**FACTORS INFLUENCING CHANGE MANAGEMENT PRACTICES AT CFC –
STANBIC BANK**

BY

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DECLARATION

STUDENT'S DECLARATION

I hereby declare that the work contained in this project is my original work and has not been previously, in its entirety or in part, been presented at any other university for a degree requisite. All the references cited in the text have been duly acknowledged.

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SUPERVISOR'S DECLARATION

This project has been presented with my approval as the supervisor of the student and the University Of Nairobi, School of Business

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Thank you all.

DEDICATION

I dedicate this work to my family for their understanding and support during the study period.

ABSTRACT

Our era is a period of change. According to Armstrong (2006), People will always resist change because it is seen as a threat to familiar patterns of behavior as well as to status and financial rewards. Change management is a set of processes that is employed to ensure that significant changes are implemented in an orderly, controlled and systematic fashion to effect organizational change. One of the goals of change management is with regards to the human aspects of overcoming resistance to change in order for organizational members to buy into change and achieve the organization's goal of an orderly and effective transformation. The introduction of change brings in a lot of resistance and conflict with the employees. This is because any change in 'status quo' brings in apprehension as no one knows what the outcome maybe.

This study is aimed at determining the factors influencing change management practices adopted by CfC-Stanbic. This research was conducted through a case study and the researcher used structured interview guide as the main data collection instrument. Secondary data sources were employed through the use of previous documents or materials. Data collected was purely qualitative and it was analyzed by content analysis.

From the study, the researcher concludes that changes in management of operation have resulted in motivational impact and gives employees a corporate challenge and goal worthy of commitment. The study also concludes that change management practices have benefited the bank in that change management practices have helped the bank develop a competitor focus at every level through widespread use of competitive intelligence and also provide employees with the skills they need to work effectively.

The study recommends that although CfC-Stanbic bank has been successful in managing change through employing various practices, in order to remain competitive in the market, CfC-Stanbic bank should benchmark with other well performing banks in order to improve on its change management practices.

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List of abbreviation

ATM   –   Automated Teller Machine

CEO   –   Chief Executive Officer

HFCK –   Housing Finance Corporation Kenya

TQM   -   Total Quality Management

UK   -   United Kingdom

USA   –   United States of America

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The change in management process in any organization normally happens due to the awareness of the need for change. In the recent years especially, the nature of change has increased in degree and pace. In this regard, an organization has first to identify the factors that have created this necessity for change, identify their characteristics and then determine how the changes will be done. The factors that contribute to change range from cost reduction, redundancies, technological, cultural change and performance improvement

Organizational change is a socially constructed reality with negotiated meaning as outcomes of power relationships and struggles for supremacy (Grant et al., 2005). "Between the lines" a particular strategy is primarily about power and control, dominance and supremacy, whose access to resources will be enlarged or reduced, who can stay and who has to go. On the one hand, this struggle for supremacy, power and control is about personal interests. For example, senior managers are well aware of the fact that initiating a new strategic change initiative can, irrespective of the factual outcomes for the organization, increase their credibility (Staw and Epstein, 2000) and their market value outside the organization as well as their position and influence inside the organization:

It is for this reason that management must prepare and anticipate the likely reactions of employees and determine how to deal with them. The different perceptions to change come because of the difference in the background of employees and their perception of the change outcome. Change can be studied in terms of its effects at the individual, group, and organization, and society, national or international level, (Mullins, 1995) Perception refers to the way we see or view things or simply our attitude towards things or people. We perceive things in different ways because we have our own image of the world. According to Mullins (1985), we all have our own 'world', our own way of looking at and understanding our environment and the people within it

In the past, employees' feelings and contribution to the organization was not viewed as very important. However, in the early 1930's,the Human Relations Approach theory was advanced as a result of the experiments that were done by Elton Mayo which came to be known as the Hawthorne experiments. These experiments helped managers to see the importance of the employees and the necessity of putting their feelings into consideration. The experiments showed that when workers felt that they were getting attention from management, their productivity increased. This helps us to understand the importance of employees to an organization and the approach an organization should adopt with them even when affecting any kind of changes.

1.1.1 Organisational Change

Change revolves around the process of the subjectization of substance, the appropriation of a universal signifier by a particular content, which takes place through the displacement of some momentary central connotation of a signifier by a formerly peripheral predicate, "a subordinated moment of its totality, which installs itself as the new totalizing principle" (Žižek, 2005). As to democracy, change is precisely embodied in the violent and explosive egalitarian uprising of those in society who are "surnumerary", who have no established place in the social edifice, the "part of no-part", unsettling the established order by claiming to be the (new) center of the empty principle of universality: The field of organisational change is one ripe for a critical setting of competing views. One of the main differences in these broad competing views is the one that separates the theoreticians from the practitioners, (Buchanan, 1993).

The practitioners, who ascribe to the large consulting firm model of organizational change (Miles, 1997), are seen as advocating the rational-linear view of organisational change, while the theoreticians are perceived as supporting the systemic-multivariate view of organisational change (Cooperrider and Bilimoria, 1993; Marshak, 1993). It is commonly observed among the advocates of the rational-linear view of organisational change that there is an optimum solution for organising labour, raw materials and capital and for adopting new organisational practices (Church *et al.*, 1994). Within this view, the focus has been primarily on the contingencies necessary for the success and effectiveness of implementing organisational change. Situational models of contingencies, under which different approaches to change assume one-best-way

across business contexts or timescales (Kotter, 1995; Tushman *et al.*, 1997), present an ideal model of what happens in organisations at different points in time or in different contexts.

Although a contingency approach to organisational change has encouraged practitioners to consider aspects of their environment, technology and size as a basis for deciding on the appropriate paths of change, it delineates deterministic assumptions about the nature of change in organisations, presents inadequate appreciation of the role of strategic choice, beliefs and power and neglects the fact that organisations are collections of diverse interests (Dawson, 1996).

1.1.2 Change Management Practices

Change management is a set of processes that is employed to ensure that significant changes are implemented in an orderly, controlled and systematic fashion to effect organizational change (Mullins, 1995). One of the goals of change management is with regards to the human aspects of overcoming resistance to change in order for organizational members to buy into change and achieve the organization's goal of an orderly and effective transformation (Diefenbach, 2006a). The introduction of change brings in a lot of resistance and conflict with the employees. This is because any change in 'status quo' brings in apprehension as no one knows what the outcome maybe.

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For those who believe in the principles that underlie it, change management practices as philosophy legitimates 'the interests of management in how organizations are managed, stressing the role and accountability of individual managers in their positions as managers' (Lawler and Hearn, 1996, McAuley *et al.*, 2000). Change management is a set of processes that is employed to ensure that significant changes are implemented in an orderly, controlled and systematic fashion to effect organizational change (Mullins, 1995). One of the goals of change management is with regards to the human aspects of overcoming resistance to change in order for organizational members to buy into change and achieve the organization's goal of an orderly and effective transformation (Diefenbach, 2006). The introduction of change brings in a lot of resistance and conflict with the employees. This is because any change in 'status quo' brings in apprehension as no one knows what the outcome maybe.

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There is much research reporting on implementation of change programmes where the resulting picture is far from a replica of discrete set of economic, structural and technological contingencies (Senge, 1990; Pettigrew *et al.*, 1992).

1.1.4   The CfC-Stanbic Holding

CfC-Stanbic Holdings is now the fourth largest bank in Kenya measured by total assets, which has its head office based in South Africa. It is Africa's largest bank by market capitalization and assets. At the end of 2007, the Standard Bank Group had total assets of over US$ 175 billion and employed over 40,000 people worldwide. The Bank's market capitalization as at 3rd April 2008 was US$18.6 billion. Its network spans 17 sub-Saharan countries (including South Africa) and extends to 21 countries on other continents, including the key financial centers of Europe, the United States and Asia. In addition to commercial banking, Standard Bank has a strategic interest in the insurance industry through its control of the Liberty Group, one of Africa's leading life offices and financial services (http://www.stanbicbank.co.ke/portal/site/kenya)

CfC-Stanbic Holdings was formed in June 2008 out of a deal that brought together Stanbic Bank Kenya Ltd and CfC Bank Ltd, which includes CfC Bank, CfC Life, CfC Financial Services, Heritage Insurance and Heritage Insurance Tanzania. For year ending 31st December 2008, CfC Stanbic Holdings Limited reported a pre-tax profit of Kes. 1.3billon; an increase of Kes 119 million from the results of the year ended 31 December 2007. Profit after tax increased by 7.8% from Kes 828 million in 2007 to Kes 892 million in 2008. The Bank attributed the growth substantively to the merger between CfC and Stanbic banks in June 2008 which saw an increase of both net interest income and non-interest revenue that increased by Kes. 1.255 billion and Kes. 723 million respectively. Commenting on the results, Mike du Toit, Managing Director, CfC-Stanbic Holdings said, "The 2008 results are an indication of the resilience of CfC-Stanbic Holdings's operations to face the challenges presented by a merger and integration process."

Operating costs grew by 104% to Kes. 1.378b. This was mainly due to the merger of banking operations. The cost to income ratio increased to 58.5 percent from 50.2 percent in 2007, materially due to integration-related costs. During the year under review, the Bank's total assets grew by 141 percent largely as a result of the merger and organic growth which placed the Bank in a strong position in the market. Customer loans and advances increased by Kes.24.5 billion while customer deposits, the Bank's main source of funding, increased by Kes. 38.8 billion. As a result of the increased earnings and the merger, Shareholders' equity recorded a gain of 112% to Kes. 7.1 billion as compared to Kes. 3.3 billion in 2007. Staff costs increased by 80.6 % as compared to the previous year due to the merged bank headcount and business operation expansion.

As a part of the high profile merger of CfC and Stanbic Holdings in Kenya there was clearly a need to interconnect the two ATM switches of the respective banks to ensure that customers could immediately benefit from using the (formerly) two ATM networks. Paynet Kenya Ltd., a provider of financial services outsourcing within East Africa, was contracted to interconnect the two banks' switches from both a technical and operations perspective. The switch interconnectivity provides a seamless banking offering to both existing Stanbic and CfC customers and includes access to either bank's ATMs and PesaPoint, access to banking facilities for customers of each bank and a wider banking network Speaking at the switch commissioning, Bernard Matthewman, Group Managing Director Paynet said, "We are proud to have been called upon to provide this service due to our huge investment in switching services that presently manages operations of automated teller machines (ATMs) across the country and most recently in Uganda and Tanzania through Diamond Trust Bank and Post Bank Uganda. CfC-Stanbic is clearly a new force in the market place and we believe that by making sense of merged infrastructure and additional networks like PesaPoint they can offer their customers a much broader service footprint" Stanbic Bank in Kenya is part of one of Africa's leading banking and financial services group, Standard Bank.

The group has one of the biggest single networks of banking services in Africa. Through this network the network offers a wide range of banking products and services which are delivered

through more than 1,000 points of representation in 17 African countries (including Kenya). The network is active in international and cross-border transactions and in those areas liaises closely with Standard Bank Corporate and Investment Banking and Standard Bank London.

Mike du Toit, Managing Director of the new bank CfC-Stanbic said, "Ensuring a seamless and least disruptive merger is fore front to ensure that our customers go through this transition as smoothly as possible. Merging technology is always a challenge and we prioritized the customer facing systems as ultimately the merger of CfC and Stanbic should benefit both sets of customers. We knew we needed this done fast without compromising security and Paynet was clearly the best placed entity to provide this service due to their significant expertise in this area. They have delivered to our high expectations. The merger has seen CfC-Stanbic become the 4th largest bank in the Kenyan market and this is yet another forward leap in upgrading our technology platform."

1.2 Statement of the Problem

Our era is a period of change. According to Armstrong (2006), People will always resist change because it is seen as a threat to familiar patterns of behavior as well as to status and financial rewards. The Attribution Theory advanced by Heider, (1999) states that "behavior is determined by a combination of perceived internal forces and external forces" (Mullins, 1995). This means that if the employees feel that the up coming changes are likely to upset their current state in terms of loss of money, job security, disruption of their social patterns or the fear that they may not be able to cope with the new changes, then they are likely to resist and to be negative about it. However, if they believe that the change is for their own benefit, then, they are likely to go along with it.

There is convincing empirical evidence that change management practices is on the agenda not only in industrialized Western nations such as USA and Canada, UK and continental Europe, Australia and New Zealand (Torres, 2004; Pina and Torres, 2003; Pollitt, 1990; Aronowitz and Giroux, 1985, 1991), but also in many industrialized and even developing countries in Asia and Africa (Haque, 1999). It is a "global phenomenon" (Kirkpatrick *et al.*, 2005). There is evidence

to suggest that the universal model of change management is inadequate to describe the diversity of approaches actually used by banks (Chapman, 2005). Howevever, none of these international studies have focused on change management in the context of banking industry.

Studies in change management practices have also been done in Kenya .Gekonge Christopher (1999) conducted a survey of the strategic change management practices by Kenyan companies: a case of companies listed by the NSE, Bwibo Adieri (2000) did a survey of strategic change management practices within non-governmental organizations in kenya, Sikasa C. (2004) carried out a study on customer perception of change management practices in the mortgage industry the case of HFCK while Otiso Henry Nyabuto (2008) studied strategic change management practices the case of Africa merchant assurance company.

No research has been done on change management practices in commercial banks. Nevertheless, to the best of the researchers knowledge, the only study done on CfC bank is (Aludo, 2006) who researched on growth through acquisition by CfC Bank. This is despite the fact that the banking industry is facing a continuous process of change globally. Further, none of these local and international studies have addressed the factors influencing change management practices in banking organization and specifically in CfC-Stanbic Bank. This study thus tries to fill the research gap that exists by carrying out a survey of factors influencing change management practices in the CfC-Stanbic Bank.

1.3 Objectives of the Study

The objective of the study was to determine the factors influencing change management practices adopted by CfC-Stanbic.

1.4   Importance of the Study

a) The researcher and other Academicians

The study would help the researcher to gain problem solving skills as well as the skills of academic report writing. The researcher would also benefit through the communication and writing skills that will be gained by the time the research project is completed. In addition, the results of the study would be important to the practitioners and academicians both in the private and public sector by contributing to the existing body of knowledge in the area of strategic management in general and change management practices in particular. Academicians may use findings for further research, while practitioners may apply lessons in planning and implementing future changes.

b) Policy Makers

The study would be of importance to other financial institutions whose interest lies on improved services delivery for customer satisfaction. It would assist the institutions in pointing out areas of difficulties in the allocating of resources towards addressing priority needs. The study would also help the institutions in formulating a policy on areas that necessitate strategic change management.

c) Future Researchers

The study would provide a platform for further research in the area of change management and in particular the practices that would contribute to successful strategic change management in commercial banks in Kenya. In the academic field, future researchers can use the study as a reference point if one is researching on change management and related topics. The findings of the study would be of use to trainers in human resource in that it will assist them in knowing the areas which should be given concentration when training managers on change management.

CHAPTER TWO: LITERATURE REVIEW

2.1   Introduction

This chapter discusses the past study on the factors influencing change management practices in organizations. The specific areas covered here are change, change management, change management practices, factors influencing changes management and challenges of implementing change.

There are a number of aspects used to explain how change takes place time and space being the main ones. The inter-subjective "nature" of change and the manner in which "temporal and spatial form of thought arise as a result of experience" is a view that has been expressed in the organization studies discourse – a recent example of which comes from Cairns *et al.* (2003) who proposed that "space and time can be understood as an arrangement of symbolic and expressive markers, evoking sensations, thoughts and memories amongst the actors that experience them".

 In a further "fragment" Cairns *et al.* (2003) also gave us some glimpses of different conceptions of space and time including the advancement of Foucault's (1994) notion of heterotopia in which a workplace might be thought of as "both tangible and intangible, fixed and floating in time and space, good and bad, and enabling and controlling" (Cairns *et al.*, 2003).

The recent discourse about postmodernity has ushered in a heightened questioning of the common understanding of time and space as being simple a priority for change and categories as though they are fixed, immutable absolutes and knowable entities. Harvey (1989), in his tome: The Condition of Postmodernity*,* stated that the pace of life is such that there has been a "time-space compression" and as a consequence we now live in a world characterized by fragmentation, insecurity, and the ephemeral. Indeed, recently we have suggested (Carr, 2006) that the contemporary age is one characterized by a fetish with speed where there is a time-space compression in which "cultural texts" and "realities" are conveyed in such a manner that they displace critical reflection and may often result in a psychological state of "stimulus entrapment" (Meares, 1992, 1997).

There are stimulus suggestions that through continual extentive alignment of different factors, the desired change is always feasible to a person who develops a strategy for change. A lack of ability to self-reflect makes these individuals prone to external locus of control and/or to a false self that is often one-dimensional. "They live as if at the mercy of the environment, in a hypertrophy of the 'real' " (Meares and Coombes, 1994). The pre-occupation for speed demands and sustains a state of external hyper-attentiveness and maintains a need for societal personas while simultaneously militating against individuality. Stimulus entrapment has enormous implications for the context for work organizations and thus change management.

Internalization of management-derived and sanctioned beliefs, norms and values, in the sense that they become part of the change management practices; thereby they develop into moral obligations (moral involvement) that impel autonomously particular forms of behavior (Johnson and Gill, 1993, cited in McAuley, 2007).

Although a contingency approach to organisational change has encouraged practitioners to consider aspects of their environment, technology and size as a basis for deciding on the appropriate paths of change, it delineates deterministic assumptions about the nature of change in organisations, presents inadequate appreciation of the role of strategic choice, beliefs and power and neglects the fact that organisations are collections of diverse interests (Dawson, 1996)

2.2   Factors Influencing Change Management

2.2.1   Need for Competence

In his best selling book Stewardship, Peter Block describes the traditional values that have been the centerpiece of traditional, patriarchal organizations: control, consistency and predictability. These values dictate that decision-making is at the top, leaving the execution and implementation to the middle and bottom layers of an organization.

Twenty-five years ago, if you wanted something changed as the CEO of a traditional company, you simply spoke the words. The culture and belief system of the organization was more akin to a military structure. The predictable behavior in that situation was compliance to the new

business direction. As a leader in that organization, your control was typically not questioned and employees understood what was expected of them. The values of control, consistency and predictability created an environment where change was simply a plan to implement or an adjustment to a mechanical system. Although helpful, change management was not a required competency in this environment.

A quarter of a century has passed. Business improvement initiatives – including Edward Deming's teachings post World-War II, the earliest quality circles from Toyota, Six Sigma from Motorola, Total Quality Management (TQM) from AT&T and Ford, empowered teams, and many others initiatives – came to the forefront. Business leaders embraced, if at least for some period, one or more of these business initiatives.

Over the course of these 25 years and these improvement strategies, we have impressed new values and belief systems on employees. The new values include empowerment (make the right decision for the customer), accountability (take ownership and pride in your work), and continuous improvement (look for ways to improve everything you do, everyday). A new culture has evolved in many of today's businesses where a new generation of employees: take ownership and responsibility for their work, have pride in workmanship and look to improve their work processes, feel empowered to make decisions that improve their product and the level of customer service.

The evolution from the traditional values of control, predictability and consistency – values that made change relatively simple to implement – to the new values focused on accountability, ownership and empowerment have made the implementation of business change more difficult. In many ways, Peter Block's advocacy for this shift has come true. Employees have been taught to question, analyze their day-to-day activities, and are rewarded for doing so. Then why would we expect them not to question and resist new change initiatives?

The new values of business today require a different approach to the way businesses change. The response of the employee has shifted from "yes, sir" to "why are we doing that" – and the change leader must adapt.

In some cases of large-scale business process change in the early 1990's, the result was outright failure because business leaders had not shifted their actions to accommodate the new values. A CEO in the old value structure only had to issue the decree for change and it happened. Nevertheless, when a CEO tries this same approach today, employees shout back.

Research with more than 320 projects showed the primary reason for failure in major change initiatives was lack of change management. In other words, the inability to manage the people side of a business change in the presence of a new culture and new values is a major contributor to failed business changes. Failure to manage the human side of change results in inefficient and unsuccessful projects. This leads to inability to realize new business strategies and objectives.

2.2.2   Improvement of Internal Communication

Discussing the language of organization, Chia and King (2001) note that the nature of language and the significance and potential of linguistic analysis is often misunderstood. At an everyday level, they warn us we have a tendency to think of language in "representationalist" terms. Thus they note that orthodox forms of (managerialist) organization studies tend to view language as a medium of representation and linguistic analysis as a tool, which may be employed to improve the effectiveness of organizations (Westwood and Linstead, 2001). Viewed in these terms, as a medium of representation, language is to be regarded as problematic insofar as the use and mis-use of language causes blockages in organizational communication, which in turn limit organizational effectiveness and the achievement of planned change.

Westwood and Linstead (2001) argue that this account of organizations and their communication problems is naïve because it views language as an explanatory, organizational resource, but refuses to analyse the nature of the language-organization relationship. Thus Westwood and Linstead suggest that representationalist analyses tend to put the cart before the horse: they assume that language is a simple medium whose content, patterns and practices may be made to serve management yet they refuse to consider both the ontological status and the epistemological role of language. This is an issue taken up by Chia and King (2001).

Disputing the representationalist account of language, Chia and King are keen to puruse the language-organization relationship, which is either ignored or assumed away by orthodox accounts of language and management. Thus they argue that language is not simply a means of accessing reality nor is linguistic analysis to be regarded as a means of overcoming functional problems in organizational communication. Indeed they warn us that we misunderstand the nature of language when we assume that language simply represents and corresponds with a world, which is real and external to us. Instead Chia and King argue that organization *is* language and vice versa (Westwood and Linstead, 2001). Accordingly, they suggest that language is "our organizational *method* for constructing our relatively stabilized organizational world to the exclusion of other possible worlds" (Chia and King, 2001, p. 314, original emphasis).

As distinct from representational accounts of language, which suggest that language mirrors or distorts reality, therefore, Chia and King's account of the language of organization argues that language constitutes reality. Indeed, Chia and King argue that the language of organization has a tendency constitute our understanding of reality in terms of stability. However, they also suggest that sensitivity to the language of organizing has the potential to reveal the many realities of organization, which might otherwise be occluded (Chia and King, 1998).

Butcher and Atkinson as we have seen have argued that the rhetoric of top-down change is limited and self-defeating because it offers an "impoverished" (Butcher and Atkinson, 2001) and "isolationist" (Butcher and Atkinson, 2001) rendering of the processes of change; a world where one group of people visit change upon other subordinate groupings who have change done to them. Countering this top-down rendering of change they argue that bottom-up approaches to change convey twin benefits in that they reveal the processes of politicking and change, which are disguised or occluded by to-down accounts and offer managers the insights they will require to use the political activity of subordinates "to better effect" (Butcher and Atkinson, 2001) For Butcher and Atkinson, therefore bottom-up models of change are both credible and practical insofar as they offer managerial actors a new and more reliable means of delivering change.

Yet this focus on delivering change and making change stick promotes an anti-dynamic appreciation of change because it encourages practitioners and academics to view organizational

change as an outcome or event. In this regard Butcher and Atkinson's model of the reality of change simply fails to reflect or capture the many realities (Collins, 2001b) and experiences of organization as process; organization as flux and movement (Chia and King, 1998) because it defines change in terms of stability. Indeed, for Butcher and Atkinson the "effectiveness" of change is defined in a profoundly anti-dynamic sense as an ending, which returns stability to the organization as an institution.

2.2.3   Language of Change

Butcher and Atkinson argue that a significant paradox has emerged in the analysis of change. On one hand, they note, actors and commentators have become more aware of the ways in which language acts to situate the meaning and possibilities of/for change. Yet on the other they note that the mainstream understanding of change is dominated by a vocabulary "embedded in assumptions associated with a top-down, managerialist approach to change, which relies on a rational, hierarchical paradigm of organization. This language of change situates the meaning and possibilities for organizational change within a context that remains stable and resistant to change" (Butcher and Atkinson, 2001).

To overcome the limitations of this top-down approach the authors argue that there is a need to develop change management practices, which can promote an appreciation of the tactics and processes of change. Thus Butcher and Atkinson suggest that there is a need to develop an alternative language of change from the bottom-up. However, they warn us that it will not be easy to construct an acceptable, bottom-up vocabulary of change. Indeed, they warn us that there are serious disincentives to the production of a bottom-up vocabulary of change.

Reflecting on the language of change and the problems associated with attempts to proffer bottom-up accounts of change to managers, Butcher and Atkinson warn us that language is to be understood as something used by and for power. Indeed, Butcher and Atkinson suggest that managers (and many commentators) are comfortable with top-down accounts of change, and may prove initially to be hostile to a bottom-up appreciation of change precisely because top-down models of change tend to depict change management as an exercise in strategic leadership and the altruistic pursuit of some higher objective.

Contrasting this top-down understanding of change with bottom-up accounts of change, Butcher and Atkinson (2001) argue that bottom-up accounts of change are distinctive insofar as they "emphasise the power of individuals in creating organisational change and place political processes at the heart of change". However, they observe that this focus on local actors tends to reduce the credibility, legitimacy and functional appeal of bottom-up accounts of change in the face of top-down rhetoric. Thus Butcher and Atkinson note that in comparison to top-down models of change, bottom-up accounts might appear to lack direction and application because these highlight the local, political and often subversive nature of the actual processes of change.

Yet despite this, Butcher and Atkinson argue that bottom-up models of change have very real and practical advantages to offer management practitioners. Indeed, Butcher and Atkinson (2001) argue that bottom-up approaches to change have practical appeal and relevance insofar as they have a capacity to reveal both the banality of the top-down agenda and its tendency to offer forms of rhetoric, which obscure "the reality of organisational life". In contrast to top-down accounts of change therefore, Butcher and Atkinson (2001) argue that bottom-up approaches recognize the managerial rhetoric of change and can cut through this rhetoric because they possess a "down-to-earth realism", which is rooted in an understanding of the nature of political action. Thus Butcher and Atkinson suggest that bottom-up approaches to change should be marketed to commentators and practitioners as a managerial medium, which offers access to the living and breathing reality of organizational reality.

Yet in seeking this improved access to the political reality of organizational life Butcher and Atkinson seem to muddle opposing perspectives on language and change. Indeed, we will argue that their Spooneristic tendency to "mux ip" analytical accounts of language and organization has important consequences for their attempt to reshape the management of language and the management of change more generally.

2.2.4   Change Management and Strategic Intent

Many leading global companies started with ambitions that were far bigger than their resources and capabilities. They created an obsession with winning at all levels of the organization and then maintained that obsession in the quest for global leadership. This obsession is what Hamel

and Prahalad (1989) refer as strategic intent. Strategic intent envisions a desired leadership position and establishes the criterion the company will use to chart its progress, forcing the company to compete in innovative ways. Hamel and Prahalad (1989) add that strategic intent is more than unfettered ambition. The concept encompasses an active management process that includes focusing the organization's attention on the essence of winning, motivating people by communicating the value of the target, leaving room for individual and tem contributions, sustaining enthusiasm by providing new operational definitions as circumstances change, and using intent consistently to guide resource allocations. Strategic intent therefore does embody the most crucial issues for guiding change management as mentioned previously.

What does strategic intent entail? Hamel and Prahalad (1989) are of the view that strategic intent captures the essence of winning by guiding the subsequent strategic decisions. It is stable over time, providing consistency to short term action, while leaving room for reinterpretation as new opportunities emerge. Strategic intent sets a target that deserves personal effort and commitment. The target so set has a motivational impact and gives employees a corporate challenge and goal worthy of commitment.

Hamel and Prahalad (1989) argue that for the corporate challenge to be effective, top management must: Create a sense of urgency or a quasi crisis by amplifying weak signals in the environment that point to the need to improve instead of allowing inaction to precipitate a real crisis. Develop a competitor focus at every level through widespread use of competitive intelligence, with every employee being in a position to benchmark his efforts against best in class competitors so that the challenge becomes personal. Provide employees with the skills they need to work effectively. Give the organization time to digest one challenge before launching another, providing clear focus and avoiding an overload of shifting initiatives. Establish clear milestones and review mechanisms to track progress and ensure that internal recognition and rewards reinforce behaviour. The bottom line is to make the corporate challenge inescapable for everyone in the organization.

Strategic intent captures in detail what change management is all about: folding the future back into the present (Hamel and Prahalad, 1989). It enables managers to focus on the question of

"What must we do differently next year to get closer to our strategic intent. Where change management is guided by strategic intent, organizations become flexible and open to change because there exists a challenge and a goal that everyone looks forward to accomplishing, having in mind the changes required at all levels. Organizations that lack strategic intent in their change programmes soon discover there is resistance to change and the change initiative being held down because there is no common focus that aligns everyone to a specific corporate challenge.

One thing people resist could be the idea of change itself. People may indeed do not like change, any change. A "strong preference for stability and continuity" (Brooks and Bate, 1994, p. 181) might be in the human nature – for better or worse – the notion of feeling comfortable, having "settled down" being familiar with the known and fearing the unknown. Human beings do not change easily. People only want to change when both the pull- and push-forces are that strong that people themselves see no other solution anymore than to change. An allegedly "much more challenging business environment" and a "vision" of a "more business-like" organisation are definitely not enough to convince employees to change their daily routines at their desks.

Another issue people are quite sensitive about is the "technical" aspects of change initiatives, i.e. how change is introduced, communicated and discussed, if and how their viewpoints are not only being heard but seriously taking into account. In the case of IU, because of its governance structures, its boards and committees both within and across units, perhaps even more because of its tradition and core values of a democratic and participatory organisation it seems that there have been sufficient communication and information – at least, *pro forma*.

A third area of concern might be the very ideas of new public management and managerialism, the language of market and efficiency, of accountability and performance measurement – and the intended and unintended consequences which come with these new systems and methods. It is perhaps even more the ideology of managerialism that many people in public sector do not like – which should not be too much of a surprise. Many people are (still) of the opinion that an organisation is – or should be – much more than a profit-generating, efficiency-improving machinery. Such values and convictions can be quite deeply embedded in an organization's

culture and people's attitudes (Kirkpatrick and Ackroyd, 2000, pp. 516, 521). Any change initiative has to take this into account:

There is a significant body of literature that draws attention to the difficulty of changing organizational culture on the grounds of that culture is deeply ingrained in the underlying norms and values of an organization and cannot be imposed from above (Parker and Bradley, 2000, p. 137).

People are fed-up with ambitious senior managers who join organizations they do not know, go everyone on their nerves with their buzzwords ideas, who are only interested in furthering their own career and market-value, mess around for a couple of years with several change management initiatives, and then leave the organization in a state worse than before for good and with a golden handshake. People are fed-up with incompetent managers who have only little understanding of the business, who do not care for the ideas and needs of their employees, and the organizational necessities and opportunities, with managers who pretend to be busy and important, even crucial for the sake and survival of the unit but at the end of the day are only interested in their career and the increase in their market value, in strengthening their position and securing their pension scheme. People are not against change *per se,* but they are against managerialistic change management initiatives and paternalistic ideology of leadership which primarily serve the personal and group interests of a few.

Whatever the issues during a change initiative people really resist. Quite often it is not that there is first resistance and then managerialism which has to overcome it. Managerialism produces resistance (Kirkpatrick and Ackroyd, 2000, p. 524) – and other negative outcomes. It is often the cause of the problem and not the cure.

2.3   Challenges Affecting Change management Practices

What faces those charged with bringing about changes in organizations is much more of a mess than a difficulty. There is evidence to suggest that the universal, prescriptive model of change management is inadequate to describe the diversity of approaches actually used by organizations

Chapman (2005). Some seek to restrict the meaning of change management to the felt need to improve organizational performance and members' own position within the organization (Goodstein and Burke, 1991). Dawson (1996) has discussed the limitations of adopting such a simple definition of change. She sees conflicting interests and resistance as some of the barriers to achieving the desired results in the felt need for change.

In contrast to the rational-linear view embedded in the traditional approach to change, there are those who perceive change management as a systemic process incorporating systems of interpretation and meaning (Hassard, 1991; Knights and Willmott, 1995). This view is particularly important, as it emphasizes the social aspects of exchange through which the locus of knowledge and the understanding of "real" things is subjectively shared and shaped by individuals through conversation and dialogue. What is seen as real is made real through sense-making processes (Weick, 1995), and "the social world is best understood from the viewpoint of the participant-in-action" Hassard (1991); and in Hammond (1996) on "appreciative inquiry" where the organization is seen as a mystery to be embraced). In an empirical sense, this perception of change management reflects the management of processes through liberal exchange of knowledge, building of trust and acknowledgement of the heterogeneity in values, preferences and interests.

In spite of the attention that the management of change has received, organizations continue to have problems in managing organizational change and "the search for generalized laws of change still pervades the discipline" (Wilson, 1992). There is a gap between what the rational-linear change management approach prescribes and what change agents do. It is suggested in this paper that one possible source of this gap can be revealed by the way change agents perceive and interpret the issue. Hence, close attention is paid here to change agents' perceptions of the nature of the organizational change process.

2.4   Critical Review

Uncertainty is causing companies to change continuously. Organizations need to anticipate the changes and ensure that the change is implemented successfully without distracting and distorting the intended change. The whole change program must be thought through and clarified before the enactment of the change. The focus of the change needs to be considered as well as the alignment of the changes to the organization's culture, situation, vision and goals. The management must consider how the change will be carried out and who will be involved; the acceptability, commitment or possible resistance of the change and the momentum of the change. Involving those affected by the change in decision-making and planning, will increase ownership and commitment of the change process and will lead to better quality of decisions. The change process should have priority, be beneficial, permanently present and key information should not be lost within the chain. There should be effective branding, in-depth personal top management communication and demonstrative, regular monitoring. The change agent should retain control of the change process but delegate certain tasks to teams or groups. Direction is usually a top-down management of strategic change and may be associated with clear vision or strategic intent developed by someone recognized as the leader in the organization. Use of coercion to bring about change, may be necessary in crisis situations or rapid transformational change, Power strategies in situations where the change must be implemented quickly and a few resources are available for programmes of education or negotiation. Power is best used when the commitment of those affected is not necessary for implementation of the change, or when little resistance is expected, since if resistance is crushed by force, it can create problems later. Manipulation strategies such as inducement, persuasion, obligation and even coercion can be used in order to get others in the organization to feel enthusiastic about the change. Negotiation strategies are useful when it is obvious there are going to be losers because of a change and where losers are likely to resist. These styles are not mutually exclusive and several of them or all of them may be used at the same time or in the same organization.

3.0 CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

This research was conducted through a case study. It sought to investigate the factors influencing change management practices at CfC-Stanbic in Kenya. Case study was chosen as it enabled the researcher to have an in-depth understanding of the study. A case study design is most appropriate where a detailed analysis of a single unit of study is desired as it provides focused and detailed insight to phenomenon that may otherwise be unclear. This is advocated by Young (1960) and Kothari (1990) who both acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. It's a method that drills down, rather than cast wide. The case study provides the researcher with in depth information, which assists in meeting the objectives of the study.

3.2 Data Collection

In order to identify the factors influencing change management practices at CfC-Stanbic in Kenya, the researcher used structured interview guide as the main data collection instrument.

Personal interviews are advocated by Parasulaman (1986) as having the potential to yield the highest quality and quantity of data compared to other methods because supplementary information can be collected in the course of the interview.

The study being a survey meant that one (1) employee was selected from each of the branches of CfC-Stanbic and administered with the interview guide. The staff in the CfC-Stanbic included managers and other staff in the ranks of management. This made it easier to get adequate and accurate information necessary for the research.

The interview guides were self-administered drop and pick interview guide that were distributed among sampled employees currently employed by CfC-Stanbic in Kenya.

Secondary data sources were employed through the use of previous documents or materials to supplement the data received from questionnaires and information from interviews.

3.3   Data Analysis

Data collected was purely qualitative and it was analyzed by content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). It involves observation and detailed description of phenomena that comprise the object of study. The researcher used the data with an aim of presenting the research findings in respect to the respondents' views about the factors influencing change management practices at CfC-Stanbic in Kenya.

CHAPTER FOUR: DATA FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents the data findings of the study and their analysis there of. The data was gathered through interview guides and analysed using content analysis. According to the data found, most of the managers projected in the previous chapter to be interviewed were interviewed with a response rate of 90%. The commendable response rate was achieved at after the researcher made frantic effort at booking appointment with the head of department despite their tight schedules and making phone calls to remind them of the interview.

4.2 General Information

The study, in an effort to establish the interviewees' competence and conversance with matters regarding CfC-Stanbic in regard to factors influencing change management practices asked a question on their highest level of education. According to the interviewees' responses most of them had a Bachelors' degree while others had master's degree. Further, the interviewees were requested to give the number of years that they had worked for the organisation. According to the interviewees' response, most of them had worked for the organisation for six to ten years, as most promotions are internal, within the organization. The interviewees were also requested to indicate their job category and most of them were found to be in the administration and operations departments. The interviewees' responses hence had the advantage of good command and responsibility being that they were in the senior management in the bank and had experience and aptitude owing to their level of education and years of experience in the bank.

4.3 Change Management Practices

4.3.1 Change Management Practices and Operating Environment

To the question on the members of staff who are involved in managing the changes experienced in CfC-Stanbic, the interviewees said that the changes experienced in CfC-Stanbic are managed by senior managers, the heads of various departments and representative employees to the strategy committee. The interviewees were further requested to describe the stability of the bank's operating environment in relation to change management. From the findings, the interviewees said that the bank's operating environment is very unstable as the bank is continuously experiencing changes in its operating environment due to the continuously changing customers needs and also technological changes.

The interviewees, on the importance of long term planning to the company's future, indicated that long term planning helped to increase consumer awareness about, and planning ahead for, long-term changes. Long-term planning is important because helps the bank understand what service options are available in the community, what special conditions may apply for the services and also result in less financial stress on the bank.

To the question on the internal factors that contributed to the change experienced in CfC-Stanbic, the interviewees said that the internal factors that contribute to change range from cost reduction, redundancies, technological, cultural change, performance improvement, training of the employees, employees motivation, strategic choice, communication, level of staff involvement in the process, level of qualification of staff and group participation.

The external factors that contributed to the changes that have been experienced at CfC-Stanbic were indicated by the interviewees as new requirements from the state (government regulation), intensified competition, new challenges raised by a more dynamic business environment, dynamic customer demand and technology change.

4.3.2 Effects of Change Management Practices

The researcher also sought to investigate the effects of the changes in management of operation. From the findings, the interviewees said that changes in management of operation have resulted in motivational impact and gives employees a corporate challenge and goal worthy of commitment, providing a framework for managing the people side of change, readiness assessments, engaging senior managers as change leaders (sponsorship), building awareness of the need for change and developing skills and knowledge to support the change.

To the question on the benefits of change management practices that are experienced in CfC-Stanbic, the interviewees indicated that change management practices have helped the bank develop a competitor focus at every level through widespread use of competitive intelligence and also provide employees with the skills they need to work effectively. The interviewees indicated that the measures in place to improve the adoption of change in management practices experienced in CfC-Stanbic include employees taking ownership and responsibility for their work, have pride in workmanship and look to improve their work processes, feel empowered to make decisions that improve their product and the level of customer service. Employees have also been taught to question, analyze their day-to-day activities, and are rewarded for doing so. They further indicated the beneficiaries of the change in management practices experienced in CfC-Stanbic to be all stakeholders including the banks management, the customers and the community at large.

The interviewees indicated that the adoption of change management practices resulted in increased assets base, introduction of more customer tailored products and services, improved the management skills, increased income for the bank and enhanced capacity building.

4.3.3 Challenges of Change Management Practices

To the question on whether the interviewees experienced any resistance in the changes management in the bank, the interviewees said that they experienced resistance in the process of implementing strategic change resulting from aggression and frustration in employees. The interviewees further said that individuals might be resisting the loss of status, loss of pay, or loss of comfort but not really resisting the change. They further said that of the two major types of

resistance to strategic change; namely systemic resistance and behavioral resistance, behavioral resistance is the most common and most difficult to manage. The interviewees explained that behavioral resistance is mainly caused by among other factors misunderstanding and lack of trust, different assessments, low tolerance for change, high need for security, fear of the unknown and economic factors such as lowering of one's income.

Further, resistance was attributed to the fact that some employees had problems understanding the necessity of change, employees had different perceptions to change which come because of the difference in the background of employees and their perception of the change outcome and a strong preference for stability and continuity. They also indicated people are not against change *per se,* but they are against managerialistic change management initiatives and paternalistic ideology of leadership which primarily serve the personal and group interests of a few.

The interviewees were further requested to indicate the factors that may have contributed to the resistance towards the change effort. The interviewees said that resistance towards the change effort was triggered by uncertainly in that the employee were uncertain on their fate after the revolution brought by the change; lack of trust in the change in that employees are likely to believe that there will be sinister motive for the change and managers not trusting their employees not allowing employees participation in the change process even when it is necessary; faults in the change process due to lack of expertise, threat to job security where the employees viewed that change would bring in new ways of doing things including technological advancement that result in layoffs in the long run; lack of expertise, floor training, structural and group inertia and structural and group inertia.

To the question on what CfC-Stanbic management can do to decrease the level of resistance to planned change, the interviewees said that the management ought to prepare and anticipate the likely reactions of employees and determine how to deal with them and that they should make efforts to make the employee understand that the change is for their own benefit because then, they are likely to go along with it.

To the question on other challenges that were experienced in the application of change management practices in the bank, the interviewees said that the bank experienced problems

relating to Information technology as IT was not able to cope with the changes in organization design and structure due to poor communication of the changes and also insufficient IT skills among the employees; financial problems due to lack of sufficient funds to manage the changes; problems in the sales and marketing due to the more advanced and aggressive sales and marketing activities employed by competitors which require heavy capital investment; the processes in place were not able to cope with the changes since the structures in place were not able to accommodate the new processes; poor policies and general management problems in that the managers were not willing to adopt the changes as they saw it as a threat to their jobs and position; research and development and production problems due to inadequate research and thus no new product development and decreased production resulting from the use of old processes; lack of cooperation from the staff manifested as noticeable drop in morale by staff in the change, high staff turnover where employees sought employment from other companies as they thought the change will result in the loss of their position in the bank, reduction in quality of the services rendered, Slow down in pace of work since most were not conversant with the advanced technology and processes, increased number of grievances from the staff and verbal complaints on more demanding jobs.

The interviewees were requested to indicate are the possible solutions to the challenges. The interviewees stated that, in order to minimize resistance to change, the bank should employ various strategies including: education and communication where all the employees are informed about the change in order to feel secure and maintain cooperation. This can be done by informing people about the potential consequences of the change, educating employees on new work procedures in a bid to help alleviate fears about the new technology; participation and involvement where employees participate in all phases of the change process thus encouraging employees to discuss, to communicate and to make suggestions hence encouraging commitment to change rather than mere compliance; facilitation and support through managerial support during difficult times which help them to deal with fears and anxieties during the time of transition and also through special training and counseling outside the normal office premises and also through negotiation and agreement where managers offer incentives to employees not to resist change, people who are resisting the change are allowed to veto certain elements of change

that are threatening and also offering incentives to leave the company through early buyouts or through retirements.

Other possible solutions to the challenges include manipulation and co-portion by selecting leaders of the people who are resisting the change to participate in the change effort and giving them a symbolic role in decision making; financial benefits through recognition and reward (both financial and non-financial) to people for making change happen and also through explicit and implicit co-ercion where no other method works and the managers make it clear that resistance to change could lead to dismissals, transfers or no promotions.

CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are in quest of addressing the research question or achieving at the research objective, which is to determine the factors influencing change management practices adopted by CfC-Stanbic.

5.2 Discussions

The study found that the members of staff who are involved in managing the changes experienced in CfC-Stanbic, the interviewees said that the changes experienced in CfC-Stanbic are managed by senior managers, the heads of various departments and representative employees to the strategy committee. The researcher found that the bank's operating environment is very unstable as the bank is continuously experiencing changes in its operating environment due to the continuously changing customers needs and also technological changes.

On the importance of long term planning to the company's future, the researcher found that long term planning helped to increase consumer awareness about, and planning ahead for, long-term changes. Long-term planning is important because helps the bank understand what service options are available in the community, what special conditions may apply for the services and also result in less financial stress on the bank.

On the internal factors that contributed to the change experienced in CfC-Stanbic, the researcher found that the internal factors that contribute to change range from cost reduction, redundancies, technological, cultural change, performance improvement, training of the employees, employees motivation, strategic choice, communication, level of staff involvement in the process, level of qualification of staff and group participation.

According to Senge, (1990) the external factors that contribute to changes in an organization include globalization, technology, and dynamic customer demand among others. This study collates with the previous literature as the external factors that contributed to the changes that have been experienced at CfC-Stanbic were found to include new requirements from the state (government regulation), intensified competition, continuously new challenges raised by a more dynamic business environment, dynamic customer demand and technology change.

The researcher found that changes in management of operation have resulted in motivational impact and gives employees a corporate challenge and goal worthy of commitment, providing a framework for managing the people side of change, readiness assessments, engaging senior managers as change leaders (sponsorship), building awareness of the need for change and developing skills and knowledge to support the change.

On the benefits of change management practices that are experienced in CfC-Stanbic, the researcher found that change management practices have helped the bank develop a competitor focus at every level through widespread use of competitive intelligence and also provide employees with the skills they need to work effectively. The researcher found that the measures in place to improve the adoption of change in management practices experienced in CfC-Stanbic include employees taking ownership and responsibility for their work, have pride in workmanship and look to improve their work processes, feel empowered to make decisions that improve their product and the level of customer service. Employees have also been taught to question, analyze their day-to-day activities, and are rewarded for doing so. The researcher further found the beneficiaries of the change in management practices experienced in CfC-Stanbic to be all stakeholders including the banks management, the customers and the community at large.

The researcher found that the adoption of change management practices resulted in increased assets base, introduction of more customer tailored products and services, improved the management skills, increased income for the bank and enhanced capacity building.

The researcher found that the bank experienced resistance in the process of implementing strategic change resulting from aggression and frustration in employees. The researcher further found that individuals might be resisting the loss of status, loss of pay, or loss of comfort but not

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really resisting the change. The researcher found that behavioral resistance is mainly caused by among other factors misunderstanding and lack of trust, different assessments, low tolerance for change, high need for security, fear of the unknown and economic factors such as lowering of one's income.

Further, resistance was attributed to the fact that some employees had problems understanding the necessity of change, employees had different perceptions to change which come because of the difference in the background of employees and their perception of the change outcome and a strong preference for stability and continuity. This collates with earlier research by Mullins, (1995) and Brooks and Bate, (1994). The researcher found that people are not against change *per se,* but they are against managerialistic change management initiatives and paternalistic ideology of leadership which primarily serve the personal and group interests of a few. This collates with (Kirkpatrick and Ackroyd, 2000) finding that managerialism produces resistance and other negative outcomes.

According to Armstrong (2006), People will always resist change because it is seen as a threat to familiar patterns of behavior as well as to status and financial rewards. This is because any change in 'status quo' brings in apprehension as no one knows what the outcome maybe, employees feel that the up coming changes are likely to upset their current state in terms of loss of money, job security, disruption of their social patterns or the fear that they may not be able to cope with the new changes, then they are likely to resist and to be negative about it. Similar to the literature, the researcher found that the factors that may have contributed to the resistance towards the change effort were uncertainly in that the employee were uncertain on their fate after the revolution brought by the change; lack of trust in the change in that employees are likely to believe that there will be sinister motive for the change and managers not trusting their employees not allowing employees participation in the change process even when it is necessary; faults in the change process due to lack of expertise, threat to job security where the employees viewed that change would bring in new ways of doing things including technological advancement that result in layoffs in the long run; lack of expertise, floor training, structural and group inertia and structural and group inertia.

The researcher found that to decrease the level of resistance to planned change, CfC-Stanbic management ought to prepare and anticipate the likely reactions of employees and determine how to deal with them and that they should make efforts to make the employee understand that the change is for their own benefit because then, they are likely to go along with it.

On other challenges that were experienced in the application of change management practices in the bank, the researcher found that the bank experienced problems relating to Information technology as IT was not able to cope with the changes in organization design and structure due to poor communication of the changes and also insufficient IT skills among the employees; financial problems due to lack of sufficient funds to manage the changes; problems in the sales and marketing due to the more advanced and aggressive sales and marketing activities employed by competitors which require heavy capital investment; the processes in place were not able to cope with the changes since the structures in place were not able to accommodate the new processes; poor policies and general management problems in that the managers were not willing to adopt the changes as they saw it as a threat to their jobs and position; research and development and production problems due to inadequate research and thus no new product development and decreased production resulting from the use of old processes; lack of cooperation from the staff manifested as noticeable drop in morale by staff in the change, high staff turnover where employees sought employment from other companies as they thought the change will result in the loss of their position in the bank, reduction in quality of the services rendered, Slow down in pace of work since most were not conversant with the advanced technology and processes, increased number of grievances from the staff and verbal complaints on more demanding jobs.

On the possible solutions to the challenges, the researcher found that in order to minimize resistance to change, the bank should employ various strategies including: education and communication where all the employees are informed about the change in order to feel secure and maintain cooperation. This was done by informing people about the potential consequences of the change, educating employees on new work procedures in a bid to help alleviate fears about

the new technology; participation and involvement where employees participate in all phases of the change process thus encouraging employees to discuss, to communicate and to make suggestions hence encouraging commitment to change rather than mere compliance; facilitation and support through managerial support during difficult times which help them to deal with fears and anxieties during the time of transition and also through special training and counseling outside the normal office premises and also through negotiation and agreement where managers offer incentives to employees not to resist change, people who are resisting the change are allowed to veto certain elements of change that are threatening and also offering incentives to leave the company through early buyouts or through retirements.

Other possible solutions to the challenges include manipulation and co-portion by selecting leaders of the people who are resisting the change to participate in the change effort and giving them a symbolic role in decision making; financial benefits through recognition and reward (both financial and non-financial) to people for making change happen and also through explicit and implicit co-ercion where no other method works and the managers make it clear that resistance to change could lead to dismissals, transfers or no promotions.

5.3 Conclusions

From the study, the researcher concludes that internal factors that contributed to the change experienced in CfC-Stanbic range from cost reduction, technological, cultural change, performance improvement, training of the employees, employees motivation, strategic choice, communication, level of staff involvement in the process, level of qualification of staff and group participation while the external factors include new requirements from the state (government regulation), intensified competition, continuously new challenges raised by a more dynamic business environment, dynamic customer demand and technology change.

The study further concludes that changes in management of operation have resulted in motivational impact and gives employees a corporate challenge and goal worthy of commitment. The study also concludes that change management practices have benefited the bank in that change management practices have helped the bank develop a competitor focus at every level

through widespread use of competitive intelligence and also provide employees with the skills they need to work effectively.

The study also concludes that the bank experienced resistance in the process of implementing strategic change resulting from aggression and frustration in employees; some employees had problems understanding the necessity of change and also employees had different perceptions to change. The factors that may have contributed to the resistance towards the change effort were uncertainly, lack of trust in the change, faults in the change process, threat to job security and lack of expertise.

The study finally concludes that possible solutions to the challenges include education and communication; participation and involvement; facilitation and support; negotiation and agreement and manipulation and co-portion.

5.4 Recommendations

From the discussions and conclusions in this chapter, the study recommends that although CfC-Stanbic bank has been successful in managing change through employing various practices, in order to remain competitive in the market, CfC-Stanbic bank should benchmark with other well performing banks in order to improve on its change management practices.

The researcher further recommends that in order to remain competitive in the market and remain profitable in the current business environment where strategic change is inevitable, CfC-Stanbic bank should introduce the change in every aspect of its undertaking so that the stakeholders are well acquainted with the change. The researcher further recommends that the CfC-Stanbic bank management should dedicate more funds and develop better policies that are geared towards promoting change in the company like rewards and promotions for the people who pioneer change.

5.5 Limitations of the study

A limitation for the purpose of this research was regarded as a factor that was present and contributed to the researcher getting either inadequate information or responses or if otherwise the response given would have been totally different from what the researcher expected.

The main limitations of this study were;

Some respondents refused to be interviewed. This reduced the probability of reaching a more conclusive study. However, conclusions were made with this response rate. The small size of the sample could have limited confidence in the results and this might limit generalizations to other situations.

Most of the respondents were busy throughout and had to continuously be reminded and even persuaded to provide the required information. Time- Due to official duties time was a major concern.

5.6 Area for Further Research

The researcher recommends that a replicate study be done on other companies in the banking industry so as to find out how they manage change in their operating environment since each company do approach a different strategy.

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Appendix I: Interview Guide

Please answer the following questions giving the necessary details and ticking appropriate answers in spaces provided.

SECTION A: General Information

1. Gender...

2. What is your education level? (Tick as applicable)

   i. Primary   ( )   Secondary   ( )

   ii. College   ( )   Bachelors' degree   ( )

   iii. Others-specify……………………………………………..

3. Years of service/working period (Tick as applicable)

   Less than 1 year   ( )   6-10 years   ( )

   1-5 years   ( )   Over 10 years   ( )

4. Please indicate your job category

   Administration   ( )   Finance / Accounts   ( )

   Human Resource   ( )   IT   ( )

   Operations   ( )   Marketing   ( )

   Other (specify)…………………………………………………………

SECTION B: Change Management Practices and Operating Environment

1. Which members of staff are involved in managing the changes experienced in CfC-Stanbic?

   ………………………………………………………………..

   ………………………………………………………………..

   ………………………………………………………………..

2. In your opinion, how would you describe the stability of your company's operating environment in relation to change management?

   ………………………………………………………………..

3. What is the importance of long term planning to the company's future?

   ………………………………………………………………..

   ………………………………………………………………..

   ………………………………………………………………..

4. For how long have you been applying change management principles in your department?

   ………………………………………………………………..

5. Which internal factors do you think contributed to the change experienced in CfC-Stanbic?

   ………………………………………………………………..

   ………………………………………………………………..

6. In your opinion, which are the external factors that contributed to the changes that have been experienced in the company?

…………………………………………………………..

…………………………………………………………..

7. What method(s) are used to communicate the changes and how they will be implemented?

…………………………………………………………..

…………………………………………………………..

Section C: Effects of Change Management Practices

8. What were the effects of the changes in management of operation?

…………………………………………………………..

…………………………………………………………..

…………………………………………………………..

9. What are the benefits of change management practices that you and your department have experienced in CfC-Stanbic?

10. What are the measures in place to improve the adoption of change in management practices experienced in CfC-Stanbic?

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11. Who are the beneficiaries of the change in management practices experienced in CfC-Stanbic?

…………………………………………………………………..

…………………………………………………………………..

…………………………………………………………………..

12. How did adoption of change management practices affect the following factors in your company?

Factor	Contribution
Assets	
Capacity building	
Management skills	
Methods of production	
Job creation	
Income	
Group profits	
Other	

Section D: Challenges of Change Management Practices

13. Was there a notable resistance to the changes in management?

…………………………………………………………..

…………………………………………………………..

14. Which factors do you think may have contributed to the resistance?

…………………………………………………………..

…………………………………………………………..

15. What in your opinion, can the CfC-Stanbic management do to decrease the level of resistance to planned change?

…………………………………………………………..

…………………………………………………………..

16. What other challenges were experienced in the application of change management practices in the company?

…………………………………………………………

…………………………………………………………

17. What are the possible solutions to the challenges mentioned above?

…………………………………………………………

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THANK YOU