Change Management and Organisational Performance of Kenya Agricultural and Livestock Research Organization

Eric Nyariki Osege[1], Dr. Abel Anyieni[2]

[1,2] Department of Business Administration, Kenyatta University, Kenya

Abstract: ***As the rate of economic growth increases, organizations become more complex. People, processes, rules, strategies, and basic units become more involving. Therefore, change in style and procedures of organizational management are inevitable. In Kenya, there are several reforms in governance and management of public institutions, parastatals and Government Owned Entities. However, not all reform initiatives have proved efficient and effective for the public organizations in pursuit of their mandate vis a viz national and county agenda. In particular, the Kenya Agricultural and Livestock Research Organization faces challenges in implementing these reforms. This study analyzed the relationship between change management in relation to reforms and organizational performance of KALRO. This study examined financial reforms, administrative reforms, regulatory reforms, and devolution reforms as the main correlates of change management in GOEs in Kenya. This research study was based on stakeholder theory, Neo-Taylorism Theory and the Theory of Public Choice. The study majorly relied on a descriptive research design with a target population comprising 457 employees in management and administration of the 16 KALRO institutes from which a sample consisting of 82 participants was drawn and used. In addition, the researcher adopted a stratified random sampling technique to provide sufficient information since the population is wide. The required research data was obtained by the use of structured questionnaires and analysis of the data done using IBM's SPSS software version 24. The structured questionnaires were self-administered via a drop and pick method. The researcher conducted a Pearson correlation analysis and a regression analysis to determine the relationship between the study variables. The regression results (r^2=0.141) and (R=0.375) reflected a positive correlation between the Change Management and Organizational Performance. In particular, the results of the study show that there is a fairly strong, positive and statistically significant relationship between financial reforms and organizational performance. The study showed a weak, positive and statistically significant correlation between administrative reforms and organizational performance. The study also revealed a weak, positive and statistically significant relationship between regulatory reforms and organizational performance. Besides, the study indicated a fairly strong, positive and statistically significant relationship between devolution reforms and organizational performance. The findings of the study were not only helpful to KALRO, but also different stakeholders in the state corporations as well as national and county governments in formulating decisions related to change in operations and performance.***

Keywords: Administrative Reforms, Change Management, Devolution Reforms, Financial Reforms, Governance, Regulatory Reforms and Performance

1. Introduction

1.1 Background of the Study

Contemporary reforms in various governance structures are undertaken to create transformed governments through change of course. Al-Jaradat, Nagresh, Al-Shegran & Jadellah (2013) subscribe to the view that the change of course should be managed so effectively that it warrants an institution's ability to influence its working forces, systems and processes. It is only then that an organization can adopt the desired behavior, ideas, structures, systems, processes and approaches necessary for reformation, reconstruction and possibility to increase capacity and create value to the stakeholders. According to Berry (2007), government reforms entail acts, processes or instances of change in structure, appearance, or a conversion, revolution, makeover or renovation of government systems and structures. Every country in the world pursues its reform agenda in ways unique to the needs and expectations of the people it serves as well as the global and regional economic crises. In addition, different countries have different inspirations for undertaking reforms. However, irrespective of the force behind the reform agenda, government reforms generally cover a myriad of areas of government service delivery, management and accountability (Berry, 2007; Pollit, & Bouckaert, 2011).

Various governments adopt varied reform agenda provided that such reforms promote their development initiatives. Most commonly adopted reforms that impact the operations of state corporations include civil service reforms, financial reforms, administrative reforms, regulatory reforms, decentralization to lower levels of government, performance budgeting and measurement, the use of information and communication technology and e-government, public-private partnerships, structural streamlining and process improvement, improving customer service in service delivery, market-based governance among others (Berry, 2007). The Kenyan government in 2013 came up with a report from the presidential taskforce on Government Owned Entities (GOEs) and the said taskforce recommended a number of reforms in the structures, operations and management of the GOEs. The taskforce made an elaborate review of global good practices in countries experiencing the same challenges as as those faced in Kenya and further identified five roles for the GOEs (otherwise known as Parastatals) in national development initiative. The report by joint chairpersons of the presidential taskforce on GOEs reforms points out the said roles as follows: to promote and accelerate economic growth and development; to undertake capacity building and the enhancement of the tehnical capacity of the state to catalyze national development; improve the public service delivery; create vast employment opportunities in various jurisdictions and judicious building of international partnerships (Mohamed & Awuondo, 2013). The presidential taskforce on reforms in management of state corporations suggested the following reforms; clear definition of state corporations, clean and updated inventory management in paraststals, development of clear classification framework, clarity in the institutional arrangement, rationalized legal framework, strengthened corporate governance, performance management framework, establishment of a sovereign wealth fund and alignment to the National Development Agenda (Executive Office of the President, 2013).

In this study, the following reforms will be considered; corporate governance reforms, financial reforms, regulatory reforms and devolution of governance. Financial reforms entail financial autonomy, fiscal decentralization, parliamentary oversight and changes in financial reporting systems. Administrative reforms on the other hand are construed to comprise changes in government policy, decision making and ownership roles while regulatory reforms capture aspets of deregulation, statutory compliance, changes in structures of authority and power as well as reporting relationships. As regards devolution reforms, factors of interest include decentralization of service delivery, decentralization of powers, participatory decision making and distribution of resources among people. In this regard, the influence of these reforms on the performance of government owned entities will be of particular interest as it is in line with the general objective of this study (Mohamed & Awuondo, 2013).

1.1.1 Organizational Performance

Organizational performance is usually affected by different factors among them, organizational behavior and culture, quality of management, organizational size in terms of their capital base, technology, information flow, access to new markets and innovativeness. Globally, the management of parastatals is a matter of concern to the government as well as the community in general as it faces problems and challenges. The common challenges impacting performance of parastatals include; insufficient funds, undue political interference, lack of qualified staff, poor training of staff and lack of critical equipment (Babaita, 2001). Problems relating to management of parastatals in developing countries have been blamed on lack political and managerial autonomy, unnecessary political interference and poor funding from the central government (Babaita, 2001). Management concern for organizational performance of parastatals is not unique to Kenya.

1.1.2 Management of Regulatory Reforms

In Kenya, unlike in the developed countries, management of parastatals faces a very high level of bureaucracy and is based on very rigid structure and procedures. These systems have been blamed for giving loopholes that makes it difficult for management to account for management shortcomings and remain focused on strategic issues (Guzeh, 2011). As a result, the government comes up with initiatives aimed at regulating management GOEs. Such initiatives include; giving the parastatals the freedom to employ qualified staff without undue interference from government officers, availing funds for the operations of such organizations and promoting sustainability in management so as to enhance financial autonomy and overall performance of these organizations (Kibachia, 2014).

1.1.3 Management of Financial Reforms

Parastatals are financially semi-autonomous organizations created by Acts of parliament and established to pursue specified objectives and contribute to eonomic growth and development. They are also referred to as state corporations (Guzeh, 2011). They are majorly created for two reasons; to offer essential services and to earn income towards economic development. Besides, parastatals are developed with the following objectives; to correct incidences of market failure, to pursue specific social and political objectives, provide social services including education and health, redistribute income or develop marginal areas (Njiru, 2008). Development of parastatals can be traced back to pre-independence years. United States is the earliest developer of state corporations. Njiru (2008) opines that the development of state corporations can be traced back to 1790s when such corporations became key institutions in American economy enhancing economic growth in the nation (World Bank, 2008). However, development of parastatals has been characterized with mixed reactions (Gomory, 2013).

1.1.4 Mangement of Administrative Reforms

According to the World Bank Report of 1980, development of parastatals started to gain popularity after independence. This is the time when the African countries started nationalization of the institutions that were initially owned by foreign agencies (Bacwayo, 2002). Development of public corporations was done majorly in service areas that offered public services and public utilities that could not be left in the hands of private sector. While these corporations were formed with key function of service delivery, they experienced rapid expansion and some started generating surplus investment that formed part of national income (Bank, 1981). In East Africa, the development of parastatals started with the industrial and agricultural parastatals. Currently, almost every sector has a public corporation to somehow enhance competition and reduce monopoly among private organizations and enhance economic growth (Njiru, 2008).

1.1.5 Management of Devolution Reforms

Devolution of governance seeks to improve the livelihoods of people and address the challenges of underdevelopment through better service delivery. Mwikali & Wafula (2015) explain devolution as the transfer of political, administrative, and fiscal management powers from central government to sub-national authorities such as regional or local authorities. In Kenya, devolution has provided for the establishment of county governments, enhanced checks and balances within the governments, moderated presidential powers, devolved system of governance, institutional liberties, participatory decision making, equitable distribution of resources and governmental accountability to the citizens. The devolved governance structures necessitate the devolution of services including those offered by the state corporations. However, in some developing nations, the government owned entities have recorded significant underperformance

1.1.6 Kenya Agriculture and Livestock Research Organization

Kenya Agriculture and Livestock Research Organization (KALRO) is among such public corporate bodies. It was established under the Kenya Agricultural and Livestock Research Act of 2013 purposely to establish an elaborate framework for coordination of agricultural research in Kenya. Through the establishment of KALRO, the government of Kenya reformed the national agricultural research systems and significantly restructured agricultural and livestock research into a more dynamic, innovative, responsive and well-coordinated system steered on by a well define vision and goals. In line with the national blue print Vision 2030 which recognizes the role of research in technology generation and creation of new knowledge, KALRO plays an instrumental role in enhancement sustainable value addition in Kenya's agricultural sector as a means of raising rural household incomes as captured by the sector's driving strategy, the Agricultural Sector Development Strategy 2010-2020. In particular, KALRO pursues a number of goals including; to promote, streamline, co-ordinate and regulate research in crops, livestock, genetic resources and biotechnology in Kenya; to expedite equitable access to research information, resources and technology and to promote the application of research findings and technology in the field of agriculture.

1.2 Statement of the Problem

Management of parastatals in Kenya faces quite anumber of challenges and dillemas including corruption, mismanagement of resources, stringent regulations, political patronage, and policy gaps among others which influence organizational performance (Ethics and Anti-Corruption Commission, 2013). Such challenges have adversely impacted the many sectors of the Economy as well as the socio-economic well-being of Kenya. In particular, areas of management of the parastatals that have been affected include corporate governance, financial management, budgeting, institutional management and these have raised issues relating to accountability, service delivery and service quality and performance hence the need for change adoption. As a result, the government of Kenya, through the presidential taskforce on reforms came up with various reforms and transformation strategies to enhance the performance of state organizations. Some of the reforms adopted by KALRO include financial reforms, regulatory reforms, administrative reforms and devolution of procedures, processes and systems. A growing interest in how the management of these reforms influence performance of KALRO necessitate this study considering the limited literature on recent reforms and organizational performance of KALRO. Rieley & Clarkson (2010) in their study of the impact of change on performance examined how various interrelated dynamics can enable organizations to realize their performance potential. The study, however did not address aspects of change management in relation to performance. In addition, Belias & Koustelios (2014) conducted a study on the impact of leadership and change management strategy on organizational culture, but did not consider the changes in organizational performance. The study recommended structural changes as the initial intervention for changing organizational culture. Ndahiro, Shukla, & Oduor (2015) also studied the effect of change management on the performance of Rwandese government institutions. None of these studies ever looked into the influence of change management on performance of parastatals. In Kenya where no study has focused on how change management influences performance of KALRO. As such, it is not clear whether management of reforms has influenced the performance of KALRO, hence a knowledge gap exists as to the influence of management of government reforms on organizational performance. This study intends to fill this gap by investigating the relationship between change management during reforms and performance of KALRO.

1.3 Objectives of the study

1) To find out the effect of management of financial reforms as a change management practice on organizational performance of Kenya Agricultural and Livestock Research Organization
2) To establish the effect of management of administrative reforms reforms as a change management practice on operational efficiency of Kenya Agricultural and Livestock Research Organization
3) To assess how the management of regulatory reforms reforms as a change management practice influences organizational performance of Kenya Agricultural and Livestock Research Organization
4) To examine the influence of devolution reforms reforms as a change management practice on organizational performance of Kenya Agricultural and Livestock Research Organization

1.4 Research Questions

1) How does Management of financial reforms reforms as a change management practice influence the performance of Kenya Agricultural and Livestock Research Organization?
2) In what ways does management of administrative reforms reforms as a change management practice influence the performance of Kenya Agricultural and Livestock Research Organization?
3) How does the Management of regulatory reforms reforms as a change management practice influence the performance of Kenya Agricultural and Livestock Research Organization
4) To what extent have the Devolution reforms reforms as a change management practice influence the performance of Kenya Agricultural and Livestock Research Organization

1.5 Significance of the Study

This study provides critical literature and information to policy makers in government as it aids in the assessment of the relationship between reforms as change management practices and organizational performance of parastatals in Kenya. The findings and recommendations are critical to the management teams and policy organs of parastatals in assessing the policy implications and directions for improved practices. This study also developed literature upon which scholars can make reference regarding studies relating reforms to organizational performance. To the players in the agriculture sector and KALRO in particular, the study findings point out to the various points of action that have a high potential to enhance organizational performance. Suggestions made in this study facilitate further research on the contemporary reforms in the public sector and the implication of such reforms on the organizational performance.

1.6 Scope of the Study

This study looked at the relationship between change management practices and organizational performance of KALRO. The target population of the study was 457 employees involved in management and administration from all the 16 KALRO institutes in Kenya. The study involved a sample of 82 participants from the said institutes.

1.7 Organization of the Study

This study entails five chapters. Chapter one is the introduction and discusses the background of the study. The first chapter entails the background of the study, it further outlines the statement of the problem, research objectives and research questions, scope of the study and significance of the study. Chapter two discusses the theoretical and empirical literature of the study. It also outlines the conceptual framework of the study, summary of reviewed literature and research gaps identified by the researcher. Chapter three discusses the research methodology; research design, study population and sampling procedure, data collection, analysis and presentation procedure. Chapter four details the research findings and discussions while chapter five provides a detailed account of the study summary, recommendations, conclusions and suggestions for futher studies.

1.8 Limitations of the Study

Considering the spatial distribution of the population in the 16 KALRO institutes, it was expensive for the researcher to collect data from the distant respondents. The researcher also noted and suspicion on the part of a few respondents regarding the purpose of the study and fear of victimization. As such, the researcher clarified to the respondents that the required data were meant for academic purposes only and the participants were assured of utmost confidentiality regarding their identities. Also, in some cases, the researcher had to seek detailed information using the open-ended questions. However, not all the respondents could provide the need information with ease.

2. Literature Review

2.1 Theoretical Review

This section provides a detailed account of the theories on which the study was based. In particular, this study was guided by Stakeholder Theory, Neo-Taylorism Theory and Public Choice Theory.

2.1.1 Stakeholder theory

The proponent of the stakeholder theory is Freeman who came up with the theory in 1980. According to the theory, a stakeholder refers to a group of people or an individual with interest or particular stake in an organization. The stakeholder can influence the organizations activities either directly or indirectly and can as well be affected by the actions, policies and objectives of the organization. A stakeholder can be an employee, supplier, shareholders, the public, customer or board of directors. The stakeholder theory holds that an organization should attach great value to the stakeholder, for without the stakeholder's support the business would collapse or cease to be sustainable (Donaldson & Preston, 1995). The theory presupposes that in every organization, the decision-makers have to scan their environments in search of viable opportunities and threats to the organization. In this regard, change participants and change implementation agents undertake detailed environmental scan on the social, political and economic factors in search of opportunities and threats to growth and development in order to prioritize the change initiatives. For this reason, the organizational management invites the views, insights and participation of all relevant stakeholders in every policy issue, decision making or strategy in a structured manner in order to succeed in its undertakings. Thus, it is important for the executives of the organization to ensure all the interests of the stakeholders are properly aligned and gear them in the same direction with the organizational activities and interests. According to Gomes (2006), the effectiveness of any organization is measured by the ability of that organization to satisfy every person holding a stake in the organization. This level of satisfaction is attainable especially when the said stakeholders are adequately engaged and involved in organizational activities, specific change and development initiatives, key decision-making and policy implementation. According to Onduso (2013), the entire change management process can be very successful when the views, ideas, input and participation of the stakeholders are taken into account for the organizational executives to keep the interest of all stakeholders aligned in the same direction since theory's core function is to balance the interests of all stakeholders.

The theory, thus, has three aspects that mutually support each other that is the instrumental approach, normative approach and the descriptive approach. The Instrumental approach is for identifying the connection between achieving of corporate goals and the group of stakeholders management using empirical data. The normative approach, on the other hand is considered to be the most important aspect since it identifies the moral and physiological guidelines for operations and management of an entity. In addition, the descriptive approach explains the specific characteristics and behaviours of firms (Donaldson & Preston, 1995). The theory, therefore, provides a basis for striking a balance of interests for both the internal and external stakeholders. As such, for this to be accomplished the stakeholders must be identified and involved in the organization's processes, procedures and change strategy execution. This theory applies to this study as it enhances the consideration of the public and general societal interests with regards to the organizational performance of government owned corporations. This theory therefore applies to Administrative reforms, Regulatory reforms, devolution reforms and financial reforms. Stakeholders of an organization are diverse and have different needs and expectations that need to be met. Therefore for change to take place each stakeholder must be involved in all decisions because it would address their morals and values in managing the organization.

2.1.2 Neo-Taylorism Theory

The Neo-Taylorism theory was developed by Fredrick Taylor in 1980s. In its entirety, the theory is based on the organizational bureaucracy and thus focuses on the inrelation between internal and external factors which influence the management of an organization. In management of public corporations, according to the Neo-Taylorism theory, bad management lies within the administration itself. This theory argues that management of public institutions is often characterized with conformism of politicians who prefer status quo as opposed to development. In fact, where the political class is perceived to exercise power and control over the public organizations and the resources therein, it is often observed that they would compromise any change that could interfere with their interests in such institutions. For organizations to achieve their change objectives, this theory advocates the use of managerial methods and techniques which have proven successful in the public sector to control organizational bureaucracy (Keraudren & Mierlo, 2009). This theory applies to Financial and Administrative reforms in this study. The pursuit of institutional reforms increases control by means of economic and financial information enabling fair accounting for all costs incurred in the public sector. It also incorporates the use of performance evaluation techniques to measure actual results against projected outcomes and further advocates the introduction of individual, rather than collective, incentives both to reward achievements and sanction underperformance or error. The theory proposes that to enhance management of public organizations, the managerial techniques and methods used in the public sector should be ones that control bureaucracy. The management style should be one that guide organizational transformation and simplify internal organizational processes (Keraudren, 2004).

2.1.3 Public Choice Theory

Public Choice theory was postulated by James Buchanan and Gordon Tullok between 1949 – 1971 in their attempt to explain how public decisions are made based on interactions of the public, political class, the bureaucracy and the political action groups. This theory is draws from the assumption that all individuals are motivated more by self-interest than by public interest and also suggests that monopoly of service delivery by public officials resulst in oversupply and inefficiency, but when the services are outsourced, then external pressures would lead to performance improvement. According to Keraudren and Mierlo (2004), the public choice theory seeks to demonstrate the inconsistencies in the classical model of representative democracy and proposes an alternative basis for decision making in government (Keraudren and Mierlo, 2004). Such alternative decision making is ideal for regulating bureaucratic monopoly in the management and administration of public institutions such as state corporations. To counteract the perceived bureaucratic monopoly, the public choice theory advocates more competition in the delivery of public services, privatization in order to reduce waste, get access to more information on the availability of alternatives to public services offered on a competitive basis and more strict controls on bureaucrats either through the executive or, more effectively, through the legislature, by means of checks and balances (Keraudren and Mierlo, 2004). In this regard, this theory finds application to the management of regulatory reforms and their influence on performance of parastatals as it is based upon rules, changes and reforms that precede exceptional decision making and organizational performance.

2.2 Empirical Review

The new constitutional dispensation in Kenya brought about by the promulgation of the New Constitution 2010 is a product of the democratization struggle for socio-economic and political reforms in the country. In line with the topic of this study, it is worth noting that the new constitutional dispensation has brought about a new political regime with multifaceted organs both in the national and county governance systems (Chitere and Mutiso, 2011). This section reviews literature relating the management of government reforms to organizational performance of state corporations.

2.2.1 Financial Reforms and Organizational Performance

Financial reforms have been occurring in the developing world as part of the economic development agenda steered by various governments. Both developed and developing countries pursue financial reforms with different objectives but for the common interest of their respective national economies. A study done by Guo & Jia (2009) on the structure and reform of rural finance in China indicates that the emergence of financial institutions in China has necessitated the reforms in the financial sector with a focus on economic policy implications. The study established that financial reforms in China promote competition among organizations hence it enables the citizens access many and better financial products and services.

According to Harvey (2006), many developing countries inherited simple financial systems from the colonial regimes soon after attaining independence. The financial sectors inherited in the post-independence era by many developing countries are characterized by very few financial institutions that were largely foreign-owned and foreign managed. For a long time, these foreign-dominated financial institutions have failed to provide financial services to meet and exceed the needs and expectations of the African customers. However, the present financial systems differ from the previous ones considering the varying financing models and changes witnessed in the sector over time. The ever changing economic environments have necessitated the post-independence governments of Africa to reform their financial systems in order to get credit flowing to the African population more cheaply. This is so to enable many people to benefit from such reforms in the longer term. Nonetheless, the study does not present an elaborate methodology that can be relied upon to gauge the relationship between change management practices related to financial reforms in relation to performance of state corporations which indeed necessitated this study.

Rao & Kumar (2008) did a study based on a panel data approach to the demand for money and the effects of financial reforms in the Asian countries and analyzed the effects of the financial reforms with estimates of two sets of sub-samples and two break dates. According to the study findings, it indicates a stable money demand function and that financial reform have no significant effects on the demand for money. This implies that financial reforms do not contribute to instability in the demand for money. The study was comparative in nature and the methodology used could not be relied upon to achieve the specific study objectives especially over a lonf period of time. Olajide, Osaolu & Jegede (2011) carried out a study on the impact of financial sector reforms on banks organizational performance in Nigeria and noted mixed effects in organizational characteristics and industry structure. The study particularly sought to determine the effects of policies relating to the deregulation of interest rates, exchange rate reforms, and bank recapitalization on banks performance. The study further examined the effects of the banks internal characteristics and industry structure using econometric panel regression on performance of the Nigerian Banks and established that government policy reforms, bank specific characteristics and industry structure have mixed effects on the profitability level and interest margin of Nigerian Banks. According to the study findings, the bank specific characteristics had significant positive influence on profitability and efficiency achieved while the industry structure variables hardly enhanced profitability and efficiency of the banks (Olajide, Osaolu & Jegede, 2011).

In Tanzania, financial reforms have dominated economic transformatio. Some of the financial reforms in Tanzania include the phasing out of government subsidies, provision of complete and partial privatization of public sector holding and privatization of unprofitable entities. The said financial reforms entail decontrolling interest rates and restructuring the existing public sector organizations. Financial reforms are aimed at generating a dynamic process involving substantial changes in the country’s production, trade and financing activities. As Wangwe & Lwakatare (2009) observe, the financial reforms in Tanzania seek to improve the operational efficiency and hence organizational performance of parastatals, reduce the burden of loss making by parastatals on the government budget and to increase people participation in the running and management of the entire economy.

In Kenya, just like many other developing countries worldwide, financial reforms are implemented through the decentralization of financial management systems. Of late, the financial reforms in Kenya have been documented to take various forms; self-financing or cost recovery through user charges and co-financing or expansion of local revenues through taxation among other emerging mechanisms. According to Kioko (2000) financial reforms in Kenya are expected to improve coverage and accessibility of public services, quality of services and efficiency in service delivery. In addition, Awino & ong’onge (2015) opine that the financial reforms in Kenya’s parastatals are aimed at improving financial performance of parastatals, enhancing financial accountability for the nature and quality of services provided by commercial state corporations as well as the levels of customer satisfaction.

2.2.2 Administrative Reforms and Organizational Performance

The new constitution of the republic of Kenya 2010 provides for the establishment of institutions at the county levels to take services and other benefits of the aforementioned reforms closer to the rural populace of Kenya. As Chitere & Mutiso (2011) opine, county corporations and agencies have been established to deliver on the mandate of the state corporations at the county levels. This is part of the change needed to enable the Kenya government serve the needs of the citizenry so as to improve public service delivery and good governance (Hope, 2012). It is worth noting that the creation and establishment of county corporations is essentially critical for making the administrative reform agenda more realizable and beneficial to the people of Kenya. This is in tandem with the political agenda for taking services and resources closer to the people.

A study done by Wunsch (1991) sought to relate institutional analysis and decentralization for effective third world administrative reform. The findings of the study revealed a disappointing performance in administration of developing countries. The study attributes the poor performance to bureaucratic and centrally led administration strategy. The study recommends more subtle and refined choices among organizational alternatives. Another study conducted by Taliercio (2004) on administrative reform and narrowed down to the impact of autonomy on revenue authority performance in Latin America indicates that reforms send credible signals that tax administration will be more effective, fair and competent. The study findings reveal positive correlation between administrative reforms and performance. Kerandi (2015) did a study on E-government and transformation of public administration in developing countries using Kenya Revenue Authority as a case and established that the organization must transform its organizational behavior and culture of its workforce to improve its performance and public image. The national government of Kenya performs several responsibilities in line with the management of parastatals including the ownership roles, policy making and regulatory roles. The government oversees the implementation of the policies and delivery of services including social contributions and as a regulator; it supervises governance practices and safeguards the strategic interests of the citizens (Mohamed & Awuondo, 2013). The Report by the Presidential Taskforce on Parastatals Reforms (2013) indicated that some functions of the parastatals are transferred to the county governments. In addition, some of the state corporations are merged with others while the rest are dissolved permanently.

The devolved systems of governance also given the powers to create county corporations to provide services at county levels. However, the extent of the restructuring and establishment of the said corporations does not imply a permanent separation of national and county relationships and controls (Chitere and Mutiso, 2011). This is because the national government constitutionally reserves certain rights, privileges, powers and control over the county governments. This depicts an interface between the county governments and the national governments which justifies the interdependence between the two levels of governments and the institutions under their direct and indirect control (Pollit and Bouckaert, 2011). Reforms in governance and administration of the parastatals are in tandem with the desire to mitigate wastage, pilferage, bureaucratic abuses and financial impropriety in the financial and administrative management. Administrative reforms are executed to enhance accountability, transparency and efficiency in operations and management of the parastatals thereby enhancing their integrity, restoring public and investors' confidence, attaining policy objectives and commercial imperatives of effectively utilized assets (Guzeh, 2012).

Walker & Boyne (2006) studied public management reforms in relation to organizational performance of the United Kingdom's labour government public service improvement strategy. The study was done in upper tier English local governments and established that the reform program had basis on rational planning, devolution, delegation flexibility and reforms, and enhanced choice. The study findings further associated planning, organizational flexibility and user choice with higher performance. The study also found that emphasis on transparency and full disclosure in management and administration exert pressure on managers and employees to perform. Good Corporate Governance also serves a motivator for employees, which tremendously benefit any organization, as happy workers are more likely to produce more.

With an effective corporate governance system, maladministration practices may be a kept at bay. There is a co-evolutionary reinforcement between weak governance structures and political interference have invariably subdued operational efficiency in management of these corporations (Ncube & Maunganidze, 2014). Through maintaining good ethical standards, leaders may turn the fortunes and enhance the quality service delivery. Parastatals require openness for the stakeholders to have confidence in the decision-making processes as well as policy issues; integrity to enhance high standards of propriety and probity in the stewardship of public funds and resources, and management of an organization's affairs; and accountability without which some of the governance problems inevitably affect the operational efficiency of parastatals (Mwaura, 2007; Frederick, 2011; Pollit, & Bouckaert, 2011). Such problems emanate from lack of managerial autonomy, lack of resources, misuse of the available resources, inappropriate organizationalstructure, political interference and deficiencies in investment planning (Mwaura, 2007).

2.2.3 Regulatory Reforms and Organizational Performance

Even though county governments are semi-autonomous law making organs, their legislations are subject to approval by the National Assembly which is an organ of the national government. Some legislation affecting the county governments, including legislations on the county corporations are made at the national level of governance with expectation of compliance by the county governments. This means that despite the extent to which the operations and activities of the county organizations are made autonomous, the national government still has more authority and powers over the counties and their respective corporations and agencies. Also, since the government shelves the appointive authority and the powers inherent, there are instances when the managerial decisions and managerial policies would be manipulated to serve the interests of the political class at the expense of the core objectives of the state/county corporations. In addition, there are instances of role-conflicts and duplication of responsibilities among departments and institutions of the two levels of government leading into confusion of the rights of the different departments, reporting and accountability lines for the GOEs.

To avert the mess emanating from the multiple roles and responsibilities, the *Presidential Taskforce on Parastatal Reforms* (2013) recommends an elaborate framework for regulatory reforms in the public sector. In this regard, the regulatory reforms require institutions and agencies exercising ownership of parastatals to enhance operational efficiency and management by obtaining prior approval for establishment or participation in establishment of an entity, participation in significant partnerships, trusts, unincorporated joint ventures or similar arrangement, acquisition or disposal of significant shareholding or assets and commencement or cessation of significant business activity(Mohamed & Awuondo, 2013). The oversight of the affairs, practices, activities and conduct of parastatals is currently undertaken by several government institutions including the Ministry of Finance, department of Government Investments and Public Enterprises (DGIPE), several Parent ministries to which the corporate entities belong, State Corporations Advisory Committee (SCAC), Inspectorate of State Corporations (ISC), Efficiency Monitoring Unit (EM) among others. This scenario implies a multiplicity of reporting roles which affects the efficiency of management of parastatals which indeed arises from the need of frequently conflicting information. From the said case of multiplicity in reporting requirement, it emerges that oversight and intervention by the numerous institutions is understood differently. The oversight role is ineffective because of the lack of capacity and stretching of resources in many different roles (Mohamed & Awuondo, 2013).

Haidar (2012) did a study on the impact of business regulatory reforms on economic growth in the United States of America indicates using a five year data set on business regulatory reforms from the World Bank's reports. The study sought to test the hypothesis that business regulatory reforms increase economic growth and the study findings confirmed the hypothesis. The study further revealed that, on average, each organizational regulatory reform is associated with a 0.15% increase in growth rate of Gross Domestic Product (GDP). As Haidar (2011) opines, the study findings also show that any expansion of micro-economic reforms can increase growth. In tandem, Wallsten (2002) studied regulation and privatization of telecommunication reforms in Eastern Europe and emphasized the importance of establishing an institutional framework conducive for purposes of promoting healthy competition. The study also examined the effects of the sequence of reforms and in particular emphasized on establishing a regulatory authority. The study findings reveal that countries that established separate regulatory authorities saw increased cross-sectoral investments compared to the unregulated countries. This is because the regulated sectors are percieved to be less risky areas of investment.

In Kenya, Kelly & Devas (2001) did a study on regulations and revenues and associated revenues with regulations. The study analyzed the potentially conflicting objectives of regulation and revenue generation and outlined various forms of regulations that have been implemented in various countries. The study indicated that regulatory aspects of most local business (as part of deregulatory reforms) are ineffective and counterproductive. Then study forther revealed that regulatory reforms are majorly done to increase local revenues and reduce costs arising from non-compliance issues.

2.2.4 Devolution Reforms and Organizational Performance

Devolution of governance is implemented to improve the livelihoods of people and address the challenges of underdevelopment through better service delivery. Mwikali & Wafula (2015) explain devolution as the transfer of political, administrative, and fiscal management powers from central government to sub-national authorities such as regional or local authorities. In Kenya, devolution has provided for the establishment of county governments, enhanced checks and balances within the governments, moderated presidential powers, devolved system of governance, institutional liberties, participatory decision making, equitable distribution of resources and governmental accountability to the citizens. The devolved governance structures necessitate the devolution of services including those offered by the state corporations. However, in some developing nations, the government owned entities have recorded significant underperformance

In South Africa, for example, government owned corporations have been in trouble and have forced the national government to incur exorbitant costs which could be prevented had there been good corporate governance (McGregor, 2014). This could be possible if those charged with the responsibility of governing the parastatals could provide the necessary checks and balances thereby taking the right measures. Inefficiencies and poor performance in such corporations emanated from corporate governance incompetence, political interests in selection and development of boards and executives, dysfunctional working relationships, lack of moral norms resulting in corrupt practices, constant turnover of key players which disrupts good practice as well as inadequate structures, systems and fragmented processes (McGregor, 2014).
Stanziola, & Schmitz (2003) studied the impact of devolution on organizational effectiveness in Florida and examined the implications of decentralizing the provision of social services. The study recommended devolutionary policy. On the same note, Christensen & Laegreid (2001) studied the effects of contractualism and devolution on political control in the civil service systems in New Zealand and Norway and noted small changes in political control in Norway and increased dictatorship in New Zealand. Equally important, this implied that some governments have left the parastatals to operate in as much autonomy as possible. However, a close check is maintained through specific ministries, state offices and government policies (Babaita, 2001). According to Mwaura (2007), political appointment of directors to the parastatals inhibits the efficiency in operations and management of such organizations since the directors are sometimes compromised to serve the interests of the appointing authorities even when such interests conflict legitimacy and public interest. Fredrick (2011) also identifies bureaucratic stagnation as an impediment to efficient management of corporations and this applies to the management of change in government owned entities.

Ndung'u (2014) analyzed the impact of devolution on economic development potentialities and the underlying challenges in Kenya in comparison with Brazil. The choice of Kenya as a study area was inspired by the fact that Kenya is a developing country aiming to foster economic growth through devolution. The study relied on secondary data consisting of credible academic resources, official government sources, Non-Governmental Organizations reports and established that devolution affects economic development through various channels. The study findings also indicate that through devolution, policies can be made to enhance economic growth and development engineered by redistribution of political powers.

2.2.5 Organizational Performance

Organizational performance is usually affected by different factors among them, organizational behavior and culture, quality of management, organizational size in terms of their capital base, technology, information flow, access to new markets and innovativeness. Globally, the management of parastatals is a matter of concern to the government as well as the community in general. The common challenges impacting performance of parastatals include; insufficient funds, undue political interference, lack of qualified staff, poor training of staff and lack of critical equipment (Babaita, 2001). In Nigeria, management problems in parastatals are attributed to the lack political and managerial autonomy, unnecessary political interference and poor funding from the central government (Babaita, 2001). The situation is not different in Uganda. A study conducted by Bacwayo (2002) on the role of Human Resources Management in Public Sector Reforms in Uganda revealed that lack of autonomy, insufficient funds and human capital and corruption are the main challenges affecting the performance of parastatals.

Management concern for organizational performance of parastatals is not unique to Kenya. Kibachia (2014) surveyed the risk factors in the strategic planning process by state corporations in Kenya and the study established that the common challenge facing public companies is how to manage strategic planning process for attainment of long term organizational goals. In Kenya, management of parastatals faces a very high level of bureaucracy and is based on a very rigid structure and procedures. These systems have been blamed for giving loopholes that makes it difficult for management to account for management shortcomings and remain focused on strategic issues (Guzeh, 2011; Korir, Rotich, & Bengat, 2015). Because of these issues, governments try to come up with various initiatives

International Journal of Science and Research (IJSR)
ISSN: 2319-7064
Index Copernicus Value (2016): 79.57 | Impact Factor (2017): 7.296

aimed at controlling management of such organizations and resolving some of the issues. Such initiatives include; giving the organizations the freedom to employ qualified staff without undue interference from government, availing funds for the operations of such organizations and promoting sustainability in management so as to enhance financial autonomy of the organizations (Kibachia, 2014).

In Kenya, almost every sector of the economy has parastatals (Executive Office of the President, 2013). These parastatals play key policy roles in these sectors and towards economic growth and development. State corporations are owned either wholly by the government or partly the government and the people. This makes management of such organizations a complex affair due to divergent political and public interests (Guzeh, 2011). To create a common playground for management of parastatals, the government came up with certain policies that govern the operations and management of parastatals (Makabila, 2013). These policies have been applied in operations of parastatals since independence. However, lapses have still been evident in the management of these corporations with vises like corruption, tribalism and nepotism taking center stage in the management of parastatals (Njiru, 2008).

2.3 Research Gaps

Of late, reforms are the order of the day in many developing countries. In the case of developed countries, literature indicates that at some point, the leadership of such nations once undertook serious transformative change and reforms to help boost economic growth among other national agenda. Interestingly so, in many countries, reforms are witnessed to follow socio-political and economic challenges. In Kenya, major reforms have taken place during the post independence years, after the successful struggle for multi-party democracy in the early 1990s, after the post election crisis that nearly paralyzed economic sanity of the country and importantly after the promulgation of the new Constitution of Kenya (2010). The new constitutional dispensation has brought about many reforms in the system of governance and management of national institutions, parastatals and GOEs included. For example, the literature entailed in this study indicate that the government reforms in Kenya have led to the emergence of state corporations, and county corporations with defined structures for establishment, ownership, policy decisions and regulatory framework. In this study, critical reforms in relation to the performance of parastatals considered include financial reforms, administrative reforms, regulatory reforms and devolution reforms. The reforms have also necessitated the creation of desirable institutional and governance frameworks for the alignment of the corporate strategies with national agenda for development. However, not all reform initiatives have proved efficient and effective for the GOEs in pursuit of their mandate vis a viz national and county agenda.

2.4 Conceptual Framework

In this section the conceptual framework figure 2.1 illustrates how dependent variables rely on independent variables. The conceptual framework indicates how well the performance of organization is in respective to change management. The intervening model will explain the relationship that exists between the independent and dependent variable with their respective indicators.

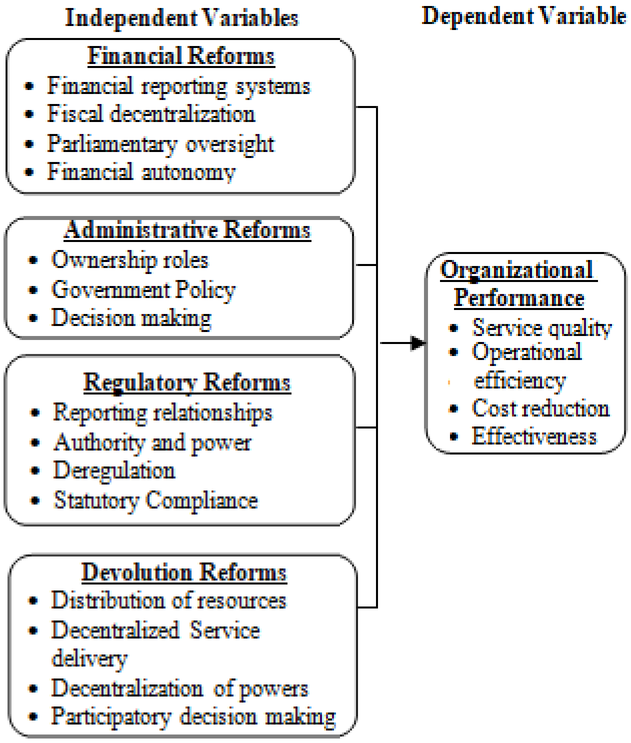

Figure 2.1: Conceptual Framework
Source Researcher (2017)

3. Research Methodology

This study adopted a descriptive research design to examine the relationship between various government reforms as change management practices and the organizational performance of parastatals. This research design enabled the researcher to measure the relationships between each independent variable and the dependent variable without changing environments. Although this method had weaknesses concerning inflexibility, validity and reliability issues, it was preferred since it uses standardized questionnaires, no experimentation is involved and the research environment remains unchanged. The target population for this study thus comprised of 457 staff involved in both the management and administration of the various institutes of KALRO (KALRO, 2015). **A** sample was seleted using the sampling frame made up the study respondents representing the total population. The sample was used to achieve maximum precision in estimation and to avoid bias in the study (Mugenda & Mugenda, 2003). The sample size of 82 was derived using the Yamane's formula for sample size determination. This is due to the fact that it is not possible to reach all the respondents because of the large number of target population.

$$S = \frac{N}{1+Ne^2}$$

The study employed a stratified random sampling method to select a sufficiently representative and unbiased sample from the target population consisting of 457 directors and administrators. The researcher relied on structured questionnaires to obtain the required data from the determined sample. The study relied on research questionnaires which were subjected to a pilot study using 5 structured research questionnaires. The researcher selected the participants in the pilot study randomly and the pilot data was analyzed using SPSS version 24. Both face and content validity tests were done on the instrument. To quarantee the reliability of the structured questionnaire, Cronbach alpha (α) with reliability threshold of ($\alpha \geq 0.7$) was used to test the internal consistency of the questionnaire. The researcher then administered the structured questionnaires to the sampled participants through a drop and pick method. The study relied on descriptive and inferential statistics and used both qualitative and quantitative analysis to determine the relationships between the study variables. The researcher used IBM's SPSS software version 24 which was very aided in data analysis. The statistical measures that were utilized during the analysis and interpretation of the findings included the mean, percentages and standard deviation. In addition, tables were also be used exclusively to present the findings. The researcher did conduct both a multiple linear regression analysis and Pearson correlation analysis to determine the relationship between change management and organizational performance of KALRO. The following regression equation enabledthe researche to determine the relationship between the study variables: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + ĕ$ Where:Y = Organizational Performance; B_0 = Constant; βi= Coefficients to be estimated (β_1, β_2, β_3, and β_4); X_1= Financial Reforms; X_2= Administrative Reforms; X_3= Regulatory Reforms; X_4=Devolution Reforms; ĕ = Error term

Ethical Considerations

In conducting this study, the researcher appropriately acknowledged the authors of all information resources used by citing used resources within text and in the reference sections. To avoiding plagiarism, all the scholarly resources used in the study were acknowledged and proper citations made both within the contents of the literature as well as in the references section. The researcher also observed all the ethical reseach guidelines and further ensured privacy and protection of the respondents' confidentiality. In line with the Kothari (2004) assertion about the security of the participants or respondents used in a study, the researcher ensured the study caused no harm to the participants and assured them of non-disclossure of personal details and identities. In this regard, the researcher further sought permission to collect the study data from the sampled respondents from the respective institutes of the organization.

4. Results, Interpretation and Discussion

4.1 Response Rate

A total of 82 questionnaires were administered as per the pre-determined sample size, out of which 75 questionnaires were returned and cleaned and a total of 69 questionnaires were relied upon to obtain the data used in the analysis. Therefore, considering the count of all the returned questionnaires relative to those issued, a response rate of 84.14% was registered. Considering the large number of responses obtained, the study findings could be relied upon to inform policy development and contribute to the existing literature in change management practice as a correlate of organizational performance

4.2 Inferential Analysis

The purpose of conducting the study laid much emphasis on how management of change in an organization influences the organizational performance of KALRO. In particular, the attributes of change examined in this study include financial reforms, administrative reforms, regulatory reforms and devolution reforms in relation to organizational performance enabled the researcher to determine the relationships between the variables of the study. A Pearson correlation analysis was conducted to establish the interrelation that subsists between the explanatory variables and the explained variables. Further, a multiple regression analysis was also done to assess the relationship between change management reforms and organizational Performance of KALRO.

4.2.1 Relationship between Financial Reforms and Organizational Performance

In tandem with the first specific objective, this study purposed to find out the influence of financial reforms on Organizational Performance. The results of the correlation analysis were presented in table 4.10.

Table 4.10: Correlation between Financial Reforms and Organizational Performance

		Organizational Performance
Financial Reforms	Pearson Correlation	.419
	Sig. (2-tailed)	.001
	N	69

*. Correlation is significant at the 0.05 level (2-tailed).

Author (2018)

The results of the study show that there is a fairly strong, positive and statistically significant relationship ($r = 0.419$; $p < 0.05$) between financial reforms and organizational performance. In concurrence with the results of Kioko (2000), these findings imply that the more the organization adopts financial reforms, the more it enhances its overall performance. The study established that the more reformed public finance management and efficient reporting have enhanced accountability and hence the quality of service delivery.

4.2.2 Relationship between Administrative Reforms and Organizational Performance

In line with the second specific objective of the study, the influence of administrative reforms on organizational performance was established. The results of the correlation analysis were presented in table 4.11.

Table 4.11: Correlation between Administrative Reforms and Organizational Performance

		Organizational Performance
Administrative Reforms	Pearson Correlation	.292
	Sig. (2-tailed)	.015
	N	69

*. Correlation is significant at the 0.05 level (2-tailed).

Author (2018)

The results of the study shown in table 4.11 also indicated a positive and statistically significant correlation (r=0.292; p<0.05) between administrative reforms and organizational performance. As noted in a study by Mwaura (2007), emphasis on transparency in resources management motivates managers and employees to perform and that by practicing accountability, transparency and efficient operations, the organizational performance is enhanced. The study showed that the reforms in governance and administration help mitigate wastage, bureaucratic abuses and financial impropriety confirming the findings of Taliercio (2004). As it was observed in Kerandi (2015), the study revealed that the organization has a fairly transformed its organizational behavior and workforce culture to improve its performance and public image. The findings of the study imply that though the administrative reforms have fairly enhanced the organizational performance, there is still the need to find the most appropriate administrative reforms that can be relied upon to improve the performance of KALRO significantly.

4.2.3 Relationship between Regulatory Reforms and Organizational Performance

As per the third specific objective, this study assessed the influence of regulatory reforms on Organizational Performance. The results of the correlation analysis were presented in table 4.12 and further discussed in details.

Table 4.12: Correlation between Regulatory Reforms and Organizational Performance

		Organizational Performance
Regulatory Reforms	Pearson Correlation	.170
	Sig. (2-tailed)	.001
	N	69

*. Correlation is significant at the 0.05 level (2-tailed).

Author (2018)

The outcome of this study further showed a weak, positive and statistically significant relationship ($r = 0.170$; $p < 0.05$) between regulatory reforms and organizational performance, implying that the changes in regulation need to be adopted more effectively in order to enhance the organizational performance of KALRO. However, in concurrence with the findings of Hidar (2011) the study established that the regulatory adjustments are necessary to increase efficient operations in the organization and to enhance economic growth. Similar to the findings of Kelly and Devas (2001) the study established that the changes in regulatory environment are important for increasing organizational revenues and reducing unnecessary costs.

4.2.4 Relationship between Devolution Reforms and Organizational Performance

The study examined the extent to which the Devolution Reforms affect the Organizational Performance. The results of the correlation analysis were presented in table 4.13.

Table 4.13: Correlation between Devolution Reforms and Organizational Performance

		Organizational Performance
Devolution Reforms	Pearson Correlation	.413
	Sig. (2-tailed)	.039
	N	69

*. Correlation is significant at the 0.05 level (2-tailed).
Author (2018)

Besides, the findings of this study further indicated that there exists a fairly strong, positive and statistically significant relationship (r=0.413; p<0.05) between devolution reforms and organizational performance, implying that the closer the services and products of the organization get to the customers, the more is the organization's performance enhanced.

4.2.5 Relationship between Change Management and Organizational Performance

This study assessed how Change Management influenced Organizational Performance of KALRO. Tables 4.14, 4.15 and 4.16 show the results of the multiple regression analysis.

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.375[a]	.141	.087	.53867
a. Predictors: (Constant), Devolution Reforms, Administrative Reforms, Financial Reforms, Regulatory Reforms				

Author (2018)

Table 4.14 provides a detailed overview of the results of coefficient of determination (r^2) and correlation coefficient (R). The results of ($r^2 = 0.141$) and (R=0.375) reflected a positive correlation between the Change Management and Organizational Performance of KALRO. This shows that 14.1% of the organizational performance of KALRO is explained by variations in mamagement of reforms as a change management practice.

Table 4.15: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.047	4	.762	2.625	.043[b]
	Residual	18.570	64	.290		
	Total	21.617	68			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Devolution Reforms, Administrative Reforms, Financial Reforms, Regulatory Reforms, Author (2018)						

Table 4.15 presents the findings of analysis of variance (ANOVA) which indicates that Change Management significantly influenced Organizational Performance of KALRO (F=2.625; p<0.05) at 95% degree of confidence. These findings were based on the management of change in terms of reforms to enhance organizational performance of KALRO.

Table 4.16: Results of Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.262	.469		6.962	.000
	Financial Reforms	.108	.101	.148	1.063	.029
	Administrative Reforms	-.313	.121	.335	2.590	.012
	Regulatory Reforms	.042	.110	.053	.378	.007
	Devolution Reforms	.169	.105	.226	1.613	.012
a. Dependent Variable: Organizational Performance						

Author (2018)

Table 4.16 shows the results of the multiple regression analysis which was interpreted using the following regression function: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + ê$ where Y, X_1, X_2, X_3 and X_4 represented Organizational reforms, Financial Reforms, administrative reforms, regulatory reforms and devolution reforms respectively. Substituting the constant term and the *beta* values obtained in the regression function, the results of the regression analysis yielded the model: $Y = 3.262 – 0.108X_1 - 0.313X_2 + 0.042X_3 + 0.169X_4$.

5. Summary, Conclussions and Recommendations

5.1 Summary of Findings

This section provides a summary of the results of the study as per the specific objectives of the study as enumerated in chapter one. The results of the study are summarized in every paragraph per variable studied

5.1.1 Findings on Financial Reforms and Organizational Performance

The results of the study showed that the more the organization adopts financial reforms, the more it enhances its overall performance and that the more reformed public finance management and efficient reporting have enhanced accountability and hence the quality of service delivery. The study established that reforms promote competition, hence it enables the citizens access variety of products and services. It also emerged that while some participants expressed a contrary opinion, the study confirmed the outcome of Kioko (2000) that financial autonomy improves the scope of service delivery to a wider population and geographical space and wider accessibility of public services, the level of service quality and efficiency in service delivery. The study also revealed, like it emerged from a study by Wangwe & Lwakatare (2009), that the restructuring of organization's financing has enhanced people participation in the running and management of the organization's affairs. In concurrence with the findings of Awino & Ong'onge (2015),the results of the study also show that financial reporting systems are changed to enhance financial accountability for the nature and quality of services provided. However, the findings indicated that changes in government policy and organizational characteristics do not always enhance cost reduction in the management of organizational resources.

5.1.2 Findings on Administrative Reforms and Organizational Performance

The study indicated that the reforms in governance and administration help mitigate wastage, bureaucratic abuses and financial impropriety. However, it also revealed the need to find the most appropriate administrative reforms that can be relied upon to improve the performance of KALRO significantly. According to the second objective of the study, it emerged that the implementation of reforms is important as it sends credible signals to the citizenry. In particular, a major signal sent is to the effect that the organization's top leadership ability to restructure its administrative activities to ensure more effective operations and undertakings. It also show that the administrators at all levels have unmatched ability to ensure fairness and encourage high level of competence as a means of ensuring success in attaining the set performance standards. The findings also reveal, as noted in Mwaura (2007), that emphasis on transparency in resources management exerts pressure on managers and employees to perform. The study also indicated that reforms in governance and administration help mitigate wastage, pilferage, bureaucratic abuses and financial impropriety and that the organization has transformed its organizational behavior and workforce culture to improve its performance and public image.

5.1.3 Findings on Regulatory Reforms and Organizational Performance

The outcome of this study showed that the changes in regulation need to be adopted more effectively in order to enhance the organizational performance of KALRO. The results of the study revealed multiplicity of reporting to both county and relevant national ministries as 18.8% of the respondents expressed a contrary opinion. The study also indicated that the institutes of the organization are more deregulated. In concurrence with the findings of Hidar (2011) the study also established that the regulatory adjustments are done to increase efficient operations in the organization and to enhance economic growth. The study also indicateed that regulations governing the organization are often changed and adopted in order to increase local revenues and reduce costs arising from non-compliance issues. This confirmed the findings of a study done by Kelly and Devas (2001) which held that the changes in regulatory environment are important for increasing organizational revenues and reducing unnecessary costs.

5.1.4 Findings on Devolution Reforms and Organizational Performance

This study further showed that the closer the services and products of the organization get to the customers, the more is the organization's performance enhanced. In line with adoption of devolution, political control of the organization is more enhanced since the organization operates autonomously with little state oversight. Also, this study showed that managerial and administrative powers are redistributed and policies are made to enhance economic growth and development. However, it emerged that at times political factors affects efficient operations and management of organization as established in a study by Mwaura (2007).

5.1.5 Findings on Organizational Performance

Considering the results presented in table 4.9, it emerged from the study that the organizational culture adopted and developed at KALRO promotes efficiency. Contrary to the results of a study by Bacwayo (2002) this study further found out that the organization operates with considerable autonomy from the government and its agencies thereby creating room for attaining better performance. In concurrence with the findings of revealed in Kabachia (2014), the study showed that the organization has the freedom to employ qualified staff without undue interference from government officers. The study also showed that the participants held the perception that the management of the organization doesn't face a very high level of bureaucracy and its operations. Contrary to the assertions of Guzeh (2011), the study found out that the organization's activities are not based on rigid structure and procedures. In addition, it also revealed that divergent political and public interests affect the organization's performance.

5.2 Conclusions

This section entails conclussions made in tandem with each if the specific objectives of the study whose results indicated a fairly strong, positive and statistically significant correlation between financial reforms and organizational performance. Findings of the study imply that the more the organization adopts financial reforms, the more it enhances its overall performance. The study also revealed a weak, positive and statistically significant correlation between administrative reforms and organizational performance. The findings of the study imply that the administrative reforms have not significantly enhanced the organizational performance of KALRO hence necessitating the need to find the most appropriate administrative reforms that can be relied upon to improve organizational performance. The study further revealed a weak, positive and statistically significant relationship between regulatory reforms and organizational performance, implying that the changes in regulation need to be adopted more effectively as a means to enhancing the overall organizational performance of KALRO. Besides, the study further revealed a fairly strong, positive and statistically significant relationship between devolution reforms and organizational performance, implying that the closer the services and products of the organization get to the customers, the more is the organization's performance enhanced.

5.3 Recommendations

The findings of this study discussed in details in chapter four necessitate the following recommendations; First, this study recommends that all stakeholders in public organizations be encouraged to participate in policy reforms and trainings on implementation of the related financial reforms. Also, changes in policy on administrative processes and structures need to be undertaken with caution and that both regulatory and devolution advancements be anchored on the interests and expectations of the people. This study also recommends the establishment of a comprehensive communication system to facilitate proper co-ordination and execution of change for the common good of the entire organization.

5.4 Areas of Further Studies

Drawing from the findings of this study, it is imperative to conduct further research on the relationship between the management reforms as a change management practice and the financial performance of agricultural parastatals in Kenya. Further studies are also recommended to focus on the implementation of reforms and performance of private sector organizations in the agricultural sector in Kenya. A study on the issues emerging from implementation of devolution in the ministry of Agriculture is also imperative.

References

[1] Al-Jaradat, O., Nagresh, M., Al-Shegran, A., & Jadellah, N. (2013). Impact of Change Management on the Performance of Employees in University Libraries in Jordan. *European Journal of Business and Management.* vol. 5(2), pp. 169-179.
[2] Babaita, I. S. (2001). Management Problems in Government Parastatals: The Kenyan State Experience. *Journal of Department of Business Administration*, 2 (1), 32-41.
[3] Bacwayo, K. E. (2002). *The Quest for Effeciency: Role of Human Resources Management in Public Sector Reforms in Uganda.* Massey Universty.
[4] Bank, W. (1981). *Accelerated Development in Sub-Saharan Africa: An Agenda for Action.* Washington DC: World bank.
[5] Balias, D., & Koustelios, A. (2014). The Impact of Leadership and Change Management Strategy on Organizational Culture. *European Scientific Journal;* 10(7), pp. 451-470.
[6] Berry, F. (2007). Government Reform, Public Service Values and the Role of Public Sector Leadership in Serving the Society. *Leadership and the New Public Management*, vol 5, pp. 1-21.
[7] Chitere, Orieko P. & Mutiso, R. (2011). *Working with Rural Communities: Participatory Action Research in Kenya.* Nairobi: University of Nairobi Press.
[8] Christensen, T., & Laegreid, P. (2010). New Public Management: The Effects of Contractualism and Devolution on Political Control. *Public Management Review.* 3(1), 73-94.
[9] Donaldson, T., & Preston, L. E. (1995). "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Managemen*t, 65-91.
[10] Ethics and Anti-Corruption Commission. (2013). *Naurvey on Corruption and Ethics, 2012 Report.* Nairobi: Research and Planning Development Directorate of Preventive Services.
[11] Executive Office of the President. (2013). *Report of The Presidential Taskforce on Parastatal Reforms.* Nairobi: Presidential Taskforce.
[12] Frederick, W. (2011). *Enhancing the Role of the Boards of Directors of State-Owned Enterprises.* OECD Publishing.
[13] Gomory, R. A. (2013). *The American Corporation.*
[14] Government of Liberia, Ministry of Finance and Development Planning. (2015). Strategic Plan 2015-2018. 42-45.

[15] Guo, P. & Jia, X. (2009). "The structure and reform of rural finance in China", *China Agricultural Economic Review*, Vol. 1(2), pp.212 - 226.
[16] Guzeh, P. M. (2011). *The Relationship between Corporate Governance and Financial Performance of Parastatals in Kenya.* Nairobi: School of Business, University of Nairobi.
[17] Guzeh, P. (2012). The Relationship Between Corporate Governance and Financial Performance of Patrastatals in Kenya. pp. 3-11.
[18] Haidar, J. I. (2011). Then Impact of Business Regulatory Reforms on Economic Growth. *Journal of The Japanese and International Economies.* 26(2012), 285-307.
[19] Harvey, C. (2006). On the Perverse Effects of Financial Sector Reform in Anglophone Africa. *South African Journal of Economics* , vol. 59(3), pp. 152-166.
[20] Hope, K. R. (2012). Managing the Public Sector in Kenya: Reform and Transformation for Improved Performance. *Journal of Public Administration and Governance; vol. 2(4),* DOI: http://dx.doi.org/10.5296/jpag.v2i4.2751
[21] Institute of Economic Affairs. (2013). IEA-KENYA Memorandum To The Taskforce on Parastatal Sector Reforms In Kenya. 1-9.
[22] Kelly, R., & Devas, N. Regulation for Revenues? An Analysis of Local Business Licences, with a case study of the single business Permit Reform. *Public Administration and Development 21, 381-391*
[23] Kenya Agricultural and Livestock Research Organization, Annual Report 2015.
[24] Keranndi, A. M. (2015). E-government and the Transformation of Public Administration in Developing Countries: A Case Study of Kenya Revenue Authority. *Unpublished Thesis.* University of Ottawa, Ontario, Canada.
[25] Keraudren, P. and Mierlo, H. (2009). Theories of Public Management Reform and their Practical Implications. Maastrich University.
[26] Keraudren, P. & Mierlo, H. (2004). *Theories of Public Management Reform and Practical Applications.*
[27] Kibachia, J. I. (2014). A Survey of Risk Factors in The Strategic Planning Process of Parastststls in Kenya. *European Journal of Business and Innovation Research*, 2(3), 51-67.
[28] Kioko, U. M. (2009). The Impact of Fiscal Decentralization reform on Hospital efficiency: The case of Kenya . *Unpublished thesis*, pp. 1-5.
[29] Korir, S. C. R., Rotich, J., & Bengat, J. (2015). Performance Management and Public Service Delivery in Kenya. *European Journal of Research and Reflection in Management; vol.3(4), pp. 42-54*
[30] Makabila, S. (2013, August 18). *Parastatals face shake up to stem corruption and public funds wastage*. Retrieved August 23, 2015, from Standard Media Group.
[31] McGregor, L. (2014). *Can South African State Owned Companies Succeed?* Retrieved October 7th, 2015, from USB:
[32] Mohamed, A. H. (2013). *Report of the Presidential Taskforce on Parastatal Reforms.* Nairobi.
[33] Mwaura, K. (2007). The Failure of Corporate Governance in State Owned Enterprises and the Need for Restructured Governance in Fully and Partially Privatized Enterprise: The Case of Kenya. *Fordham International Law Journal. Vol 31(1)*, pp. 34-75.
[34] Mwikali, P., & Wafula, M. K. (2015). Effects of Devolved Governance on Organizational Performance: A Case of Mombasa County Government. *International Journal of Scientific and Research Publications; vol. 5(6), pp. 1-10.*
[35] Mugenda, O., & Mugenda, A. (2003). *Research methods: Quantitative and qualitative approaches.* Nairobi: ACTS Press.
[36] National Development Agency. (2015). *Strategic Plan 2014/15-2018/19*. Retrieved October 08, 2015, from http://www.nda.org.za/docs/NDA_Strategy_2014_SD_final.pdf
[37] Ndunng'u, G. J. Analyzinng the Impact of Devolution on Economic Development Potentialities in Kenya. *International Affairs and Global Strategy.* 26(2014), 11-27
[38] Njiru, E. (2008). The role of state corporations in a developmental state: the Kenyan experience. *African Association of Public Administration and Management, 30th Annual Roundtable Conference*, (pp. 1-26). Accra.
[39] Ncube, F. & Maunganidze, L. (2014). Corporate Governance and Executive Compensation in Zimbabwean State Owned Enterprises: A Case of Institutionalized Predation. *Journal of Management* , 131-140.
[40] Olajide, O. T. (2014). Change Managemet and Its Efects on Orgaizational Performance of Nigerian Telcoms Industries: Empirical Insight from Airtel Nigeria. *International Journal of Humanities Social Sciences and Education.*Vol. 1(11), pp. 170-179
[41] Olajide, O. T., Asaolu, T., & Jegede, C. A. (2011). The Impact of Financial Sector Reforms on Banks Performance in Nigeria. *The International Journal of Business and Finance Research*, 5(1), 53-63.
[42] Ong'gonge, M. &. (2015). The effect of Autonomy on Financial Perormance of the Kenyan Owned Commercial state Corporations. *Prime Journal of Business Administration and Management* , vol. 5(6), pp. 1868-1880.
[43] Pollit, C. and Bouckaert, G. (2011). *Public Management Reform: A Comparative Analysis.* Oxford University Press.
[44] Rao, B. B. & Kumar, S. (2008). A Panel Data Approach to the Demand for Money and the Effects of Financial Reforms in the Asian Countries. *Munich Personal RePEc Archive.*
[45] Rieley, J., & Clarkson, I. (2010). The Impact of Change on Performance. *Journal of Change Management;* vol. 2(2), pp. 160-172.
[46] Stanziola, J., & Schmitz, T. (2003). The Impact of Devolution on Organizational Effectiveness: An Exploratory Case Study of Faith- Based Child Care. The Qualitative Report, 8 (4), 655-675.
[47] Taliercio, R. R. (2004). Administrative Reforms as Credible Commitment: The Impact of Autonomy on Revenue Authority Performance in Latin America. *World Development;* vol. 32(2), pp. 213-232.
[48] Walker, R. M. & Boyne, G. A. (2006). Public Management Reform and Organizational Performance: An Empirical Assessment of the U.K. Labour

Government's Public Service Improvement Strategy. *Journal of Policy Analysis and Management.* 25(2), 371-393. DOI: 10.1002/pam.20177

[49] Wallsten, S. (2002). Does Sequencing Matter? Regulation and Privatization in Telecommunications Reforms. Policy Research Working Paper 2817. The World Bank Development Research Group.

[50] Wangwe, S. &. (2004). Innovation in Rural Finance in Tanzania. *Paper Prepared for the Third Annual Conference on Microfinance held from 15th to 17th March at the AICC, Arusha*, pp. 1-18.

[51] Wunsch, J. S. (1991). Institutional Analysis and Decentralization: Developing an Analytical Framework for Effective Third World Administrative Reform. *Public Administration and Development;* vol. 11, pp. 431-451