CHANGE MANAGEMENT PRACTICES AT EQUITY BANK LIMITED

BY

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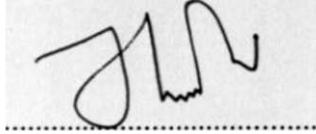
A Management Research Project Submitted in Partial Fulfilment of the Requirements for the Award of the Degree of Master of Business Administration
School of Business, University of Nairobi

October, 2009

Declaration

This research project is my original work and has not been presented for a degree course in this, or any other University.

Signed:  Date: 0 ?

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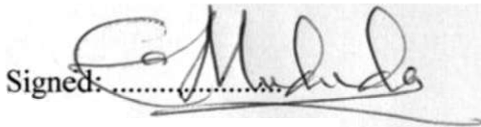
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Dedication

To my wife Charity, my little and wonderful children Leyian, Sanaipei and Kolian

Acknowledgement

First and foremost, I give thanks and glory to my God for the gift of life and good health and for giving me the vigour and strength during the entire course.

To you my supervisor, thanks for your guidance, patience, commitment and understanding. Thanks too for your uncompromising and unrivalled commitment to quality work and meritocracy.

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Abstract

There are a lot of changes that Equity Bank Ltd has introduced over the years ranging from the focus of its clientele to technological changes. These have most of the time been strategic moves in the industry. In as much as there are studies that have been done on Equity Bank Ltd. there is still a gap as far as change management is concerned. This is the gap the present study sought to fill in by determining the change management practices at Equity Bank Ltd.

A case study method was therefore selected to carry out the research given that case studies are important when an in-depth inquiry is needed. Data was collected mainly using primary sources but in some cases secondary sources were used to augment the primary data. In-depth interviews were conducted with heads of various departments from the bank. The selected interviewees were those directly involved in the strategic change management process in the bank. Given that the data collected was purely qualitative, content analysis was used to analyze the data. The results were systematically presented based on the structure of the interview guide.

The study found that the initial changes at Equity Bank Ltd were a result of forced change. It was also noted that the bank had effectively executed the strategic shift. Although no specific model was singularly used to effect the changes, the results pointed to the use of Rotter's eight steps model. The study also found that organizational culture, resistance, leadership, teamwork and stakeholders were the factors that influenced the outcome of change. The study concludes that the company had over-relied on the managing director of the company for his leadership in effecting the changes.

The study recommends that for change management to be effective, all organizations need to focus on the implementation stage. This helps achieve the desired results. Organizations should always seek to build capacity to improve. There is still room for more studies in this area to focus on specific factors that influence change management practices as well as focusing on the junior staff in the bank.

CHAPTER ONE

INTRODUCTION

1.1 Background

In the future, the world you consider now to be so disorganized and irregular will appear by comparison relatively stable. Whether the time horizon you envision is five years or five generations from now. change-related crisis will be more frequent and more complex than today (Conner, 1992). Conner further goes on to state that history tells us that regardless of the magnitude and intensity of this challenges some people will emerge as winners while others will lose ground. Many people will view their lives as so chaotic that they will consider their economic, emotional or physical survival in jeopardy. Yet in the midst of this same turmoil, others will appear much more grounded as they maneuver to size advantage made possible because of shifting circumstances.

In an environment of accelerating change, increasing competition, and effects of the worldwide information revolution, organizations are constantly managing programs and resources to accommodate changing needs. Change by its very nature tends to be uncomfortable, disruptive and even painful. Managers in various institutions have to manage this stress and uncertainty to be effective organizations. They have to counter their dynamic environment and competently convert threats and weaknesses from their internal and external environments into opportunities and strengths.

As (Pugh. 2000) points out. "it is not a case of managing change. It is more a matter of organizing ourselves to cope with anything that might come along. No one can accurately predict what tomorrow will bring. What we do know is that volatility, uncertainty and ambiguity will define our future work environment (Murphy, 2003). Murphy goes on to state that some changes patterns will be discontinuous and hard to identify. Frustration will be the norm for those who expect to control the future. It therefore can be summarized that one cannot manage change; one can only be ahead of it. Accordingly, successful strategic manager and leader are those who become change leaders. They identify opportunity and threats to the organization and subsequently establish an environment where people can meet these challenges and still grow as individuals.

1.1.1 Strategic Change

A business strategy must be updated regularly so as to align it to changing environment. This would be proven by use of proven methods of strategic change (Toolpack Consulting, www.toolpack.com) defines change as the action of making a difference in form, quality and state. It is stimulated by both internal and external sources. They classifies the general causes of change into three; external changes that result from environmental disturbances; internal triggers such as new products and proactive changes that result from efforts by the organization itself to anticipate or initiate change. Strategic change can be defined as the deliberated and coordinated actions taken to transform an organization to achieve its objective (Johnson and Scholes, 2002).

A multitude of different management concepts have been developed in recent years to help to meet the challenges posed by rapid changes in the business environment. The common aim of all these concepts is to supply managers with better recipes on how to deal best with impending changes and problems which arise. Whether it is re-engineering, total quality management, restructuring or whatever other reorganization program, the aim is almost always to initiate or promote the required change processes in the company (Pfeifer and Bisenius, 2002).

However, the implementation of strategic change as a reaction to the influences of external changes, or in anticipation of such changes, very often fails in operational practice. In a survey commissioned by the business consultancy company Celerant Consulting, the market research institute Emnid interviewed a representative sample of board members and managing directors of various companies with more than 1,000 employees on the theme of change management. With a failure rate of up to 70 percent the implementation phase was always seen to be the most difficult phase of a change management program (Lilie, 2002). In other words, it is not so much the right strategy but the effective implementation of the right strategy which is decisive for business success.

/. 1.2 Banking Industry in Kenya

The overall financial performance of the banking industry improved in April 2007 compared with a similar period in 2006. Institutions operating in the sector were

financially sound, solvent, profitable, liquid, adequately capitalized and prudently managed. The sector achieved relatively strong performance during this period in terms of growth in assets, deposits and profitability. Total deposits held by financial institutions grew by 16.8 percent, total assets recorded a growth rate of 18.2 percent, while non-performing loans declined by 4.5%. The sector also recorded impressive growth in pre-tax profits which rose by 43.1 percent during the period. The stability in the sector is attributed to the stable macro economic environment and improved supervisory oversight. The general outlook for the sector is positive in view of the adequate capitalization, sound risk management systems, strong asset quality and profitability.

The number of financial institutions and forex bureaus remained at 45 and 95 respectively between April 2006 and April 2007. During the period, Family Finance Building Society, the only remaining building society converted its operations to a commercial bank with effect from April 2007 (Kenya Monthly Economic Review, May 2007).

Although by regional standards, Kenya's financial system is relatively well developed and diversified, major structural impediments prevent it from reaching its full potential. Cross-country comparisons, however, show the importance of a well-developed financial sector for long-term economic growth and poverty alleviation.

Access to financial services however is limited and concentrated in urban areas. A survey conducted by the Central Bank of Kenya in collaboration with other stakeholder on access to financial services reveals that financial service varies across the country. Nairobi is highest with 194 out of 443 bank branches (w-ww.centralbank.go.ke). The survey further reveals that only 19% of Kenyans are banked and thus have formal access to financial services through commercial banks, building societies and Post bank. An additional 8% are served by SACCOs and MFIs and 35% depend primarily on informal financial services such as ROSCAS (Rotating savings and credit associations) The report further indicates that 38% of Kenyans are financially excluded that is they have no access to financial services and are classified as "unbanked".

The level of awareness of charges and lending rates amongst bank customers is generally low. Second, related to this the survey also establishes that the level of comparison shopping for banking services and products is also low. This alludes to an information asymmetry problem. Information is indeed critical to the effective functioning of markets. It is not in doubt that when information on alternatives is readily available, the outcomes will be customer driven products and competitive price offerings.

Experience from other developing economies has shown the detrimental effect of government ownership and the positive impact that foreign bank ownership can have on the development of a market-based financial system. Analyzing and decomposing the high interest rate spreads and margins in Kenya helps identify structural impediments that drive the high cost of and low access to financial services. The limited information sharing on debtors, deficiencies in the legal and judicial system, the limited number of strong and reputable banks and non-transparency and uncertainty in the banking market are major impediments to the development of Kenya's financial system, to reducing spreads and to widening access (World Bank. 2004)

Branches have been the mainstay of banking in Kenya. ATM access was very limited until recently, but this is now changing and is expected to continue. The number of branches declined in the late 1990s. Barclay's, Standard Chartered and Kenya Commercial Bank closed 58 mainly rural branches (financial sector deepening Kenya) However, this trend has reversed after small banks moved into the areas abandoned by Barclay's and Kenya commercial Bank. By 2005 there were 532 branches and agencies, up from 465 in 2000 and this trend is likely to continue.

ATMs are relatively new to most banks in Kenya. Barclay's and Standard Chartered deployed the first ATMs in the early 1990s. Since then, most banks have deployed ATMs. The dominant operators are Equity, KCB. Barclay's, Standard Chartered and Pesapoint. Together they account for 81% of the ATMs deployed in Kenya (financial sector deepening Kenya)

Most banks in Kenya have proprietary ATMs networks dedicated to their own customers. ATMs currently provide the most accessible mechanism for cash dispensing in Kenya. The machines have the advantage of being accessible on a 24/7 basis, lengthening access times to beyond office hours. ATMs also provide off-site 24/7 access to basic bank functionality more cost-effectively than branches for the same transactions. Although in Kenya, cash depositing is limited to small number of ATMs this has extended the reach of banks networks making banking a more attractive value proposition for customers.

Point of Sale (POS) is one of the newest channels deployed by banks in Kenya. It is currently one of the lowest cost channels that can be deployed by banks. International benchmarks indicate that the cost to a bank of POS can be as low as Kenya shillings 5 per transaction. The relatively lower capital cost of the machines and lower running cost in comparison to ATMs make POS ideal channels in low transaction environments

1.1.3 Equity Bank

Equity Building Society was registered on 10lh October 1984 under the building societies act (chapter 489 of the laws of Kenya). It was formed on the realization that majority of the rural poor could not afford to access financial services. Due to the high share capital requirements and the legal framework under the banking act. Equity was registered under the building societies act to provide mortgage financing to its members.

Between 1984 and 1993 Equity underwent through a very turbulent time. Many financial institutions were affected resulting to luck of confidence in the financial sector. During this period, Equity deposit book and the loan book remained stagnant and therefore continued to post losses. In 1993, the Central Bank of Kenya as the regulator declared Equity technically insolvent. Management was rated poor, liquidity ratio of 5.8% against a minimum requirement of 20%.

From 1994 -1999 Equity shifted its focus from a mortgage provider to deposit mobilization and efficient loan provider to the micro finance sector. This shift of focus opened new opportunities and made Equity relevant to the small and medium

income earners and the un-banked population. Equity developed products and services that addressed the financial needs of this market segment. As a result business prospects became promising and Equity started recording profits.

The year 2000 to date is marked by rapid growth in all performance parameters. Profitability surpassed the billion marks in 2006, the growth in customer base over three million accounting for over 40% of the total accounts in the banking industry. The loan book has also seen a rapid growth. During this period Equity successfully converted to a fully fledged commercial bank. In addition the bank was listed at the Nairobi Stock Exchange. The bank has also received global recognition as one of the most promising business concept that would change and shape the world. (Initiators of the concept for the future).This award was given to Equity CEO during the G8 meeting in Germany in 2007

The latest accolade to Equity bank is the award of the best bank in Kenya in the year 2007 and 2008 by Euromoney. This is regarded as the best and most respected awards in the financial services industry. The bank has been awarded the best bank in Kenya on the grounds of achievements in lending to the retail sector and reaching out to the un-banked. pioneering efforts which bigger banks are trying to keep up with and for exhibiting the ability to innovate, react at speed and make the best use of the inherent strength (Eromoney, 2007).

1.2 Statement of the Problem

The management of change is a difficult process, not only can it impend performance and innovation but can also make a difference by altering existing practices. Equity Bank has gone through phenomenon change, from a position of insolvency in 1993 to a vibrant and profitable bank it is currently. The bank has developed a unique business model of high volumes and low margins. It is this model that has appealed to many Kenyans in the lower end of the banking industry and attracted recognition and applause from local and international bodies. Equity foundation was laid during its days as a building society. The institution did not attract much attention then from competitors. They never took it seriously when Equity took its brand to the low-income earners in the countryside and the poorer neighborhoods of our cities where the bank found a ready market.

A population that had been turned away and denied access to financial services by multinationals institutions that had closed shop and withdrew services from rural area welcomed the bank and embraces it. The study is about change management and how amidst turmoil and cut throat competition in the banking industry. Equity has successfully been able to maneuver and size advantage made possible by shifting circumstances.

Change management is a subject studied extensively in Kenya. Gekonge (1999) looked at strategic change management practices on quoted companies at the Nairobi stock exchange and concluded that the main challenge of managing change in most companies was resistance of employees to change. Mbogo (2003) studied strategic change management in Kenya commercial Bank and concluded that the biggest impediment to change is organizational culture.

Rukunga (2003) in his study drew the conclusion that Nairobi Bottlers followed largely the eight steps Model of change by Kotter. He further found out that by not giving the necessary weight to one of the steps-empowering employees it resulted to failure of the model. The findings of the above studies notwithstanding, the change management practices introduced by Equity bank have significantly affected the industry by altering previously existing practices. There is need therefore to conduct a separate study to determine change management practices at Equity bank ltd. The findings will provide a piece of information to the various stakeholders who include the government, the industry regulators, industry players, potential entrants, consultants and researchers among other

1.3 Objective of the Study

The objective of the study is to determine change management practices at Equity Bank Limited.

1.4 Importance of the Study

The study will make a significant contribution to organizations in Kenya, as it will provide insight about managing strategic change. Consequently the study will encourage and reinforce interest of managers in strategic change management as tool for remaining competitive in today's rapidly changing business environment. This

study will also add to the existing knowledge and stimulate further research on different aspects of strategic change management.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategic Change

Strategy has been at the center of managers and researchers debate for many decades and there are several perspectives and interpretative models proposed for investigating managerial activities and actor's behavior in building this strategy (Mintzberg, 1990). Whittington (1996) drew an evolution in this field in relation to one hand the target levels - organizations or managers - and on the other hand the dominant concern - where strategies should go or how they are developed. The initial interest of researchers was addressed at the rational deliberation of managers strategies identifying a seminal stream of studies refereed to as "planning" approach.

The focus of this approach was then extended to the organization directions, exploring different policies such as diversification and acquisition. At the beginning of the 1980s there was a significant change in the field, moving from the where to the how, starting to investigate the process whereby organizations try to achieve strategic change. This different perspective highlighted the variety of elements involved and their complex relation, shaping the strategy development as a path incrementally adjusted. The early work of Quinn (1980) gave an important contribution, being one of the first attempts to analyze systematically the apparent chaotic process enacted by strategists. He observed the experiences of several companies in achieving strategic change and, going beyond the apparent chaos of events, he identified a series of incremental steps undertaken by managers in the attempt of reaching a goal. Other researchers supporting the processual perspective recognized, and have searched for, logic behind the path for strategic change. Its clarification is indeed complex and it needs the exploration of both the macro-organizational level and the micro-subsystems involved in the transformation. Quinn entailed the logical instrumentalism observing strategy evolution overtime, which starts from the perception of a problem or an opportunity; managers initially react cautiously with an idea, which is further refined for identifying the goal. However the intervention is not clearly identified by line, managers who may know where to arrive but they do not know how to achieve the goal; furthermore while leading the change, new opportunities and problems could occur and move them away from the initial idea. Revealing similarities in the case

studies, he defines a dominant model based on three major stages: creating awareness and commitment; solidifying progress; integrating processes and interests.

At the first stage, managers develop an informal network of relation to get information, usually bypassing formal systems and giving more prompt and focused information. The enlargement of the debate on possible solutions improves again the basis of decisions and it influences managers' behavior. Influencing behavior and searching for consensus remain basic issues also at the second stage incremental solidifying progress. This phase narrows the set of options previously considered in terms of organizational structure and human resource empowerment. The last stage instead entails the use of formal analytical techniques for establishing, measuring and rewarding key initiatives. This framework presented is an interesting rationale for interpreting change in complex organizations and environments, in which two key issues clearly emerge: the stages of strategy processual development and the importance of human resources. However this processual perspective has been further developed alternatively tackling the organizations themselves, the organizational change and the formulation of strategies (Pettigrew, 1985; Mintzberg and Walters, 1985; Mintzberg, 1987; Clark, 1988; Whittington, 1996; Dawson, 1994).

Studies enriched the systematic analysis of the change as a process, enhancing the idea that neither organization nor the environment are fixed entities, in which there are a variety of actors and contextual influences playing a significant role. They tended to use an organizational perspective and have not further these investigated the micro-elements in reaching strategic outcomes; these elements include managerial activities, actors and activities undertaken. Recently there has been a further change of focus, claiming for investigations of how these elements can influence macro-organizational change (Whittington. 1996, 2002). This contributed in stimulating the debate and researchers have begun to address specific dimensions such as strategy creation activities and the relation between personal strategies of managers and strategic direction (Watson, 2003; Regne'r, 2003).

2.2 Initiating Strategic Change

The need of change mainly responds to new challenges or opportunities presented by the external environment, or in anticipation of the need to cope with potential future

problems, threats, of the environment. Planned change represents an intentional attempt to improve, in some important way, the operational effectiveness of the institution. Hence, the basic underlying objectives can be seen in general terms as an attempt to modify the behavioral patterns of members of the unit area; and to improve the ability of the subject unit to cope with changes in its environment. In other words, the institutional and unit strengths and weaknesses have to be analyzed to match with the change process. The strategic change initiation process would follow the SWOT analysis as well as being checked against alignment elements (Chorn-1990).

SWOT analysis consists of evaluating a firm's internal strengths and weaknesses and its external opportunities and threats. It is an easy to use tool for getting a quick overview of a firm's strategic situation. It underscores the basic point that strategy must provide a good fit between a company's internal capabilities (strengths and weaknesses) and its external situation (reflected in part by its opportunities and threats). Pearce and Robinson (2003) point out that the SWOT analysis involves evaluation of a firm's strengths, weaknesses, opportunities and threats and drawing conclusions about the attractiveness of the firm's situation and the need for strategic action.

Ansoff (1987) notes that the environment is constantly changing. In such an environment, organizations have to constantly adapt their operations and internal configurations to reflect the new external realities. Firms have to constantly adjust to the ever changing business environment as no competitive position is resistant to environmental changes.

2.2.1 Strengths and Weaknesses

Thompson and Strickland (1993) point out that strength can be a skill, competence, organizational resource, competitive capability or an achievement that gives the company a market advantage such as a strong brand, superior service, or market recognition. A weakness, on the other hand is something that the company lacks or does poorly in comparison with others, and a condition that puts it at a disadvantage. It may or may not make a firm competitively vulnerable depending on how much it matters in the competitive battlefield. Some strength are more important than others because they count for more in determining performance, competing successfully and

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forming strategy while some weaknesses can prove fatal. Others do not matter much or can be easily remedied.

Pearce and Robinson (2003) point out that company's strengths are significant because they can be used as the cornerstones of strategy and a basis on which to build competitive advantage. A good strategy will aim at correcting competitive weaknesses that make a company vulnerable, impede its performance and stop it from going after opportunities in the market. (Johnson and Scholes-2002) are of the opinion that management should build strategy around what the firm does best and avoid strategies whose success depends on areas where the firm has weaknesses or unproven capabilities.

2.2.2 Opportunities and Threats

Thompson and Strickland (1993) hold that industry opportunities most relevant to a particular company are those that offer important avenues for growth and those where the company has potential for competitive advantage. Because not every company in the industry is well positioned to pursue each opportunity that exists in the industry, it is a company's strengths and weaknesses that determine its pursuance of opportunities. Johnson and Scholes (2002) argue that opportunities and threats affect the attractiveness of a firm's situation and also point to the need for urgent strategic action.

Aware of the shifts in the environment and the competitive situations, the organization's managers and leaders have to prepare for change. The shift of the market situation is the drive for the change and the rules of the games. Unit leaders have to exhibit capabilities to implement a strategy in response to the change. On the one hand, they have to evaluate the internal cultural capacities of their units. On the other hand, they have to demonstrate their leadership style to shape the culture so as to drive the strategy. The strategic change model commences with the identification of the different variety of needs. Understanding that it is infeasible to incorporate all changes at the same time, the process has to be prioritized. Changes normally take a substantial duration. It is essential for such managers to incorporate it systematically with prioritization and decide which should be augmented with reinforcement otherwise the whole strategy cannot be sustained.

2.3 Models of Strategic Change Management

Change management is the use of systematic methods to ensure that an organization and its employees move from the old unwanted behavior to the new desired behavior for the survival of an organization while retaining some of the key competences. Scholars who have been keen to study change management have come up with various models.

Kurt Lewin from his work on change management came up with a three steps model which goes through unfreezing, Moving and re-freezing. Unfreezing involves removing forces that maintain the organization's behavior at its present level. Moving involves acting on the results of unfreezing that is taking action to move to the desirable state of affairs while refreezing seeks to stabilize the organization at the new set of equilibrium (Bumes. 2000)

Ansoff (1998) recommends a four step approach to managing discontinuous change. These are coercive methods, the adaptive method, the crisis method, and the managed resistance method. The coercive method is applicable where there is high urgency. It has the advantage of speed but has also the shortcoming of being highly resisted. The adaptive method is best applicable where there is low urgency. Its main advantage is low resistance but the method is very slow. Crisis management method is applicable where there is threat for survival. Its advantage low resistance but has the disadvantage of extreme pressure and risk of failure. The managed resistance is applicable under conditions of moderate urgency. Planning and implementation are done together.

Kanter et al (1992) advocate for a ten commandments to executing change successfully. Analyzing the organization and need for change, creating a shared vision and a common direction, separating from the past, creating a sense of urgency, supporting a strong leader role, lining up political support, crafting an implementation plan, developing an enabling structure, communicating, involving people and being honest, and reinforcing and institutionalizing change are the their prescription for successful change.

The processual model which is also referred to as the temporal approach to change management is used as a means of breaking down the complex process of organizational change into manageable portions. It identifies the substance of change as new technology or new Management Techniques, the need for change is conceptualized, transitions in terms of new tasks, activities and decision is achieved in the contextual framework of politics of change, human resources, administrative structure and the business market and lastly the operation of the new organizational arrangements.

The logical incrementally model in which change takes place incrementally by developing the patterns of change incrementally. This includes crafting awareness and commitment incrementally, amplify understanding and awareness, legitimizing new view points, making tactical shifts and partial solutions, broadening political support and overcoming opposition zones. Solidify the change process incrementally by creating pockets of commitment, focusing the organization, managing coordination and formalizing commitments by empowering champions. Lastly integration of the process and interests in the change programme.

Kotter (1996) suggests eight steps model shown in diagram 1 Kotter argues that if implemented systematically one step after the other it will lead to successful change. These stages are as follows; establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, communicating the change vision, empowering employees for based action, generating short-term wins, consolidating gains and producing more change and finally anchoring new approaches in culture.

No approach to change appears to be exactly the same and in some cases they almost entirely contradict each other. Bumes (2000) argues that though most experts would claim some sort of universal applicability for their favored approach or theory, the reality is that such approaches are developed on particular circumstances, at particular times often with types of organization in mind.

Diagram 1: Kotter's eight steps to leading successful change

Activity	
Establishing a sense of urgency	
Examining market and competitive realities	**1**
Identifying and discussing crises, potential crises, or major opportunities	
Forming a powerful guiding coalition	
Assembling a group with enough power to lead the change effort	**2**
Enhancing the group to work together as a team	
Creating a vision	
Creating a vision to help direct the change effort	**3**
Developing strategies for achieving that vision	
Communicating the vision	
Using every vehicle possible to communicate the new vision and strategies	
Teaching new behavior by the example of the guiding coalition	**4**
Empowering others to act on the vision	
Getting rid of obstacles to change	
Changing systems or structures that seriously undermine the vision	**5**
Encouraging risk taking and non-traditional ideas, activities and actions	
Planning for and creating short-term wins	
Planning for visible performance improvements	
Creating those improvements	**6**
Recognizing and rewarding employees involved in the improvements	
Consolidating improvements and producing still more change	
Using increased credibility to change systems, structures and policies that don't fit the vision	**7**
Hiring, promoting and developing employees who can implement the vision	
Reinvigorating the process with new projects, themes and change agents	
Institutionalizing new approaches	
Articulating the connections between the new behavior and corporate success	
Developing the new means to ensure leadership development ands success	**8**

Source: Rotter J (1996) Leading Change, *Harvard Business Review*

2.4 Factors That Influence Change Management Practices

The outcome of any change process is influenced by a number of factors. Among them are culture, resistance, leadership, teamwork and stakeholders politics

2.4.1 Organizational Culture

The total sum of shared values, attitudes, beliefs, norms, expectations and assumptions is defined as culture in an organization (Rowe et al, 1994). Thompson and Strickland (1993) argues that there must be a fit between strategy, structure systems staff, skills, shared values and style for strategy implementation to be successful. Organizational culture and values held by managers and other employees within an organization are key in influencing on strategies of change (Thomson, 1997).

Johnson and Scholes, 1999) referring to culture as routines, note that such routines which give an organization a competitive advantage may act as bottlenecks when implementing change. When planning for change it important to identify such routines and change them.

2.4.2 Resistance

Resistance to change is a multi-faceted phenomenon, which introduces delays, additional costs and instability into a change process (Ansoff and McDonnell, 1990). Resistance can either be behavioral or systemic; Behavioral resistance is exhibited by individuals, managers or groups because of parochial self-interests, misunderstanding and luck of trust, or low tolerance to change. To overcome this problem there is need on the part of those implementing change to understand the needs of employees and for employees to understand the change plan and be part of it.

Systemic resistance originates from passive incompetence in managerial capacity to curry out change. The capacity required to implement change is normally more than the existing capacity. Management requires planning and developing the needed capacity by integrating management development into change process and stretching the implementation period for as long as is necessary. Rose and Lawton (1999) note that if change involves challenging existing power arrangements resistance to change is inevitable. To deal with such resistance, they propose use of some techniques which

include education and communication, participation and involvement, facilitation and support, manipulation and co-option

2.4.3 Leadership

Leadership is one of the most enduring universal human responsibilities. The practice of leadership is sufficiently similar across historical eras and civilizations (Kanter 1996) She goes on to state that many leaders of historical renown and many contemporary leaders of traditional institutions succeed by focusing on the need of their own organization and by being the best advocates of their own groups.

For any meaningful change to take place the support and inspiration of leadership is absolutely necessary. In doing so, leaders follow various methods to achieve these objectives. Roberto (2005) argues that for any change to stick leaders must design and run an efficient persuasion campaign. Like a political campaign persuasion is leading differentiation from the rest.

An efficient change leader provide opportunity for employee to practice desired behavior repeatedly while personally modeling new ways of working and providing coaching and support. Johnson and Scholes (1999) contend that management of change is often directly linked to the role of a strategic leader. Leadership is the process of influencing an organization in its effort towards achieving an aim or goal. A leader is not necessarily someone at the top of an organization, but rather someone who is in a position to influence others. The leaders' role includes creating vision, empowering people, building teamwork and communicating the vision. Stephen covey argues for three roles of a leader, path finding, aligning and empowering

2.4.4 Teamwork

According to Oakland (1993) a team is a group of people with the appropriate knowledge, skills and experience who are brought together specifically by management to tackle and solve a particular problem usually on a project basis. They are cross functional and multi-disciplinary.

Rowe et al. 1994) argues that team approach to change implementation removes artificial organizational barriers and encourages openness. Teams share common

goals and help to focus energy by emphasizing self-control on participants. Teams that are cohesive, that interact co-operatively with members possessing compatible personality characteristics and that are operating under mild to moderate pressure appear to be most effective.

2.4.5 Stakeholders

Stakeholders support is essential for any change programme. Stakeholders have different interests and powers. Achieving universal support is challenging and politics set in. Hill and Jones, (2001) see organizations politics and tactics that strategic managers and stakeholders engage in to obtain and use power to influence organizational goals and change strategy and structure for their own interests. In this political view of decision-making, obstacles to change are overcome by compromises, bargaining and negotiations between managers and coalition of managers to settle conflict over goals by the use of power. Kanter et al (1992) holds the view that the first step to implementing change is coalition building, which involves those whose involvement really matters. Specifically, stakeholders must support any change programme for it to see the light of the day.

2.5 Banking Industry

Since the late 1970s financial service organizations have observed regulatory changes, technological innovations as well as the emergence of new financial markets and forms of finance. At the same time, managers of banks raised fees for deposit services, reduced branch operating costs and shifted to higher earning assets. In other words, external innovations (and in particular, regulatory change and information technology applications) were instrumental in the changes banks made to their balance-sheet size, in increasing business-portfolio diversity and in restructuring their geographic scope (Dickens and Phillipatos, 1994). Changes in the size and diversity of banks followed external changes in bank markets but banks' strategic responses were still short of the competitive (or perfectly contestable market) benchmark (Bank of England. 1991; Dickens and Phillipatos, 1994; De Bandt and Davis, 1999). Documented evidence would thus suggest that some of the changes increased competition in bank markets while some others pursued strategies aiming to deter new participants entering the market (such as deterring insurance companies from supplying unsecured lending).

According to Ennew (1990). Canals (1998), Batiz-Lazo and Wood (2001) the strategic response of commercial banks in light of changes in their growth opportunities during the late 1980s was to adopt two main generic strategies or types of organizational design. One set of banks adopted widespread diversity in their geographic, product market and customer group portfolio, while another set followed a rather focused strategy by specializing in one or all of those dimensions.

Among others Waston (2003) and Guillen and Tschoegl (2000) have documented empirical evidence suggesting that there is no inherent advantage built into generic strategies or types of organizational design for banks. Banks of the same size and with the same breadth of geographic, product market and customer group are known to observe different cost structures. Instead of generic strategies, differences in banks' market position or cost structures are thought to be based on bank managers anticipating the most attractive markets and capturing greater shares of growth opportunities by effective execution (of a visionary course of action). Bank senior executives actively engaged in strategic planning could have foretasted the most profitable growth alternative for their banks and considered whether to enhance established capabilities to compete, create new capabilities or divest established capabilities (as market-based transactions or non-bank providers could be more efficient brokers of funds). Since the combination of anticipation and implementation is the source of sustainable competitive advantage, then differences in banks' cost structures or market positions emerge, as anticipated advantage creates capabilities to compete.

Unfortunately there is little systematic evidence on the priorities for the creation of capabilities in banking, with the added result of having little empirical support to determine whether differences in planning approaches are responsible for distinct sets of capabilities to compete in bank markets. The purpose of research documented in this article is contributing to build an agenda that systematically explores the priorities for the creation of capabilities in banking and, as a result, sheds some light over the effectiveness of strategic planning and strategic change management in bank markets.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was be used in gathering data. Here the researcher aimed at explaining the methods, tools and to present data of analyzing to get proper and maximum information related to the subject under study.

3.2 Research Design

Research was conducted through the case study method. This method enabled the researcher to have an in-depth account of the change management practices as adapted by Equity Bank.

Case study design was the most appropriate research design because this is the study of a single unit or institution. This enables intensive study and analysis of the same. It is a form of qualitative analysis where the study is done in an institution or situation and from the study, data generation and inferences are made

3.3 Data Collection Methods

Both primary and secondary data was collected and used for the study. Primary data was gathered using open-ended questionnaire (appendix 1) regarding management of strategic change practices. The in-depth interviews were conducted with Divisional Director and heads of departments who make policy decisions and therefore directly involved in management of strategic change practices.

For the secondary data document, sources was employed whereby use of previous document or materials to support the data received from question and information from interview that includes book and magazines available in the libraries was visited as well as information from the websites.

3.4 Data Analysis

The primary and secondary data will largely be qualitative. Considering the nature of data envisaged as per the questionnaire and data anticipated from secondary sources, conceptual content analysis is best suited method of analysis.

Nachmias and Nachmias, (1996) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of massages and using the same approach to relate trends. This approach has been used previously in similar paper like the one by Ongaro (2004). He argues that this method is scientific as the date collected will be developed and verified through systematic analysis.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents primary data findings of the study. The study was done by use of detailed interview guides. The total number of people interviewed was twelve; one executive director, four General Managers, Four heads of departments and three managers heading various business units representing 100% response rate.

The study objective was to determine change management practices at Equity Bank Limited. During the interview the various significant changes that have taken place in the bank were identified by the respondents.

The twelve respondents representing 100% confirmed that the first significant change took place in 1993. The Central Bank of Kenya declared that Equity was technically insolvent. The Central Bank noted that supervision by the board was very poor. While non-performing loans stood at 54% of the portfolio of kshs 12 million, accumulated losses were kshs 33 million on a capital base of kshs 3 million. Liquidity of Equity was at 5.8% against a minimum requirement by Central Bank of 20%. (Lagos Business school 2006) Deposits at that time were being used to meet operating expenses. As a result of the above Equity made its first strategic change move by shifting from a mortgage provider to deposit mobilization and efficient loan provider to the micro finance sector.

In 1994 a new management team comprising of the current chief executive was brought in to lead the change process. The new board realized that if it wanted to turn around Equity, it needed more resources (capital and non capital) to bring in new thinking, train staff to meet the dynamic challenges of the environment and also expand its marketing thrust. Thus with this realization Equity through the use of two main consultants implemented a focused approach to staff training (Lagos Business School 2006). As a result of changes initiated, by end of 2005, Equity Bank had become the biggest bank in Kenya in terms of customer's base, 13th largest in capitalization. 14^{lh} largest in terms of deposits base, and rated among the top five banks by the Central Bank of Kenya. Equity is now home to 52% of all Bank

accounts in Kenya, and captures 7 out 10 new accounts in the country, which are being opened at the rate of 460per day (www.equitybank.co.ke)

The success of Equity business model has been largely enabled by technology. It has provided the economics of scale and process efficiencies that have sustained Equity Bank exponential growth rate and given it a competitive edge in serving the mass market at the base of the pyramid (Columbia University, 2009). With its ability to handle the tremendous volume of accounts and transactions the Information Technology platform has help in reducing congestion in the Banks banking halls. At the same time the new integrated IT platform has provided for centralized reporting, tight governors control and level of transparency required of a public traded company. As its operations become increasingly automated. Equity Bank is focusing on new ways to enhance the customer experience while maintaining the personal touch and feel a position confirmed by 92% of the respondent interviewed.

Technology is also part of an elaborate concept to transform the cash-based economy into cash less society. Equity bank Alternative Banking Channels (ABC) in line with the objective of bringing services closely and conveniently to majority of the citizen round the clock was stated in 2005. Development of non branch banking through ATMs, Point of sale (POS), mobile and Internet banking saw ABC handling 78% of the banks total transactions with a target to reach 85% (Columbia Business School 2009).

The image of the bank was not good and in seeking to change the same re-branding and refurbishment of the previously existing banking premises was carried out. The branch services were extended to other parts of the country as opposed to the previous situation where it had a presence only in central Province of Kenya. Currently the bank has a big network of branches across the country.

Injection of additional capital from both local and foreign investors to support the rapid expansion programme which has seen the branch network increase to 145 branches currently. In addition the bank has a presence in Uganda and Southern Sudan. Through the additional capital injection the bank was able to grow it loan book and attract additional deposits in line with the Central bank prudential guidelines.

The Bank successfully converted to a commercial bank licensed under the banking act in 2004. Through this conversion the Bank was able to provided additional services and products which were not possible through the Building Society. Overdrafts, current accounts. Foreign Exchange and Trade Finance became available to the Banks customers. The bank within a short time after conversion to a commercial Bank was rated as the best bank in Kenya in 2007 and 2008 by Euromoney. The bank was also voted as the African Business of the year 2009 by African business (www.equitybank.co.ke)

In 2006 the bank was listed as a public listed company at the Nairobi stock exchange. There were two major objective of this change, first was the realization of the need to determine the true value of the Banks shares through the market determination mechanism as provided by the stock exchange and secondly to be in a position to raise capital in future through the stock market (Equity 2006). Other objectives were to enable a free ownership of the banks shares to interested investors giving the Bank a national image.

As the Bank continued to grow new structures and reporting lines emerged. Additional recourse to manage the business effectively was required. Focus shifted to having the right people in the right places. This led to recruitment of quality staff at the top. Consultants were hired to put the right processes and systems in place. The Bank invested in human capital development and developing good leadership skills

4.2 Forces of change and strategic Objective

The Central Bank of Kenya poor rating of the bank and serious treat of being placed under statutory management was confirmed by 92% of the respondent as what triggered the initial need for change .The management pleaded with the regulator to be given a second chance to improve the banks performance. Treat of closure was therefore one of the immediate factor to force for change. The board of directors presented to the Central Bank of Kenya a turnaround strategy that involved capital injection by shareholders, change of business strategy and the strengthening of management to help revive the Bank.

The turnaround period coincided with the liberalization of the financial sector in Kenya. Several large banks shifted focus from the retail to corporate market segment, creating a gap in the retail market. At the same time, a number of banks were closing their rural branches and rationalizing the urban branches. This created a steady flow of new deposits to Equity Building Society.

The bank took advantage presented to it by the changing business environment and particularly the banking industry to grow and establish itself. Growth of the bank gained momentum and the board of directors made concerted efforts to develop a strategic plan that created a strong foundation for further growth and development.

However certain limitations of a building society started to emerge. As the institution continued to gain nationwide acceptance, its customers began demanding for additional products like Trade finance, foreign exchange and overdrafts(Equity 2006). To address these needs Equity Building Society begun to prepare for conversion to a commercial bank. After three years of intensive preparation that involved institutional change management process Equity building society was converted to a commercial bank on 31st December 2004

The banks growth to be sustained, it needed the support of an efficient and effective computer software. The bank In 2005 invested Kenya Shillings 565 million to procure an appropriate information technology infrastructure. The technology was to support the Banks expansion strategy in addition to providing solution to customers needs. Through the technology Automated teller machine, point of sale and electronic banking were introduced. 49% of the banks business is currently transacted through these channels (www.equitybank.co.ke). With the growth in customers numbers it would have been impossible to offer good customs service. Congestion in the banking halls of the Bank became a serious threat to the business. The introduction of the new computer was timely and provider customer with an alternative to transacting their business on unlimited time even during non working hours.

4.3 Models of Strategic Change Management

The impertinences of establishing a sense of urgency was confirmed by 83% of the respondents. After the Central Bank agreed to give Equity Building Society a chance

to improve and turnaround its performance urgency was need. To establish a sense of urgency, management had to make grate sacrifices and went beyond the normal call of duty in order to produce the required change. The massage by senior management to all staff was they either accept the changes proposed to turnaround the institution or risk loosing their jobs if placed under receivership or being declared insolvent. Key shareholders risked loosing their entire savings placed in the bank and this prompted for their urgent action.

The importance of creating a guiding coalition is noted by 94% of the respondent. A new team of senior managers joint the bank with the approval of the board with a clear mandate to turnaround the institution. The team had many team building section for bonding, win confidence with and training all existing staffs. After the initial section a smaller team comprising of senior management and middle level management was put together to lead the change process in consultations with consultants who were hired to assist initiate the change process

The respondents also cited that for change management to be effective, it is important to develop a change vision for the organization. 100% respondents asserted that a new vision was crafted to reflect the new direction the bank wanted take. A mission and Seven critical success factors to operationalize the vision was crafted. The Vision was arrived at after exhaustive consultation with all key stakeholders and with the assistance of consultants. It was extensively communicated to all staff at all levels.

Another important step that was identified by the respondents was communicating the change vision. All respondents confirmed that, staffs were taken through the Vision and Mission of the Bank. This was done by was of training where 100% of staff were trained. All business units were issued with Snapper frame which are hanged at strategic locations in all branch premises to regularly remained staff and other stakeholder on the vision and mission. All letter heads and other published materials originating from the bank contained the vision and mission of the bank

It was also noted that it is important to empower the employees involved in the change process. As such, the bank empowered and encouraged its employees to make recommendations for change. Those who showed and contributed innovative ideas

were rewarded and often promoted. As a result change agents were recognized and empowered to initiate even more changes

Change takes long to be noticed and with a lot of efforts being put in by the various team, it can be very frustrating is nothing to rejoice about is forthcoming. 75% respondents confirmed that short term wins were used to continuously motivate them. After a lot of hard work, positive feedback builds morale and motivation, and also evidence that sacrifices are worth it as a result change teams are able to produce more change.

84% of the respondents confirmed that another major step in effecting change management was to consolidate the gains and produce more change The guiding coalition used the credibility made by short-term wins to tackle additional and bigger change projects. Additional people were brought in, promoted and developed to help with all the changes. Senior people focused on maintaining clarity of shared purpose for the overall efforts and keeping urgency levels up. Lower ranks in the hierarchy provided leadership for specific projects and manage those projects.

Coercion was only used in particular cases. 58% of the respondents indicated that management opted for this method when the intention of the change was for the benefit of the organization. The method was mostly used when the changes needed were of very importance and urgent. During the implementation of new software this method was used to ensure success

4.4 Factors that influence change management practices

The respondents were asked to state factors that influenced the outcome of change In the Bank since the process begun and to give a detailed account on the impact the factors had and how it was manage. Below are the factors identified and how they were managed

4.4.1 Organizational Culture

Critical success factor number One of the bank is organizational culture that values people, enhances performance and supports the business. It is in realization of the importance role that culture can influence change management that this critical

success factor was developed. As the bank continues to grow new staff from different organization and from competitors joint the bank. To ensure that the 'Equity culture and values' is not diluted or eroded the Managing Director had made himself the chief custodian of the bank culture. All new staff had to go through a two weeks induction programme that focused on the bank and its culture, under the guidance of the managing Director. In addition recruitment is attitude bases. This is done through assessment of soft skills such as customer service and servant attitude

4.4.2 Resistance

Resistance to change introduces delays, additional costs and instability into the change process. The resulting impact of employee Resistance is very serious to the organization and care has to be taken in order to manage new challenges coming up to enable the organization remain competitive.

At Equity bank 92% respondents confirm that the following methods were used to manage employee resistance. Communication, Regular communications by way of Memos, Meetings, circulars and Intranet have been used to brief all staff on change initiatives and progress being made.

Training- Management observed that some employees were resisting change because they never understood what is was all about. Meetings were held at various levels in order to educate and share information. Consultants have also been used to train staff on specific areas of specialization and interest.

Participation and involvement- management observed that no meaningful change would be archived without involvement and participation of all those involved. Although not everybody was involved at the point of initiation decisions agreed was shared with all key players for their input before the final decision was take and in this way a sense of ownership is archived. Coercion was used only in particular cases where management felt that staff involved were not responding well to the change process

4.4.3 Leadership

All the despondences representing 100% were in agreement in the critical role leadership plays in achieving the change objective. It came out clearly from the

interview that the current Bank Chief executive Mr. James Mwangi has been instrumental in leading the changes that the bank has been going through. From crafting the vision and mission of the bank to the actual implementation of the change programme. His role has been charismatic and iconic and is recognized by various institutions both locally and internationally for this role. He was recently honored by Jomo Kenyatta University of Agriculture & Technology with Doctorate in Entrepreneurship (honoris caucus) and in 2007 jointly with Professor Muhammad Yunus of Gramin Bank of Bangladesh won the Global Vision Award on Micro finance (www.equitvbank.co.ke.

The managing director has personally been involved in training, mentoring and coaching. He has been very firm in institutionalizing a culture of customer service, hard work, dedication and devotion through out the change programme.

4.4.4 Teamwork

A team is group with appropriate knowledge, skills and experience who are brought together to tackle and solve a particular problem. 83% respondents confirmed that the bank have used teams to archive various objectives during the change process. During the implementation of the current core banking software, teams from various sections were put together to customize the core banking solution. Management confined that the same is very effective and used to archive result particularly on cross functional tasks or when serious challenges are faced

4.4.5 Stakeholders

The various stakeholders have been very supportive of the changes in the bank. Shareholders particularly have been pointed out as making the change process smooth. Before the listing of the banks shares at the Nairobi stock exchange the number of share holders was slightly above 2400. Managing and engaging these numbers was easy and helped accelerate change as confirmed by 92% respondents. All General meeting have always endorsed board resolution and this can be taken to mean confidence on top management

Members of staff are another group of important stakeholder. Through employee share ownership plan (ESOP) 5% of the bank is owned by staffs. A performance

management programme had been developed to ensure that performing staff are appropriately rewarded and non performers are identified and addressed Staff commitment is therefore effectively secured through this scheme. At the board level they equally hold significant share a factor that has contributed positively towards archiving the desired changes 100 % respondent confirmed the same.

The communities where the bank operates from are important stakeholders. The Bank has from 1998 been committing significant resources to support the pri-university programme under its corporate social responsibility. Through the programme the bank has been able to project itself as a responsible corporate citizen.

The board of directors has been effective in lobbing the government which is also an important stakeholder. From the interviews 67 % of the respondents suggest that the Investment from Helios Eb. was a strategic move to protect the Bank from local political meddling. Helios Eb. has shareholders such as the Common wealth development corporation (CDC) a United Kingdom government-owned fund, U.S. Overseas Private Investment Corporation (OPIC) and The International Finance Corporation (IFC) This are well respected institution which were used effectively to project a positive image of the bank.

CHAPTER FIVE

SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 Introduction

This chapter summarizes the results of the research work. First it gives a summary, discussion and conclusions of objectives. Limitations are also highlighted and recommendations provided both for the study and for the future research.

5.2 Summary, discussions and conclusions

The objective of the study was to determine change management practices at Equity Bank Limited. The researcher carried out in-depth interviews with senior management staff in the bank and those involved in the change process.

From the research findings it is clear that the initial changes at Equity bank were a result of forced change. Threat of closure necessitated for the initial changes. This situation is similar to what was identified in the literature review by Johnson and Scholes (2002). Change is aimed at correcting competitive weaknesses that make a company vulnerable, impede its performance and stop it from going after opportunities in the market. From the research finding the bank was very effective in execution of the strategic shift.

The Bank has been able to take advantage of opportunities presented to it by the external environment to grow and consolidate it business. This is similar to what Ansoff (1987) noted in the literature review that the environment is constantly changing. In such an environment, organizations have to constantly adapt their operations and internal configuration to reflect the new external realities and that firms have to constantly adjust to the ever changing business environment as no competitive position is resistant to environmental changes

Although no specific change model was singularly used the change process largely followed the Kotter's eight steps model to leading successful change as enumerated in the literature review. The factors that determine the outcome of change such as organizational culture. Resistance, Leadership, Teamwork and Stakeholders were effectively managed to support and produce the required change

As Johnson and Scholes (1999) contend. Management of change is often directly linked to the role of a strategic leader, the changes at Equity Bank are largely linked to its current Managing Director Dr. James Mwangi.

From the above summary and discussions, the following conclusions can be drawn from the report. Equity bank has gone through phenomenon changes since 1993 to date. Change management practices at Equity Bank have been very successful and have significant impact to the entire banking industry in Kenya the changes can be attributed to effective implementations of the change desired and a very strong and focused leadership.

However there seen to an over reliance on the current Managing Director to show and lead the Bank. There is need to develop a proper succession strategy to guarantee sustainable change in future. Collins and J Porras **(year)**in their book Built to Last argue for a visionary company as opposed to visionary leader. The bank has a challenge to put in place an institution that is in itself visionary to last for generations to come.

5.3 Limitation of the Study

The research was conducted effectively apart from a few limitations that are normally common in such studies. The major resource that was required in the study was time for both the researcher and the respondents. Scarcity of resources translating to narrowing down the scope of the study and in the process vital areas may have not been covered in details.

The period covered by the study was very wide a situation that could have limited extensive study in grater details. The study also focused on top managers, It would have been of value to obtain the views of other stakeholders such as junior employees as only senior managers are allowed to divulge information about the Bank. Shareholders views would equally have been important as their view my not necessarily be the same with those of management.

5.4 Recommendations for policy and Practice

Change management practices at Equity Bank limited are a good example on how effective implementation on change required can be achieved. Many organizations and institution fail to achieve the desired change not for luck of good ideas but due to poor implementation. Where the organization is unable to effect the desired changes an effective leader with proven track record can be hired to lead the change process.

Any organization should built the capacity constantly seek to improve. Change is not an end in itself but is a means to achieving set objectives and as the world continue to change organization must keep pace to remaining relevant.

The exponential growth and IT challenges lie, in cultural retention: will expanded electronic services enhance the Equity brand or undermine it?. Can the strong technology be reconciled with customer service or will Equity require a shift in its corporate culture framework or can Equity Bank regional and vertical expansion maintain the same brand loyalty and customer services that the Bank is famous for? These are pertinent question that the bank needs to address seriously as it moves forward

5.5 Suggestion for further Research

It is clear from the study that the Equity Bank has undergone phenomenon change. The study undertook to study these changes from 1993 when the first significant changes took place. The period is too long to critically study all the changes effectively in details. There is need to narrow down the changes into a shorter periods such as the last five years.

Future researchers could also study specific aspects in the change process such as leadership and the role it plays in change managements. How leadership style determine the outcome of change

Studies in the same subject can be conducted in the Bank with a focus on junior management and lower levels staff. This will provide a more conclusive and generalized inferences.

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APPENDICES

Appendix 1: Interview Guide Questionnaire

This guide is designed to collect views on change management process of Equity Bank Ltd

Section A

Interviewee Name (optional)

Position

Section B; Forces of change and strategic objectives

1. What forces necessitated change at Equity Bank

a)

b)

c)

d)

2. What were/are the strategic objectives of the change programme?

Section C; Approach to the change management

1 Explain how the following were/are involved in initiating the change efforts?

a) Board of Directors

b) CEO

c) Senior management

2) Describe how, if at all. the changes have been initiated by staff (heads of business units, heads of departments divisional directors

3) Have external consultants been involved in the change programmes? Please explain

4) Were the following preparations made before implementing change? Briefly explain

a) Assessment of the environment

b) Assessment of the resources to initiate change practices

c) Forming of change committee

d) Communicating to all stakeholders

Section D; Change content

1) Has the change programme affected structures, systems, processes or products? Please explain

Section E; Change management process

1) How was urgency built to get employees cooperate and participate in the change process

2) Was a vision developed?-

3) Was a strategy developed to drive the change process

4) Please describe the process of strategy

5) Was there specific teams mandated the responsibility to implement the changes

6) What was the role and powers of the teams

7) How were those involved in the change process empowered

8) What measures were undertaken to ensure the change momentum is achieved and maintained?

9) Did you have short-term targets to monitor the changes? Please provide details

10) Were those who achieved such targets awarded?

11) How does top management indicate their support for the change programme and activities?

12) What level of resources was allocated to the change programme?

Section F; Factors that influence the change outcome?

1) How have the following factors influenced the change management practices?

Resistance to change

Culture

Stakeholders politics—

Teamwork

Leadership-