardware/software had a mean of 4.1296 and a standard deviation of 0.55103. User of the information systems in KFS have requisite skills had a mean of 3.4444 and a standard deviation of 0.86147. There is enough understanding of information system Capabilities had a mean of 3.5185 and a standard deviation of 0.72008. There is enough support from user departments on information system had a mean of 2.8519 and a standard deviation of 0.56326. There has been resistance to change since the introduction of information system had a mean of 4.7593 and a standard deviation of 0.43155.

4.6: Organisation Culture

Table 4.5: Organisation Culture

Organisation Culture	Mean	Std Deviation
KFS rewards team performance	2.7037	.81564
KFS rewards individual performance	2.8333	.66588
KFS promotes creativity among employees	3.2778	.83365
Managers involve employees in decision making	2.6481	.87216
Managers are flexible when making decisions	2.8148	.99193
Employees value team work to individualism	3.7778	.83929
Managers take time to build relationships with other employees	2.0370	1.18103
The rules of KFS provide clear instructions, processes and procedures	3.9444	.62696
There is high importance placed on KFS rules, values, obligations and regulations	4.0741	.57796
Employees deal with each other fairly relying on the rules, regulations and values	2.2222	.92485
KFS acknowledges individual employees strengths and credentials	1.6481	1.03080
There has been improved level of innovations in the bank over the last three years	4.1296	.75351

As shown in the Table 4.5 above, the researcher sought respondent's views to analyse the impact of organizational culture on the performance of Kenya ferry services: KFS rewards team performance had a mean of 2.7037 and a standard deviation of 0.81564. KFS rewards

individual performance had a mean of 2.8333 and a standard deviation of 0.66588. KFS promotes creativity among employees had a mean of 3.2778 and a standard deviation of 0.83365. Managers involve employees in decision making had a mean of 2.6481 and a standard deviation of 0.87216. Managers are flexible when making decisions had a mean of 2.8148 and a standard deviation of 0.99193. Employees value team work to individualism had a mean of 3.7778 and a standard deviation of 0.83929. Managers take time to build relationships with other employees had a mean of 2.0370 and a standard deviation of 1.18103. The rules of KFS provide clear instructions; processes and procedures had a mean of 3.9444 and a standard deviation of 0.62696. There is high importance placed on KFS rules, values, obligations and regulations had a mean of 4.0741 and a standard deviation of 0.57796. Employees deal with each other fairly relying on the rules, regulations and values had a mean of 2.2222 and a standard deviation of 0.92485. KFS acknowledges individual employee's strengths and credentials had a mean of 1.6481 and a standard deviation of 1.03080. There has been improved level of innovations in the bank over the last three years had mean of 4.1296 and a standard deviation of 0.75351.

4.7: Organisation Structure

As shown in the Table 4.6 below, the researcher sought respondent's views to analyse the impact of organizational culture on the performance of Kenya ferry services: There is high Centralised Decision Making has a mean of 1.9815 and a standard deviation of 0.85761. There is high formalisation of work procedure had a mean of 2.0370 and a standard deviation of 0.88941. No or little action can be taken by a staff on any matter without supervisor permission had a mean of 3.7222 and a standard deviation of 0.87775. All operation activities to be undertaken by the corporation are approved by Chief Executive officer had a mean of 2.3704 and a standard deviation of 0.75975. Sections/departments formal meetings/briefings are conducted on a regular basis had a mean of 2.5000 and a standard deviation of 0.90596. There are formal guidelines on how to deal with every operational activity/situation and the guidelines are available to staff had a mean of 4.6852 and a standard deviation of 0.57705. Written formal communications through established channels must be used on every engagement to be undertaken by the corporation had a mean of 4.6296 and a standard deviation of 0.48744. Policies and procedures manual are readily available to all staff had a mean of 4.7593 and a standard deviation of 0.51157. There are few levels of hierarchy before a decision is made had a mean of 2.0741 and a standard deviation of 0.96840.

Sub-ordinate staffs participate in decision making on matters relating to day to day operations of the corporation had a mean of 2.6296 and a standard deviation of 0.87516. All investment decisions must be approved by board of directors before are undertaken the corporation had a mean of 4.8148 and a standard deviation of 0.39210. All operation activities to be undertaken by the corporation are approved by Chief Executive officer had a mean of 1.9444 and a standard deviation of 0.85598.

Table 4.6: Organisation Structure

Organisation Structure	Mean	Std Deviation
There is high Centralised Decision Making	1.9815	.85761
There is high Formalisation Of Work Procedure	2.0370	.88941
No or little action can be taken by a staff on any matter without supervisor permission.	3.7222	.87775
All operation activities to be undertaken by the corporation are approved by Chief Executive officer	2.3704	.75975
Sections/departments formal meetings/briefings are conducted on a regular basis.	2.5000	.90596
There are formal guidelines on how to deal with every operational activity/situation and the guidelines are available to staff.	4.6852	.57705
Written formal communications through established channels must be used on every engagement to be undertaken by the corporation.	4.6296	.48744
Policies and procedures manual are readily available to all staff.	4.7593	.51157
There are few levels of hierarchy before a decision is made.	2.0741	.96840
Sub-ordinate staffs participate in decision making on matters relating to day to day operations of the corporation.	2.6296	.87516
All investment decisions must be approved by board of directors before are undertaken the corporation.	4.8148	.39210
All operation activities to be undertaken by the corporation are approved by Chief Executive officer	1.9444	.85598

4.8: Communication

Table 4.7: Communication

Communication	Mean	Std Deviation
There is effective communication on change management in the organisation	2.8333	.69364
KFS's Communication in skills set training programs with managers is the way in which most employees receive their career development assistance.	2.6667	1.04611
The organisation ensures that appropriate communication is applied to communicate the needed change	2.7037	.83845
KFS uses communication methods to motivate its employees	2.3704	1.10396
KFS uses communication to select and tailor their programs and policies to meet the specific needs of their employees.	2.3889	.91973
KFS's communicates key activities, issues and developments to employees and developing policies that facilitate transparency and openness.	2.0370	.82332
Communication within KFS enables employees to respond more enthusiastically to their roles.	2.8519	.83344
Managers communicate tactics that help the team and total company complete the assigned mission.	2.1111	.86147
KFS culture is communicated effectively to the workforce and motivate them to accomplish their aims.	2.3519	1.15182
KFS decision-making process includes active communication throughout the organization.	2.7778	.92485

As shown in the Table 4.7 above, the researcher sought respondent's views to analyze the impact of organizational culture on the performance of Kenya ferry services: There is effective communication on change management in the organisation had a mean of 2.8333 and a standard deviation of 0.69364. KFS's Communication in skills set training programs with managers is the way in which most employees receive their career development assistance had a mean of 2.6667 and a standard deviation of 1.04611. The organisation ensures that appropriate communication is applied to communicate the needed change had a mean of 2.7037 and a standard deviation of 0.83845. KFS uses communication methods to motivate its employees had a mean of 2.3704 and a standard deviation of 1.10396. KFS uses communication to select and tailor their programs and policies to meet the specific needs of their employees had a mean of 2.3889 and a standard deviation of 0.91973. KFS's communicates key activities, issues and developments to employees and developing policies that facilitate transparency and openness had a mean of 2.0370 and a standard deviation of 0.82332. Communication within KFS enables employees to respond more

enthusiastically to their roles had a mean of 2.8519 and a standard deviation of 0.83344. Managers communicate tactics that help the team and total company complete the assigned mission had a mean of 2.1111 and a standard deviation of 0.86147. KFS culture is communicated effectively to the workforce and motivate them to accomplish their aims had a mean of 2.3519 and a standard deviation of 1.15182. KFS decision-making process includes active communication throughout the organization had a mean of 2.7778 and a standard deviation of 0.92485.

4.9 Regression Analysis

The study sought to establish the information technology, organizational culture on the performance of Kenya ferry services, of organization structure and communication on the performance of Kenya ferry services. The regression model was of the form:

$$Y = \beta_0 + 0.032X_1 + 0.629X_2 + 0.171X_3 + 0.697X_4 + \varepsilon$$

Whereby Y represented the Organisation Performance β_0 is the Constant Variable X_1 is Information Technology Awareness, X_2 is Organizational Culture, X_3 is Organization Structure, X_4 is Communications, E is an error term while $\beta_1 \dots \beta_4$ are corresponding coefficients for the respective independent variables

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.949a	.900	.892	.22929

a. Predictors: (Constant), Information technology, Organisation culture, Organisation structure Communication.

Table 4.8 shows that there is a good linear association between the dependent and independent variables used in the study. This is shown by a correlation (R) coefficient of 0.949. The determination coefficient as measured by the adjusted R-square presents a moderately strong relationship between dependent and independent variables given a value of 0.892. This depicts that the model accounts for 89.2% of the total observations while 10.2% remains unexplained by the regression model

Table 4.9: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.257	4	5.814	110.596	.000a
	Residual	2.576	49	.053		
	Total	25.833	53			

a. Predictors: (Constant), Information technology, Organisation culture, Organisation structure and Communication

b. Dependent Variable: performance

Table 4.9 above shows that the p value for the model is $p < 0.001$ and this implies that the model is statistically significant as it is lower than the significance level of 0.05. Given that ANOVA showed that the study was significant, it proceeded to analyze the coefficients of correlation also known as regression coefficients

Table 4.10 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.950	.420		9.399	.000
	Information technology	.032	.057	.031	.567	.573
	Organisation culture	.629	.045	.703	13.896	.000
	Organisation structure	.171	.089	.098	1.927	.060
	Communication	.697	.091	.417	7.634	.000

a. Dependent Variable: Performance

After the computation of change management and the performance of Kenya ferry services; the findings indicated that information technology had a $P > .573$, more than the significance level of 0.05. The findings also indicated that organisation structure had a $P > .060$, more than the significance level of 0.05. This shows a weak relationship between organisation structure as a factor affecting change management in Kenya Ferry services.

Organisation culture had a $p < 0.001$ connoting a strong relationship as a factor affecting change management in Kenya Ferry services. Communication as a factor affecting financial performance of Kenya Ferry services scored a $p < 0.001$ connoting a strong relationship between it and as a factor

affecting change management in Kenya Ferry services. The findings clear indication that organisation culture and communication strongly affects change management in Kenya Ferry services. However, caution is given that other factors should not be ignored or one becomes too assertive emphasizing one over the other as they too contribute to the performance of Kenya ferry services. What is encouraged here is to improve on their practicability because they can add an immense value to the organisation performance as well.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the conclusions drawn from the findings and recommendations on what to be done and how it can be done. This can be backed up in relation to the objectives brought forward from chapter one

5.2 Summary and findings

This section focuses on the answers to research questions or how each independent variable influences the dependent variables. The discussion follows in accordance with the study objectives

First to determine the impact of information technology awareness on the performance of Kenya ferry services. The findings indicated that information technology had a $P > .573$, more than the significance level of 0.05. Second, to analyze the impact of organizational culture on the performance of Kenya ferry services. Organizational culture as a factor affecting financial performance of Kenya Ferry services scored a $p < 0.001$ connoting a strong relationship between it and as a factor affecting change management in Kenya Ferry services. The findings clear indication that organization culture and communication strongly affects change management in Kenya Ferry services.

Third, to examine the impact of organization structure on the performance of Kenya ferry services. The findings also indicated that organisation structure had a $P > .060$, more than the significance level of 0.05. This shows a weak relationship between organisation structure as a factor affecting change management in Kenya Ferry services.

Finally, to investigate the impact of communication on the performance of Kenya ferry services. Communication as a factor affecting financial performance of Kenya Ferry services scored a $p < 0.001$ connoting a strong relationship between it and as a factor affecting change management in Kenya Ferry services. The findings clear indication that organisation culture and communication strongly affects change management in Kenya Ferry services.

5.3 Conclusion

The study concludes that to successfully achieve change management in organization, review of the existing culture is a mandatory. This will put the various aspects under scrutiny to evaluate their importance and contribution to planning and implementing the change project and the necessary adjustments required. Flow of information from one level to the next is delayed if the levels are many thus a reduction of the levels will contribute to effective communication.

The study concludes that for any effective change, there needs to be organizational and behavioral adjustments that need to be made to accommodate and sustain change. This means that change is successful when it becomes institutionalized and part of the way things are done in an organization which in effect means the organizational culture. The study has led to the conclusion that different aspects of change have structure or boundaries. The human and organizational boundaries cannot be separated from the processes of the system. The fact that social organizations are contrived by human beings suggests that they can be established for an infinite variety of objectives. Different situations call for different reactions hence the use of proactive, anticipatory and reactive leadership styles to suit the different type of culture.

The study concludes that critical to successful change is good planning. Successfully managing the complexity of change is virtually impossible without a robust plan that is supported by strong project management. Assessment of available resources and their ability to handle the change process is vital. Organizations often find it difficult to adjust to change and therefore, a manager's prime responsibility is to develop organization to meet the challenge of the future. The responsibility is exercised by assessing resources and opportunities available, defining business objectives and efficiently managing the resources allocated to meet these goals. The effective strategy to reach specific goals and objectives begins to develop managerial planning strategies in order to eventually produce an effective action. Planning involves aspects of problem solving, problem identification, problem prevention and most importantly decision making.

The study also concludes that change is a process driven by several strategic considerations including the need for more integrated ways of working and the need to improve business performance. Change management is fundamental and should be deployed with logical reasons and involvement in the change project. These considerations typically are the result in structured change programs based on the assumption that change management consists of a limited set of interventions, which are regarded as objective, measurable and linearly manageable programs that can be realized in a relatively short time.

5.4 Recommendations

Strategic change is a top down leadership exercise. Change starts with the leadership. The leadership should and must establish vision for the organisation and coordination of change leaving implementation to others. KFS should adopt a change process. Strategic change should not be an experiment rather it should have a vision, strategy and an implementation plan to ease the uncertainties of change. The reward system should be geared to providing the employees with an incentive for the embracing for the strategic change. Motivating individuals to learn new skills can help to reduce the defenses that block learning: instead of being rewarded for moving up in the hierarchy, people are rewarded for increasing their skills while adapting them to change in organizational goals.

For successful change implementation, workers should be properly trained on change programmes and should be educated on the reasons for change. To avoid resistance to change, appropriate change strategies should be put in place by change managers the participative strategy is recommended for change managers. KFS should employ the service of internal change managers to work hand-in-hand with such expert employed externally so as to facilitate growth in performance and smooth change implementation. Managers are advised to anticipate for change especially in the public service where changes occur every second. Thus proactive measures in approach should be encouraged in managing change. This will reduce the negative effect on organizational performance.

5.5 Suggestions for Further Studies

The researcher suggests that a similar study be carried out in other public corporations in the country to see if the same results will be achieved.

A study can be done to determine the impact of resistance to change management on the dwindling performance parastatals in Kenya.

A study may also be carried out to find out the impact of the government on the implementation of change management in the public sector.

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APPENDIX I: LETTER OF INTRODUCTION

Caroline Kahoro,
MBA Student
Kenyatta University, Mombasa

Dear Respondent,

RE: ASSISTANCE WITH STUDY FOR MASTERS RESEARCH PROPOSAL

I am a student at Kenyatta University Mombasa Campus. I am carrying out a project on the impact of change management and the performance of Kenya ferry services. This project is a requirement for any master of business administration degree qualification. I kindly request you to give me an opportunity to conduct the research in your organization.

The information gathered will be used exclusively for purposes of this study and shall be kept confidential and used only for academic purposes. A copy of all the findings will be made available to you on request.

Thank you in advance for your kind support.

Yours sincerely,

Caroline Kahoro

APPENDIX II: RESARCH QUESTIONNAIRE

Dear Sir/ Madam

- **Kindly assist by filling the following Questionnaire.**
- **This research is for academic purposes only.**
- **Your opinions shall be kept confidential.**

Please Tick () the appropriate answer and give reasons of the explanations where necessary.

Part A: General Information

Please tick (√) appropriately.

Gender (please tick in the box)

- i. Male
- ii. Female

Age of the respondents

- i. 20 years and bellow
- ii. Between 21-30 years
- iii. Between 31-40 years
- iv. 41 years and above

For how long have you been in the KFS?

- i. Less than a year
- ii. Between Years 1-5 years
- iii. Between 5-10 years
- iv. 10 years and above

To date, what has been your highest formal qualification?

- Certificate/ Diploma Undergraduate
- Post graduate level Other (Specify.....)

SECTION B: INFORMATION TECHNOLOGY

Kindly indicate your level of agreement with each of this statement in regard to the impact of information technology awareness on the performance of Kenya ferry services. Please tick (√) appropriately. 1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Information Technology Awareness	1	2	3	4	5
KFS has sufficient software evaluation					
Inability to retain technical staff (turnover).					
KFS has proper Information System security					
There is proper information systems interface					
There is adequate basic training on IT for all staff					

There are suitable structures to support automation					
Installation of new systems poses financial challenge to KFS					
There is good Technical compatibility hardware/software					
User of the information systems in KFS have requisite skills					
There is enough understanding of information system Capabilities					
There is enough support from user departments on information system					
There has been resistance to change since the introduction of information system					

SECTION C: ORGANISATION CULTURE

Kindly indicate your level of agreement with each of this statement in regard to the impact of organizational culture on the performance of Kenya ferry services. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Organisation Culture	1	2	3	4	5
KFS rewards team performance					
KFS rewards individual performance					
KFS promotes creativity among employees					
Managers involve employees in decision making					
Managers are flexible when making decisions					
Employees value team work to individualism					
Managers take time to build relationships with other employees					
The rules of KFS provide clear instructions, processes and procedures					
There is high importance placed on corporations rules, values, obligations and regulations					
Employees deal with each other fairly relying on the rules, regulations and values					
KFS acknowledges individual employees strengths and credentials					
There has been improved level of innovations in the KFS over the last three years					

SECTION D: ORGANISATION STRUCTURE

Kindly indicate your level of agreement with each of this statement in regard to the impact of organization structure on the performance of Kenya ferry services. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Organisation Structure	1	2	3	4	5
There is high Centralised Decision Making					
There is high Formalisation Of Work Procedure					
No or little action can be taken by a staff on any matter without supervisor permission.					
All operation activities to be undertaken by the corporation are approved by Chief Executive officer					
Sections/departments formal meetings/briefings are conducted on a regular basis.					
There are formal guidelines on how to deal with every operational activity/situation and the guidelines are available to staff.					
Written formal communications through established channels must be used on every engagement to be undertaken by the corporation.					
Policies and procedures manual are readily available to all staff.					
There are few levels of hierarchy before a decision is made.					
Sub-ordinate staffs participate in decision making on matters relating to day to day operations of the corporation.					
All investment decisions must be approved by board of directors before are undertaken the corporation.					
All operation activities to be undertaken by the corporation are approved by Chief Executive officer					

SECTION E: COMMUNICATION

Kindly indicate your level of agreement with each of this statement in regard to the impact of communication on the performance of Kenya ferry services. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Communication	1	2	3	4	5
There is effective communication on change management in the organisation					

KFS's Communication in skills set training programs with managers is the way in which most employees receive their career development assistance.					
The organisation ensures that appropriate communication is applied to communicate the needed change					
KFS uses communication methods to motivate its employees					
KFS uses communication to select and tailor their programs and policies to meet the specific needs of their employees.					
KFS's communicates key activities, issues and developments to employees and developing policies that facilitate transparency and openness.					
Communication within KFS enables employees to respond more enthusiastically to their roles.					
Managers communicate tactics that help the team and total company complete the assigned mission.					
KFS culture is communicated effectively to the workforce and motivate them to accomplish their aims.					
KFS decision-making process includes active communication throughout the organization.					

SECTION F: Measurement of Performance

Indicate the level of your agreement or disagreement against every statement given below on the performance of Kenya ferry services. React on the items provided by using the scale given. Please tick (√) appropriately.

1=Very Dissatisfied; 2= slightly Dissatisfied; 3=Neutral; 4=Slightly Satisfied; 5=Very Satisfied

Performance	1	2	3	4	5
Customer Satisfaction					

Quality of services					
Employee Satisfaction					
Improved Innovation					
Staff development					

THANK YOU FOR PARTICIPATING!

APPENDIX III: WORK SCHEDULE

ACTIVITY	TIME				
	MARCH 2017	APRIL 2017	MAY 2017	SEP-OCT 2017	NOV -DEC 2017
Topic identification					
Proposal Writing					

Proposal presentation					
Piloting of Research Instrument					
Data Collection and Analysis					
Project Report Writing and Submission					
Project Correction					
Final Project Submission and Defense					

Source: Researcher, (2017)

APPENDICES IV: BUDGET

S/No.	ITEM	ACTIVITIES	AMOUNT
1	Proposal writing	a) Printing	10,000
		b) Photocopy	13,000
		c) Purchase of reference books/materials	20,000

2	Proposal presentation and defense	a) Printing	10,000
		b) Photocopy	7,000
TOTAL			60,000