

**ANALYSIS OF THE RESISTANCE TO CHANGE TOWARDS THE  
ESTABLISHMENT OF MAX MALIPO:  
CASE STUDY: MAXCOM AFRICA COMPANY LIMITED,  
KINONDONI DISTRICT**

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ESTABLISHMENT OF MAX MALIPO:  
CASE STUDY: MAXCOM AFRICA COMPANY LIMITED,  
KINONDONI DISTRICT**

**By**

**Kelvin John**

**A Research Report Submitted in Partial/Fulfillment of the Requirements for  
Award of the Masters of Science in Human Resources Management (MSc HRM)  
of Mzumbe University.**

**2015**

## CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “**Analysis of the Resistance to Change towards the Establishment of Max Malipo: : Maxcom Africa Company Limited, Kinondoni District** in partial/fulfillment of the requirements for award of the degree of Master of Science in Human Resources Management of Mzumbe University.

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*Signature*

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## DECLARATION AND COPYRIGHT

I, Kelvin John, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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**Date**\_\_\_\_\_

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## **DEDICATION**

This study is dedicated to my beloved grandmother the late Celestina Paul and my beloved family whose care and love I would never fail to remember throughout my life. May God bless my family with abundant of blessings.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

AUWSA	-	Arusha Urban Water Supply and Sewerage Authority
DAWASCO	-	Dar es Salaam Water and Sewerage Corporation
EAC	-	East African Community
EFD	-	Electronic Fiscal Device
GDP	-	Gross Domestic Product
MWAUWASA	-	Mwanza Urban Water Supply and Sewerage Authority
PAYE	-	Pay As You Earn
SSA	-	Sub-Saharan African
TANESCO	-	Tanzania Electric Supply Company
VAT	-	Value Added Tax

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## **ABSTRACT**

This study was about analysis of Resistance to the use of Max Malipo. Precisely, the purpose of the study was to investigate and assess the extent to the resistance of introduction of Max Malipo. Thus the researcher came up an issue as the problem which triggered him to select the topic where businessmen abandoned and others decided not to use those devices. The study involved a sample of 72 respondents who are using Max Malipo and a number of 20 staffs and 4 head of selected departments in Maxcom Africa Company which make a total of 96 respondents who were participated in the study. Different methods were used to collect information; this includes questionnaires, Observation and interviews for primary data and documental review for secondary data. The data collected have been analysed by using both qualitative and quantitative methods thoroughly and results were presented and summarized in tables, percentages and charts.

Findings indicated that many respondents were aware about Max Malipo. They revealed that the reason for the establishment of Max Malipo was for the sake of collecting tax through electronic means.

Findings showed that an organization faced a lot of challenges after establishment of Max Malipo. With an emergence/ presence of competitors, no track record, unawareness of the users and the problem of network being the challenges. The study also revealed that Maxcom Company employs different measures. These were public awareness campaign via radio, television and magazines, participation in events like Sabasaba, Corporate social responsibility, and training agents to educate clients.

The researcher concluded by recommending that negotiation and agreement should be used and group interaction should be encouraged. Also the researcher revealed that one of the best ways to get your employees to stop resisting change is to simply talk to them about it.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Overview

This chapter describes the background of the study, statement of the problem, general and specific research questions and study objectives. The chapter ends up by explaining the significance of the study and its limitations.

Generally, Organizational change can be defined as the adoption of a new idea or a behavior by an organization for improvement. It is a way of altering an existing organization to increase organizational effectiveness for achieving its objective and maintain its strategic fit in the market.

Kondalkar (2007) defines Change as to any alteration which occurs in over all work environment of an organization. It may relate to change in technology, organizational structure, working processes, work environment, organizational policy and even the roles people play. Change, as Rosabeth Moss Kanter (1984) puts it, is the process of analysing ‘the past to elicit the present actions required for the future’. It involves moving from a present state, through a transitional state, to a future desired state

Change is the only constant process which exists in organizations. An effective organization is one that takes deliberate steps to manage change smoothly. It will not always succeed – change can be a traumatic process – but at least it will try, and attempts to manage change can have the minimum objective of mitigating its effects on the organization and its employees.

The approach to the management of change will recognize that the key to success lies not only in a transformational leader, supported by powerful change mechanisms, but also by understanding that change is implemented by people and that it is their behaviour and support that count. The most important aim of change management is to achieve commitment to change.

People and organization resist change because they prefer stability and predictability of their environment. Specifically, individuals resist change due to fear of losing their jobs, obsolescence of skills, and change in the question of social relationships. Organizations resist change due to resource crisis, difficulty to cope with changes in terms of operation methods and sometimes due to fear of the unknown.

Change can be unplanned or planned process. Unplanned changes occur unexpectedly and without a change agent's direction. Planned change is deliberate in nature; it is a result of specific efforts of a change agent. Planned changes are taken as a way of achieving a goal that would have been difficult to achieve without change. However, planned change can be disruptive and unplanned change can be beneficial.

## **1.2 Background of the Problem**

For a long time, tax has been a major source of government revenue for most countries in the world. The structure is generally composed of direct and indirect taxes. For direct taxes the factors that produce incomes are assumed to pay the taxes while for indirect taxes the house hold or firms that consume taxed items are assumed to pay the associated taxes (Obwona & Muwonge 2002). Direct taxes often include corporate tax, income tax (PAYE, withholding tax, rental income tax, presumptive income tax etc), while indirect taxes include; taxes on domestic goods and services like the Value added Tax (VAT), excise taxes on the so called merit goods (e.g. Cigarettes and beer), tax on imported goods etc. Tax collection in the country is still below the international standards of being above 30% of the GDP and currently it amounts to around 18 percent of the GDP. However, according to the current data, tax revenue collection contributes to around 53.3% of the total government budget while non-tax revenue mainly collected by the Local governments is still as low as only 4.3percent. This presents a future opportunity where more revenue can be collected especially in new sources such as professional services and not tax revenue sources. Other sources such as foreign loans and domestic borrowings contribute to 20.9 and 19.1 percent respectively.

In most Sub-Saharan African (SSA) countries, revenue generation is negatively affected by the existence of large growing informal sector, high tax evasion, and weak tax administration (ESRF, 1997; Tadesse and Taube, 1997). The low revenue collection problem is also linked to misreporting actual sales and incomes by registered enterprises hence pay low taxes or evade taxes (Tadesse and Taube, 1997). Moreover, many small and medium scale enterprises are rarely registered as tax payers and therefore don't pay income taxes. This brief highlights the tax evasion problem related to services providers in Tanzania due to the weakness of the existing laws and practices related to collecting withholding taxes from professionals, it provides a comparison with other EAC member states in terms of withholding tax collection for professionals where in other EAC member states the tax is collected at the source while only in Tanzania the opposite is the case leading to loss of tax revenue to the government. Finally the paper provides some recommendations to reverse the situation.

Also Tanzania has introduced an account monitoring system that records revenues generated by mobile telecommunications firms for easy collection of taxes. The Tanzania Revenue Authority was monitoring transactions and collecting revenue from the Vodacom Tanzania Ltd money transfer system, Money Pesa (M-Pesa). TRA use Vodacom as a pilot study and later on the system expect to extend to other mobile operators in the country if it is successful.

When discussing the 2011/2012 government budget, Members of Parliament called on the Tanzania Communication Regulatory Authority to establish a call accounting monitoring device to record revenue generated by mobile phone providers in Tanzania. This is follows the loss of billions of shillings in revenue due to the lack of a proper mechanism to monitor profit generated by the mobile telecommunication companies. (Hellen N, September 3, 2011)

So far, the revenue monitoring system for mobile phone firms has proved a success in Ethiopia and Uganda. "In the past, various levies were disbursed directly to either the TRA or through the postal offices before some banks entered into a deal with the tax regulator," he said, adding that the tax transfer fee that would be paid by the mobile

phone companies is minimal, compared with time spent in filling up the tax payment forms as well as the long queues in the banks.

All in all the government through the establishment of Maxcom Africa company in Tanzania led to the introduction of the so called Max Malipo in which these devices are used to enhance that there is proper collection of revenues from Mobile money transfer agents, Pay TV Stations products and Electricity bills. The introduction of Max Malipo has increased compliance levels among tax payers but most of the mobile money transfer agents do not prefer to use it.

Max Malipo is an outcome of Maxcom Africa, which was founded in 2008. Operations began in 2010, with a core focus on bridging the gap between service providers and consumers. Many service providers were only able to serve people through very few outlets across the country. There was so much demand that people had to wait in line to be attended to. Max Malipo undertook to resolve this. Max Malipo is working to make retail services more like consumer goods, and more widely available in places where people might be buying other convenience items. It creates payment gateways for a variety of services, which can be used by customers and retail agents alike.

They are connected to all utility service providers where Banking Institutions and Mobile Operators can easily and conveniently have their customers pay for utility services. Companies taking advantage of the payment system include Electricity bills TANESCO LUKU, Water bills DAWASCO, MWAUWASA and AUWSA, Pay TV Stations products DSTV, Startimes and ZUKU. Also Government Tax and Public Service Levies, TRA road license, Municipal taxes including property tax, hotel levies and city service levies, Mobile money transfers such as M-Pesa, Airtel Money, Tigo Pesa and Mobile recharge vouchers. During the Smart Partnership Dialogue Forum held in Dar es Salaam recently, Max - Malipo got recognition from President Jakaya Kikwete. ([www.maxcomafrika.com](http://www.maxcomafrika.com))

Also Tanzania presents another innovative idea; taxing mobile phones. In June 2013 Tanzania's TRA (Tax Revenue Authority) confirmed the implementation of a national

SIM card tax. The tax policy will impose a 1,000 Tanzanian shilling tax on each subscribed SIM card. With the prevalence of Tanzania's informal economy argued to represent a barrier, and the prevalence of mobile technology identified as a potential taxable asset, to what extent does the SIM card taxation provide a pioneering model to be followed by others?

Taxation in Tanzania has remained a source of conflict and tension over time. Following independence, Mwalimu Julius Nyerere focused on building a unified, national ideology. One method for building unity was taxation incentives centred on the concept of Ujamaa - such as the 'Poll tax'. However, the implementation of tax policies has proved to be prone to violence, repressive, and created conflictual state-society relations. Therefore considering the contentious history of taxation does the revised approach offer solutions? The model advocates a universal tax, for all, on a product which has become more accessible and a vital, modern day necessity. Similarities may be drawn to the socialist ideologies motivating Nyerere's Ujamaa. The model is universalizing an equal, tax payment. The model is currently gaining regional support, with Uganda and Kenya implementing similar taxation models. (Fjelstad and Therkildsen, 2008)

Upon returning to the ideas, interests, and context, of the tax policy this debate explores the controversy surrounding the model. The financial reform is putting taxation on the policy agenda, however, is it targeting the right resources for poverty reduction, promoting good governance, and sustaining high growth rates. Decisions have recently been confirmed to reject the SIM card tax.

In due regard, the study will seek to investigate as why do businessmen particularly mobile money transfer agents do not use the so called Max Malipo and to what extent Maxcom Company in collaboration with the Government strived to ensure its continuity and prosperity in realizing its objectives and which strategies have been employed in enhancing that they realize their objectives.

### **1.3 Statement of the Problem**

For any organization to survive and proceed to be effective it needs to experience changes within it. Change is inevitable. Nothing is permanent except the change. It is the duty of the management to manage change properly. Organizations must keep a close watch on the environment and incorporate suitable changes if the situation so demands. Change is a continuous phenomenon. Organizations must be proactive in affecting change. Even in most stable organizations change is necessary just to keep the level of stability. The major environmental forces, which make the change necessary, are technology, market forces and socio-economic factors.

Therefore in ensuring that the government of Tanzania taps effectively the revenues from different sectors, the government tends to develop different strategies in collecting tax. The government through its agent TRA in collaboration with Maxcom Africa introduces the so called Max Malipo in enhancing that the government collects tax to various agents particularly mobile money transfer agents, Pay TV Stations products and Electricity bills.

"The innovative system ascertained by Information Technology (IT) entrepreneurs aimed reducing congestion at office payment desks, addresses tax evasion, curbs cheating and increases efficiency. Tax payers can now pay taxes and dues promptly at their own convenience. Other studies showed that people were resisting using EFD machine because the devices were expensive to afford it hence businessmen decided to close their shops. On this study, the problem comes when service providers tend to return those Max Malipo devices and resist using them as the Maxcom Company intend them to do.

On the other hands members of parliament tend to question on the ineffectiveness of the newly introduced revenue collection system known as Max-Malipo emerged as legislators questioned the rationale of the arrangement that caused more inconveniences to tax payers than being efficient. ([Tanzania Daily News](#), of 28<sup>th</sup> August 2013)

## **1.4 Objectives**

### **1.4.1 General Objectives**

- i. To explore on why people resist to use Max Malipo

### **1.4.2 Specific Objectives**

- i. To identify causes for resistance to the use of Max Malipo.
- ii. To assess the challenges an organization faced when introducing Max Malipo.
- iii. To identify measures employed by Maxcom Company to overcome resistance to change on the use of Max Malipo

## **1.5 Research Question**

- i. What causes resistance to the use of Max Malipo?
- ii. What challenges an organization faced when introducing Max Malipo?
- iii. What measures taken by the company towards overcoming resistance to change on the use of Max Malipo?

## **1.6 Significance of the Study**

The study is a source of inspiration for anyone who is interested in the topic to carry out further research related to the topic understudy. In addition to that, the findings of the study will raise curiosity of change in an organization in the sense that people will come up with the knowledge in different aspects including group phenomena, participation and open communication among individual on how they can influence change or resistance to change.

The study will create awareness on to the importance of the use of Max Malipo and the importance of changes within the organization.

Also the study will come up with several measures on how the government should do in order to enhance change to happen and how the government will enhance the proper use of Max Malipo.

Maxcom Company and other organizations could use the findings to enhance their performance and theories will be used to suggest the best solution to reduce resistance of change toward the use of Max Malipo.

### **1.7 Scope of the Study**

The scope of this study is to analyse and identify the reason for the resistance to Change towards the Establishment of Max Malipo. This study covers, Kinondoni Municipal Council. The researcher is familiar with the council which provided an opportunity for an in-depth study to be conducted. The study focused in Kinondoni municipal since it cannot be easy to conduct this study in the whole country due to time factor and the size and the geographical distribution of the population.

### **1.8 Limitations**

It is really very difficult to find out every single issue within this limited period of time. Thus the issue of Time Frame became a limiting factor as there was a very limiting time in collecting and making data analysis. This is the reason for the choice of Kinondoni District and not taking the whole Dar es Salaam region.

Also Insufficient source of secondary data limit the researcher from obtaining different information as it was very difficult for the researcher to analyse issue when collecting data. This triggered the researcher to rely much on primary and insisting on the issue of observation, interview and questionnaires.

Access to more internal information and the management of selected organization has been somewhat reluctant to reveal all the information about their policies. It was not easy for an organization to provide actual information needed. Finally, respondent may have underestimated their level of resistance, producing respondent bias. On this aspect

the researcher tend to create the environmental friendship with the respondents hence he gathered a lot of information using observation method of data collection.

### **1.9 Organisation of the dissertation**

This dissertation is divided in five chapters. Chapter one is an introduction and presents background to the problem and to Maxcom Africa, it states the problem, objectives of the study including the study hypotheses, conceptual framework guiding the study, Theory of Reasoned Action and finally presents significance of the study. Chapter Two provides a literature review with focus on the concept of change, its sources; both external and internal sources and factors affecting resistance to change. Furthermore the chapter focused on the relationship between selected variables and resistance to change and the experience from other studies. Chapter three provides research methodology of the study. Location and geographical description of the study, target population and study units, research design, methods of data collection, sample size, sampling procedures, and data analysis are explained. Chapter four presents results and analysis of the findings of the study. It covers the reasons for establishment of Max Malipo, reason on why people resist to use Max Malipo, its effects and measures employed to overcome resistance to the use of Max Malipo. Chapter five presents a conclusion and recommendations on resistance towards establishment of Max Malipo.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Definition of Key Terms**

According to Greenberg and Baron (2002), organisational change refers to planned or unplanned transformations in the structure, technology and / or people of an organisation. It are variations in shape, quality, or state over time after an introduction of new ways of working, thinking, and acting within an organisation (Van de Ven and Poole, 1995; Del Val and Fuentes, 2003). In general, the aim of an organisational change is an adaptation to the environment and / or an improvement in performance (Del Val and Fuentes, 2003).

Kondalkar (2007) defines Change as to any alteration which occurs in over all work environment of an organization. It may relate to change in technology, organizational structure, working processes, work environment, organizational policy and even the roles people play.

Zander (1950), defines Resistance to change to as, behavior which is intended to protectan individual from the effects of the real imagined change.

Folger & Starlicki (1999) defined resistance to as employee behavior that seek to challenge, disrupt, or invert prevailing assumptions, discourses, and power relation.

Generally, Organizational change can be defined as the adoption of a new idea or a behavior by an organization for improvement. It is a way of altering an existing organization to increase organizational effectiveness for achieving its objective and maintain its strategic fit in the market.

#### **2.2 Sources of Change**

Connor and lake (1988:17) suggest that from a broad perspective, organizational changes have their source from either inside or outside the organization. The primarily

force for change or the factors which provide the greatest stimulus for change are thus either internal or external to the organization. Connor and lake (1988: 18-21) identify the following external sources of change as:-

- Social: the changes are beliefs, values, attitudes, opinions and life styles of society as a whole. While social changes in attitudes may bring about new requirements for products or services, other changes may bring about more profound and unprogrammed changes, such as environmentalism and equality for minorities.
- Political/legal: Changes in the broad political ideology or narrow party political policies of the government in power may be significant sources of change. Relaxation of laws regulating industries, generally deregulation and privatization also act as source of external change.
- Economic: conditions, such as growth or recession in the international or national economies, influence managerial outlooks and actions with regard to organizational expansion or contraction.
- Technological: general technological developments such as computers, affect all organizations while other developments may be limited to a particular organization's own industry.

Connor and lake (1988: 21-23) identify the following internal sources of change:-

- Professional and occupational associations. People who relate to members of their professions or occupation outside their organization through membership, subscription to journals attendance at conventions or lectures, continually learn of new developments in their specialties which they may bring back to their own organization.
- Organizational goals: the adoption of new organizational goals may be the impetus for numerous structural and personnel changes
- Organizational resources: an excess or a shortage of resources may stimulate the search for new ideas or ways to meet the objectives of the organization.

Excess resources may, for example be used for extra services for employees, such as the provision of supervisory or managerial training.

However Benowitz, (2001) explain that every organization goes through periods of transformation that can cause stress and uncertainty. To be successful, organizations must embrace many types of change. Businesses must develop improved production technologies, create new products desired in the marketplace, implement new administrative systems, and upgrade employees' skills. Organizations that adapt successfully are both profitable and admired.

Managers must contend with all factors that affect their organizations. The following lists internal and external environmental factors that can encourage organizational changes:

- The **external environment** is affected by political, social, technological, and economic stimuli outside of the organization that cause changes.
- The **internal environment** is affected by the organization's management policies and styles, systems, and procedures, as well as employee attitudes.

Typically, the concept of organizational change is used to describe organization- wide change, as opposed to smaller changes such as adding a new person, modifying a program, and so on. Examples of organization-wide change might include a change in mission, restructuring operations (for example, restructuring to self-managed teams or due to layoffs), new technologies, mergers, or new programs such as Total Quality Management, re-engineering, and so on.

Managers should note that all changes should be implemented as part of a strategy to accomplish an overall goal; these transformations should not take place just for the sake of change.

Also Kondalkar (2007) came up with an argument that an organization is an open system which has to interact with environment and is solely dependent on it. Any change in environment makes it necessary for the organization to incorporate change in the internal systems, sub-systems and processes. This change has a chain reaction on

the other internal elements of organization. For example any change in consumer preferences, may change product feature, cost, technology, marketing strategy and the like. Organization must interact with external environment in order to survive.

Organization gets input from environment (men, material, process, finance, information etc.) Transform it and export output (product and services) to environment. Organizations take what environment gives and in the process passes on what the environment wants.

Thus organizations are responding to the social requirements. If the response is positive, then the change takes place and growth is achieved. If on the contrary response is negative it will adversely affect the growth. So there are various factors that must be considered to implement change.

### **2.2.1 External Forces of Change**

Kondalkar (2007) argued that Technology is a major external force which calls for change. In the recent times information technology has made a remarkable impact on the ability of managers to use information to arrive at a decision. Storage, retrieval of information and its utilization is important part of technology. Where human being cannot operate, robot has been replaced to work for and on behalf of human beings. Financial decisions, operations, product features, new product development, market potential and marketing strategies are changing at a fast speed and organizations must carry out appropriate change in time otherwise one will be left behind in the race. Because of liberalization market has become one entity. Organizations have to be highly sensitive to the changes in the external environment. External environment is task related and general in nature. Task related environment has a direct influence on the health of the organization. It consists of customers, competitions, suppliers, labour and stakeholders. All these factors induce change in the organization. General environment consists of political, legal, economic, socio-cultural and technological forces. Change in government policies or fiscal policies have a direct impact on the organization. Changes in needs, expectation and desires of society for housing have

changed a financial sectors outlook and loans are easily available to all sections of society.

### **2.2.2 Internal Forces of Change**

Kondalkar (2007) came up with an argument that once the organizations adapt to the external change, the managers have to take appropriate steps as far as internal systems are concerned. Change of process, modification to human behaviour, training and development of work force based on new technology and adopting new policies, which are beneficial to the organization. Due to current social changes where women are taking jobs in greater numbers, child care, more and frequent rest periods, flextime may be necessary. Workers are more educated and are aware of their duties and rights. This may necessitate change in corporate policies towards wage and salary implementation, promotion policy and management's obligation towards them.

Changes in internal environment may be brought about by customers, shareholders, board of directors and employees. These however, have to be in line with the external factors and not arbitrary. Change which is deliberately designed and implemented is a 'planned change'.

This is carried out to counter threats and encash opportunities. "Reactive changes" are unknown and cause as a response to sudden surprises like change in price of a particular product etc. It is therefore necessary that the management must be '**proactive**' in incorporating change with fewer surprises.

As, Mullins (2010) argues that an organisation can perform effectively only through interactions with the broader external environment of which it is part. The structure and functioning of the organisation must reflect, therefore, the nature of the environment in which it is operating. There are factors which create an increasingly volatile environment, such as uncertain economic conditions, globalisation and fierce world competition; the level of government intervention; European Union social legislation; political interests; scarcity of natural resources; rapid developments in new technologies and the information age.

In order to help ensure its survival and future success the organisation must be readily adaptable to the external demands placed upon it. The organisation must be responsive to change. Other major forces of change include:

- increased demands for quality and high levels of customer service and satisfaction;
- greater flexibility in the structure of work organisations and patterns of management;
- the changing nature and composition of the workforce; and
- Conflict from within the organisation.

According to a survey from the Management Consultancies Association, four interrelated forces are driving change, each of which brings organisations and individuals into conflict:

- outsourcing and the continual redefinition of what constitutes an organisation's core business;
- the distribution of work across different people, organisations and locations, and the extent to which this makes work fragmented;
- changing demographics and expectations that create an employees', rather than employers', market;
- the double-edged sword of technology, which enables people to do more but tempts organisations to do too much.

### **2.2.3 Change within the organisation**

Change also originates within the organisation itself. Much of this change is part of a natural process of ageing – for example, as material resources such as buildings, equipment or machinery deteriorate or lose efficiency; or as human resources get older, or as skills and abilities become outdated. Some of this change can be managed through careful planning for example, regular repairs and maintenance, choice of introducing new technology or methods of work, effective human resource planning to prevent a

large number of staff retiring at the same time, and management succession planning – training and staff development.

However, the main pressure of change is from external forces. The organisation must be properly prepared to face the demands of a changing environment. It must give attention to its future development and success; this includes public sector organisations and the armed forces.

### **2.3 Factors Affecting Employee Resistance to Change**

The general view of factors that affect resistance to change developed out of a need to understand organizational dynamics and improve organizational effectiveness (Coch and French, 1948). As stated previously, the research identifies a wide variety of factors that affect resistance to change (Gray, 1984); the most cited of these being employee participation in the change process, the communication process, information/knowledge available, and trust in management (Argyris, 1970; Coch and French, 1948; Lewin, 1947; Ott, 1996; and Weinbach, 1994). Furthermore these authors believed that an open communication process and participation improved trust and therefore these also had an indirect effect on the employee's resistance to change (Coch and French, 1948; Lewin, 1947; Gresham, 2000; Applebaum et al., 1999; and DiFonzo and Bordia, 1998) Each of these factors, as well as the employee's education level, is discussed below.

#### **2.3.1 Participation**

Lewin's concept of, "quasi-stationary equilibrium" (1947), states that to affect change in an organization, management should reduce the level of force acting against change. Lewin believed that the best way to do this was through employee participation in the change process. This is because participation allows employees to experience a sense of ownership in the products of the change. Lewin also felt that this participation would improve the level of trust between the employees and management.

In another seminal study of resistance to change, Coch and French (1948) also highlighted the need for group and employee participation in change. Coch and French studied the workers of a clothing manufacturer who performed jobs that were frequently changing. The company faced substantial resistance from the workers, which manifested in several ways. Workers repeatedly filed grievances and their efficiency stayed very low, even after several weeks in the changed job. Turnover was found to be directly related to the change in job task. Workers repeatedly organized production restrictions and exhibited overt aggression toward management.

Through interviews with the workers of the plant, Coch and French discovered that the job change represented a loss of status, engendered fear of unknown consequences and resulted in a distrust of the managers involved. Coch and French divided the workers into two groups, an experimental group and a control group. The experimental group was asked to actively participate in all areas of the change process, where as the control group received no intervention. Coch and French observed a dramatic reduction in the levels of resistance to change in the experimental group, and virtually no change in the control group. The more employees were allowed to participate the more their progress after a change improved and their levels of resistance decreased. Coch and French also reported observing an increase in the worker's level of trust in management as a result of their increased participation.

More recently other authors have recognized the need for employee participation in the change process. Argyris' (1970) concept of "internal commitment" is similar to Lewin's concept of employee ownership of the change process and the products of the change. Argyris felt that unless employees were allowed to participate in the change process they would fail to see the need for change or the consequences of the change and therefore would resist the change. Authors such as Hickins (1998), Cohen, (1994), and Weinbach (1994) have also recognized employee participation as crucial to the implementation of changes in the workplace. Applebaum et al. (1999) reported that participation in the decision making process improves trust levels and reduces

resistance to change. Therefore participation may also have an indirect effect on resistance to change by improving employee trust in management.

### **2.3.2 The Organizational Communication Process**

Several authors have highlighted the importance of communication between employees and management during the change process (Applebaum et al., 1999; Barrier, 1998; DiFonzo and Bordia, 1998; Gensing, 2000, McCallum, 1997; Ott, 1996; Weinbach, 1994). They have noted that an open communication policy allows for the employees to communicate concerns, dislikes, and acceptance. Open communication also provides management with feedback during the change process. This, in turn, reduces the level of resistance to change. For example, Coch and French (1948) reported lower levels of resistance to change in the experimental group where open communication was encouraged and facilitated through workshops. Lewin (1952) believed that open communication channels reduced the levels of resistance to change because it reduced the fear of the unknown and improved a workers ability to see the need for change.

Similarly several authors believe the communication process is crucial in developing trust between management and employees (Applebaum et al., 1999; Barrier, 1998; DiFonzo and Bordia, 1998; Gensing, 2000, McCallum, 1997). These authors agree that maintaining open and productive lines of communication improves the level of trust and reduces the amount of resistance to change in employees.

It is important to differentiate between the communication process and the actual information exchanged or the quality and reliability of the information.

Communication is merely the means with which to distribute the information. In other words, communication is the medium, or the process the organization has established to transfer information. Through open communications employees and management can produce a cooperative effort to change the organization.

### **2.3.3 Quality of Information**

Unlike the communication process the “information exchanged and knowledge” concept actually addresses the quality of information available to the employee during the change process. Issues such as “fear of unknown consequences of change” and “the inability to see the need for change” are common in resistance to change research (Gardner, 1987; Hickins, 1998; Wienbach, 1994). The literature indicates that without valid and reliable information employees will resist change in an effort to maintain their commonality and familiarity. Schein (1980) stated that for an organization to be effective it needed to cultivate an atmosphere of reliable and valid communication, which provides for integration and employee commitment to the organizational goals. Lewin (1947) recognized change often requires employees to relax or relinquish many of the cultural norms that provide them with stability; furthermore, he believed that this fear of unknown consequences has a direct relationship to resistance to change. Likewise, Coch and French (1948) identified fear of unknown consequences in their study. Workers in the control group were not provided any information about the need for change or the change process and therefore experienced high levels of anxiety and fear, which resulted in overt acts of resistance to change. The workers were unable to predict the outcomes of change and were therefore faced with fear and uncertainty.

In Weinbach’s (1994) analysis of factors that affect resistance to change he listed employee uncertainty and misunderstanding the change process or the need for change as major contributing factors that increase resistance to change. Both factors deal with the employee’s access to quality information. It seems logical that the availability of valid and reliable information limits employee’s fears of unknown consequences by providing the necessary information about the change process and the ultimate organizational goal.

### **2.3.4 Trust of Management and the Organization**

Organizations have been found to face major resistance to change when the bonds of trust have not been cultivated or are broken by some act. Schein (1980) recognized that

an organization must have an atmosphere of “support and freedom from threat” to allow for effective change. Coch and French (1948) found that workers, who exhibited high levels of resistance to change, also reported low levels of trust in management. They concluded that an increase in trust reduces the levels of resistance to change.

Employee trust includes questions of credibility, reliability, and sincerity. Employees faced with change deal with issues such as potential loss of status, fear of the unknown consequences of change, and the inability to express concerns. Weinbach (1994) listed “lack of confidence in the change agent” as one factor affecting resistance to change. Weinbach suggested that if workers did not trust in management or change agents, they would resist potential changes. Gardner (1987) also identified a lack of trust in management as a factor that increased the levels of resistance to change.

The discussion of trust above, demonstrates the direct relationship between trust and resistance to change. However, most of the authors referenced above also noted that trust can be affected by the level of participation in the change process and the amount of communication/information available to the employee (Lewin, 1947; Coch and French, 1948; Bennis, 1966; Bennis, 1984, and Schein, 1980). More recently authors such as Gresham (2000), Applebaum et al. (1999), DiFonzo and Bordia (1998), and Barrier, (1998) have recognized that employee trust reduces resistance to change and participation and communication improve employee trust.

### **2.3.5 Education**

Although the literature does not specifically address the employee’s educational level it seems reasonable that education, and more specifically higher education would reduce resistance to change in organizations by creating a sense of open-mindedness, creativity, and a willingness to change in the recipient. Higher education, defined as instruction obtained at a university or college, has long been thought to improve a person’s communication skills, their ability to interpret and understand information, their performance in problem solving areas, and to broaden their belief system thereby reducing the tendency to be dogmatic (Roberg, 1978).

## **2.4 Conceptual Framework**

The study has been focusing on the assessment of the resistance to change towards the establishment of Max Malipo. New way of doing things, Group Phenomenon, Trust of Management in the Organization, Participation, Information Exchanged, and the Organizational Communication Process Stands as the independent variable while resistance to change stands for dependent variable. This is due to the fact that achievement of dependent variable which is resistance to change depends completely from the independent variable. This is to say, the achievement of independent variables lead to organization change being successful and its ineffectiveness bring about resistance to change.

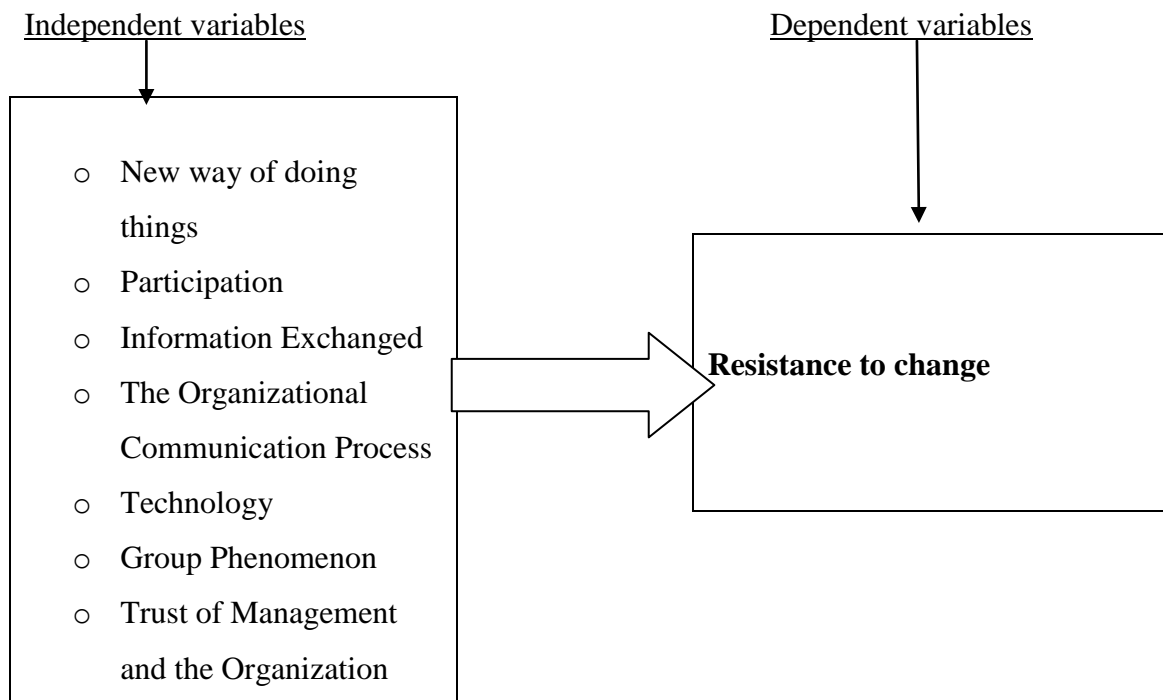
New way of doing things as People do not understand the implications of change and feel more comfortable with past routines (however unsatisfactory they may have been). Also People wonder what the change will involve, whether they will be able to cope and what the consequences may be.

Trust plays a big role in running a successful organization. When organization members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organizational changes hence resistance to change. Trust of management also will depend much on the quality of information exchanged. Also Individual on occasions resist change because group wants it that way. Importance of group cohesion, group norms, code of conduct and the security group provides to individuals play a dominant role in individual behaviour that makes them to resist change. An open communication policy allows for the employees to communicate concerns, dislikes, and acceptance. Open communication also provides management with feedback during the change process. This, in turn, reduces the level of resistance to change.

Participation allows employees to experience a sense of ownership in the products of the change, thus with poor participation lead to the low level of trust between the employees and management hence it brought resistance to change. Therefore

participation may also have an indirect effect on resistance to change by improving employee trust in management.

**Figure 2.1 Conceptual Framework**



## 2.5 Empirical Literature

Shah Naimatullah, (2009), conducted a research on Determinants of Employee Readiness for Organisational Change.

Results showed that independent variables (emotional attachment, feeling of pride, pay/wages/rewards, promotion, job satisfaction, job involvement and social relationships in the workplace) were positively and significantly correlated to the dependent variable (readiness for organisational change). However, two variables i.e. supervisor and peer relations, and training and skills development were not found positive and significant to the readiness for organisational change. This study has

methodological limitations, as it is a cross sectional study that used a survey questionnaire only in public sector higher education sector. This study provides empirical evidence for employee readiness predictor variables for organizational change. The study contributed to the literature on change management, particularly for Pakistan, and may assist the management, change agents and practitioners of human resources management and development, and organisational behaviour in assessing, designing and evaluating new or existing programmes for organisational change.

Gaylor, Thomas Kent, Jr. (2001) also did the research on the Factors Affecting Resistance to Change: The analysis failed to support previous research, which listed participation as the most important factor, but did support the concept that participation and communication improved trust.

The results failed to support most of the previous research, which demonstrated that employee participation was the most crucial factor. The data also failed to support any relationship between an education and the employee's level of openness to change. However, an examination of indirect effects demonstrated support for previous research by showing a significant positive relationship between employee's trust in management and their participation in decision making as well as the communication and information system in the organizations. Further studies are needed to determine the true place of trust in law enforcement and other factors that might affect resistance to change among police officers.

Also Tanya, (2009) did a research titled Understanding Institutional Change and Resistance to Change Towards Sustainability:

The research suggests that institutional change and inertia are interconnected and interdependent and, depending on the case and context, they may interact with each other across spatial and temporal scales. There may be overlap in the emergence of pressures for institutional inertia and change across temporal and spatial scales, and both institutional change and inertia may be present when opportunities arise for renegotiation of the "rules of the game". Results show that the two theories share many

concepts (e.g., thresholds or tipping points, fast and slow moving variables, etc.) to aid in understanding the dynamics of institutional and ecological realms.

Moreover, the integrated theoretical framework can help to explain the dynamics of institutional systems in a way that overcomes the limitations in Panarchy and the New Institutionalism theories by themselves. Key concepts within Panarchy theory (e.g., regime shifts, etc.) complement the New Institutionalism's ability to capture important contextual factors influencing institutional change and inertia, and help to overcome the current limitation in its capacity to explain the nonlinear, multi-scalar dynamics of institutional systems. In turn, key concepts within the New Institutionalism (e.g., uncertainty, etc.) complement and enrich Panarchy theory's capacity to illustrate the social and economic dimensions of institutional dynamics. Results of the case analysis demonstrate that a range of overlapping, historic and immediate, local-to-provincial factors (e.g., socioeconomic costs, uncertainty, path dependent effects, etc.) and institutional elements (e.g., interests and values, power and resources, issues of fit, etc.) drove institutional change and inertia in the development of Caledon's mineral resources policies. The slow moving institutional variables in Caledon's case (core Town, industry and provincial government values and interests) were perhaps the greatest determinants of institutional change and resistance to change towards sustainability. The story of the development of Caledon's mineral resources policies, then, is about the resilience and resistance efforts of a small Town committed to maintaining core community values under the constraints of a resilient and resistant, ecologically destructive and inequitable institutional system.

Luwongo (2010) did the research with the topic employee resistance to organizational change. A case study of vocational education and training authority (VETA). In the study the researcher came out with different theories that have been discussed and which they provide sound basis for understanding and also providing solution to minimize the negative effects and intensity of the goal conflict. Thus the study tends to deal with examining different policies to see how they contribute to resistance for change. Thus in such situation where there is intense goal conflict, parties were making

extreme level of efforts for achieving their own conflicting goals. Research finding established that there was goal conflict between the firm (VETA) and agents (vocational teachers) and also goal conflict between VETA and owners of other providers VTCs-fellow vocational training providers.

Mavoa, (2008), did the research on the influence of changes in the organization structure to the performance of organization. A case study of world vision Tanzania-national office.

Finding indicated that structure change was done and people were aware of the introduced change. Changes done were formation of new directorate and dissolving of some directorates, formation of department and other units. Change was introduced for aspiration of better performance, for effectiveness and efficiency and to address the issue of integrity and accountability

In the study the finding revealed that the organization was good in the position to make sure that it is in line with the organization mission and vision. Also adaptation to new system and policies created tensions hence conflict among people concerned. Finding revealed that organization has to do a lot of preparations in order to introduce change. Organizational change is important phenomenon and has to be done with a great concern knowing that it does affect people and the organization itself hence it brings improvement and the cost of improving may be painful but that does not give the tickets for exercise to be closed. Basing on on data collected, it was revealed that through training people came to understand change hence reduce the level of resistance

Also Emmanuel' (2012) did the research with the title Challenges of Managing Resistance to Change in Tanzania private sectors: Case Study of Vic Fish Bukoba.

The research showed that there are certain mindsets that negatively influence the management of resistance to change. Some of these mindsets include but not limited to disengagement, misidentification and disenchantment. The research also revealed that lack of effective communication among the managers and employees as another factor that affected the management of resistance to change. Lack of adequate resources also

hampered the staff members from accepting change at the institution. The research recommended that the institution's management to develop a sense of good relations with the employees and ensure that effective communication between them ensued; the management to also encourage employee development in the change process. Lack of adequate resources also hampered the staff members from accepting change at the institution. The research recommended that the institution's management to develop a sense of good relations with the employees and ensure that effective communication between them ensued; the management to also encourage employee development in the change process. The research also recommended the management to actively engage the employees in the change process and to introduce the aspired changes in phases.

## **2.6 Chapter Summary**

This chapter has explored the concept of change and resistance to change. Sources of change, external and internal forces to change. The chapter has also provided the factors affecting resistance to change among people. The literature has shown that despite the introduction of change for the sake of improving efficiency and effectiveness of an organization, people tend to resist change because they want things to remain as they are. Poor exchange of information and participation and group phenomena also has been the reason for resistance to change.

Literature so far has shown that the institution's poor management to develop a sense of good relations with the stakeholders and ensure that effective communication between them is among of the reason for the resistance to change.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the research design, study area, sample size, data collection methods, data collection instrument, and data analysis.

#### **3.1 Research Design**

Research design is defined as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (Kothari, 2004). The function of the research design is to provide a paradigm where relevant evidence can be conducted with minimum expenditure of time. This study employed case study research design as will be conducted at Maxcom Africa Company limited and around Kinondoni municipal because case study is used when the phenomenon of interest can be studied from the perspectives of multiple participants and using multiple levels of analysis (e.g., individual and organizational). Also multiple method of data collection can be employed.

#### **3.2 Area of Study**

The study was conducted in Dar es Salaam region, specifically in Kinondoni District whereby Kinondoni is regarded as one of the place which highly accessible compared to other places in the sense that the Maxcom headquarters is located around the place and it is where there are a number of businessmen using the devices. Administratively, Kinondoni District is divided into 4 divisions, 27 different wards, and the researcher picked 8 different wards particularly Kinondoni, Ubungo, Sinza, Tandale, Kijitonyama,

Magomeni, Manzese and Makumbusho because there is high usage of these devices and the Maxcom Company is allocated alongside Kijitonyama ward.

### **3.3 Target population, Sample size and Sampling techniques**

#### **3.3.1 Target population**

The population comprised of head of department and employees from Maxcom Company, agents and businessmen who are using Max Malipo around Kinondoni Municipal. And these were human resources department and other heads of the department which were Administration, finance, and information communication, these departments were included as they were involved in the human resources activities. Owing to the nature of this study, the population chosen is the people who are familiar with Max Malipo.

#### **3.3.2 Sample size**

Oso and Onen (2005) define sample as a part of the target population that has been procedurally selected to represent it. A sample is a small group of subjects drawn from the population in which a researcher is interested in gaining information and drawing conclusion about the universe randomly obtained (Kothari 2004). The sample of this study included 4 head of departments out of 10 departments; these four departments include commercial department, administration and human resources, department Public and international relation and finance and accounts. 20 employees from 4 different departments to which 5 employees were selected from each department and 72 businessmen from 8 different wards where nine (9) businessmen from each ward were selected. Thus there were a total of 96 respondents.

#### **3.3.3 Sampling Techniques**

This study employed the following procedures: Stratified sampling, purposive and simple random sampling.

### **3.3.3.1 Stratified Sampling**

Stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata (Explorable Psychology Experiments, 2014). Kothari (2004) explained in detail that if a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. More important stratified sampling results in more reliable and detailed information.

With regard stratified sampling technique, the researcher segmented the businessmen from the various places around Kinondoni municipal and units into two strata, that is, those who are using max Malipo and those who are not using it.

### **3.3.3.2 Simple Random Sampling**

This is a technique which has the property that every possible combination of subjects in the population has an equal chance of being selected (Ndunguru, 2007), and thus respondents has chosen randomly and equally from each stratum. This applied to all workers apart from the senior ones who will be chosen purposively. As the researcher listed down the names of all workers and from there will use lottery way on picking the names of the respondents, and thus there was no bias and everyone was given equal chance on participating on this study.

### **3.3.3.3 Purposive Sampling**

Purposive sampling is also called deliberate sampling. This sampling technique involves deliberate selection of a particular unit of the universe for constituting a sample, which represents a universe (Kothari, 2004). This technique does not give any guarantee estimating that every element in the population has a chance of being included in the sample (Adam & Kamuzora, 2004). According to Laerd Dissertation, (2012) the main goal of purposive sampling is to focus on particular characteristics of a population that are of interest, which best enable you to answer your research

questions. In this study the respondents who seem to be more reliable were chosen purposively from each stratum such as, heads of departments and human resource officer.

### **3.4 Sources of Data**

In the collection of data for this study, primary and secondary data were employed.

#### **3.4.1 Primary Data**

These were collected from the firm under study via interview, questionnaires and also observation. Interviews were administered to bring out necessary information that was needed by researcher.

#### **3.4.2 Secondary Data**

These data were collected from various sources from the library including books, newspapers and other official documents such as Maxcom facts, figures and different reports. Also other information was obtained from various websites and blogs including [www.maxcomafrika.com](http://www.maxcomafrika.com).

### **3.5 Method of Data Collection**

Data collection methods including observation, interview and questionnaires were use. The rationale for the choice of these methods is discussed below:-

#### **3.5.1 Interview**

The interview technique involves the oral or vocal questioning technique or discussion. The researcher becomes the interviewer and the respondent becomes the interviewee. It involves interaction between individuals leading to self-report. Responses from the interview are recorded and then analysed. Strength of this technique includes flexibility, adaptability and can be used for many people while the information is well explained and in detail. This technique however has the disadvantage that the

interviewee may be highly biased, shy and may be uncomfortable during interview. In order to go well it is advised to construct an interview guide. Interview questions may be structured to provide limited response, semi-structured to allow free individual response or unstructured to enable the interviewer to ask broader questions with degree of objectivity, deeper probing and clarification. Individually businessmen expressed interviews and detailed discussion conducted based on division of change implementers and change followers as two different parties. In this study, using empirical case, head of departments were the owners of the firm hence change implementers while employees and businessmen were change followers. Interviews were conducted with four different head of departments including commercial department, administration and human resources, department Public and international relation and finance and accounts. A total number of 20 employees and 72 businessmen as follower of change were interviewed from headquarters and in the society respectively. Information which asked was on the reason for establishment of Max Malipo, its challenges and measure taken to overcome resistance.

### **3.5.2 Questionnaires**

Questionnaire facilitates the collection of data by asking all, or a sample of people, to respond to the same questions. This technique is similar to the interview technique is similar to the interview only in this case questions are written down and the respondent has to write. Questionnaire have possibility of using this method is that, questionnaires provide data in a form that is suitable for statistical analysis and manipulation with reliability and validity of the measurement scales encoded in the design.

This was used to generate information and data, both qualitative and quantitative analysis. Specific questionnaires for each group were designed. The method involved a number of respondents who were employees and the businessmen according to the differences in work experience, work status and willing to fill the subject matter. Information which asked was on why people resist change and general information

about Max Malipo. Also general respondents' background information including age, educational level and sex were asked.

### **3.5.3 Observation**

Observation implies seeing with purpose. It involves counting or noting the events as they occur. This technique allows the researcher to be at the point of action and get on the spot record of what is happening. One of the weaknesses of this technique could be inaccurate observation. The technique was used to observe whether there were participation among businessmen and employees in the establishment of Max Malipo and whether they support its existence and how confidently they were performing. Confidence stem from mastery.

Resistance to the use of Max Malipo devices was obvious where businessmen lacked preparedness, it was too expensive for them to afford to buy those devices and the most anticipated problem is that most of them like to get super profits as they are claiming that what they earn as the profits tend to be distributed as the Maxcom company get an amount of the profit.

### **3.5.4 Secondary Data**

Secondary data also will be collected by means of an extensive literature study that will include journals on change management and on Max Malipo. Empirical data will consist of information about how the company started to initiate the use of Max Malipo devices, information on kind of strategies used to enhance the use of Max Malipo, information on employee and customer training.

## **3.6 Measurement of variables**

The dependent and independent variables in this study will be measured as shown below.

### **3.6.1 Dependent variable**

#### **3.6.1.2 Resistance to change**

The dependent variable in this study was resistance to change. Resistance to change was measured along different dimensions including Personal loss, lack of respect, and no need for the type of change, poor communication, negative attitude, bad timing and Perception of criticism.

### **3.6.2 Independent variables**

#### **3.6.2.1 New way of doing things**

New way of doing things was measured by change in technology which resulted into tactical change among the organization. In this aspect the researcher measured people's attitude towards the adoption of new practices and new system around the organization. The response showing positivity and negativity was calculated in percentage.

#### **3.6.2.2 Participation**

The need for employee participation in the change process allows employees to develop ownership for the new process and improves the level of trust between employees and management. Participation was measured along two different dimensions, namely open communication and involvement in decision-making. Data on resistance to change dimensions was obtained by asking respondents whether they participated in the dimension. The response for "yes" and "no". Percentages and mean was calculated.

#### **3.6.2.3 Information Exchanged**

Unlike the communication process the "information exchanged and knowledge" concept actually addresses the quality of information available to the employee during the change process. Issues such as "fear of unknown consequences of change" and "the inability to see the need for change" are common in resistance to change research. This

construct was measured by the kind of information an organization shared with employees and the businessmen and to which extent an organization is sharing information with its stakeholder. Respondents required to respond yes or no and percentages will be calculated.

#### **3.6.2.4 Trust of Management and the Organization**

The study measured the extent of Trust of Management and the Organization. Employee trust includes questions of credibility, reliability, and sincerity.

Employees faced with change deal with issues such as potential loss of status, fear of the unknown consequences of change, and the inability to express concerns. Trust of Management and the Organization will be measured in terms of how an organization guarantee questions of credibility, reliability, and sincerity. Basing on the respondents' responses frequency scores and percentages was calculated.

#### **3.6.2.5 The Organizational Communication Process**

The study measured the existence of The Organizational Communication Process in terms of percentages. Respondents was asked whether there is effective The Organizational Communication Process and they will be required to respond "Yes" or "No". Basing on the frequencies of the responses, percentages were calculated.

#### **3.6.2.6 Group Phenomenon**

In this study Importance of group cohesion, group norms, code of conduct and the security group provides to individuals play a dominant role in individual behaviour and this was measured using Likert scale. The response categories include "strongly agree", "agree", "disagree" and "strongly disagree". A Likert type of response scale was used with 1 being strongly disagree, 2 disagree, 3 agree and 4 strongly agree. "Strongly agree" and "agree" responses were categorised as "agree" while "strongly disagree" and "disagree" responses were categorised as "disagree". Respondents were required to show their agreement or disagreement on the different group's attitudinal statements.

### **3.7 Reliability and Validity**

Reliability refers to the consistency with which repeated measures produce the same results across time and across observers (Patton, 2002). Validity refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index, i.e. the extent to which an account accurately represents the social phenomena to which it refers (Babbie, 1996).

To ensure reliability and validity, this study employed methods such as interviews, questionnaire administration. Also pre-test of questionnaire was carried out to guarantee a common understating of questions among respondents. The data were gathered from higher, middle level, and lower level employees as units of analysis.

### **3.8 Data Analysis**

Since the study to large extent was qualitative research approach, most for the information that was gathered and analyzed descriptively. Quantitative data was tabulated; frequencies and respective percentage was calculated. Inferences made according to established facts.

Data analysis is an important step towards finding solution of a problem under study. Kothari (ibid) describe data analysis as being a systematic process involving working with data, organizing them and dividing them into small manageable parts. In this study the researcher employed both qualitative and quantitative data analysis techniques.

During data analysis of qualitative data, the step transcribed data and analysis were begun with individual response and responses from different respondents was purposively sorted and grouped to make them coherent with research objectives and research questions. Comparison of data enabled the researcher to identify those similar. This activity was reduced data into small manageable and analytical packages which was used for analysis. Quantitative data was tabulated and then computed into percentage for easy interpretation, analysis and discussion.

### **3.9 Ethical consideration and research clearance**

Permission to conduct research was obtained from responsible authorities at Mzumbe University and Maxcom Africa Company Limited in Kinondoni. Furthermore, the aim of the study was explained for each selected respondent and he or she was informed that the participation was voluntary and only those who provided informed verbal consent were allowed to participate in the study. In addition, confidentiality and anonymity were ensured in that no participants' name was appeared on the findings or anywhere in this study.

### **3.10 Chapter Summary**

This chapter has provided the research methodology applied in the study conducted in eight wards of Kinondoni District in Dar es Salaam. The study sample comprised of heads of departments, employees, and businessmen. Data collection was done through questionnaires, in-depth interviews with the key informants, Observation, documentary review and discussions with businessmen. Data collected through questionnaire were analysed while data from in-depth interviews were analysed qualitatively. The next chapter gives findings of the study.

## **CHAPTER FOUR**

### **PRESENTATION OF RESEARCH FINDINGS**

#### **4.1 Introduction**

This chapter presents analysis and discussion of the findings of the study. The chapter is organised as follows: Basic characteristics of the respondents particularly head of departments, administrative staffs and businessmen, responses on reasons for establishment of Max Malipo, factors for resistance towards the use of Max Malipo, response on the challenges and measures employed to overcome resistance to change.

#### **4.2 Profile of respondents**

Respondents of the study were sample of target group; owing to their importance, it was necessary to represent respondent's background to get a clear picture of the study population. Hence, the key features of respondents of this study were biological nature (sex), age, level of education and position held. A total of 96 respondents were covered under this study, where 4 were the head of selected departments, 20 employees whereby 5 employees were selected from 4 selected department, and 72 Businessmen from 8 different ward to which 9 businessmen were selected from each ward.

##### **4.2.1 Respondents' Age**

Age of the respondents is one of the most important characteristics in understanding their views about the particular problems; by and large age indicates level of maturity of individuals in that sense age becomes more important to examine the response. The researcher considered age of respondents to ensure that the data obtained can be categorizes according to the requirement so as to enable proper answer to the research question. The below table justify the age obtained.

**Table: 4.1 Respondents age**

<b>AGE IN YEARS</b>	<b>FREQUENCY</b>	<b>PERCENTAGES (%)</b>
15-19	3	5.3
20-24	14	6.7
25-29	18	10
30-34	26	14.7
35-39	16	16.7
40-44	8	20
60+	2	3.3
<b>Total</b>	<b>96</b>	<b>100%</b>

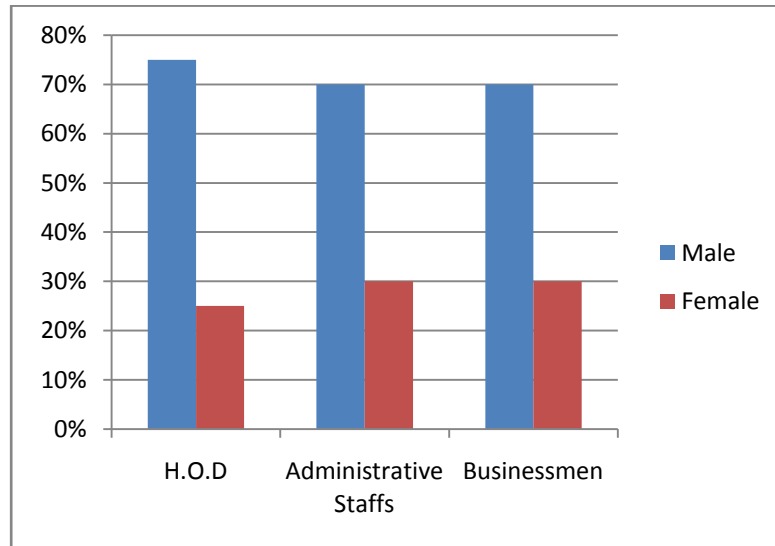
**Source: Field data (2014)**

It is evidenced from the above table that the majority of youth ages are involved in business, from the table the age of 25years to 59years below the age are considered not to be mature enough in controlling business (15-24years) while the age above are considered not to be energetic enough to handle the challenges of business thus the age of 60+ years. The same information was reflected on histogram as shown below (Figure 4.1).

#### **4.2.2 Respondents' Sex**

Head of departments comprised of 3(75%) male and 1(25%) female, employees comprised of 14(70%) male and 6(30%) females, and businessmen 59(70%) male and 13(30%) females. The information was reflected as shown on table 4.2 below.

**Figure 4.1. Respondents' Sex**



**Source: field data (2015)**

#### 4.2.3 Respondents' Education level

Of all respondents this sub chapter shows the education level of respondents in Kinondoni District Council. Among 96 respondents 8(8.3%) were Masters holder, 19(19.8%) were Degree holder, 7(7.3%) were Diploma holder, 7(7.3%) were Form six, 53(55.2%) were form four leavers and 2(2.1%) were standard seven as shown below:

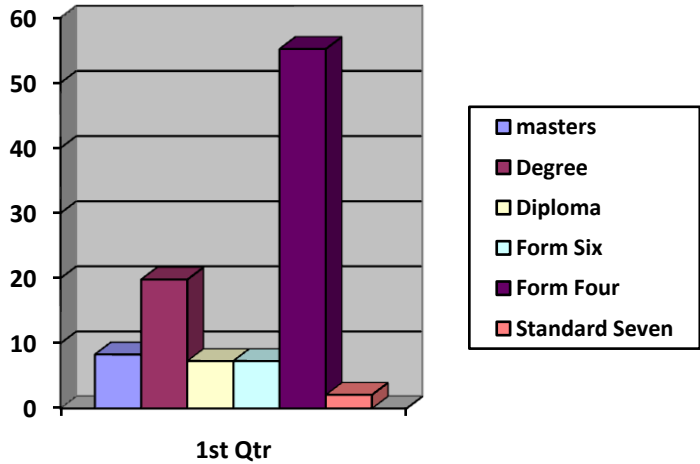
**Table 4.2 Respondents Education Level**

RESPONSES	FREQUENCY	PERCENTAGES (%)
Masters	8	8.3
Degree	19	19.8
Diploma Holder	7	7.3
Form Six	7	7.3
Form Four	53	55.2
Standard Seven	2	2.1
Total	96	100

**Source: Field data (2015)**

From table 4.2 above data show that there is variation of level of education among respondents. In Tanzania This study therefore by having Max Malipo users with different level of education, corresponding with experience from each group were therefore collected. Respondents with Masters, Degree, Diploma and form six seems to understand the reason why the government introduces Max Malipo therefore they know the importance of using such devices, while the remaining level of education majority have no idea on the importance of using these devices thus they tend on disclosing wrong information on the reasons towards their denial to use those devices. The same information was reflected on the chart below.

**Figure 4.2: Respondents’ Educational level**



**Sources: field data (2015)**

It can be concluded from the table above that large number of respondents were progressive in education but they were still not far away from the higher education which is so important for today to create a knowledgeable society, hence facilitate development in business through creativity and efficiency in production of goods and services provided. Also the researcher wanted to make a comparison on understanding of correspondents concerning the use of Max Malipo.

### 4.3 Identification the reasons for the establishment of Max Malipo

The study wanted to establish whether respondents understand well the reason for the establishment of services charged under Max Malipo. Types of services which are charged and the reason for its establishment were identified. In the first instance, respondents were asked to identify the reason for its establishment and types of services into which Max Malipo is charged. All respondents 96 (100%) participated in this study and provided different responses with regard to the objective under investigation. Respondents were asked to tell if there were goods which were charged with VAT, Table 4.4 indicates the general responses.

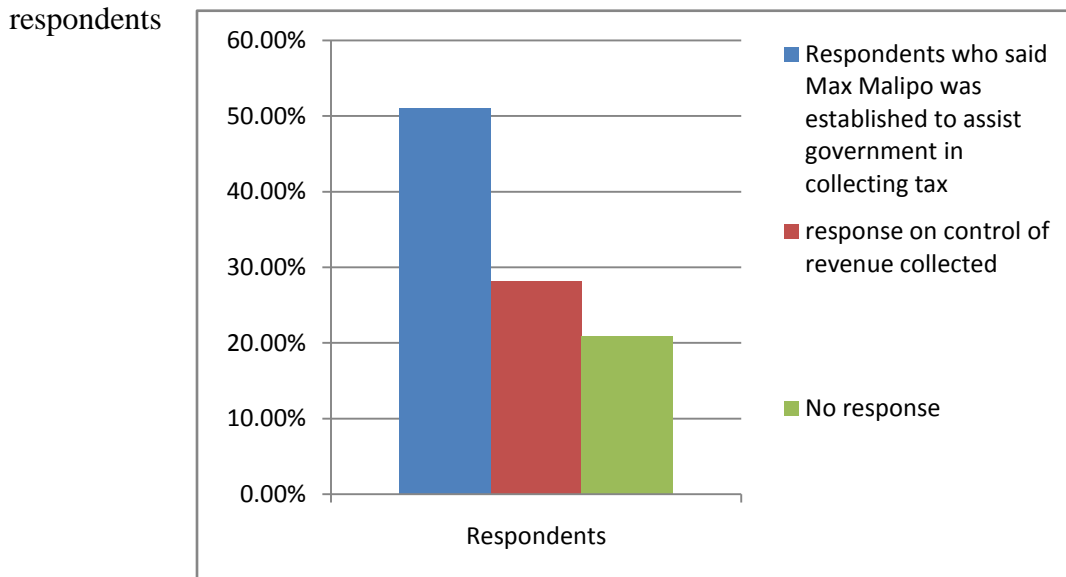
**Table 4.3 Response on reasons for establishment of Max Malipo**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Max Malipo was established in order to assist the Government in collection of Tax	49	51.04
It was established to increase control on revenue collected	27	28.13
No Response	20	20.8
Total	96	100

**Source: Study finding (2014)**

Table 4.3 Indicates that among 96 respondents, 47(51.04%) said that Max Malipo was established in order to assist the government in the collection of Tax and 27 respondents (28.13%) said that it was established to increase control on revenue collected. It also indicates that 20 respondents (20.8%) remained silent that means they did not provide any answer when they were required to explain the reason for the establishment of Max Malipo. Meaning they didn't have idea and knowledge concerning the use of Max Malipo. The same information was reflected in chart as shown with figure 4. below.

**Figure 4.3: Response on the reasons for establishment of Max Malipo**



**Source: Field data (2015)**

Analysis of the above responses indicated that those who said that Max Malipo was established in order to assist the government in the collection of Tax were from groups of head of departments, employees, and some of the businessmen. Similarly, respondents from group of businessmen were among those who said that it was established to cope with the technology. Further analysis indicated that those who did not provide any answer when they were required to explain the reason for the establishment of Max Malipo belonged to a group of businessmen and some of two of them were the employees from the organization.

Respondents who said that Max Malipo was established in order to increase control on revenue collected provided different responses by elaborating the purpose for the establishment of these devices. For example, respondent from group of head of department explained that services under Max Malipo Devices were intending in collecting tax. One respondent from group of head of departments continued to elaborate

*“...services such as LUKU, Mobile money transfer and Pay TV Stations, needs to contribute in paying Tax that’s why we need to utilize in what they earn from the business.*

Another respondent from Jumanne enterprises found at Ubungo nhc in Kinondoni as one of a group of businessmen said that Max Malipo was introduced for the sake of collecting tax and not other ways. He proceeds saying that the Government entails to correct tax in each of every service found under Max Malipo.

One respondent whom was the employee elaborated and highlighted that ‘...*Max Malipo simplifies the way to collect tax. Each of the services provided through the device has been charged hence it contributed to the collection of tax*’. also he mentioned that Max Malipo increased employment in the society. Another respondent from a group of head of departments elaborated that most of the services provided particularly mobile money transfer agents including M-pesa, Tigopesa, Ezypesa and airtel money are not contributing effectively in paying tax thus initiated the introduction of Max Malipo which is one among the best way of collecting tax.

Findings revealed that for those respondents who remained silent and did not provide any answer when they were required to explain the reason for the establishment of Max Malipo were among those who do not use Max Malipo and some of the respondents whom were not willing to participate.

#### **4.4 Factors bring about resistance to the use of Max Malipo**

The objective intended to assess the factors that bring about resistance to the use of Max Malipo. In the first instance, respondent were asked to explain how they understand the importance of Max Malipo, thus businessmen were required to express the extent they viewed Max Malipo and explaining if they know importance of using Max Malipo to the Government and to the society. Respondent’s views were summarized in Table 4.7 as respondents’ responses.

**Table 4.4 Respondents' awareness on the importance of Max Malipo**

N=72

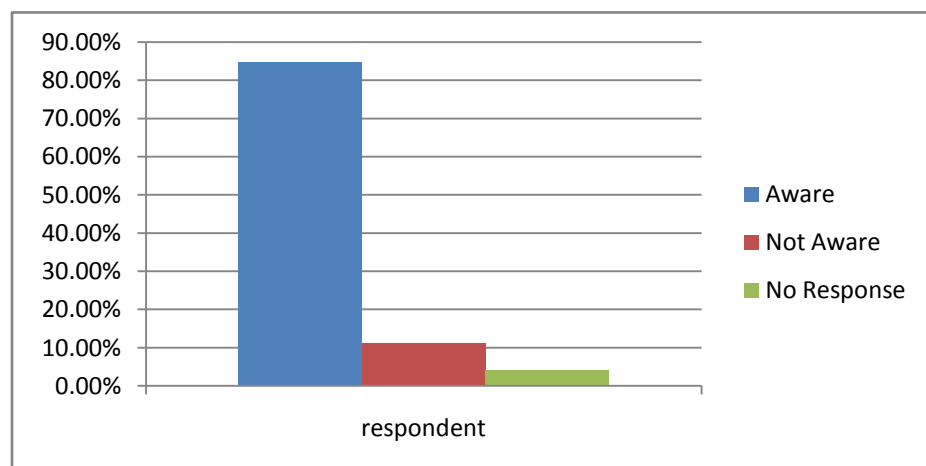
Response	Frequency	Percentage
Aware	61	84.72
Not aware	8	11.1
No Response	3	2
Total	72	100

**Source: Study Finding, 2015.**

Table 4.4 indicates that 61 respondents (84.7%) were aware and indeed understand the importance of Max Malipo to the Government and society as whole, 8 respondents (11.11%) were not aware, and that they know tax is charged but they don't understand the importance of it while 3 respondents (4.16%) were not aware on the importance of Max Malipo. The information obtained from respondents also was displayed on chart as Figure 4.4.

**Figure 4.4: Respondents' awareness on the importance of Max Malipo**

Respondents



**Source: field data (2015)**

For example, Respondents' argument is valid because the national budget Tanzania large part depends on the revenue collection for planning socio-economic development of the country. Another respondent also explained on the importance of Max Malipo, he cited an example that "...payments of tax including VAT have increased the income of Kinondoni district and that has enabled the government to build schools and health centers".

Interviewees' arguments were justified through revenue documents reports which indicated that Tax collection in the Kinondoni Municipal Council (KMC) increased to 36bn/- from 12bn/- between 2010 and 2014 following the introduction of the electronic system to carry out the exercise. Kinondoni Municipal Mayor Yusuf Mwenda explained that before the introduction of the electronic tax payment system Kinondoni Municipal Council hardly ever met its tax collection targets.

*He said in a meeting they held early this week with ward councilors that they were presented with the report that indicated revenue collections went up as a result of the new tax payment system. "Previously, we were facing difficulties to meet our revenue collection targets...we are now happy that collections have tremendously gone up,"*

On the other side, Respondents were asked to answer on why did they decide not to use and other stop to use Max Malipo devices.

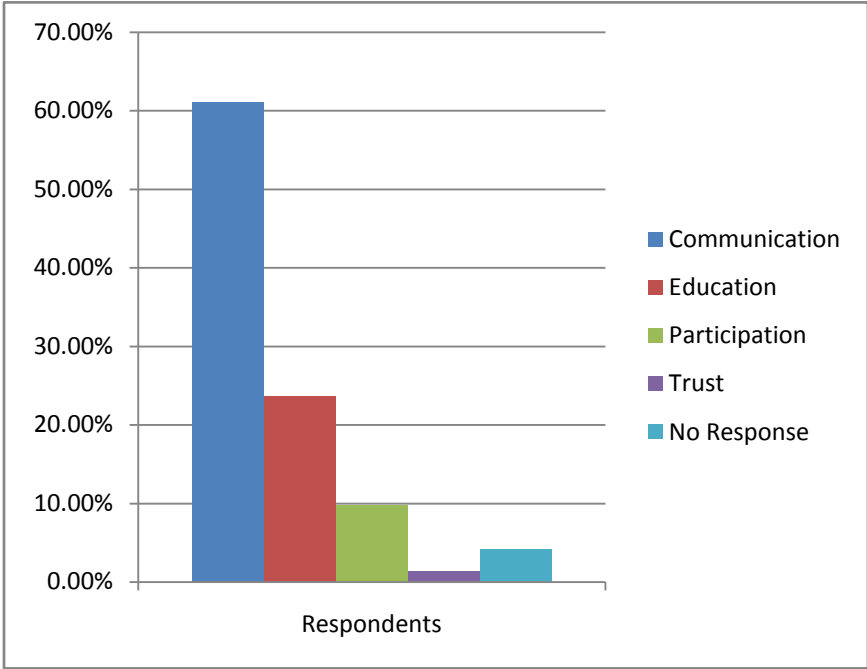
With regard to the question of what factors that bring about resistance to change towards using Max Malipo was examined by using six questions, these are reasons for resistance to change, new way of doing things, education, participation, trust of the businessmen over the company management and group phenomena. The absence of applicability of these leads to resistance.

Generally individual were asked to just pick one cause among several causes of resistance as 44 (61.1%) respondent said that inadequate communication channel among the businessmen and the Company's management team was the one which made them resist. On the other side 17 (23.6%) respondent on the group of

businessmen said that education provided do not satisfy their needs and 7 (9.72%) respondents noted that there were not participated in any of the issues thus it was not easy for the company to stop them from returning the devices. Also 3(4.17%) of the respondents left the page blank that means they were not willing to participate in the research and 1(1.39%) employee said that there were no trust among businessmen and the Company management team.

**Figure 4.5: Respondent’s response on causes of resistance**

percentage

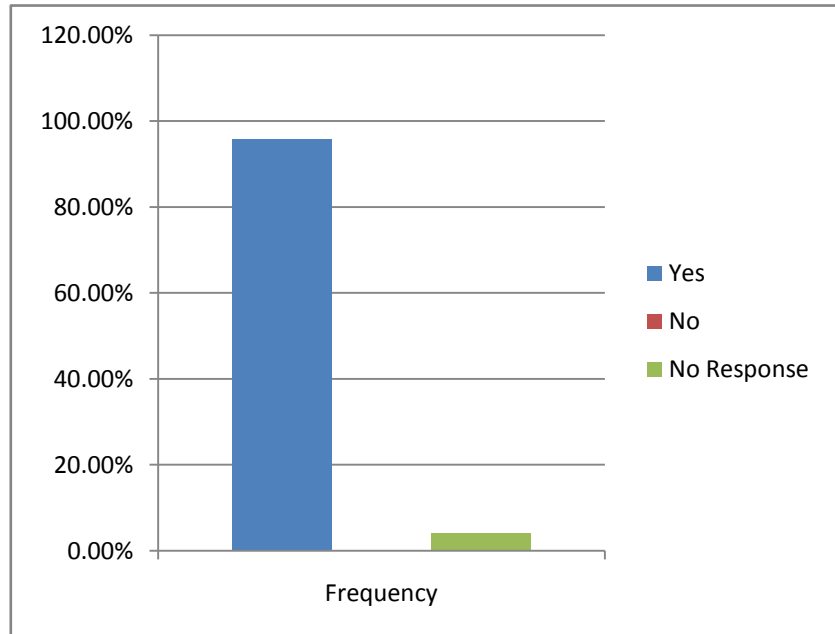


**Source: Field Data (2015)**

Switching to the issues of new way of doing things, the question was asked to the respondent and this was particularly to the businessmen if the new way of doing things affected the way they use to perform their duties. 69 (95.83%) respondents agreed with the question and noted that the system had the problem of network coverage hence it took so long for them to get feedback once they use the service while 3 (4.16%) of them did not contribute anything.

**Figure 4.6: Respondents' response on the issue of participation**

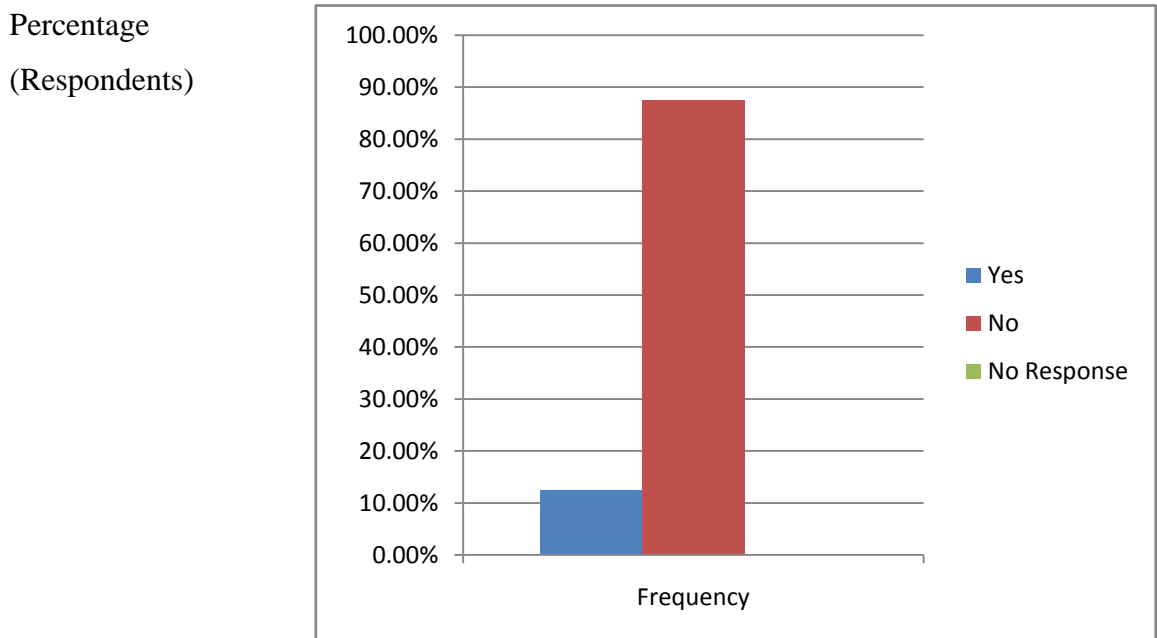
(respondents)



**Source: Field Data (2015)**

Also on the issue of participation the Company should often solicit advance input to ensure that everyone has an opportunity to voice their ideas and opinions. In this aspect the question was asked to the respondents on whether they have given an opportunity to contribute ideas on what should be improved in the provision of services. 63 (87.5%) respondents answers no as they stresses that they have never got such an opportunity while 9 (12.5%) respondent said yes, they are getting an opportunity through suggestion box in the headquarters offices.

**Figure 4.7: Response on the issue of participation**

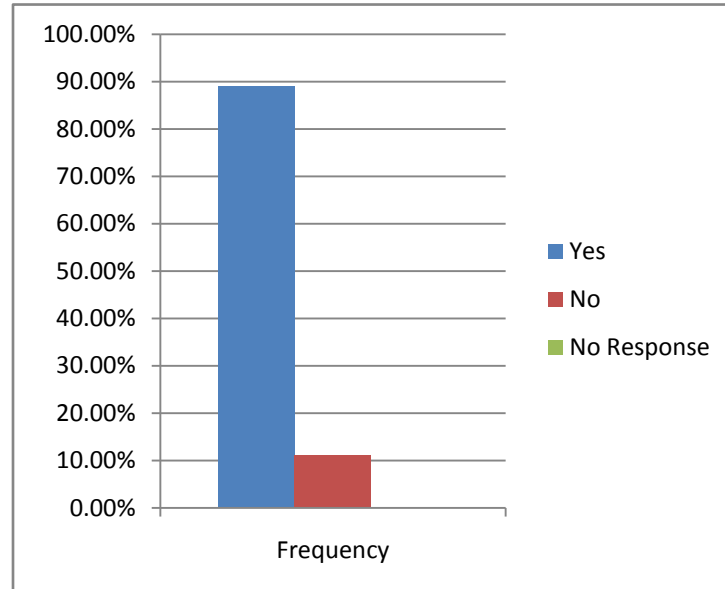


**Source: Field Data (2015)**

For those who answer no, there were other supporting questions as it asked on whether the issues of being excluded in contributing ideas and opinion could have been one of the reasons of them to resist using the devices. 56 (88.9%) respondents answered yes and 7 (11.1%) respondents answered no. This shows that individuals need to be involved in decision making in order to reduce resistance among individuals as they could regard themselves as the initiators of change which took place.

**Figure 4.8: response on how poor participation contributed to resistance**

Respondents

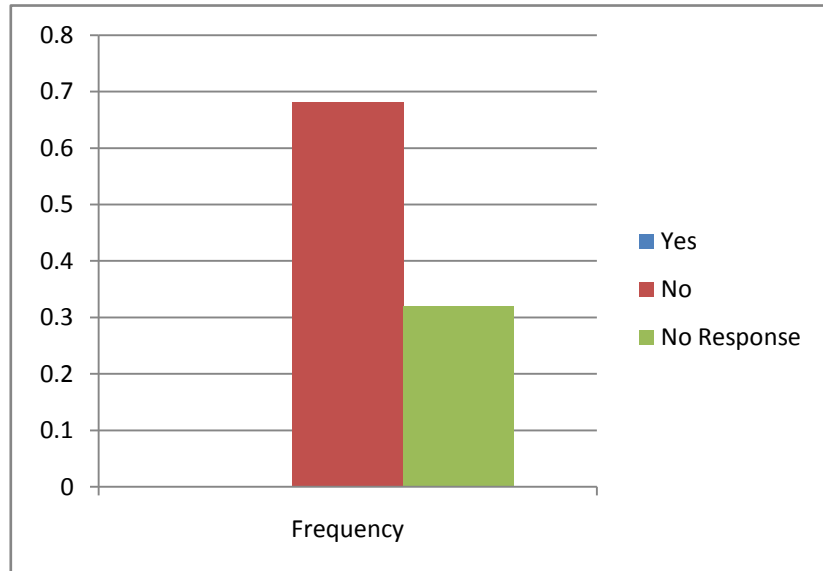


**Source: Field Data (2015)**

On the issues of Trust of Management and the Organization is that trust plays a big role in running a successful organization. When organization members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organizational changes. They may ascribe the changes to some negative underlying reason or even assume they will eventually lose their jobs. On this aspect the question was asked whether the respondents' trust towards the management lead them to resistance. 23 (31.94%) respondents left the page blank while 49 (68.05%) respondents said no.

**Figure 4.9: Response on the issue of trust of Management**

**Respondents**



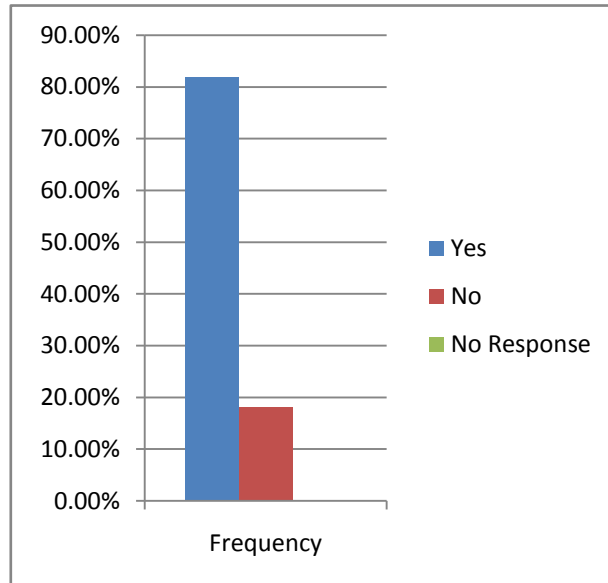
**Source: Field Data (2015)**

The Organizational Communication Process also was one among of the issues which was discussed. On this side question was asked to respondents whether communication barrier lead resistance to change. 59 (81.9%) respondents responded by say yes as they agree with the question while 13 (18.1%) respondent came up with the answer no. One of the respondent elaborate on the issue of communication as the respondent said that:-

*“Changes within an organization start with key decision makers. It is up to them to pass along the details to team members and ensure all questions and complaints are handled before changes go into effect. Unfortunately, as news of a change spreads through the hierarchy, details are sometimes skewed and members end up receiving inaccurate, second-hand information. Poor communication can therefore cause resistance to change”.*

**Figure 4.10: Response on Organizational Communication Process**

Respondents

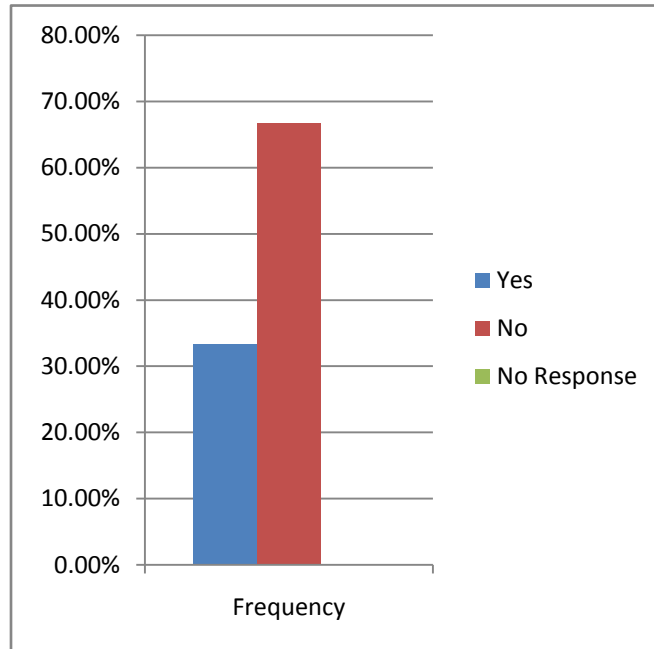


**Source: Field Data (2015)**

On the issue of education the questions were asked as if there were any of training program or seminar provided under Maxcom concerning Max Malipo. Responses from the respondent on the first question were 24 (33.33%) respondents agreed that there is training programme and also 48 (66.7%) respondent responded by saying no.

**Figure 4.11: Response on the issues of education**

Respondents

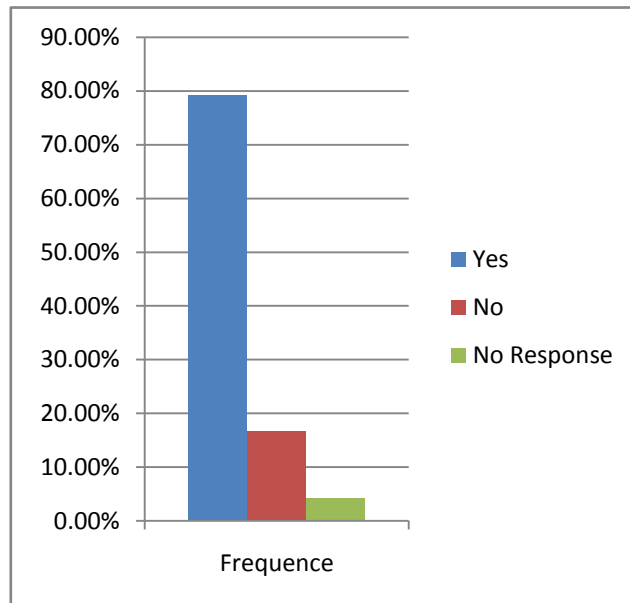


**Source: Field Data (2015)**

Another question was asked to those who answered yes, on whether the training program offered satisfies the needs of the businessmen. 19 (79.2%) respondent said that the training programme offered does not satisfy the needs of the businessmen and 4 (16.7%) respondents responded with the answer yes while 1(4.2%) respondent did not respond on this question.

**Figure 4.12: Response on whether training programme offered is satisfactory**

Respondents



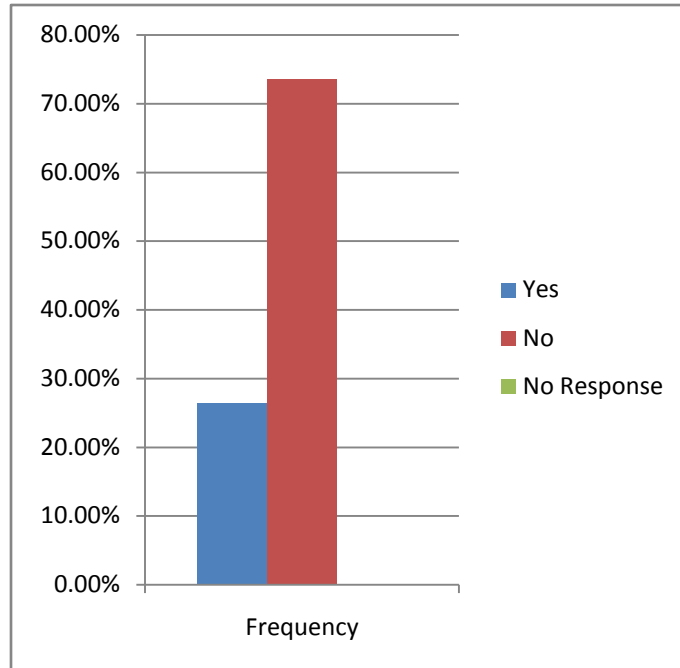
**Source: Field Data (2015)**

On the group phenomena aspect question was asked on whether the group initiated resistance towards the use of Max Malipo. 19 (26.4%) respondents agree with the question while 53 (73.6%) respondents disagree with the issue put forward. those who answered yes, on the question they stated that the devices are so expensive hence very hard to afford and also the issue of network was most stressed by the respondents. one of the respondents stated that:-

*“It is very hard, sometimes when you process LUKU service you end up getting message late on after the customer left the station hence you end up getting loss”.*

**Figure 4.13: Response on the issue of group phenomena**

Respondents



**Source: Field Data (2015)**

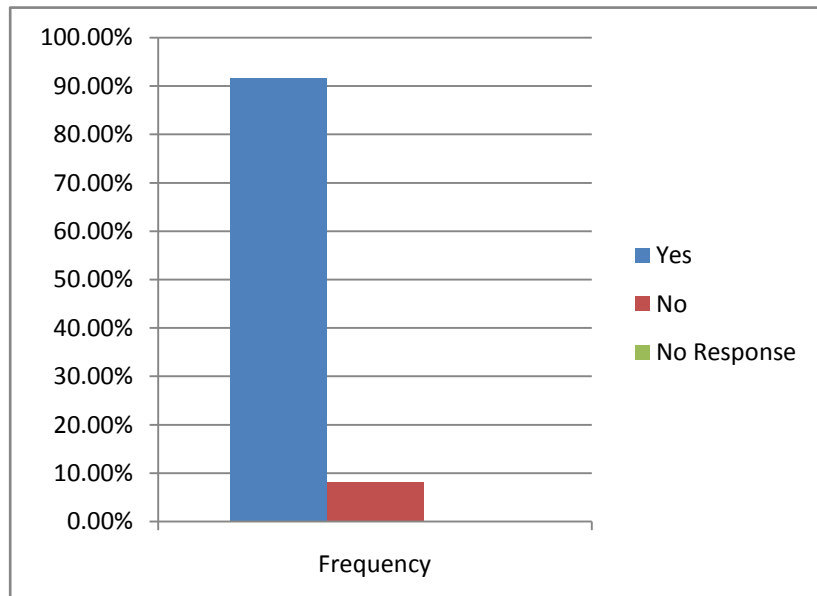
On this aspect the researcher came up with an observation that the group of businessmen is the one responsible for initiating resistance to change. There is the notion of the so called Mob-psychology as the businessmen are affected on what the group believe even if they can be on the wrong side but individual tend to focus on spirit of the group they belong.

#### **4.5 Challenges an organization faced after establishment of Max Malipo**

On this objective, the question was asked on whether Maxcom Company faces challenges after the establishment of Max Malipo. 22 (91.7%) respondents came up with the answer yes, while 2 (8.3%) respondents came up with the answer no.

**Figure 4.14: Response on whether Maxcom Company faces challenges after the establishment of Max Malipo.**

Respondents



**Source: Field Data (2015)**

Respondents, who answered yes, were asked another what were the challenges the Company faced after the establishment of Max Malipo. The question received positive response as they came up with the following regards:-

#### **4.5.1 Competition from other companies**

Respondents particularly employees, explained that competition from other companies has been the major challenge towards the operation of the company. In this case, 14 (58.3%) noticed that the emergence of companies like Selcom pose the competition among them. Competition in business can be a major stumbling block to growth and success. To develop a strong competitive strategy, it is necessary to conduct a competitive analysis. It is rare for a business to have no competition. You must study the competitors in order to be able to place yourself in a position to take them on. Most businesses are competing with those providing similar products or services in their area.

#### **4.5.2 difficult in market penetration**

In this case 17 (70.8%) respondents indicated that difficult in market penetration has been the challenge facing the company since the establishment of the so called Max Malipo. *It has been argued that starting the business is not an easy task, thus you should take focus on every step towards getting into the desired stage.*

#### **4.5.3 No track record**

Also there were no track record hence low trusts from the customers. 16 (66.7%) respondents stressed on this issue as they clear clarification about the concern. Respondents proceeded by noting that it is good for an organization to have record of past performance often taken as an indicator of likely future performance. This became the challenge in enhancing the effectiveness of the system as it should be there in order to ensure that the device operate effectively and provide the service to the targeted population.

#### **4.5.4 Awareness in using the service**

22 (91.7%) respondents stressed on the issue of people unawareness in using the services. In its establishment as the new system of delivering service to the people, it has been a challenge as the problem of people's unawareness. People were not even know what was the implication of using the new system in delivering service. Also people were not interested to get to know better about the new invented system of provision of services.

#### **4.5.5 Network Problem**

Observation shows that one of the challenges an organization faced was the issue of network problem. Administrative staffs were not willing to express this issue as they were always stammering while the researcher was mentioned about it. The researcher came out with evidence when trying to mention the issue before the customer and the businessmen. One of the customer quoted saying that:-

*“We were more than ten people lined up in front of a service both waiting to make payments as directed by revenue officials. For two days no service was provided because the ‘system’ was down.*

#### **4.6 Measures towards overcoming resistance to change**

On this objective the question was asked on whether the company employs different measure towards overcoming resistance to change on the use of Max Malipo. The question targeted the group of Head of departments and administrative staffs. On this aspect 21 (87.5%) respondents said yes while 3 (12.5%) respondents leave the page blank without responding to those questions.

**Table 4.5 Response on measure towards overcoming resistance**

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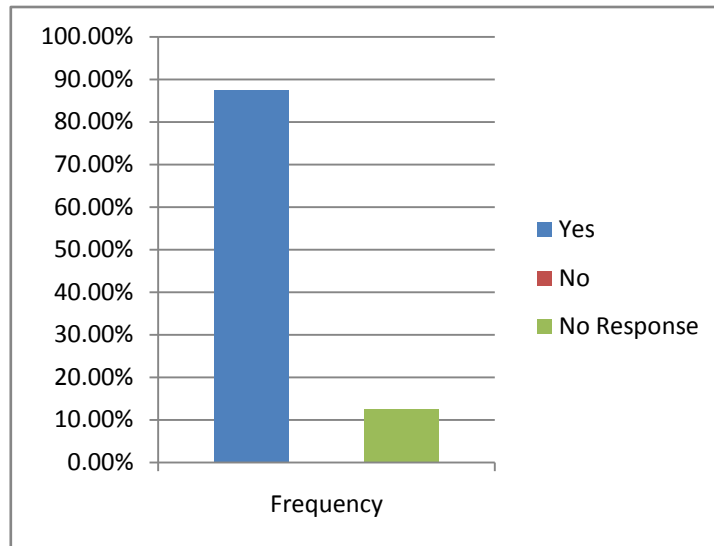
	<b>Head of Departments</b>	<b>Administrative Staffs</b>
Yes	4	17
No	-	-
No Response	-	3
<b>Total</b>	<b>4</b>	<b>20</b>

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**Source: Study Finding, 2015.**

**Figure 4.15: Response on whether the company employs different measure towards overcoming resistance**

Respondents



**Source: field study (2015)**

The following are the reasons for respondents who responded yes about the question asked whether Maxcom Company employs different measure toward overcoming resistance to change on the use of Max Malipo. Employees said that there are several campaigns on promoting awareness to the people through Television, Radio and Magazines. There are plenty of campaign for instance advertisement on radios particularly clouds fm, times fm, radio one, Tbc fm, and other radio stations. Also advertisement in blogs and television.

Also it was revealed from the study that Maxcom Company provides training to the agents. This was seen after the respondents responded in the question that needed to get proof on whether an organization provide education and training regarding the issues of organization change to the employees and stakeholders.17 (70.8%) respondents responded by saying yes while 7 (29.2%) responded with the answer no. Those who said yes gave an explanation on the issue of training but they were not willing to

explain in what specific issues were discussed during training as all of them left the page blank.

One of the respondents who were the head of commercial department gave an explanation on training. Interviewee said that:-

*Training can be viewed as a facilitated process of developing awareness to the people concerning newly invented technology. It is the way in which the company prepare training programme and coordinate in order to ensure that there will be effectiveness among the user. Training programmes offered were in form of seminars which are offered in various regions in order to raise awareness to the stakeholders.*

**Figure 4.16: The Director of Maxcom Company, Mr. Rajab Juma facilitating the seminar famously known as “Kamata Fursa” at Mwanza**



**Source: Mjengwa blog (2014)**

**Figure 4.17: Participants in the Kamata Fursa seminar held in Mwanza**



**Source: Mjengwa blog (2014)**

21 (87.5%) respondents stressed on the issue of corporate social responsibility as one of the means to reduce resistance. It is the way by which the company acts morally towards stakeholders, employees, and local community aiming at increasing reputation. This views reasoning is that by pursuing the profit motive, the company will be more efficient and prosperous, thus helping society indirectly (job creation and corporate taxes). One of the respondents said that the company needs to engage in social matters so as to create friendly atmosphere with the society.

Observation shows that, Max Malipo integrate different service an enable user to get more services through the device. In support to the growing and competitive mobile phone market, Maxmalipo has partnered with all mobile phone service providers Vodacom, TIGO, Airtel, SasaTel, Zantel and TTCL in the distribution and to increase accessibility of mobile top up vouchers across the country including e-vouchers. Basing on this issue one the interviewee said that;-

*“MaxMalipo’s outreaching network of agents supported by a strong backroom IT infrastructure and a 24/7 customer call centre ensures a systematic movement of people from the scratch card to the more convenient and environment friendly electronic”.*

Also the introduction of partnership among NMB and Max Malipo service has create convenience of allowing the unbanked and under banked communities to access financial services close to them while minimizing the distance they can travel to access NMB branches.

Maxcom has extended its Max Malipo agent network to NMB and by so doing allowing NMB customers to deposit money conveniently into their bank account. "At the same time we are bringing NMB customers closer to their bank account by enabling withdrawals from the bank directly from maxmalipo agents."

Maxmalipo is another addition to the broad self service offerings NMB provide to its customers including NMB mobile, M-Pesa, Tigo pesa, PesaFasta, ATMs, Fast Track, Customer Service Centre, PoS and Internet Banking. NMB and Maxcom integration is the continuation of Maxcom vision to offer excellent and affordable services to the people of Tanzania and become even closer to them.

Also the company tries to participate in contributing to several social activities for instance Maxcom Company has contributed in construction of laboratories in Ilala and Kinondoni. Talking to the respondents (employees) 6 of them noted that the Company made contribution to the construction of Laboratories in secondary schools.

**Figure 4.18: Managing Director of MaxCom Africa, Juma Rajabu presenting the cheques of 10 Million TSh, to the representative of Kinondoni Municipal for laboratory construction.**



**Source: Michuzi Blog (2014)**

Also the Company made the contribution in the construction of laboratory in Ilala municipal.

**Figure 4.19: Managing Director of MaxCom Africa, Juma Rajabu presenting the cheques of 10. Million TSh, to the representative of Ilala Municipal, for laboratory construction.**



**Source: Michuzi blog**

Findings revealed that 18 (75%) respondents argue on the side of participation in several events particularly Sabasaba. Sabasaba had been stressed by the respondents as one of the way to promote the devices and also one of the way to increase awareness of the issues to the people and made them to know. Through Sabasaba they use that opportunity to advertise, raise awareness and general knowledge to the people concerning the importance and reason for the establishment of Max Malipo.

**Figure 4.20: Hon. Mizengo Kayanza Pinda, the Prime Minister of the United Republic visited Max Malipo block in Mwl. Nyerere exhibition grounds during Sabasaba**



Source: michuzi blog (2014)

Also in improving trust among the business, Maxcom Company has participated in the event when PSPF launched the new service of voluntary contribution (mchango wa hiari) to the people.

**Figure 4.21: Maxcom Africa Managing Director together with the Director of PSPF launching new service of voluntary contribution (mchango wa hiari) to the people.**



**Source: Michuzi Blog**

On the other side 16 (66.7%) interviewees gave elaboration on education as they stressed on the issue of education in the sense that it can be used as the measure towards overcoming resistance to change. Interviewees proceeded by explaining that effective education can help prevent resistance by providing people with information about the device and how it is passed on, and in doing so equip individuals with the

knowledge on how to use it and its importance. Education also plays a vital role in reducing the level of unawareness to the people. Around different parts in Tanzania particularly Dar es salaam, there continues to be a great deal of fear among of people who are using Max Malipo, and this fuelled misunderstanding and misinformation.

Observation shows that education is one of the best ways to reduce resistance as individuals tend to get familiarization of the whole issue through the access of education. Education can be provided through different way in which you can get a number of people. One of the way is through promoting the service by launching something like sports bonanza which brought out a large number of individuals at the single period of time and through that bonanza the issue of provision of education was accompanied with.

#### **4.7 Chapter Summary**

This chapter has given the results on the reasons for establishment of Max Malipo, Causes for resistance to the use of Max Malipo, challenges an organization faced and measures towards overcoming resistance to change. On the context of cause for resistance to the use of Max Malipo, findings revealed that there were no participation, no open communication, no trust and the extent of the group phenomenon being among the reason for resistance.

Also, the study revealed that challenges an organization faced include lack of awareness on the use of Max Malipo devices, there were no track record, network problem and competition from other competitors like Selcom.

Measures taken by the Company were revealed on the study; these were training of agent who will train clients, corporate social responsibility, participation in events like Sabasaba and awareness raising campaign through television, radio and magazines. The next chapter gives conclusions drawn from the findings and recommendations.

## CHAPTER FIVE

### DISCUSSION OF THE FINDINGS

#### 5.1 Introduction

This chapter represents the discussion of the findings of four research questions which include: What factors bring about resistance to the use of Max Malipo?, What challenges an organization faced when introducing Max Malipo?, What are the factors that affect the organization in ongoing resistance?, What measures taken by the company towards overcoming resistance to change on the use of Max Malipo?

The identification of the reasons on why people decide on not to use Max Malipo. Findings revealed that people decides not to use Max Malipo because they do not want to pay tax in the sense that they are saying that it is very expensive while you are using Max Malipo device compared to the situation when they are using normal way of delivering services particularly M-pesa, tigopesa, and airtel money. Through observation the researcher came out with this proof as most of the businessmen were arguing that,

*When you are using Max Malipo, you tend to share the profit you earn with the government that's why it is not conducive to us*

Also individuals tend to resist because of the influence from the group they belong as the group can also initiate its member from resist due to the spirit, beliefs and ideas planted with the group. Individual on occasions resist change because group wants it that way. Importance of group cohesion, group norms, code of conduct and the security group provides to individuals play a dominant role in individual behaviour that makes them to resist change.

According to Kondalkar V, G, (2007), Change is a constant phenomenon. Dynamic forces are always at play and therefore individuals must adjust to it and carryout change. If the change in not implemented, society will be stagnant and become

hopeless. Individuals accept change in the technical field but resist the other as it has far reaching consequences for the social change. Change no matter how beneficial, is generally resented and is always difficult to implement. It must be emphasised that change brings with it new challenges, new experiences, spirit and associated rewards and therefore it should be welcomed and implemented with positiveness and full support.

With regard to the certain factors that resist change; these include Participation and Involvement, Lack of communication, Education, Rapidity and Extent of Change, Leadership, Group resistance, Willingness for sake of group, Loss of power and Control, Technology and New practices.

The details of the change should be provided, but equally important is the rationale behind the change. Providing accurate and timely information about the change can help prevent unfounded fears and potentially damaging rumors from developing.

Open communication in a culture of trust is a key ingredient for successful change. It is also beneficial to inform people about the potential consequences of the change. Educating employees on new work procedures is often helpful. For instance studies on the introduction of computers in the workplace indicate that providing employees with opportunities for hands – on practice helps alleviate fears about the new technology.

Communication can help dissipate some fear of unknown elements. Management should also see that there is a two way communication between the management and workers so that the so former comes to know about the reactions of the latter directly without delay. Delaying the announcement of a change and handling information in a secretive fashion can serve to fuel the rumor mill.

According to Kondalkar (2007), to implement planned change effectively, managers must understand how to overcome resistance to change, why change efforts fail, and what techniques they can use to modify behavior. Managers can use different approaches to change attitudes and behaviors at the individual level: Behaviors that are

positively reinforced tend to be repeated. In designing change, attention must be paid to how the new behaviors will be reinforced and rewarded.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **6.1 Introduction**

This chapter provides summary, conclusion and recommendations. More specifically it provides summary of the findings based on the four research questions analysed, presented and discussed in the previous chapter; conclusion of the study and recommendations.

#### **6.2 Summary**

The study was about analysis of the Resistance to Change towards the Establishment of Max Malipo. It was conducted in Kinondoni Municipal, and Maxcom Africa Company Limited. The study aimed to answer the following research questions: What factors bring about resistance to the use of Max Malipo?, What challenges an organization faced when introducing Max Malipo?, What are the factors that affect the organization in ongoing resistance?, What measures taken by the company towards overcoming resistance to change on the use of Max Malipo? There are several interesting findings with regard to resistance towards the use of Max Malipo in Tanzania, particularly in Kinondoni Municipality.

Case study framework was identified to be the most appropriate one for this study regarding the nature of research problem under study. The study involved 96 respondents, 96 responded for questionnaire and 4 were interviewed.

The study used Stratified sampling, purposive and simple random sampling procedure. The findings were both qualitatively and quantitatively which included tables, number and percentages and charts for comprehensive classifications. The collected data were edited, coded, classified and tabulated by using Microsoft excel.

With regard to first research question which was on what factors bring about resistance to the use of Max Malipo. This study revealed that there is a lot of factors though it depends on an individual himself, but there are the factors which generalize the issue. These include group resistance or phenomena, lack of awareness, no involvement in decision making, lack of trust among businessmen and the management, no education and there was no communication.

Considering the second research question which was on what challenges an organization faced when introducing Max Malipo? This study revealed that competition from other companies was one of the challenges an organization faced after introducing Max Malipo. Also the issues of awareness to the people and lack of track record has been stressed as the challenges. The issue of Market penetration also was a confronting factor towards flourishing of the system in the market.

In view of third research question which was about the factors that affect the organization in ongoing resistance. This study revealed that there is the loss as the profits are lowered compared to expenses. Also another factor that affects an organization is that there is low market share and it restricts the growth pace of the organization.

With regard to fourth question which was on what are measures taken by the company towards overcoming resistance to change on the use of Max Malipo. This study revealed that Maxcom Company employs different measures. These are public awareness campaign via radio, television and magazines, participation in events like Sabasaba, Corporate social responsibility, and training agents who also educate clients.

### **6.3 Conclusion**

Generally, the issue of change has been always opposed by majority of individual who are affected by it because most of them are not aware of the importance of change and others are not ready for change. Others want things to remain as they are, and others feels like they are going to loose their power once change will take place. In this study, people tend to resist change because they do not want to pay tax and the issue of

network problem has been among the factors. Thus with the challenges an organization should develop and introduce laws which will guide its operation.

With regard to first research question which relied on what were the reasons for the establishment of Max Malipo, findings revealed that the reasons for the establishment of Max Malipo were to assist the Government in collection of tax and increase control on revenue collected. Also the study revealed that Max Malipo set convenience environment to the society to pay for services.

Considering the second research question which was on what factors bring about resistance to the use of Max Malipo. This study revealed that there is a lot of factors though it depends on an individual himself, but there are the factors which generalize the issue. These include group resistance or phenomena, lack of awareness, no involvement in decision making, lack of trust among businessmen and the management, no education and there was no communication.

In view of third research question which was about the challenges an organization faced when introducing Max Malipo? This study revealed that competition from other companies was one of the challenges an organization faced after introducing Max Malipo. In conclusion is that for any organization to prosper must pass through several stages and it should face challenges when it starts. Thus an organization needs to get ready to sustain any of the situation arise before them.

With regard to fourth question which was on what are measures taken by the company towards overcoming resistance to change on the use of Max Malipo. This study revealed that Maxcom Company employs different measures. These are public awareness campaign via radio, television and magazines, participation in events like Sabasaba, Corporate social responsibility, and training agents who also educate clients. In conclusion is that set of measures need to be developed in order to enhance that the programme introduced met its desired targets. Thus it is obvious that the Company should be accompanied by the Government so that measures put forward should be realized.

## **6.4 Recommendation**

Negotiation and Agreement technique should be used when costs and benefits are balanced for the benefit of all concerned parties. If people or groups are losing something significant in the change and if they have enough power to resist strongly. Negotiation before implementation can make the change go much more smoothly, even if at the later stages if some problems arise, the negotiated agreement can be referred to.

A capable leader should reinforce a climate of psychological support for change. A strong and effective leader can exert emotional pressure on his subordinates to bring about the desired change. Most of the times, there is no resistance from the subordinates and if they resist, the leader tries to overcome resistance by leadership process.

Although change can be obtained individually; it is more meaningful if it is done through a group. Therefore, management should consider the group and not the individual as the basic unit of change. Group dynamics offer some basic help in the regard. The more attractive the group is to the members, the greater is the influence of the group to accept or resist a change.

Groups can exert pressure on those factors of the members which are responsible for the group being attractive to the members. Normally attitudes, values and behaviour are more common factors determining the group attractiveness. The degree of prestige of a group, as interpreted by the members will determine the degree of influence the group has over its members.

Group interactions should be encouraged; it should be provided full information by the management. The management should also explain the rationale of change and try to convince that the interests of the group members would not be adversely affected.

Although change agents might have the bigger picture of the change to unfold, they are not always in a position or aware of all the potential ways that individual employees

can contribute to effective change. Therefore organisations must aid managers and their employees to properly deal with change and help individual employees to plan and manage their career paths. Also, they must train managers on how to properly coach and mentor their employees.

Managerial behaviour during change process should aim at successful change by building encouraging participation hence perceptions of fairness. This becomes the key to job satisfaction and building of organisational social capital. Employees can be changed because then they own the process.

When a change occurs, one of the biggest gripes among employees is that they are unprepared to handle the changes. Provide training classes, equipment and any other resources to not only help them adapt, but also to excel in the changed environment. Help them in any way you can to be more efficient and effective employees before, during and after the changes take place. They may not only stop resisting, but actually feel encouraged and hopeful anytime thereafter that you make changes.

Timing is everything when it comes to change, and if you try to implement major changes all at once or too quickly, your employees may be more likely to resist. Introduce change in measured doses when possible, to give staff a chance to get used to whatever changes you've made. Not only does this ensure the least amount of interruption to your products or services, but also it makes for a happier -- and thereby more productive staff.

One of the best ways to get your employees to stop resisting change is to simply talk to them about it. Give as much information as you can about the changes and allow them to have an open forum to give feedback. Perhaps you will take some it into account and other feedback will simply be heard so the employees can express themselves, but they may stop resisting as much if they feel as though they've been heard.

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## **APPENDICES**

### **APPENDIX I:**

#### **MZUMBE UNIVERSITY SCHOOL OF PUBLIC ADMINISTRATION AND MANAGEMENT**

#### **INTERVIEW QUESTIONS FOR THE DIRECTOR OF ADMINISTRATION AND HUMAN RESOURCE**

Fill the blank and tick the appropriate answer.

1. For how long the Director, Principal, Middle Manager, supervisor and employees has worked with the firm?
2. How employee and people especially businessmen were made to know what Max Malipo is?
3. Can you identify the reasons on the establishment of Max Malipo? (Please explain the major aims for its establishment in this office).
4. Does the organization have a culture of checking the effectiveness of the devices? Yes/No. If yes how?
5. Does the organization have policy on enhancing changes within and outside the organization?
6. How change program affected employees of the firm and businessmen, and how much it benefited the firm.
7. Is there a record book at the organization where all complaints from agents and businessmen are recorded?
8. Identify external and internal factors that resulted resistance to the use of Max Malipo.
9. If yes, how many complaints have been recorded so far for the past three years?
10. What kind of complaints have been re occurring frequently and what are the main causes of those complaints?
11. To what extent does the management ensure the effectiveness of the use of Max Malipo devices?

12. Why change is important for the firm and why it was introduced?
13. Reason for any failure for this change?
14. Why and how the employees resisted this change?
15. What are the improvements made in enhancing proper usage of Max Malipo devices?
16. Does any discussion on the problems of change and measures taken by the firm discussed? How much it succeeds and how much it failed?
17. Any other comment regarding this research

**APPENDIX II:**

**MZUMBE UNIVERSITY  
SCHOOL OF PUBLIC ADMINISTRATION AND MANAGEMENT**

**THE QUESTIONNAIRES FOR THE ADMINISTRATIVE STAFFS**

Please tick where appropriate

**SECTION A: RESPONDENT BACKGROUND**

1. How old are you?

- a. 18-25 (.....)
- b. 26-35 (.....)
- c. 36-45 (.....)
- d. 45-55 (.....)
- e. Above 55 (.....)

2. Highest Educational Level:

- a. Primary (.....)
- b. Secondary ('A' Level) (.....)
- c. Certificates (.....)
- d. Diploma (.....)
- e. Graduate (.....)

3. For how long have you been working in the organization?

- a. 1-3 years (.....)
- b. 3-5 years (.....)
- c. 5-6 years (.....)
- d. More than 6 years (.....)

**SECTION B: RESPONDENT INFORMATION ON MAX MALIPO**

- 4. Are you aware of the introduction of Max malipo in this office? YES/NO
- 5. Do you perceive on fairness with the use of Max malipo offered by your company?

YES/NO

- 6. If yes, in what extent?(put a tick )

- a. Very high (.....)
- b. high (.....)
- c. moderate (.....)
- d. low (.....)
- e. very low (.....)

- 7. How the establishment of Max Malipo does was enhanced?

- a. Involvement of employees (.....)
- b. Demand of the organization (.....)

Can you explain external and internal factors that resulted resistance to the use of Max

- 8. Are you satisfied with the impacts brought about with the use of these devices in this office?

- a. Yes (.....)
- b. No (.....)

- 9. What are the challenges an organization faced when introducing Max Malipo?

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10. What do you think can be the effects of resistance on organization's future development?

.....  
.....

11. Does Maxcom company employ different measures toward overcoming resistance to change on the use of max Malipo? Yes/ NO.....

12. If yes, what are those measures?

13. Do you require restructuring laws so as to initiate those whom do not use such devices? YES/NO (.....)

**Training and Education to the workers**

14. Does the organization provide education and training on organizational changes to the employees?

(a) Yes ( )

(b) No ( )

15. If yes, how regular is training organized for staff on organizational change and resistance to change?

(a) Quarterly ( )

(b) Biannually ( )

(c) Annually ( )

(d) No definite time fixed for training ( )

16. What specific issues are discussed during training?

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.....  
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.....  
.....  
.....  
.....

17. Who exactly provide training?

(a) Department supervisors (     )

(b) Human resources officers and representatives (     )

(c) Others.....  
.....

18. What benefits can employee and organization gained from regular training?

.....  
.....  
.....  
.....  
.....  
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19. Does the organization provide training for newly enrolled workers at the workplace?

(a) Yes (     )

(b) No (     )

20. when introducing Max Malipo does the company/firm informs the businessmen about ts establishment?

**APPENDIX III:**

**MZUMBE UNIVERSITY**

**SCHOOL OF PUBLIC ADMINISTRATION AND MANAGEMENT**

**DODOSO LA KUKUSANYA TAARIFA MBALIMBALI KUTOKA KWA  
WATUMIAJI WA MAX MALIPO**

**Utangulizi**

Max Malipo ilianzishwa kwa lengo la kukusanya kodi kupitia njia ya kielektroniki na imefanya kujumuisha makampuni mbalimbali hususani TANESCO kupitia LUKU, Bili za maji kupitia DAWASCO, MWAUWASA na AUWSA, stesheni za televisheni za kulipia kama DSTV, Startimes na ZUKU, pesa mtandaoni kupitia M-Pesa, Airtel Money, na Tigo Pesa na Kodi za serikali na leseni za barabarani za TRA. Utafiti huu umelenga kutizama nini faida na hasara za kuanzishwa kwa mashine hizi za Max malipo na ni kwa jinsi gani zimekuwa changamoto kwa watumiaji wake.

Kwa kutambua umuhimu wa utafiti huu, tunakuomba uchukue muda wako wa takribani dakika 20, kulijaza dodoso hili kwa kadri ulivyoulizwa na kujibu kadri unavyoelewa. Dodoso linaweza kujazwa kwa kujisimamia wewe mwenyewe au kwa usimamizi wa mdodosaji. Natanguliza shukrani zangu kwa ushirikiano wako.

**A: TAARIFA BINAFSI**

1. Jinsia

(a). Mme  (b). Mke

2. Umri wako katika makundi

(i) 18 - 28

(ii) 29 - 38

(iii) 39 - 48

(iv) 49 - 58

(v) 59 - 68

(vi) Zaidi ya 69

3. Umeshawahi kusikia mashine za max malipo mahali popote ulipo?

(a). Ndiyo  (b). Hapana

4. Kama jibu ni ndiyo, ni wapi umeusikia?

5. Umeshawahi kutumia mashine za max malipo?

(a). Ndiyo  (b). Hapana

6. Kama jibu ni ndiyo, ni wapi?

7. Kama jibu ni hapana, nini sababu iliyokufanya usitumie?

.....  
.....  
.....

8. Kama jibu ni ndiyo, toa maelezo kidogo namna unavyoifahamu

.....  
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.....  
.....

9. Kwa kifupi nitajie sifa za max Malipo

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10. Ni nini faida za matumizi ya max malipo?

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.....

11. Ni nini hasara za matumizi ya max Malipo?

.....  
.....  
.....

12. Kuna tofauti gani kati ya matumizi ya max malipo na matumizi ya njia nyingine?

.....  
.....  
.....

13. Nini mtazamao wako juu ya kuanzishwa kwa max malipo?

- a) Unafaa
- b) Unafaa sana
- c) Kiasi chake
- d) Haufai kabisa?

14. Umewahi kutumia max malipo na kuacha?

Ndio(.....)                      hapana(...)

15. Kama umewahi kutumia max malipo na kuacha ni nini sababu zilipelekea wewe kuacha?

.....  
.....  
.....

16. Je, kuna elimu yoyote imewahi kutolewa juu ya matumizi ya Max Malipo kabla na baada ya kuanzishwa kwake?

17. Kama ndio ni elimu ya aina gani?

18. Je, elimu inayotolewa inakidhi mahitaji ya wafanyabiashara juu ya matumizi ya kifaa hiki?.....

19. Je, kubadilika kwa mfumo wa utoaji huduma kumeweza vipi kuathiri biashara zenu ukilinganisha na zamani kabla hujaanza kutumia hizi mashine?

.....  
.....  
.....

20. Je, mmewahi kushirikishwa katika kutoa maoni juu ya nini kiboreshwe katika utoaji huduma?

21. Ni changamoto gani umekutana nazo baada ya kuanzishwa kwa mfumo huu mpya wa kutoa huduma?

.....  
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.....  
.....

22. Je, kuanzishwa kwa mfumo huu mpya kunaweza kusaidia kukua kwa pato la taifa?

23. Una taarifa nyingine muhimu zinazoweza kuboresha utafiti huu? Kama zipo tunaomba utueleze.

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.....  
.....

24. Ni nini maoni yako juu ya utafiti huu?

.....  
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.....

**Appendix IV**

**TIMESCALE**

<b>MONTH</b>	<b>MAY</b>				<b>AUGUST</b>				<b>SEPTEMBER -DECEMBER</b>				<b>JANUARY- MARCH</b>			
<b>ACTIVITY</b>																
Preparation of Proposal & Submission																
Data Collection																
Data Analysis																
Report Writing																
Final Report And Submission																