

**ORGANIZATIONAL LEADERSHIP
AND RESISTANCE TO CHANGE IN COMMERCIAL BANKS
IN KENYA**

**BY
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DECLARATION

This is my original work and has not been presented for award of any degree in any University.

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

In loving appreciation of my ailing dad Henry and mum Celestine who planted the seeds of creativity, analysis, and determination, may God be your greatest source of strength and courage.

In humble appreciation of my spiritual leaders, lecturers, friends, relatives and all who helped me nurture and harvest them.

In hope and anticipation for future generations of world leaders who will make them flourish and improve upon them in every organization.

ABSTRACT

Organizational change in commercial banks within Kenya has become significant since it has helped a number of banks in realizing their shared goals and objectives to become more profitable. Organizational change has enabled Kenyan banks to grow their branch networks thus increasing shareholders value whilst at the same time diversifying earnings from enhanced business opportunities and improved product and services offerings to customers. Organizational change has also facilitated the sharing of expertise through constant learning and development of new skills and knowledge across the banking industry. However, these benefits are a consequence of effective organizational leadership in managing human resistance to change. The objective of this study was; to determine the nature of organizational leadership, establish the nature of resistance to change, and discover the significance of organizational leadership in managing resistance to change in commercial banks in Kenya. Primary data was collected through a structured questionnaire and summarized using descriptive statistics and correlation analysis. The results of this study indicated that the most essential function of organizational leadership was the interpersonal function in which participation, involvement, support, negotiation, agreement, effective education and communication strategies between organizational leaders and their employees were significant in managing resistance. Organizational leadership facilitated employee engagement, commitment and motivation to adapt to change thereby leading to successful implementation of change. Resistance to change was also found to be valuable during change since it provided a vital foundation for creativity and innovation whilst eliminating unsuitable aspects of change. Resistance stimulated organizational stability particularly where change was unfavorable.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational change in commercial banks in Kenya is not only an unquestionable fact but also a practice for most banks. Change in commercial banks has immensely accelerated both in pace as well as in its complexity thus leading to various challenges. These challenges have created both opportunities and threats to several banks depending on how organizational leadership was exercised in managing resistance to change. Organizational change has now become one of the most critical issues facing commercial banks in Kenya.

The theoretical framework for this study include; organizational intelligence theory which states that employee engagement enhances performance, the balanced scorecard model which is indispensable in aligning organizations during implementation of change, the learning organization theory which helps organizations to gain the knowledge of the future, the Four Ps model of excellence in which the function of people in organizational excellence is described, the transformational leadership theory which helps induce members to transcend their self-interest for organization's sake, adaptive cultures theory where organizations anticipate and adapt to environmental change, and finally, Kotter's change management theory in which guidance to the process of institutionalizing change is provided. This study also appraised mechanistic, social and conversational perspectives on resistance to change.

Nonetheless, the foremost force behind most successful organizational changes is extraordinary leadership in managing human resistance. Commercial banks in Kenya have realized that they must purposefully exploit opportunities inspired by organizational change in order to gain both competitive advantages as well as survive. More importantly, issues of resistance to change in organizations have received a lot of research over the past decade (Macri, Tagliaventi & Bertolotti, 2002); it was remarkable to investigate the nature of resistance and leadership in Kenyan commercial banks.

1.1.1 Organizational Leadership

Leadership is a theme which has extensively generated interest among scholars. But, why is there widespread fascination with leadership? Perhaps because leadership is an inexplicable process which affects everyone's life in any organization. Previous research attempted to establish the determinants of managerial leadership effectiveness. Specifically, social scientists have studied traits, behaviors, abilities, source of power and aspect of situations which determine how well leaders are able to influence and accomplish organizations objectives during change (Yukl, 2010). According to Kotter (1999), change has insistentlly been with us and forever will be and, leadership is about giving the right direction to change.

Besides, leadership is the development of vision and strategies, the placement of appropriate people behind those strategies, and empowerment of people to achieve the vision despite obstacles during change process (Kotter, 1999). Consequently, the key force behind successful change is effective leadership since initiating a new order is more often than not difficult and costly (Kotter, 1999).

To add, leadership involves influencing people towards the realization of a particular objective within a given circumstance (Ivancevich & Matteson, 1990; Organ & Bateman, 1991; Huczynski & Buchanan, 2001; Cole, 1995; Nsuve, 1999).

In general, there are three main functions of leadership in a given change process namely; strategic function where a leader creates a sense of direction for the organization, tactical function which involves creating tasks necessary to achieve organization's objectives and ensuring these tasks are carried out effectively, and finally, interpersonal function in which a leader enhances motivation, cohesion and commitment of the members towards organization's goals (Senior & Fleming, 2006).

Previous theories of leadership focused on the characteristics and behaviors of effective leadership whereas current theories have taken into consideration the context under which leaders operate as well as the character of their followers. There are seven main leadership theories upon which a number of leadership styles have been studied. To begin with, great man theory was based on the principle that leaders are extraordinary people, born with innate qualities and are predestined to lead others. Subsequently, the traits theory conceived effective leaders as specific people with particular traits and qualities (Cole, 1995).

The behaviorist theory dwelt on what leaders essentially do or practice whereas situational leadership theory contended that effective leadership was specific to the situation in which it was being practiced. The contingency theorists advanced the situational perspective by establishing situational variables that best described the most effective leadership style in any given circumstance (Cole, 1995).

However, due to various limitations, transactional theorists argued that the relationship between the leader and his or her followers was significant since it helped enhance the group's commitment and satisfaction (Cole, 1995). Finally, transformational theory defined effective leadership as a process of developing visions, creativity and improved performance through implementing successful change in organizations (Ivancevich & Matteson, 1990, Cole, 1995).

1.1.2 Resistance to Change

Organizational change as defined by Jones (2004) refers to “the process by which organizations move from their present state to some desired future state to increase their effectiveness.” However, these movements more often than not result in human resistance. Consequently, resistance to change has extensively been acknowledged as a critically essential fact that can influence the accomplishment or otherwise of an organizational change effort (Waddell & Sohal, 1998). Resistance is an ultimate block to change in organizations (Mabin, Forgeson & Green, 2001); since it introduces unforeseen delays and increases costs and reservations in the process of strategic change (Ansoff, 1990). Kurt Lewin in his 1947 paper titled “Constancy and Resistance to Change” acknowledged that “the practical task of social management, as well as the scientific task of understanding the dynamics of group life, requires insight into the desire for and resistance to, specific change”. To add, the first well-known published reference study on resistance to change in organizations was “Overcoming Resistance to Change” by Coch and French in 1948 at the Harwood Manufacturing Company in Virginia (Dent & Goldberg, 1999).

Thereafter, scholars in the 1950s quickly embraced the word resistance though with diverse meanings (Dent & Goldberg, 1999). For instance, Ford and Ford (2009) argue that resistance during change process is often a product of the conversations and relationships operating between agent and recipient. Nevertheless, other authors have discussed that resistance during organizational change “is often exacerbated by the mismanagement of resistance derived from simple set of assumptions that misunderstand resistance’s essential nature” (Waddell & Sohal, 1998).

According to Hultman (1979), “there are many times when resistance is the most effective response available”. Consequently, resistance to organizational change comes with some benefits which can be exploited to enable successful change. Resistance to organizational change enables change leaders to understand that it is a delusion to consider change itself to be intrinsically good because successful change can only be assessed by its consequences which can only be certainly known after change efforts have been concluded and appropriate time has elapsed (Hultman, 1979).

1.1.3 Commercial Banks in Kenya

The banking industry consists of 43 commercial banks whose growth has been persistent over the past years on a range of key fronts such as the improvement in technology which supported new service delivery channels, local and regional expansion of branch network, and increase in product differentiation resulting in niche market. These fronts are vital towards enhancing “a more efficient, stable and accessible banking system” (Banking Supervision Annual Report, 2010). See Appendix I for List of Banks in Kenya.

According to Banking Supervision Annual Report 2010, there are six key definitive highlights that have greatly transformed the banking sector. Firstly, the unrelenting geographical expansion of banks in Kenya both countrywide and across the East African region which was further heightened by the signing of the East African Community Common Market Protocol in July 2010. Secondly, the rolling out of agency banking model in 2010 in which banks are currently allowed to engage third party companies to offer specified banking services on their behalf thereby leading to cost cutting and enhancing efficiency as well as easy access to financial services (Banking Supervision Annual Report, 2010).

Thirdly, the rolling out of credit information sharing system in July 2010 where banks can now share credit information on their customers to enable better assessment of risks associated with prospective borrowers. Fourthly, the growth of deposit taking microfinance institutions through licensing by Central banks of Kenya to offer banking services across the country. Fifthly, the operationalization of the Proceeds of Crime and Anti-Money Laundering Act 2009 which specifies obligation of financial institutions of ensuring such institutions are not used for money laundering and drug trafficking. Lastly, the continuous development of new products such as mobile banking and internet banking is currently being facilitated by increase in technological innovation and development. (Banking Supervision Annual Report, 2010). The above six highlights are expected to continue transforming the banking industry in Kenya.

1.2 Research Problem

Change programs in commercial banks in Kenya have come with challenges. One of the main challenges is human resistance from employees. Resistance to change with its complexity has been a major concern for leaders in commercial banks in Kenya. Consequently, leaders of commercial banks in Kenya are besieged by resistance to change in their organizations.

Furthermore, change is one of the most irresistible issues and a way of life for organizations today (Gray & Starke, 1984; Randolph & Blackburn, 1989; Organ & Bateman, 1991; Heller, 1998; Pettinger, 2000; Odhiambo, 2006; Balogun & Hailey, 2008). Organizational change is relentlessly accelerating in pace thus creating various organizational challenges (Organ & Bateman, 1991; Kotter, 1996; Heller, 1998; Balogun & Hailey, 2008).

Nevertheless, the survival of organizations persistently depends on how leaders are able to respond to resistance to change, a multifaceted phenomenon. Besides, the principle force behind successful change is virtuous and effective leadership (Kotter, 1999). As a result, there is a growing interest in understanding leadership as a shared process involving diverse people in organizations and the causes of leadership effectiveness or ineffectiveness during organizational change. This is because strategic response to resistance to organizational change enhances stability, prosperity and sustainable growth in organizations (Nsuve, 1999).

Globally, Coch and French (1948) conducted research at Harwood Manufacturing Company in Virginia and they concluded that participation and communication were key strategies for managing resistance to change. Trader-Leigh (2002) also did a case study about resistance to change at US State Department and concluded that proper identification and understanding of the causes of resistance often facilitate successful change process. Macri, Tagliaventi & Bertolotti (2002) carried out an exploratory research in Italy and they concluded that resistance to change was unswervingly related to environmental and industry dynamics, to peoples' individual dispositions and to their interaction patterns.

Locally, Odhiambo (2006) and Kemboi (2009) conducted their research at National Housing Corporation and National Social Security Fund respectively and both concluded that resistance impacted negatively during change process. Most of other authors focused their studies on managing organizational change in general without dwelling much on the nature of resistance to change as well as organizational leadership.

The above researches were case studies and as a result it is difficult to generalize the findings. Furthermore, the aspect of leadership in relation to resistance to change management was not explicitly discussed in these studies. Consequently, a survey in organizational leadership and resistance to change in commercial banks in Kenya would help address this gap by providing a deeper understanding of the complex character of resistance to change and how leadership ought to address this phenomenon. Moreover, the above researches did not explore the utility aspect of resistance to change, that sometimes it provides benefits which may facilitate successful change.

This view created a major dilemma for the researcher. However, the researcher was motivated by this frustration and therefore aimed at addressing the following questions with regards to strategic change programs in commercial banks in Kenya. What was the nature of resistance to strategic change in commercial banks in Kenya? What was the nature of leadership in commercial banks in Kenya? How significant was organizational leadership in managing resistance to change in commercial banks in Kenya?

1.3 Research Objective

- (i) To determine the nature of resistance to strategic change in commercial banks in Kenya.
- (ii) To explore the nature of leadership in commercial banks in Kenya.
- (iii) To establish the significance of organizational leadership in managing resistance to change in commercial banks in Kenya.

1.4 Value of the Study

This study will be of benefit to various groups. Firstly, it will significantly contribute to the theory and knowledge of organizational change management by enabling change leaders to understand more systematically and comprehensively the concept of resistance to organizational change. Moreover, whereas many authors have suggested that resistance to change is detrimental, others have attempted to demonstrate the utility aspect of resistance.

This study somewhat departs from previous studies by attempting to determine the extent to which resistance to change is both useful as well as undesirable to organizations undergoing change. This study will describe more accurately resistance and its relation to leadership. Besides, various scholars are also likely to advance research in organizational change management by basing their studies on the recommendations of this paper. In particular, scholars may leverage on the discoveries to develop supplementary research in understanding the leadership and nature of resistance to organizational change.

Secondly, this study will be valuable to policy makers in various organizations particularly in the banking industry. Management and staff of commercial banks in Kenya may be guided by the results of this study during their subsequent change programs mostly in change policy development and implementation. This may similarly help in saving resources and time by establishing best change management practices.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed theoretical perspectives related to organizational behavior and change. Moreover, the sources of and strategies for dealing with resistance to change have also been discussed along with an assessment of the relationship between leadership and resistance to change.

2.2 Theoretical Perspectives

The theoretical underpinnings for this study were namely; the organizational intelligence theory which states that employee engagement enhances performance, the balanced scorecard model which is necessary during implementation of change, the learning organization theory which helps organizations learn to create the future, the Four Ps model of excellence in which the role of people in organizational excellence is defined, the transformational leadership theory helps motivate members to transcend self-interest for sake organization's sake, the adaptive cultures theory helps organizations anticipate and adapt to environmental change and finally, Kotter's change management theory in which direction to the process of institutionalizing change is provided. This paper also evaluated mechanistic, social and conversational perspectives on resistance to organizational change.

2.2.1 Organizational Leadership and Organizational Intelligence Model

This model was introduced by Falletta (2008) and it comprises of eleven elements. The environmental inputs refer to conditions emanating from the external environment such as competitive intelligence, regulations, market situation or customer feedbacks. The strategy describes means of attaining organizations vision, mission and value for its stakeholders. Culture comprises of beliefs, underlying values, traditions and norms that influence organizational behavior whereas structure and adaptability refers to roles and responsibilities to execute the strategy and extent to which an organization is ready to change (Falletta, 2008).

Information technology includes the entire systems, processes and communication infrastructure. Direct manager refers to the effectiveness of supervisors whereas measures and rewards are what a company uses to reinforce behavior. Growth and development means employee skill development and enhancement which in turn facilitates employee engagement so as to achieve desired results, performance outputs. This model is important to organizational leadership and specifically to this study in two different ways. Firstly, it places a lot of significance on employee engagement by leaders which is much more than commitment and motivation. Secondly, it highlights growth and development as a key factor for engaging and retaining talent within organizations thereby enhancing performance (Falletta, 2008). See Appendix II for Summary of Model.

2.2.2 Organizational Leadership and Balanced Scorecard Model

Intangible aspects of an organization are often very difficult to measure. These aspects include employee skills, staff personalities, leadership style and shared values most of which determine organizational behavior. Organizations only become successful when there is an integrated harmony among intangible aspects as well as tangible ones such as the organizational structure, strategy and systems. Balanced scorecard is relevant to this study because of its role in aligning business units and shared services to create synergies and initiatives necessary for the implementation of organizational strategy (Kaplan, 2005).

Dave Norton and Robert Kaplan have been recognized for developing a new measurement approach that organizes performance objectives and measures in four main perspectives. To begin with, the financial perspective where tangible outcomes of strategy are described in financial terms such as return on investments, profitability, shareholder value, growth in revenues, and low costs. The second pillar is the customer perspective which describes key drivers for revenue growth. This includes customer satisfaction, retention and growth. Thirdly, the internal process perspective defines operations, regulations, innovation, operations and social process initiatives for creating and delivering customer value proportion whilst improving quality and productivity. Lastly, the learning and growth perspective considers intangible assets such as human capital, climate and information capital and organizational capital as most essential to strategy (Kaplan, 2005).

Organizational capital includes culture, leadership, alignment and teamwork. Organizational leadership is critical and as a result leaders must ensure employees develop essential knowledge, skills and capabilities (Kaplan, 2005). See Appendix III for Summary of Model.

2.2.3 Organizational Leadership and Learning Organization Theory

This theory was mainly advanced by Senge in 1990. A learning organization is one that bears the following characteristics namely; creates its own future, learns generatively, an organization in which people achieve the results they desire since creative thinking is nurtured and people persistently learn how to learn together, that has five disciplines (systems thinking, personal mastery, mental models, shared vision and team learning), where every individual learns, which is flexible and adaptive to change, where systems thinking is nurtured, with a learning climate, in which leaders have new responsibilities, that empowers its employees, where people pass on learning to others, and where certain prototypes such as openness and time management have been realized (Senge, 1990; Ortenblad, 2007). Learning is important in organizations intending to change because it provides new opportunities for prosperity and growth. Organizational Leaders must therefore lay emphasis on the need for people to embrace learning both as a team and individually, the need to have a shared vision within the organization, personal development and growth as well as act as role models to each other.

2.2.4 Organizational Leadership and Four Ps Model of Organizational Excellence

This model provides an integrated approach within an organization by giving prominence to the human person in an organization. The above model is based on the vital role human resources play in organizational excellence. The four Ps stand for people, partnership, processes and products. According to this model, the foremost priority for any excellence strategy is to build quality into people as the indispensable foundation and means for improving partnerships, processes and products. However, building quality into people may only be feasible if leaders have profound knowledge of members of their organization (Dahlggaard-Park & Dahlggaard, 2007).

Organizational excellence is often initiated by building leadership which ultimately influences various levels of an organization. Leadership means having people with the right value and competencies to provide direction in an organization. For instance, leaders whose behaviors are guided by core values such as trust, respect, and integrity often enable their organizations to display such values in their culture. The next level is people who have been trained and are competent to work. Such people often have positive intentions, thoughts, desires, self-motivation as well as high interpersonal skills. This in turn leads to building of high performing teams and partnerships within an organization and its external stakeholders (Dahlggaard-Park & Dahlggaard, 2007).

Building processes means leaders encourage continuous improvement in systems and reduction of costs during processing. Lastly, this leads to the creating of high quality products that can satisfy customers demanding needs. Building leadership is the foundation for people, partnerships, processes, products and this ultimately leads to organizational excellence (Dahlgaard-Park & Dahlgaard, 2007). (See Appendix IV for Summary)

2.2.5 Organizational Leadership and Transformational Leadership

Theory

Transformational leadership theory originated from ideas of Burns (1978). Transformational leaders appeal more to followers by enhancing trust, admiration, respect and loyalty thereby motivating members to do more than anticipated (Yulk, 2010). Effective transformational leadership creates a sharp awareness of the key issues for an organization, increases group concern with growth, improvement and achievement, stimulates attention among members to view work from novel perspectives, generates responsiveness to mission and vision of the organization, develops people to higher levels of capability and potential, and motivates members to transcend self-interest for the sake of organization and team (Bass & Avolio, 1994; Coad & Berry, 1998; Yulk, 2010; Bass, 1985). Nonetheless, success of transformational leaders depends on the four I principle; individualized consideration, intellectual stimulation, inspirational motivation and idealized influence (Avolio, Waldman & Yammarino, 1991).

Individualized consideration means the leader gives extraordinary personal attention to individual needs by providing challenges and learning opportunities to enhance talent, skills and confidence. This would result in followers developing the level of competence and taking initiatives because of trust and respect for the leader. Intellectual stimulation is where the leader encourages followers to develop new approaches and solutions to organization's problems by providing a favorable environment where members can think freely without being criticized. Inspirational motivation is where a leader inspires members to be more optimistic about the future of the organization. Leaders set high expectations and help followers understand that organization's vision is attainable thus enabling them to increase their efforts to achieve the vision. Finally, idealized influence is where leaders become role models to their followers by exhibiting great persistence, determination and fortitude in the pursuit of organization's goals. This would result in followers identifying with their leaders and wanting to emulate their moral, ethical conduct and self-sacrifice (Avolio, Waldman & Yammarino, 1991).

2.2.6 Organizational Leadership and Adaptive Cultures Theory

Organizational culture includes shared values and group behavior norms. Shared values are often invisible and tend to have immense influence on group behavior. Group behavior norms are usually visible and common ways of doing things within an organization. Changing shared values are often harder to change whereas group behavior norms are easily changeable (Kotter & Heskett, 1992).

Consequently, beliefs and practices in any given strategy should always be compatible with the futures since this facilitates successful strategy implementation (Kotter & Heskett, 1992). According to Kotter and Heskett (1992), corporate culture can have a considerable impact on an organizations long-term economic performance. Consequently, corporate culture remains a significant factor in determining success or failure of an organization.

Moreover, corporate cultures that prevent change can develop easily but changing them to be more performance enhancing may only be done through effective organizational leadership. Kotter and Heskett (1992) refer to adaptive cultures as those that assist organizations in anticipating and adapting to environmental change thus creating superior performance over long periods of time. Such cultures enable people to become proactive, trusting, risk takers, motivated, enthusiastic, creative and very receptive to change and innovation.

Martins (1987) argue that organizational cultures encompass eight dimensions that are critical for its success. Organizational culture dimensions include mission and vision meaning values of an organization, external environment, means of achieving strategic objectives, image or brand of the organization, management processes such as decision making, control and communication, employees needs and goals, interpersonal relationships, and lastly strong leadership (Martins & Terblanche, 2003).

2.2.7 Organizational Leadership and Kotter's Change Management Model

This model is one of the key references in the field of change management. It provides guidance to leaders who want to initiate organizational change. Kotter (1996) argues that the eight steps to transforming any organization include; establishing a sense of urgency about the need to change, creating a guiding coalition by assembling people with power and influence to lead change, developing a vision and strategy and highlighting what change is about, why change is needed and how change will be attained, communicating the change vision to people at every opportunity and in the best way possible. The subsequent steps include empowering people to change by encouraging them to participate in the change process, generating short-term wins by recognizing successful change efforts and work being done by people to achieve change, consolidating gains and creating more change to enhance momentum and motivation among people, and anchoring new approaches in the culture of the organization since this is critical for long term success as well as institutionalization of change. Despite the success of this model, other authors have suggested that it has limitations. Firstly, that this approach is rigid and in situation where there are inconsistencies between any step and culture, the success of this model may not be realized. Secondly, some steps may not be relevant in certain context for instance changes with a great deal of secrecy do not require communication within the organization. Thirdly, some have argued that this model is not detailed enough to be applied in all circumstances. Lastly, it may be difficult to apply all the steps as they are in all organizations (Applebaum, Habashy, Malo & Shafiq, 2012).

2.2.8 Resistance to Change: Mechanistic, Social and Conversational Theories

Resistance can best be described in three distinct perspectives; mechanistic, social and conversational. The mechanistic view is derived from the field of mechanics and it conceives resistance as a force that slows or stops motion and increases both the energy as well as effort required to adjust the rate and magnitude of change. This perspective offers a greater understanding of resistance to change in organizations by defining resistance as, firstly, a natural and an inevitable expression particularly during process of change (Ford & Ford, 2009).

The social view on resistance is a direct opposite of the mechanistic view since it depicts resistance as not only an exceptional but also a detrimental phenomenon that is a quality or creation of individuals and groups rather than of interactions (Dent & Goldberg, 1999). According to this view, resistance in organizations is usually extraordinary since it does not usually occur daily except in response to a major change process. This view has led to the understanding of the existence of different categories of resistance, varying by degree and thus is beyond everyday manifestation (Ford & Ford, 2009).

The social view also portrays resistance as having a markedly negative meaning and is constantly reflected as detrimental to the success of change (Nord & Jermier, 1994). This view assumes that all changes in every organization are beneficial and should be implemented as intended (Ford & Ford, 2009).

The social view recognizes the existence of resistance in individuals and groups. In fact, resistance is “a personal phenomenon” and thus the observations of those who resist change in organizations may lead to effective change. However, resistance requires excellent relationship and interaction between the change agent and change recipient (Ford & Ford, 2009).

Finally, under the conversational view on resistance, background and foreground conversations establish an organization as not only real but also a practical place by introducing an environment in which people act as well as the content and processes through which organizations objectives are attained. Organizations including the changes that take place in them, exist in meta-conversations which are much more complex in nature ((Ford, Ford, & McNamara, 2002; Ford & Ford, 2009).

2.3 Sources of Resistance to Organizational Change

According to Kotter and Schlesinger (1979), parochial self-interests often make people resist change because according to them the consequence will be losing something of great value. This makes such people result into organizational politics (Kotter & Schlesinger, 1979; Huczynski & Buchanan, 2001). Loss as a result of change includes loss of income, individual benefits and job security (Yukl, 2010). Still, some resist change because they believe it would create an interruption in existing social relations thus leading to them losing authority and influence (Nzuve, 1999; Yukl, 2010).

Secondly, lack of common understanding and trust during change process often attract resistance especially when people feel organizational change would cost them more than they would gain. This further creates an atmosphere of lack trust in an organization. Thirdly, people who resist change often believe that the change being initiated by change agents does not make sense for their organization because of high cost implications. This also leads to difference in terms of judgments and assessments about the consequences of the change program Last but not least, organizational change “can inadvertently require people to change too much, too quickly”. This may lead to a lot of intolerance to change since people may fear that some may not have sufficient time to develop new skills and behavior necessary for them (Kotter & Schlesinger, 1979).

2.4 Managing Resistance to Organizational Change

Resistance can be a major obstacle to organizational change if not dealt with determinedly. According to Kotter and Schlesinger (1979), strategies for handling organizational resistance include; education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-option, and explicit and implicit coercion. Moreover, Kotter and Schlesinger (1979) assert that “successful organization change efforts are always characterized by the skillful application of a number of these approaches” (Kotter & Schlesinger, 1979).

However, the choice of any of these strategies will depend on the magnitude and type of resistance expected, speed of change required, position power of change agent in relation to that of change recipient, change agent's knowledge of change design in respect of change recipient's and stakes involved. To begin with, education and communication is one of the best strategies for dealing with resistance to change. Members of organizations must all be educated in advance about what change they ought to look forward to since declaration of change ideas helps people to recognize the need for and the logic of strategic change efforts. Education can entail group presentations, reports, memos, and one on one discussion. This approach is best when resistance to organizational change is based on inadequate or inaccurate information and analysis. But, it requires good relationship among those initiating and resisting change (Kotter & Schlesinger, 1979).

The second strategy is participation and involvement. Those who are resisting change may occasionally be involved in some aspect of design and implementation of strategic change. This may be done through incorporating their suggestions during change. This strategy is good, firstly, when unreserved commitment of resisters is needed and secondly, when change agents have insufficient information of designing and implementing. Nonetheless, this approach may be time consuming and as a result not ideal for immediate change. The third strategy is facilitation and support. This includes offering training on new skills, attentive listening to people, giving emotional support and providing people with time off after a challenging period. This strategy is ideal when there is fear and anxiety during resistance although it may be expensive and time consuming (Kotter & Schlesinger, 1979).

Fourthly, change leaders may negotiate and agree with those who are resisting. This strategy is best when engaging with both active and potential resisters. It involves compromise which may lead to an organization providing higher salaries in return to change efforts implemented and improvement in other personal benefits. This approach is good particularly when change recipients have significant power to resist because change would result in some kind of a loss. However, the process of negotiation may be very expensive (Kotter & Schlesinger, 1979).

The other strategy is manipulation and co-option. This strategy includes selectively using information and consciously structuring events to accommodate needed change. On the other hand, co-option involves placing those who are resistant to change in an attractive role in the design and implementation of change. This process may be cost-effective and may be a simple way of gaining peoples' support. Manipulation may also be ideal since it may help create a perception of an existence of a crisis which could only be solved by change (Kotter & Schlesinger, 1979).

Finally, the other strategy for dealing with resistance is explicit and implicit coercion. Sometimes it may be necessary to either explicitly or implicitly force people to acknowledge change. Change agents may use threat such as firing, demotions and or job transfers. This strategy is ideal when speed is indispensable (Kotter & Schlesinger, 1979).

See Appendix V for Summary of Causes and Strategies.

2.5 Organizational Leadership and Resistance to Change

According to Kotter (1999), “change has always been with us and always will be” and that leadership is “about coping with change”. Kotter (1999) further argues that leadership is “the development of vision and strategies, the alignment of relevant people behind those strategies, and empowerment of individuals to make the vision happen, despite obstacles” during the change process. Consequently, the principal force behind successful change is virtuous and effective leadership because initiating a new order is more often than not difficult and costly (Kotter, 1999). Leadership involves influencing people towards the attainment of a particular goal within a given circumstance (Ivancevich & Matteson, 1990; Organ & Bateman, 1991; Huczynski & Buchanan, 2001; Cole, 1995; Nsuve, 1999).

Resistance to organizational change has been regarded as adversarial—a major hindrance to change and thus must be eliminated if change is to be successful. Even though it is obvious that established management theory saw resistance as undesirable, recent literature contains ample evidence that contends resistance may certainly be useful and should not be disregarded. Resistance to change is often exacerbated by lack of leadership and mismanagement of resistance resulting from assumptions which misunderstand resistance’s essential nature (Waddell & Sohal, 1998). According to Hultman (1979), “there are many times when resistance is the most effective response available”. Hultman (1979) argues that resistance to organizational change comes with some benefits which can be exploited by leaders to enable successful change.

To begin with, resistance to organizational enables change leaders to understand that it is a delusion to consider change itself to be intrinsically good. This is because successful change can only be assessed by its consequences which can only be certainly known after change efforts have been concluded and appropriate time has elapsed. For this reason, resistance plays a fundamental role in inducing the organization to greater stability mostly when there is pressure from both external and internal environments. The main challenge is to determine the right balance between change and stability. Likewise, resistance is often critical in guiding introspection into aspects of change that may be unsuitable for an organization's prosperity (Waddell & Sohal, 1998).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research methodology used for this study was descriptive survey which enabled the researcher to collect quantitative information relating to leadership and resistance to change in commercial banks in Kenya. The survey also enabled the researcher to achieve an in depth analysis on the kind of leadership perspectives used by various banks to manage resistance to strategic change. Above all, this methodology was adequate in addressing the research objectives since it was not only within the researcher's capacity and interest but also practical and feasible.

3.2 Research Design

Generally, many Kenyan banks had originated innumerable strategic change processes in order to enable them realize their intended objectives. Descriptive survey research design provided the researcher with the opportunity of determining how leaders in various Kenyan banks managed to deal with resistance to organizational change over the past years. The main advantage of descriptive survey was that it gave the researcher the opportunity to use quantitative data. Moreover, this design was able to accommodate large sample sizes which in turn led to generalizability of results. Descriptive survey research design also helped the researcher to sufficiently illustrate the nature of organization leadership in relation to resistance to change in commercial banks in Kenya since the means of obtaining information required little time and costs.

3.3 Population of the Study

There were 43 commercial banks in Kenya. This researcher targeted top level, middle level and low level change managers in each of the 43 commercial banks. This was because change managers were best placed not only to understand when, how and why employees resisted change but also which leadership functions and strategies were often significant in managing employee resistance. Consequently, the researcher targeted 43 respondents from across 43 commercial banks.

3.4 Data Collection

In order to achieve the stated objectives of this study, the researcher collected primary data. The primary data was collected through a structured questionnaire which was administered by way of 'drop and pick' method. The structured questionnaire survey had certain benefits. It was not only simple to administer survey questionnaire to the respondents in all the commercial banks but also inexpensive to analyze the results. The survey questionnaire had three parts. Part one dealt with company profile and background information on experience and position of the respondent. The second part explored the nature as well as the significance of organizational leadership in line with objective two of the study. The third part examined the nature of resistance to change as expressed in objective one of this study. The fourth part of the survey questionnaire illustrated the significance of organizational leadership in managing resistance to change through various change management strategies thus fulfilling objective three of this study.

3.5 Data Analysis

The collected quantitative data was edited, coded, classified for completeness. Thereafter, the researcher summarized the data using descriptive statistics so as to expressively describe the distribution of scores. The measure of central tendency was used to summarize statistics of variables particularly the years of experience of respondents. Interpretation was then be done using SPSS packages to determine the frequency distribution and presented in pie charts and graphs. Finally, the researcher was able to establish using correlation analysis the relationship between organizational leadership and resistance to change in commercial banks in Kenya.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings as per the three study objectives. The major topics of discussion include company profile, nature of organizational leadership, nature of resistance to organizational change and the significance of organizational leadership in managing resistance to organizational change.

4.2 Questionnaire Return Rate

The primary data was sourced through the administration of the questionnaires by “drop and pick” method to various commercial banks management staff in Kenya. The questionnaire for this study was structured and this made it easy for most of the respondents to fill it faster. It was also inexpensive to analyze the results. The questionnaire had four parts in relation to objectives of this study. The researcher managed to obtain information regarding company profile and background information, nature of organizational leadership, nature of resistance to organizational change and the relationship between organizational leadership and resistance to change.

Out of the 43 questionnaires distributed, 35 (81%) respondents did manage to fill in the questionnaires as required by the researcher. Approximately 6 (14%) were returned incomplete because of confidentiality whereas 2 (4%) were not returned at all. Consequently, a return rate of 81% was realized at the end of data collection. According to Mugenda and Mugenda (2003), such a response rate is very good.

4.3 Company profile

The first part of the questionnaire was used to obtain information regarding positions of the respondents, number of years of experience, ownership of banks in terms of local or foreign and their average annual income. The results have been discussed as below.

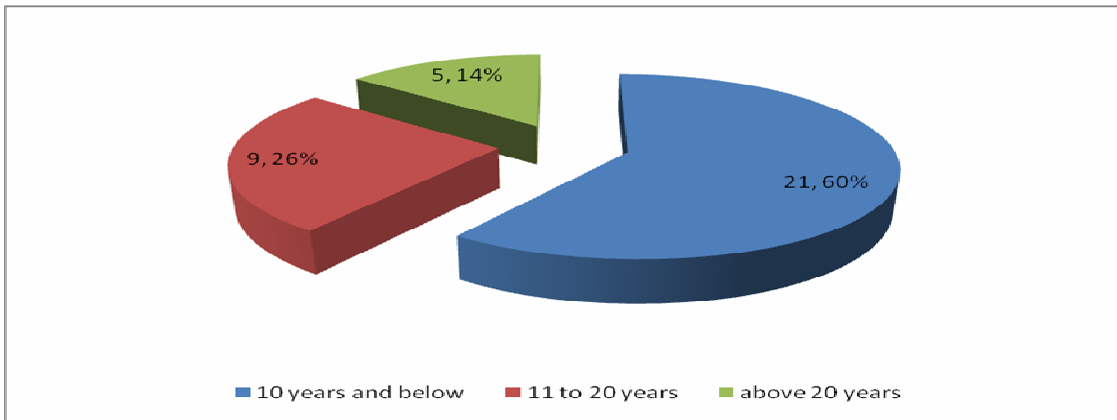
4.3.1 Positions of the Respondents

The management profiles of the responding banks were composed of 18 members of the top level management team which comprised of bank managers and branch managers, representing 52% of respondents. The middle level management had 11 members and it was represented by operation managers and risk managers; this further represents 31% of the respondents. Finally, the low level management team consisted of 6 members. This represented 17% of the respondents. The low level management team consisted of credit officers and internal auditors.

4.3.2 Experience of the Respondents in Years

The respondents were asked to indicate the number of years they had worked in their respective banks. The maximum year of service was 26 years whereas the lowest was 5 years. 21 respondents had 10 years and below of experience, 9 had between 11 and 20 years of experience and 5 had over 20 years of experience. This also indicated that majority of the management staffs had less than 10 years of service to the banks therefore one would expect them to be more aggressive towards change. See summary of responses in Figure 4.1.

Figure 4.1: Experience of the Respondent in Years



Base on the results above, the researcher used descriptive statistics analysis to determine the mean age of the respondents. The survey respondents had an average year of experience of 11.4 years and a standard deviation of 5.7 as indicated in Table 4.1 below. The study established that most of the respondents had 10 years of experience and below in their respective banks.

Table 4.1 Descriptive Statistics of Years of Experience of the Respondents

	N	Minimum	Maximum	Mean	Std. Deviation
Experience of the respondents	35	5.00	26.00	11.4143	5.74646

4.3.3 Ownership of the Banks and Average Annual Income

The respondents were requested to indicate whether their banks were locally or foreign owned and their average annual income. The results indicated that 25 banks, representing 71% were owned locally while 10 banks representing 29% were foreign. The findings also showed that 12 (34%) had an average annual income of less than Kshs 500 million, 4 banks representing 11% had average income of between Kshs 500 million and ksh1 billion, 10, 29% generated between ksh1 billion and Ksh5 billion annually, 2 (6%) had between Kshs 5 billion and Kshs 10 billion and 7, 20% had well over Kshs 10 billion generated annually. The research also indicates that the commercial banks in Kenya with an annual income less than Kshs 1 billion are dominantly owned by locals while those with over Kshs 1 billion as income are owned evenly by both the locals and foreigners. See Figure 4.2 below for summary.

Figure 4.2: Overview of Banks Average Annual Income and Ownership

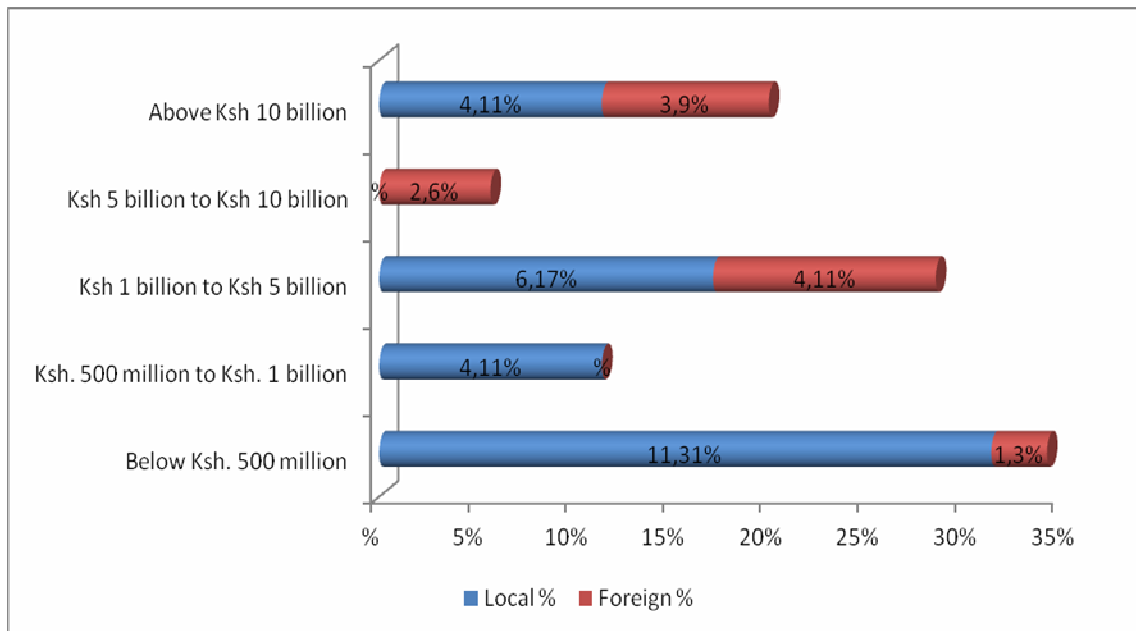
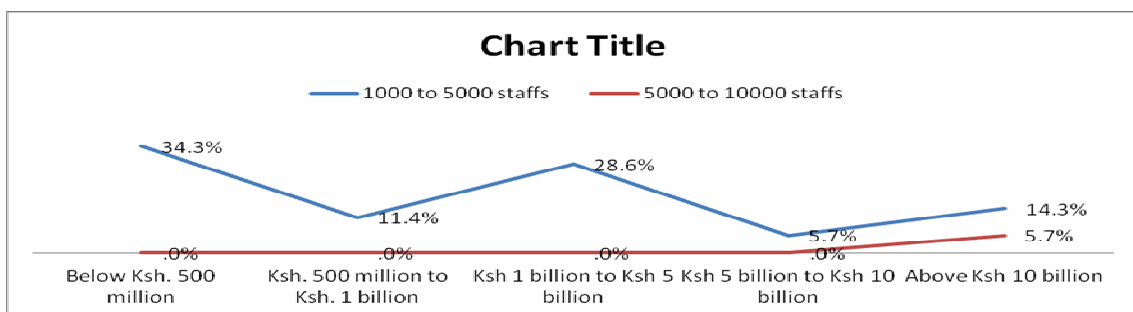


Table 4.2: Banks Average Annual Income and the Workforce

	How many employees does your bank have?			
		1000 to 5000	5000 to 10000	Total
Below Ksh500 million	No.	12	0	12
	%	34%	0%	34%
Ksh500 million to Ksh1 billion	No.	4	0	4
	%	11%	0%	11%
Ksh1 billion to Ksh5 billion	No.	10	0	10
	%	29%	0%	29%
Ksh5 billion to Ksh10 billion	No.	2	0	2
	%	6%	0%	6%
Above Ksh10 billion	No.	5	2	7
	%	14%	6%	20%
Total	No.	33	2	35
	%	94%	6%	100%

The respondents were also required to indicate the number of employees in their respective banks. The results were cross tabulated against the banks average annual income and were summaries in Table 4.2 above. As per Table 4.2 above, the research showed that most banks operated with between 1000 and 5000 employees consisting of 94% and only 6% of them have over 5000 employees. Only few banks with over Kshs10 billion (6%) as their annual income has the capacity to maintain and operate with over 5000 employees. See Figure 4.3 below for a graphical representation of number of staff and income.

Figure 4.3: Graphical Representation of Staff and Income

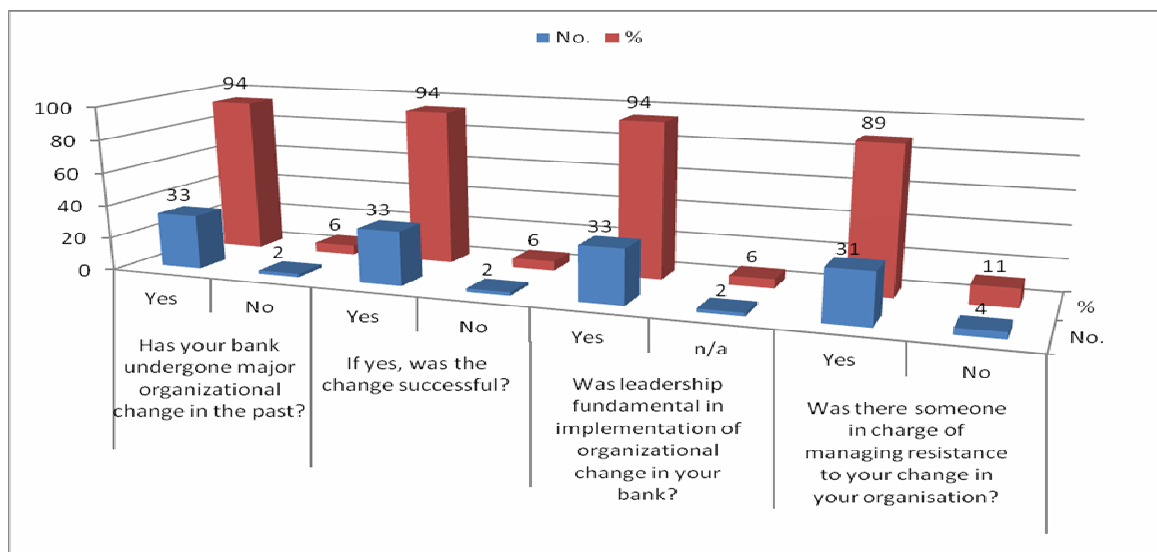


4.4 Nature of Organizational Leadership

The first objective of the study was to determine that nature of organizational leadership in commercial banks in Kenya. Firstly, the researcher asked the respondents to confirm if any major organizational changes had happened in their organizations. The respondents were also asked to indicate if the changes were successful and if organizational leadership was fundamental in the implementation of those changes. Secondly, the respondents were given a list of statements relating to organizational leadership and were asked to choose the ones which best described their previous experiences of organizational leadership during previous change programs.

This research established that 33 (94%) banks had undergone major organizational changes in the past and those changes were successful because the leadership was fundamental in the implementation of the successful changes. Only 2 (6%) banks had not undergone major organizational changes. A summary of respondent results is presented in Figure 4.4 below.

Figure 4.4: Summary of Organizational Leadership Responses



Besides, the researcher wished to know how responses regarding organizational change were spread across the profile of the banks. Out of the 33 banks that had undergone major changes, 25 were local while 8 were foreign. Perhaps, locally owned banks had embraced change so as to increase their annual income or to remain relevant in the market. See Table 4.3 below for summary of banks ownership and organizational change.

Table 4.3: Bank Ownership and Major Organizational Changes

			Has your bank undergone major organizational change in the past?		
			Yes	No	Total
What is the ownership of the bank?	Local	No	25	0	25
		%	100.0%	.0%	100.0%
	Foreign	No	8	2	10
		%	80.0%	20.0%	100.0%
	Total	No	33	2	35
		%	94.3%	5.7%	100.0%

A further analysis of organizational changes in relation to number of employees and average income was also done and results summarized in Table 4.4 below. The findings in Table 4.4 indicated that all the banks with an annual average income of Kshs 10 billion and below have undergone a major change in their programs, systems, positions and structure. Only 2, 6% of the banks with employees between 1000 and 5000 had not undergone any major organizational change. From the above findings in Table 4.3 and 4.4, it is evident that organizational changes had to take place in order for the banks to enhance their business operations.

Likewise, major organizational changes enable organizations to develop new products that would attract new customers thereby increasing their revenue. According to results of the study in Table 4.4, 12 banks with an average annual income of below Kshs 500 million as well as those with above Kshs 10 billion had embraced change. This suggests that organizational change is constant for all banks.

Table 4.4: Bank Ownership, Major Organizational Changes and Income

			Has your bank undergone major organizational change in the past?		
			Yes	No	Total
How many employees does your bank have?	1000 to 5000	No	31	2	33
		%	94%	6%	100%
	5000 to 10000	No	2	0	2
		%	100%	%	100%
What is your banks average annual income?	Below Ksh.500 million	No	12	0	12
		%	100%	%	100%
	Ksh500 million to Ksh1 billion	No	4	0	4
		%	100%	%	100%
	Ksh1 billion to Ksh5 billion	No	10	0	10
		%	100%	%	100%
	Ksh5 billion to Ksh10 billion	No	2	0	2
		%	100%	%	100%
	Above Ksh10 billion	No	5	2	7
		%	71%	29%	100%

As mentioned earlier, the respondents were also given a list of statements relating to organizational leadership and requested to choose the ones which best described their previous experiences of organizational leadership during previous change programs. The main objective of these questions was to provide the respondents with an opportunity of describing and explaining the nature of organizational leadership that help their organization achieve successful change. The results from the respondents were obtained and are summarized in Table 4.5 below.

Table 4.5: Summary of Experiences of Organizational Leadership during Change

Experiences of organizational leadership during change	Response	No.	%
Vision of the direction of the company was shared across all levels of organization	Yes	32	91
Employees were able to constantly learn as a team	Yes	30	86
Built a cooperate culture in which learning was emphasized and employees were risk takers, proactive, creative, motivated and receptive to change	Yes	30	86
Employees were able to pass on learning and energize others	Yes	30	86
Leaders were role models to employees by being persistent and determined	Yes	30	86
Leaders used peer influence as a means to change as opposed to use of power and authority as lever for change	Yes	29	83
Everyone was motivated, stretching, growing or enhancing his/her capacity to create change	Yes	28	80
Employees were able to create change they desire, a new pattern of thinking was nurtured and people are able to learn how to learn new things	Yes	28	80
Employees were empowered, flexible, receptive and adaptive to change	Yes	27	77
Employees were invited to learn generatively what was going on at all levels of the organization	Yes	26	74
Employees felt change mattered to them personally and to entire world	Yes	25	71
Leaders gave personal attention to each employee by building considerable relationship with them while focusing on their personal needs and growth	Yes	25	71

According to the results, See Table 4.5, 32 (91%) respondents felt that the most common experience during the change management period was that the vision of the direction of the company was shared across all levels of the organization. This enabled the key players in the change process to fully understand the impact of the changes that were being undertaken.

Other common scenarios were; 30 (86%) respondents felt that leaders were role models to employees by being persistent and determined, employees were able to pass on learning and energize others, leaders built a corporate culture in which learning was emphasized and employees were risk takers, proactive, creative, motivated and receptive to change, employees were able to constantly learn as a team.

According to 29 (83%) respondents, leaders used peer influence as a means to change as opposed to use of power and authority as lever for change. 28 (80%) respondents confirmed that employees were given the change to create the change they desire, a new pattern of thinking was nurtured and people are able to learn new things, and everyone was motivated, stretching, growing or enhancing his/her capacity to create change. The respondents who felt they were given personal attention and that change did not matter to them personally were 25 (71%). These statements received the least response according to the results.

Thereafter, the researcher used descriptive statistics to analyze the results in Table 4.5 which were then summarized in Table 4.6 above. Yes responses were awarded a score of 1 and No responses a score of 0. This enabled the researcher to derive the mean and standard deviation for each response. A higher mean represents the most common description of organizational leadership while the least mean represents the least experience.

Table 4.6: Descriptive Statistics for Experiences of Organizational Leadership during Change

Experiences of Organizational Leadership During Change	N	Mean	Std. Deviation
Vision of the direction of the company was shared across all levels of organization	35	.9143	.28403
Leaders were role models to employees by being persistent and determined	35	.8571	.35504
Employees were able to pass on learning and energize others	35	.8571	.35504
Built a corporate culture in which learning was emphasized and employees were risk takers, proactive, creative, motivated and receptive to change	35	.8571	.35504
Employees were able to constantly learn as a team	35	.8571	.35504
Leaders used peer influence as a means to change as opposed to use of power and authority as lever for change	35	.8286	.38239
Everyone was motivated, stretching, growing or enhancing his/her capacity to create change	35	.8000	.40584
Employees were able to create change they desire, a new pattern of thinking was nurtured and people are able to learn how to learn new things	35	.8000	.40584
Employees were empowered, flexible, receptive and adaptive to change	35	.7714	.42604
Employees were invited to learn generatively what was going on at all levels of the organization	35	.7429	.44344
Leaders gave personal attention to each employee by building considerable relationship with them while focusing on their personal needs and growth	35	.7143	.45835
Employees felt change mattered to them personally and to entire world	35	.7143	.45835
Grand Mean		.8095	

The analysis in Table 4.6 revealed that changes were more receptive and adaptable where employees understood the objective of changes programs. Sharing of vision across all levels of the organization had the highest mean score at 0.9143. This was closely followed by employees constantly learning as a team and role modeling by the leaders with a mean score of 0.8571. Few respondents felt that change really mattered to them personally and that leaders rarely gave adequate personal attention to their personal needs. Consequently, the least mean score for these statements was at 0.7143. A grand mean score of 0.8095 was obtained meaning that leadership experiences with means above 0.8095 were most common during organizational change.

4.5 Nature of Resistance to Organizational Change

The second objective for this study was to establish the nature of resistance to organizational change in commercial banks in Kenya. To achieve this objective, the respondents were asked to confirm if there were significant changes in vision, culture, positions, structure, programs, systems, facilities and people within their organization. The respondents were then required to if people resisted as well as the reasons for resisting these changes. Finally, the respondents were provided with a list of statements and each was required to choose the one that best described his/her experience of resistance during change. The respondents were then asked to indicate if resistance to change provided any benefits for the various change programs.

4.5.1 Levels of Organizational Change

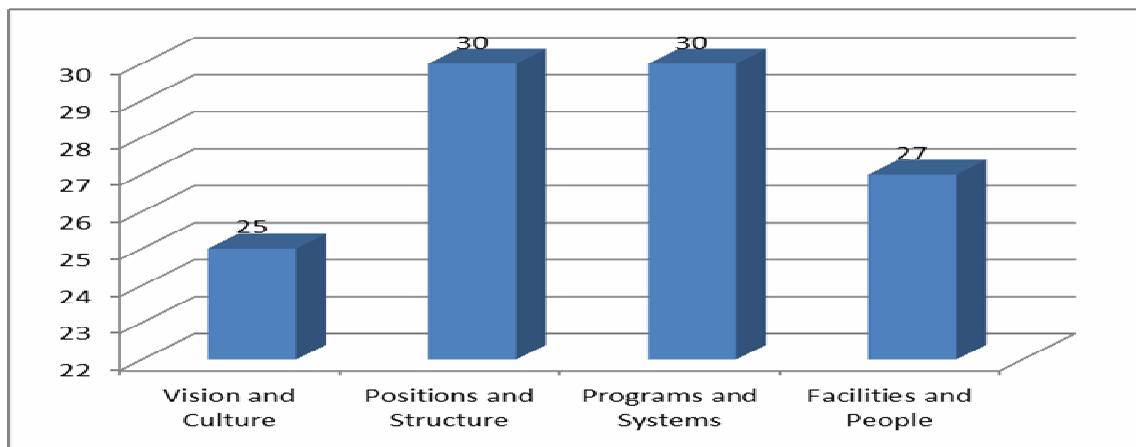
To begin with, the research revealed that organizational changes were greatly significant in all the levels. The respondents did admit that most significant changes were felt at the facilities and people (13, 37%) level together with programs and systems (13, 37%). Positions and structure also had felt most significance (7, 20%) in the change programs. See Table 4.7 for summary of levels of organizational change.

Table 4.7: Levels of Organizational Change

Levels of Organizational change	No. of Respondents	%
Vision and Culture	25	71
Positions and Structure	30	86
Programs and Systems	30	86
Facilities and People	27	77

According to graphical presentation of above frequencies in Figure 4.5, this study established that most significant organizational changes affected positions and structure of banks as well as their programs and systems.

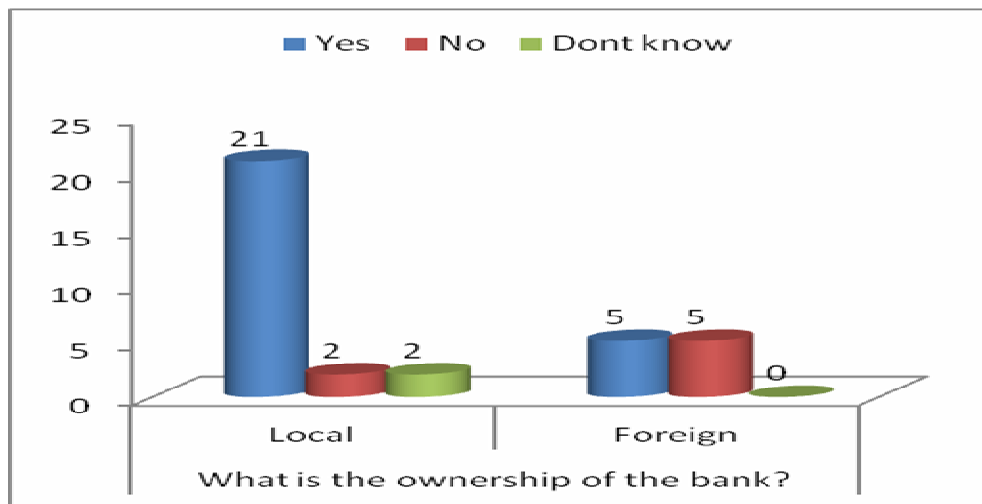
Figure 4.5: Graphical Representation of Levels of Organizational Change



4.5.2 Responses of Resistance to Change

Out of the 35 banks management staffs that participated in the survey, 26 (74%) of them confirmed that there was resistance to change programs in various organization levels. The research findings also indicate that out of the (7, 20%) of the banks that did not experience change resistance, (5, 14%) of them were foreign banks. This shows that there was more organizational change and resistance in local banks than in foreign banks. In terms of ownership, resistance to organisational change was experienced in (21, 60%) of the locally owned banks while (5, 14%) were foreign banks. See Figure 4.6 for summary of resistance in relation to ownership.

Figure 4.6: Responses of Resistance to Change and Ownership



4.5.3 Reasons for Resistance to Organizational Change

In line with objective two of this study, respondents were asked to identify some of the causes of resistance to change. Lack of trust had the most significant score at 12 (34%) whereas parochial self-interests, threat to job status and disinterests followed closely with a score of 11 (31%). Low tolerance, surprise, work group break up and inertia had the least scores of 3 (9%) and were ranked 8. See Table 4.8 below for summary.

Table 4.8: Reasons for Resistance to Change

	Most significant - score		Rank
	Count	%	
Lack of trust	12	34	1
Parochial self interest	11	31	2
Threat to job status / security	11	31	2
Disinterest	11	31	2
Fear of failure	9	26	3
Misunderstanding	8	23	4
Faults in change program	7	20	5
Personality conflicts	5	14	6
Different assessments on consequences	4	11	7
Emotional side effects	4	11	7
Low tolerance	3	9	8
Surprise	3	9	8
Work group breakup	3	9	8
Inertia	3	9	8

4.5.4 Description of Resistance to Change by Respondents

In order to establish the nature of resistance to organizational change, respondents were given a list of statements and each was requested to choose the one which most described their experience of resistance to change. According to the research results 28, (80%) respondents admitted that resistance occurred in response to major change process in their organizations. 26 (74%) of respondents felt resistance made their organization a real and practical place.

Equally, higher scores were noted on the respondents who felt that resistance results from interactions between change agents and recipients in a complex manner which may slow change. Most respondents felt resistance to change is not a daily phenomenon; it's extraordinary particularly when there are major organizational changes to a company. The least score of 13 (37%) among respondents was attained on the statements resistance was detrimental to the success of change and resistance was neutral, neither good nor bad. This suggests the utility aspect of resistance.

The statement "all changes in my organization were good" only captured the attention of 16 (46%) respondents. This could also suggest that resistance was also useful in one way or another for organizations during previous change programs. All the descriptions from the respondents were ranked and have been summarized in Table 4.9 below 1 representing the most score and 10 the least score.

Table 4.9: Description of Resistance to Change by Respondents

	Yes (No.)	Yes (%)	Rank
resistance does not occur daily except in response to major change process in my organization	28	80	1
resistance made my organization a real and practical place	26	74	2
resistance resulted from interactions between change agents and recipients	25	71	3
resistance was a personal phenomenon	24	69	4
changes which took place in my organization were affected by complex conversations between change agents and recipients	24	69	4
resistance slowed change in my organization	23	66	5
conversations between change agents and recipients led to resistance	23	66	5
resistance was a natural and an inevitable expression during change	22	63	6
resistance was a creation of individuals and groups rather than a product of interactions between change agents and recipients	21	60	7
all changes in my organization were good	16	46	8
resistance occurs daily in my organization	14	40	9
resistance was neutral, neither good nor bad	14	40	9
resistance was detrimental to the success of change	13	37	10

The above scores were then analyzed using descriptive statistics. However, in order to do this, the researcher assigned scores as follows; 1 for Yes responses and 0 for No and don't know responses. Thereafter, the researcher managed to calculate the mean and standard deviation for each response. The statements with the highest mean scores represented those experiences which best described the nature of resistance to organizational change whereas those with the least mean scores related to least experiences of nature of resistance to change. See Table 4.10 for summary.

Table 4.10: Descriptive Statistics of Nature of Resistance to Change

Nature of resistance to Change	N	Mean	Std. Deviation
Resistance does not occur daily except in response to major change process in my organization	35	.8000	.40584
Resistance made my organization a real and practical place	35	.7429	.44344
Resistance resulted from interactions between change agents and recipients	35	.7143	.45835
Changes which took place in my organization were affected by complex conversations between change agents and recipients	35	.6857	.47101
Resistance was a personal phenomenon	35	.6857	.47101
Conversations between change agents and recipients led to resistance	35	.6571	.48159
Resistance slowed change in my organization	35	.6571	.48159
Resistance was a natural and an inevitable expression during change	35	.6286	.49024
Resistance was a creation of individuals and groups rather than a product of interactions between change agents and recipients	35	.6000	.49705
All changes in my organization were good	35	.4571	.50543
Resistance occurs daily in my organization	35	.4000	.49705
Resistance was neutral, neither good nor bad	35	.4000	.49705
Resistance was detrimental to the success of change	35	.3714	.49024
Grand Mean		.6000	

This study established that resistance does not occur daily except in response to a major change process in organizations. This statement had the highest mean score at 0.8000. Alternatively, the statement “resistance was detrimental to the success of change” received the least mean score of 0.3714. This could indicate that majority felt that resistance was actually not detrimental to the success of change programs. The grand mean score was at 0.6000 meaning that statements with their mean scores above 0.6000 describe the nature of resistance to change. However, the researcher examined further if resistance provided some benefits to the process of change by asking the respondents.

4.5.5 Benefits of Resistance during Organizational Change

In this section, the researcher wished to identify if indeed change resistance had some benefits that might be effective in formulating change policies. This was done by providing the respondents with a list of statements and each was required to confirm or deny if such benefits resulted from resistance during change in their organizations. The research indicated that 80% of the respondents did admit that resistance enabled leaders to understand that change itself was not always intrinsically good. 80% of the respondents also admitted that resistance was an essential foundation for creativity and innovation since new possibilities were considered and adopted. This mostly was achieved through participation and involvement of the bank staffs. The statement which had a least score of 60% was that resistance brought about aspects which were unsuitable.

Table 4.11: Summary of Responses of Benefits of Resistance to Change

Benefits of Resistance to Change	Responses	No	%
Resistance was an essential foundation for creativity and innovation since new possibilities were considered and adopted	Yes	28	80.0
	No	7	20.0
Resistance encouraged the search for alternative approaches	Yes	26	74.3
	No	9	25.7
Resistance brought about aspects of change which were unsuitable	Yes	21	60.0
	No	14	40.0
Resistance enabled change leaders to understand change itself was not always intrinsically good	Yes	28	80.0
	No	7	20.0
Resistance played created stability particularly where change would have been detrimental to my organization	Yes	27	77.1
	No	8	22.9
Resistance was certainly be useful and should not be disregarded	Yes	25	71.4
	No	10	28.6
There were many times when resistance was the most effective response available	Yes	22	62.9
	No	9	25.7
	dont know	4	11.4

From the responses in Table 4.11, the researcher decided to analyze data using descriptive statistics. All the Yes responses were given a score of 1 whereas the No and don't know responses were assigned a score of 0. This enabled the researcher to derive mean and standard deviation for each response. See Table 4.12 below.

Table 4.12: Descriptive Statistics of Benefits of Resistance to Change

Benefits of Resistance to change	N	Mean	Std. Deviation
Resistance enabled change leaders to understand change itself was not always intrinsically good	35	.8000	.40584
Resistance was an essential foundation for creativity and innovation since new possibilities were considered and adopted	35	.8000	.40584
Resistance played created stability particularly where change would have been detrimental to my organization	35	.7714	.42604
Resistance encouraged the search for alternative approaches	35	.7429	.44344
Resistance was certainly be useful and should not be disregarded	35	.7143	.45835
There were many times when resistance was the most effective response available	35	.6286	.49024
Resistance brought about aspects of change which were unsuitable	35	.6000	.49705
Grand Mean		.7224	

The highest mean scores were noted on two statements. Resistance was seen as an essential foundation for creativity and innovation since it enabled organizations to discover new possibilities and alternatives for better change. To add, resistance enabled leaders to understand that change itself in not always intrinsically good, sometimes it can be detrimental to an organization. These two benefits were ranked at a mean on 0.8000 and this was the highest score. Grand mean for the responses was at 0.7224 meaning that scores above mean were mostly acceptable.

4.6 Organizational Leadership and Managing Resistance to Change

The last objective of this study was to establish the significance of organizational leadership in managing resistance to change. The respondents were asked whether previous organizational changes were successful and if organizational leadership was fundamental in implementation of prosperous change objectives. Consequently, the researcher did a correlation analysis to determine how organizational leadership and resistance to change are related. The scores of respondents who confirmed that previous organizational changes were successful were correlated with scores of respondents who indicated that organizational leadership was fundamental in the realization of such changes. The researcher established that good organizational leadership is a key solution to managing resistance to change among employees. A summary of this correlation is provided in Table 4.13 below.

Table 4.13: Correlation between Organizational Leadership and Successful Change.

		If yes, was the change successful?	Was leadership fundamental in implementation of organizational change in your bank?
If yes, was the change successful?	Pearson Correlation	1	1.000**
	N	35	35
Was leadership fundamental in implementation of organizational change in your bank?	Pearson Correlation	1.000**	1
	N	35	35

The score of 1 in above Table 4.13 of correlation implies a perfect correlation of the two variables. Consequently, this research was able to conclude that organizational leadership is significant in the achievement of successful organizational change.

Moreover, the researcher decided to establish the most commonly used strategies in managing resistance to change in Kenyan commercial banks. Various strategies were listed and respondents were asked to choose those they felt were most significant in managing human resistance during change. The results were obtained and are presented in Table 4.14 below.

Table 4.14: Strategies for Managing Resistance to Change

Strategy	No.	%	Rank
Facilitation and support	25	71	1
Participation and involvement	23	66	2
Education and communication	21	60	3
Negotiation and agreement	21	60	3
Manipulation and co-option	15	43	4
Explicit and implicit coercion	13	37	5

According to the results, 25 (71%) of respondents felt that change was successful because of facilitation and support from organizations leaders. 23 (66%) of the respondents concluded that objectives were realized through participation and involvement of every member of the organizations. 21 (60%) respondents felt that education, communication, negotiation and agreement resulted in the success of change in their banks. The least popular strategy according to the respondents was explicit and implicit and coercion where only 13, 37% of the respondents felt it should be most significant.

A further analysis of most significant strategies was done according to ownership of bank since the researcher also wanted to know which strategy, in particular, would be effective in managing change resistance in both local and foreign banks. A cross tabulation of these strategies and the bank ownership was obtained and is shown in the chart below. Based on the responses from the respondents, it was clear that facilitation and support (76%), education and communication (68%) and negotiation and agreement (60%) are mostly effective among the local banks while participation and involvement (80%), facilitation and support (60%) and agreement and negotiation (60%) are most effective in the foreign banks. The strategies explicit and implicit coercion and manipulation and co-option were generally least effective since both the banks recorded little scores for most significance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The main objectives of the study were ,firstly, to determine the nature of organizational leadership within commercial banks in Kenya, secondly, to establish the nature of resistance to change in commercial banks in Kenya, and finally, to ascertain the role of organizational leadership in managing resistance to change in commercial banks in Kenya. This chapter presents a summary of the key findings, conclusion, recommendations, and the study's implication on policy, theory and change management practices. Limitations and areas for further research have also been discussed.

5.2 Summary of Findings

The results of this study indicated that 33 out of the 35 banks, representing 94% of the total number of banks surveyed had undergone change. In all of the 33 banks, the respondents admitted that change was successful and that organizational leadership was instrumental in the implementation of the change processes. However, the results show that while all the local banks had undergone major organizational changes, only 8 out of the 10 foreign banks had not had a similar experience. It can be concluded that local banks within Kenya have aggressively embraced organizational changes more than foreign banks operating in Kenya. Banks where there were organizational changes felt that the success was realized because vision and the direction of the company were shared by their leaders across all levels of the organization. This view was represented by (32, 91%) of the respondents.

Moreover, further significant experiences included; leaders were role models to employees by being persistent and determined (30, 86%), employees were able to pass on learning and energize others (30, 86%), leaders built a corporate culture in which learning was emphasized and employees were risk takers, proactive, creative, motivated and receptive to change (30, 86%), leaders provided employees with the opportunity to constantly learn as a team (30, 86%) , leaders also used peer influence as a means to change as opposed to use of power and authority as lever for change (29, 83%) , leaders encouraged employees to create the change they desired by embracing their new patterns of thinking. This was nurtured and people were able to learn new things (28, 80%). Furthermore, everyone was motivated, stretching, growing or enhancing his/her capacity to create the envisaged change (28, 80%).

This study established that resistance to organizational change does not occur daily except in response to major change process in commercial banks in Kenya (28, 80%). Organizations therefore must take appropriate measures before initiating any major change. There was also a considerable indication that resistance to change is inevitable especially during major organizational changes (22, 63). The findings of this study also strongly suggest that resistance to change is the subsequent value that is a result of interactions between change agents and recipients (25, 71%). It further points out that these interactions are complex in nature (24, 69%). This complexity could be related to the fact that majority of the respondents felt that resistance is more often a personal phenomenon (24, 69%) and individuals react differently to various events.

Moreover, this study finds that resistance to change can have a considerable value to an organization by making it not only real but also a practicable place. This aspect leads ingenuity, creativity and innovation which are good for change. Even though resistance to change slowed change, our findings revealed that majority felt that resistance is often not detrimental to organizational change. This is a great pointer to its utility aspect.

There were significant changes across all the levels of the organization of Kenyan commercial banks. However, 26 respondents felt members had resisted these changes. The major reasons for resisting change in order of most significant to least were; Lack of trust (12, 34%), parochial self-interest (11, 31%), threat to job status (11, 31%), disinterest (11, 31%), fear of failure (9, 26%), misunderstanding (8, 23%), faults in change programs (7, 20%), personal conflicts (5, 14%), different assessments on consequences (4, 11%), emotional side effects (4, 11%), low tolerance (3, 9%), surprise (3,9%), work group break up (3, 9%) and change inertia (3, 9%).

The findings of this study also revealed that there are benefits which may result from resistance to change. Majority of the respondents felt that resistance was an essential foundation for creativity and innovation given that new possibilities were considered and adopted. The research results also indicate that resistance to change enabled leaders to understand that change itself was not always intrinsically good; therefore before any major change, the pros and cons of such changes has to be explored.

5.3 Conclusion of the Study

The importance of organizational leadership in leading change was a significant finding with considerable implications for leaders in commercial banks in Kenya. It can be concluded that communication of vision across all levels of an organization, action by leaders as persistent and determined role models, use of peer influence as a means to change as opposed to use of power and authority, enhancement of individual and team learning through a corporate culture which empowers employees to be risk takers, creative, proactive, motivated and receptive to change are factors which ought not to be overlooked particularly by Kenyan commercial bank leaders.

Coch & French (1948) also made a similar finding by concluding that participation and communication facilitated effective management of resistance to change. Many respondents (31, 89%) felt that change was successful because someone was in charge of its implementation. This is similar to studies by Odhiambo (2006) and Kemboi (2009) who also noted the importance of organizational leadership in managing resistance to change. This research has established that organizational leadership incorporates the leaders' behavior towards people and his/her influence. Consequently, we can conclude that effective organizational leadership involves articulating visions, promoting values and creating an environment in which organizational change becomes feasible.

In light of the findings on nature of resistance to change, we can draw a number of conclusions. To begin with, resistance to organizational change is complex in nature; it is mechanistic and has both social as well as conversational aspects. Resistance is mechanistic since it is a product of interactions between change agents and recipients thus slowing or inhibiting the change processes. Secondly, resistance to change often has social aspects since our findings reveal that resistance to change is extraordinary in nature and as a result only occurs in major response to organizational change. Resistance also emanates from people. Finally, resistance to change often has conversational aspect which enables change agents and recipients to have conversations or communications which may be complex in nature. This makes organizations not only real but also a practical place. Nonetheless, similar finding where interaction between change agent and recipients was found to have resulted in resistance was made by Odhiambo (2006), Kemboi (2009) and Macri, Tagliaventi & Bertolotti (2002).

Based on the results on reasons for resistance to change, we can deduce that the employees would mainly resist change because of individual factors such as mistrust, parochial self-interest, threat to job status, disinterest, and fear failure. These factors registered higher scores than the others. To add, system factors such as faults in change programs could also significantly lead to resistance. This study established the need for leaders to build quality in people. This can be done through providing continuous learning opportunities, employee engagement and motivation and making sure employees development and growth is central in any organizational change program.

These findings are consistent with the strategies which respondents felt were much more efficient and effective in managing negative resistance to change. Strategies with the highest score include employee facilitation and support, employee participation and involvement, employee education and communication and lastly, negotiation and agreement with employees. Similar findings were made by Odhiambo (2006) and Kemboi (2009).

This study has established that we can reasonably infer that resistance to change is indeed useful and ought not to be disregarded during change. This is because resistance to change can provide an essential foundation for creativity and innovation by making new alternative approaches possible whilst eliminating aspects of change which are unsuitable. This is vital since it can foster organizational stability particularly where change would have been detrimental to an organization. Consequently, we can conclude that under such circumstances, resistance to change would be most effective response available.

5.4 Implication of Results on Policy, Theory and Practices

Organizational leadership is significant in leading organizational change specifically when change is faced by human resistance. Organizational leaders must ensure communication of vision and mission across all levels of an organization is effectively done before commencing any change process.

Likewise, organizations' leaders ought to integrate the following in their practices and policies during change management; act as insistent and determined role models, use peer influence as a means to change in contrast to use of power and authority, and amplify individual and team learning through a corporate culture which provides employees with an opportunity of being risk takers, creative, proactive, motivated and receptive to change. In other words, effective organizational leadership involves articulating visions, promoting values and creating an environment in which organizational change becomes practicable.

Nevertheless, the management of organizational change is a very complex task for leaders since resistance to organizational change is also complex in nature; it is mechanistic and has both social as well as conversational aspects. Resistance is mechanistic given that it is established from interactions between change agents and recipients thus slowing or blocking the change processes. Besides, resistance to change often has social aspects since it is extraordinary in nature and as a result only occurs in major reaction to organizational change.

Resistance also originates from people who are by nature complex. To add, resistance to change often has a conversational aspect which enables change agents and recipients to have conversations or communications thus making organizations not only real but also a practical place. Resistance to change is often instigated mainly by individual factors such as mistrust, parochial self-interest, threat to job status, disinterest, and fear of failure.

However, system factors such as deficiencies in change programs could also expansively cause resistance to change. Organizational leaders ought to focus on building quality in their people. This can be accomplished through providing continuous learning opportunities, employee engagement and motivation, and making sure employees' development and growth is fundamental in all change programs.

Organizational change leaders should also recognize that resistance to change is in fact valuable and ought not to be ignored all through the period of change. Resistance to change can offer a necessary establishment for ingenuity and innovation by making original alternative approaches viable whilst eliminating aspects of change which are incompatible. This is essential since it can foster organizational stability particularly where change would have been unfavorable to an organization.

Organizational change leaders should also ensure that efficient and effective strategies are used in managing adverse resistance to change. The most prominent strategies at least as per this study include; employee facilitation and support, employee participation and involvement, employee education and communication and lastly, negotiation and agreement.

5.5 Recommendations of the Study

This study makes various recommendations firstly for managerial policies and practices and secondly for organizational theory and behavior. These recommendations have been discussed in details as follows.

5.5.1 Recommendations for Managerial Policies and Practices

Based on the findings of this study, organizational leadership determines the success of organizational change programs. Organizational leaders ought to recognize the most effective strategies that would enable them initiate and implement change successfully. This research established that the most significant strategy in managing resistance to change is facilitation and support (25, 71%). This approach was closely followed by participation and involvement (23, 66%) education and communication (21, 60%), and negotiation and agreement (21, 60%). Nonetheless, from our findings people are one of the greatest assets any organization can have. Thus organizational leaders must built quality and capacity in everyone. Consequently, organizational leaders must understand fully how to manage their employees particularly during change.

The strategies above are directly related to the three main functions of organizational leadership; strategic, tactical and interpersonal functions. Firstly, strategic function states that organizational leaders must create a sense of direction and vision which must be shared across all levels of an organization through adequate education and communication. Appropriate education and communication enables people to acquire essential knowledge, skills and capacity to create desired change.

Secondly, tactical function enables organizational leaders to create necessary tasks required to achieve change objectives. However, facilitation and support to employees is of great importance since it enables them to focus themselves on the delivery of stated change objectives. Finally, interpersonal function provided by organizational leadership is precisely vital. The interpersonal function is often possible through participation, involvement, negotiation and agreement between organizational leaders and their members. This further facilitates employee engagement, commitment and motivation to adapt to change thereby leading to organizational excellence. Motivation of employees helps them to transcend their self-interests for the sake of the organization. We also recommend to leaders to note that resistance to change can provide an essential foundation for creativity and innovation by making new alternative approaches possible whilst eliminating aspects of change which are unsuitable. This is vital since it can foster organizational stability particularly where change would have been detrimental to an organization.

5.5.2 Recommendations for Theory

Organizational leadership is significant in leading organizational change especially where change is faced with human resistance. Leaders must ensure communication of vision and mission across all levels of an organization is effectively done prior to initiating change process. Moreover, organizations' leaders should incorporate the following in their practices and policies during change management; act as persistent and determined role models.

Besides, effective organizational leadership involves; use peer influence as a means to change as opposed to use of power and authority, and expanding individual and team learning through a corporate culture which empowers employees to be risk takers, creative, proactive, motivated and receptive to change. Effective organizational leadership also includes articulating visions, promoting values and creating an environment in which organizational change becomes feasible.

However, this is a very complex task for leaders since resistance to organizational change is also complex in nature; it is mechanistic and has both social as well as conversational aspects. Resistance is mechanistic given that it is a product of exchanges between change agents and recipients thus slowing or blocking the change processes. Moreover, resistance to change often has social aspects since it is extraordinary in nature and as a result only occurs in major reaction to organizational change. Resistance also emanates from people who are by nature complex. To add, resistance to change often has a conversational aspect which enables change agents and recipients to have conversations or communications thus making organizations not only real but also a practical place. Resistance to change is caused mainly by individual factors such as mistrust, parochial self-interest, threat to job status, disinterest, and fear of failure. However, system factors such as deficiencies in change programs could also extensively cause resistance to change. Organizational leaders should focus on to building quality in their people. This can be accomplished through providing continuous learning opportunities, employee engagement and motivation, and making sure employees' development and growth is central in all change programs.

Organizational change leaders should also be alive to the fact that resistance to change is in fact valuable and ought not to be overlooked during change. Resistance to change can offer an essential establishment for creativity and innovation by making new alternative approaches feasible whilst eliminating aspects of change which are incompatible. This is essential since it can foster organizational stability particularly where change would have been unfavorable to an organization.

Organizational change leaders should also ensure that efficient and effective strategies are used in managing unconstructive resistance to change. The most prominent strategies at least as per this study include; employee facilitation and support, employee participation and involvement, employee education and communication and lastly, negotiation and agreement.

5.6 Limitation of the Study

Firstly, the main limitation for the study was that it targeted one respondent in each of the commercial banks in Kenya. This study would have enabled us to reach stronger conclusions by obtaining more information from many respondents. Secondly, many respondents were not willing to freely provide information citing confidentiality and bank regulations as the major reason. As a result, majority did not wish to be quoted directly. Lastly, there was limited time to carryout data collection since respondents preferred taking more time with questionnaires.

5.7 Suggestions for Further Research

Due to the above mentioned limitations, there is need for further research to be carried out with a much bigger sample. The further research would also require more time and understanding from the respondents by making it clear that information from them would be treated with strict confidentiality. Further research should also dwell on the implications of organizational leadership on performance of commercial banks in Kenya.

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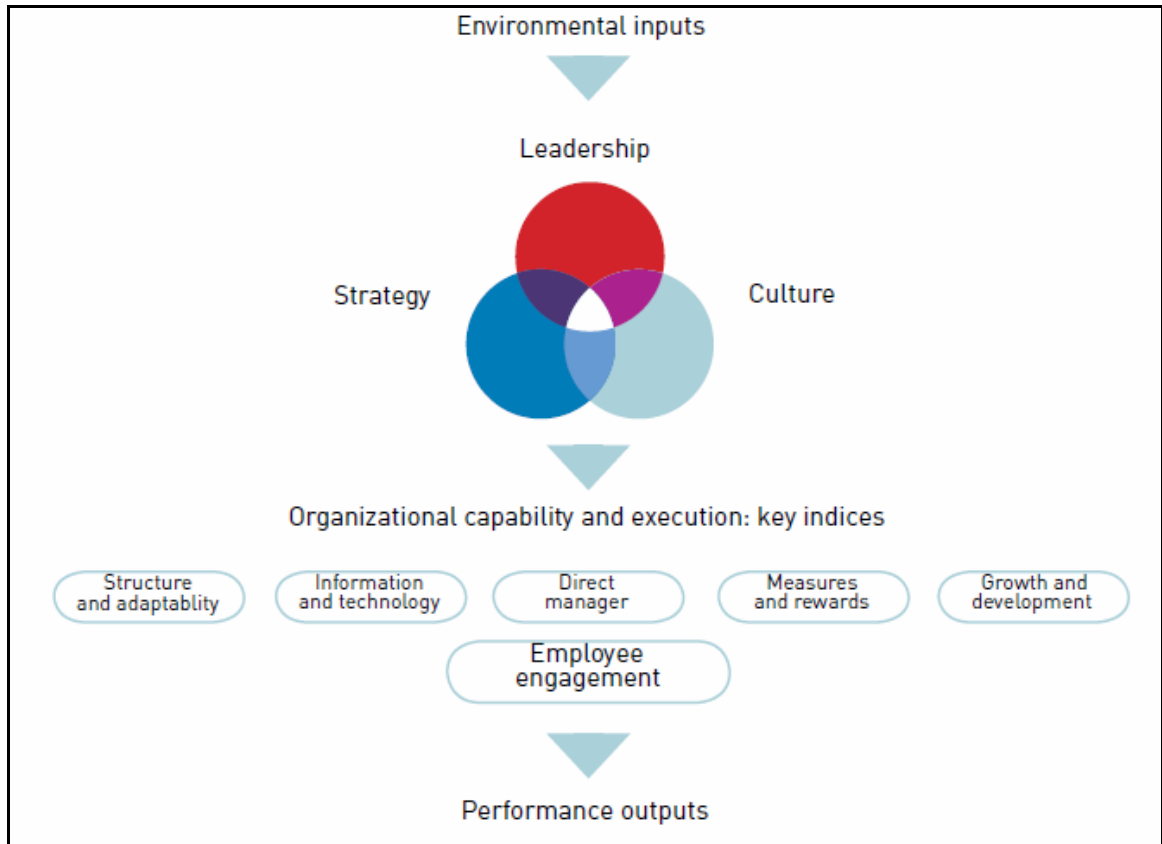
APPENDICES

Appendix I: List of Commercial Banks in Kenya

1.	African Banking Corporation Ltd	24.	Giro Commercial Bank Ltd
2.	Bank of Africa Kenya Ltd	25.	Guardian Bank Ltd
3.	Bank of Baroda Ltd	26.	Gulf African Bank Ltd
4.	Bank of India	27.	Habib Bank A.G, Zurich
5.	Barclays Bank of Kenya Ltd	28.	Habib Bank Ltd
6.	CfC Stanbic Bank Ltd	29.	Imperial Bank Ltd
7.	Charterhouse Bank Ltd	30.	I & M Bank Ltd
8.	Chase Bank Ltd	31.	Jami Bora Bank Ltd
9.	Citibank N.A. Kenya	32.	Kenya Commercial Bank Ltd
10.	Commercial Bank of Kenya Ltd	33.	K-Rep Bank Ltd
11.	Consolidated Bank of Kenya Ltd	34.	Middle East Bank Ltd
12.	Co-operative Bank of Kenya Ltd	35.	National Bank of Kenya Ltd
13.	Credit Bank Ltd	36.	NIC Bank Ltd
14.	Development Bank of Kenya Ltd	37.	Oriental Commercial Bank Ltd
15.	Diamond Trust Bank Ltd	38.	Paramount Universal Bank Ltd
16.	Dubai Bank Kenya Ltd	39.	Prime Bank Ltd
17.	Ecobank Kenya Ltd	40.	Standard Chartered Bank Ltd
18.	Equatorial Commercial Bank Ltd	41.	Trans-National Bank Ltd
19.	Equity Bank Ltd	42.	Victoria Commercial Bank Ltd
20.	Family Bank Ltd	43.	UBA Kenya Bank Ltd
21.	Fidelity Commercial Bank Ltd		
22.	Fina Bank Ltd		
23.	First Community Bank Ltd		

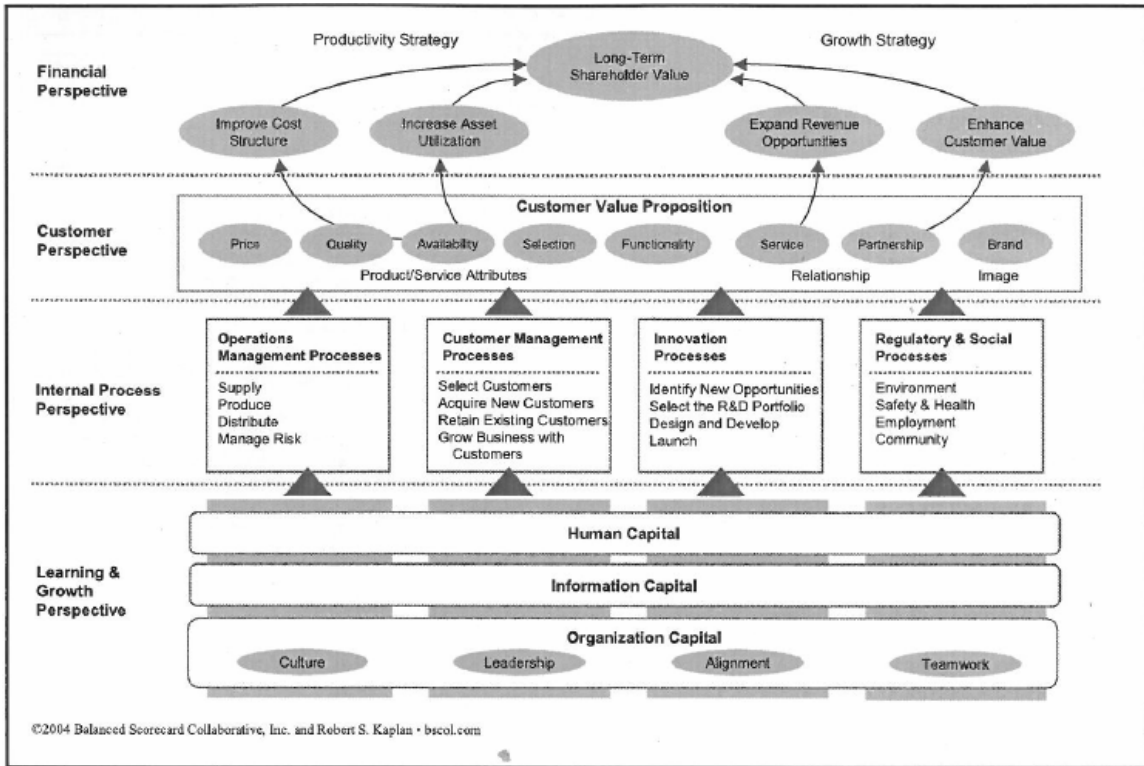
Source: Central Bank of Kenya (2013)

Appendix II: Organizational Intelligence Model



Source: Adapted from “Organizational Intelligence Surveys” by S. V. Falletta, 2008, *Training and Development*, p. 54. Copyright 2008 by Leadershere Inc. www.leadershere.com/img/OISarticle.pdf

Appendix III: Balanced Scorecard Model



Source: Adapted from “How the Balanced Scorecard complements the McKinsey 7-S model” by R. S. Kaplan, 2005, *Strategy and Leadership*, 33:3, p. 43. Copyright 2005 by Emerald Group Publishing Limited

Appendix IV: Four Ps of Organizational Excellence Model



Source: Adapted from “Excellence-25 Years Evolution” by S. M. Dahlgaard-Park and J. J. Dahlgaard, 2007, *Journal of Management History*, 13:4, p. 383. Copyright 2007 by Emerald Group Publishing Limited

Appendix V: Resistance to Change: Causes and Strategies

<i>Authors</i>	<i>Kreiner (1992)</i>	<i>Griffin (1993)</i>	<i>Aldag & Stearns (1991)</i>	<i>Schermerhorn (1989)</i>	<i>Dubrin & Ireland (1993)</i>
Causes of resistance					
Surprise	X				
Inertia	X				
Misunderstanding	X	X	X	X	
Emotional side effects	X	X	X	X	
Lack of trust	X	X	X	X	
Fear of failure	X				X
Personality conflicts	X	X	X	X	
Poor training	X				
Threat to job status/security	X	X	X	X	X
Work group breakup	X	X	X	X	
Fear of poor outcome					X
Faults of change					X
Uncertainty		X	X	X	
Strategies for overcoming					
Education	X	X	X	X	
Participation	X	X	X	X	X
Facilitation	X	X	X	X	
Negotiation	X	X	X	X	X
Manipulation	X	X	X	X	X
Coercion	X	X	X	X	
Discussion					X
Financial benefits					X
Political support					X

Source: Adapted from “Challenging Resistance to Change” by E.B. Dent and S.G. Goldberg, 1999, *Journal of Applied Behavioral Science*, 35:25, p. 28. Copyright 1999 by Sage Publications

Appendix VI: Survey Questionnaire

Part I: Company Profile

1. Name of Bank _____
2. Location _____
3. Position of respondent _____
4. Experience of the respondent in years _____
5. What is the ownership of the bank? (Please tick as appropriate)
Local
Foreign
6. How many employees does your bank have?
Below 1,000
1,000 – 5,000
5,000 – 10,000
10,000 – 15,000
7. What is your banks average annual income?
Below KSH. 500 million
KSH. 500 million – KSH. 1 billion
KSH. 1 billion – KSH. 5 billion
KSH. 5 billion – KSH. 10 billion
Above KSH. 10 billion

Part II: Nature of Organizational Leadership

8. Has your bank **undergone major organizational change** in the past? (Please choose one)
(a) YES [] (b) NO [] (c) DON'T KNOW []
If yes, was the **change successful**?
(a) YES [] (b) NO [] (c) DON'T KNOW []
9. Was **leadership fundamental** in implementation of organizational change in your bank? (Please tick as appropriate)
(a) YES [] (b) NO [] (c) DON'T KNOW []
10. Was there **someone in charge** of managing resistance to change in your organization? (Please tick as appropriate)

(a) YES [] (b) NO [] (c) DON'T KNOW []

If yes, who? -----

11. Which of the following statements best **describes** your experience of organizational leadership during change management in your organization? (Please choose one as appropriate)

Leaders ensured that	Yes	No
Everyone was motivated, stretching, growing or enhancing his/her capacity to create change.		
Vision of the direction of the company was shared across all levels of organization.		
Employees felt change mattered to them personally and to entire world.		
Employees were invited to learn generatively what was going on at all levels of the organization.		
Employees were empowered, flexible, receptive and adaptive to change.		
Employees were able to create the change they desire, a new pattern of thinking was nurtured and people are able to learn how to learn new things.		
Employees were able to constantly learn as a team.		
Built a corporate culture in which learning was emphasized and employees were risk-takers, proactive, creative, motivated and receptive to change.		
Employees were able to pass on learning and energize others		
Leaders gave personal attention to each employee by building a considerable relationship with them while focusing on their personal needs and growth.		
Leaders used peer influence as means to change as opposed to use of power and authority as lever for change.		
Leaders were role models to employees by being persistent and determined.		

Part III: Nature of Resistance to Organizational Change

12. Were there **any significant changes** in the following levels of your organization?

1. Not at all 2. Little Significant 3. Moderately 4. Greatly Significant 5. Most Significant

Levels of Organizational Change	1	2	3	4	5
Vision & Culture					
Positions & Structure					
Programs & Systems					
Facilities & People					

13 Did members **resist change in above levels** in your organization? (Please choose one)

(a) YES [] (b) NO [] (c) DON'T KNOW []

14. To what extent were the following factors **reasons for resistance to change** in your organization?

1. Not at all 2. Little Significant 3. Moderately 4. Greatly Significant 5 Most Significant

Reasons for Resistance to Change	1	2	3	4	5
Parochial self -interest					
Misunderstanding					
Lack of trust					
Different assessments on consequences					
Low tolerance					
Fear of failure					
Threat to job status/security					
Surprise					

Work group breakup					
Faults in change program					
Inertia					
Personality conflicts					
Emotional side effects					
Disinterest					

15. Which of the following statements best **describes** your experience of resistance to change in your organization? (Please choose one as appropriate)

Nature of Resistance to Change	Yes	No	Don't Know
Resistance was a natural and an inevitable expression during change.			
Resistance occurs daily in my organization.			
Resistance was neutral, neither good nor bad.			
Resistance resulted from interactions between change agents and recipients.			
Resistance slowed change in my organization.			
Resistance does not occur daily except in response to major change process in my organization.			
Resistance was detrimental to the success of change.			
Resistance was a creation of individuals and groups rather than a product of interactions between change agents and recipients.			
Resistance was a personal phenomenon.			
All changes in my organization were good.			

Changes which took place in my organization were affected by complex conversations between change agents and recipients.			
Conversations between change agents and recipients led to resistance.			
Resistance made my organization a real and practical place.			

16. Did the following **benefits** result from resistance to change in your organization?

Benefits of Resistance to Change	Yes	No	Don't Know
Resistance was an essential foundation for creativity and innovation since new possibilities were considered and adopted.			
Resistance encouraged the search for alternative approaches.			
Resistance brought about aspects of change which were unsuitable.			
Resistance enabled change leaders to understand change itself was not always intrinsically good.			
Resistance played created stability particularly where change would have been detrimental to my organization.			
Resistance was certainly be useful and should not be disregarded.			
There were many times when resistance was the most effective response available.			

Part IV: Organizational Leadership and Resistance to Change

17. How significant were the strategies listed below in managing resistance to organizational change?

1. Not at all 2. Little Significant 3. Moderately 4. Greatly Significant 5 Most Significant

Strategy	Level of Significance				
	1	2	3	4	5
Education & Communication					
Participation & Involvement					
Facilitation & Support					
Manipulation & Co-option					
Explicit & Implicit Coercion					
Negotiation & Agreement					

Thank you for taking your time to participate.



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DATE 26.07.2013

TO WHOM IT MAY CONCERN

The bearer of this letter DENNIS AGUNDA


Registration No. DEI/71193/2008

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
 FOR: MBA CO-ORDINATOR
 SCHOOL OF BUSINESS

