

**STRATEGIC CHANGE AND CHOICE OF CHANGE AGENCY AT  
COMMERCIAL BANK OF AFRICA IN KENYA**

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## **DECLARATION**

This project is my original work and has not been submitted to any other university for award of a degree, diploma or certificate.

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## **SUPERVISOR'S APPROVAL**

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## **DEDICATION**

I dedicate this to my God and to my parents, Mr. and Mrs. Njenga who have contributed their very best to my life's success; and to the rest of my family for being there for me.

## ABSTRACT

Strategic change is a result of the need to be or to continue to be more competitive. Strategic change can be an award winning success or utter failure due to one reason or the other. Many reasons have been found for strategic change failure but there isn't much focus on the choice of change agent. A change agent is one who initiates, manages and supports the institutionalization of change. This means that the direction which the change process takes depends heavily on the change agent chosen and their capacity to influence people to change. There are several types of change agents. The research question is thus, if the change agent has such a weighty responsibility, is it possible that there could be an optimal choice of change agency based on type of change being experienced? The change agent, when hired has a mandate to convert the critical components of change (people, processes and technology) from what they are to what they need to be based on the corporate strategy. This involves taking them through the change management cycle to give results required for effective change management to be said to have taken place (Appendix 1). The core role of the change agent in executing the change lies in the ability to influence and change behavior of people. Schools of thought of behavioral study look at how people behave and how to influence behavior. The change agent's core work is to change human behavior through influencing cognitions and perceptions of the people aspect of a corporation with an aim of eliciting corporate change. It is therefore important to regard the capacity of the change agent to influence the people in an organization. To determine the change agent's capacity, a case study of Commercial Bank of Africa (CBA) has been done and the change agent's performance has been appraised through the use of the balanced scorecard. The results of the findings were compared to the related theoretical framework and have led to the conclusions of this research.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

This research is focused on the impact that the choice of change agency has on the strategic change process. It seeks to find answers to the questions related to there being the possibility of optimal choices of change agents. The research seeks to find out if there is a chance that certain change agents are better than others in the corporate Kenyan setting. A change agent is anyone who has the skill and power to stimulate, facilitate and coordinate the change effort. These individuals or groups undertake the task of initiating and managing change (Lunenburg, 2010). Change agents are therefore vital in the process of change management. There are several types of change agents ranging from consultants, to senior management to the staff themselves (team agents). Some are external to the firm, while others are internal and this too affects how the change process is perceived by those implementing (Lunenburg, 2010). Many companies tend to select the change agent without much thought on the impact that they have on those implementing the change.

Commercial Bank of Africa (CBA) is a private bank domicile in Kenya. It was involved in transformational change that improved its core operations and required huge changes in its existent culture. The result of the change efforts was an increase in its revenue and after profit figures indicating a move in the right direction, but this was not without its fair share of challenges.

The bank used an interesting mix of change agents which both impacted positively and negatively on the change management process and the resultant resistance to change. The research looks at CBA as a case study to determine importance of considering the type of change agent in the process of change management.

### **1.1.1 The Concept of Strategic Change**

Strategic change management is a structured process designed to deal directly and intentionally with the human factors involved in not just planning and implementing but through behavior change. It involves achieving the anticipated benefits that justified the change process in the first place (McCarthy & Eastman, 2010). To date, major change efforts have helped some organizations to adapt significantly to shifting conditions, have improved competitive standing and positioned themselves for a better future. Unfortunately in too many situations the improvements have been disappointing and the carnage has been appalling, with wasted resources and burned-out, scared or frustrated employees (Kotter, 1996).

Many reasons are cited for much failure of strategic change initiatives, but not much is said about the type of change agency and its contribution to the success or failure of the change process. This research focuses on the change process through various change agency types and the challenges that they impose on the change process; trying to find if there is a particular change agent or a mix of them that would offer a better chance at success in strategic change.

The three legs of the project (change) stool represent the critical components of change implementation and they are: people, process and technology. The people are the most important. The focus of change management is people and the objective is to change behavior (McCarthy & Eastman, 2010), that is, all types of corporate change is focused on changing one or more of the critical components of change, but for the change to be effective, the people in the organization need to change. This study focuses on the impact that the change agents have on the people in the organization in order for them to have effective change.

For people to change there is a need to look at the group dynamics school of thought that is propagated by Kurt Lewin, in 1947. Employee perception of the change process and their perception of the organization's readiness to take on the change will impact on how they react to the change. An organization's employees' perception towards the change efforts that take place within a company is an important aspect to change readiness (Eby *et. al*, 2000). Employee perception can be affected by choice of change agent.

### **1.1.2 The choice of change agency**

Change agents have core roles in the organization that is implementing the change initiatives. These roles include, developing a need to change in the organization, establishing an information exchange relationship, diagnosing problems, creating intent to change in the client, translating intentions into actions and to stabilize adoption and prevent discontinuance (Rogers, 1998). This clearly shows that a change agent is part of

the core of the change process; thus, if the change agent fails, the process will fail too. The change agent also has to consider the type of change that the organization seeks to implement. Anderson & Ackerman (2001) state that there are three core types of organizational changes, which are: developmental change, transitional change and transformational change. Each of these change types may determine the kind of change agent required.

The change agent needs to go through the change management cycle in order to bring the organization closer towards meeting its goals of effecting sustainable change. The change management cycle is propagated by Coskun & Krdzalic (2010). They state that the change management cycle consists of the visioning phase, the planning phase, the implementing phase, and then the reviewing and learning phase. Kotter (1996) infers in his theories the need to institutionalize change to prevent reversion to old habits.

In all their great work of spearheading change and working to resolve resistance to change, change agents could end up increasing the resistance to change, or being the cause of it. Resistance to change could be caused by uncertainty, concern over personal loss, group resistance, a lack of trust in the leadership and awareness of weaknesses in the proposed change (Lunenber, 2010).

Eby *et. al.* (2000) argue that employees perception of the organization's readiness for change have been identified as one important factor for understanding resistance to large scale change. Where a change agent is unable to articulate their role properly, they could end up increasing the uncertainty or lack of trust in the implementing team.

There are various theories, such as, action research theory, the force-field analysis theory, Kotter's eight step process of change from his suggested reasons for change process failure, that suggest how change processes should be undertaken and what could cause failure.

Finally, a change agent needs to understand what an effective change looks like so that he might know what to sustain for the long-term. The type or types of change agents who either alone or jointly can successfully move the company's people, processes and technology from status quo through the change management cycle, overcome resistance and create sustained change would be, in this study the preferred choice.

### **1.1.3 Commercial Bank of Africa**

Commercial Bank of Africa, also called CBA, is the largest privately owned bank in Kenya. It is governed by Central Bank of Kenya and it is domiciled in the banking industry. The banking industry is an oligopoly, meaning that the banks are relatively few and offer generally a homogenous set of products or services. The banking industry of Kenya has about 43 banks, one mortgage company and several deposit taking micro-finances, foreign exchange bureaus and credit reference bureaus. By 2012, the banking industry was developing and deepening faster than the overall economy. The industry was liberalized in 1995, making it easier for competition proliferation, and this has supported the huge growth of the industry, as well as its competitiveness and customer focus.

Commercial Bank of Africa (CBA) is registered under the Banking Act of Kenya and was founded in 1962, in Dar-es-salam, Tanzania. It started as a subsidiary of Societe Financiere pour les pays DâOutreMer (SOFM), a Swiss based consortium bank with interests in financial institutions all over Africa. The consortium members included Bank of America, Commerzbank, Bank Bruxelles Lambert and Bank Nationale de Paris. After the nationalization of banks in Tanzania, CBA was incorporated in Kenya in 1967. In 1980, Bank of America acquired shares of SOFM partners and CBA became part of it with 16% shareholding held by Kenyan Members. In the latter 1980s, Bank of America sold its shareholding to Kenyans making it wholly Kenyan owned.

Currently CBA has its presence in Kenya, Tanzania and Uganda. CBA group also owns a third of AIG (American International Group) and has a balance sheet of about \$ 1billion. In 2005, CBA acquired First American Bank of Kenya (FABK) and in 2013 joined up with Safaricom Ltd. to come up with virtual accounts, the first of their kind in Kenya, called M-SHWARI.

CBA initially was a corporate bank, meaning that it specialized predominantly in marketing to companies. It later incorporated the retail section into its customer base. CBA currently avails its deposit and lending service and exceptional product offerings under personal banking (for retail products), corporate banking and institution banking, with above par customer service. CBA also offers bancassurance and investment products such as money and equity market investment vehicles. CBA deals in all the hard currencies as well as a variety of other foreign currencies, alongside offering trade finance solutions such as letters of credit and guarantees.

CBA, as earlier noted, has been a profitable institution with a clear vision and mission. After being profitable in business for over 50 years, newer more aggressive banks, which used aggressive sales strategies started to come up strongly pulling with them quite a following of customers and posing a threat. The liberalization of the banking sector in 1995 did little to help. One of the long term results of the liberalization was lower entry barriers and increased competition. Also, the senior management felt that the bank had greater capacity to provide better performance results than it was at the time. They also needed to increase the bank's competitive edge as well as create a new and improved brand in the face of strong currents of industrial dynamism. This became one of the strongest driving forces behind CBA's need for change.

This problem is best highlighted by Kotter (1996) this way: Too much success, a lack of visible crises, and more, can add up to: "Yes, we have our problems, but they aren't as terrible and I am doing my job just fine." Without a sense of urgency, people won't give that extra effort that is often essential. They won't make the needed sacrifices. Instead they cling to status quo and resist initiatives from above.

CBA was doing alright in terms of financial performance, it was profitable and growing at a constant rate, but the top management realized that in all these, they needed to improve performance hugely if they were going to hit the corporate goals and outpace their competitors, unfortunately most staff seemed to be comfortable doing work as usual (that is, the normal work duties), not noticing that the results of this were appearing as a slowdown in the company's industrial competitiveness. Most companies that have been in successful operation for decades or longer, reach a point in their business life cycle

where they must improve through planned change so that they can sustain their competitive strength. They also noted that most staff, although they knew their personal work goals, they did not quite understand the overall vision, mission and corporate strategy, so it would not be possible for them to work toward what they were not aware about. When projected into the distant future, the results of the scenario that CBA faced would have been to dire in the face of stronger competition. The top management was determined to make CBA the best bank and these driving forces of change made strategic changes inevitable if the bank was going to achieve its corporate goals.

## **1.2 Research Problem**

Successful sustained competitive advantage is a result of continuous change in the face of dynamic business environments. For change to be implemented there is need for a change agent to carry out the roles of ensuring that the change process is successful. There are various types of change agents who cover various roles and they impact the change process in different ways. They are key determiners as to whether the change process is successful or not. If change agents are not chosen properly, then there is a chance that the whole process will flop, or if successful it will not be sustained.

CBA was faced with a need to change in order to improve its competitive position, refresh its brand and become a stronger market force in the financial sector and thus, began strategically planning how to go about changing the culture and performance of a bank that had its presence in two countries and was about to start operations in a third



country. Unlike many companies that have not been successful, CBA was very successful, but not without facing its fair share of challenges. The research problem is based on the challenges that are faced by the choices of one change agent over another and the opportunity cost of choosing not to use a particular type of change agent. There is also the question of whether there is an optimal choice of change agents for effective change results. Research on strategic change has been done internationally by researchers such as Fred Lunenburg (2010) who has studied the roles of the change agent in managing change, highlighting that the success of any change effort depends heavily on the quality and workability of the relationship between the change agent and the key stakeholders in the change process.

Kurt Lewin (1951) came up with various theories explaining human behavior during the change process. This brings about the issue of the capacity that the change agent has to impact human behavior. John Kotter also did research around why strategic change fails within the American context and there were Bullock and Batten who in 1985, came up with a process that could be followed to ensure that the change process succeeded. There is also P. E. Connor and L. K. Lake who highlight the issue of the favorableness of the change agent, with a focus on who the target for change is. Alessa and Kliskey (2010) conclude that the ability to successfully respond to change largely depends on the composition of the agent types, since they adopt various roles in the change process.

In Kenya, there is very limited research done in the area of change agency choice. There is a study by Bett (2012) who studies the challenges facing implementation of change strategies at KCB. She focuses on the structural, economic and regulatory barriers that

prevent proper implementation of strategies. Kiarie (2012) in her research covering the implementation of strategy in Cooperative Insurance Company finds the problems lie in the non-involvement of employees, poor resource allocation and a non-supportive culture. Of these studies none covers choice of change agency as a factor influencing management of change, although they do highlight important aspects of strategic management.

Studies have been done in implementation and challenges of strategic change within the Kenyan context but in all the studies that have been done on the topics of strategic change there are very few done in the area of change agency and even fewer done in the area of how the choice of change agency affects the implementation and sustenance of the whole change process. There are barely any studies that seek to find out if really there is an optimal change agency type; it seems like there are none in Kenya. This indicates that there is a research gap. This research seeks to answer this question: Are some change agent types better than others in change management and is there an optimal choice of change agents for transformational change in large organizations?

### **1.3 Research Objectives**

The objective of this study is to try and find out how deep the change agency impacts the change process and if there is an optimal mix of change agents, based on the impact the change agent has on the stakeholders of the change process.

## **1.4 Value of the Study**

This study will be of value to the senior management teams of companies in planning and implementing strategic change in their organization. It will provide a clearer basis for the need to know the type of change they intend to implement and institutionalize so that they can have the correct choice of change agent. This will reduce costs incurred to acquire and remunerate the wrong change agent.

The theory of this study will be of benefit to scholars, researchers, academicians and those who would like to build further on this research in order to improve on the body of theory of strategic change. It will provide a stronger basis for understanding the relationship between the change management process and the choice of change agent, based on their roles and the need of the client company.

This study will also provide direction on company policies that guide the type of change agent required in differing cases of change management; as well as the policy guidelines to be followed in reducing resistance related to the change agent.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers literature on the issues raised by others in the area of change agency and its impact on the organization. In this literature, there are theories that undergird the impact of the change on the ‘human factor’ of the organization and the change agents work on the critical factors of change (that is, the people, processes and technology) in order to bring the required change to the client company. Also highlighted is how to effectively do this: they need to know the type of change that the organization needs, and then take the organization through the change management cycle so as to effectively manage and institutionalize the change. This theoretical flow is meant to give direction as to the best type of change agent, or mix of change agents that can effectively take the organization through the change process, in the face of different types of change, change failure and related resistance, based on the relative theoretical foundation.

#### **2.2 Theoretical Foundation**

The theoretical foundation is based on the belief that for a change agent to be successful, they need to be able to relate to and impact the “people” factor of the organization, as well as carry out the role of carrying the organization from status quo to the point of institutionalizing the change. McCarthy & Eastman (2010) state that the critical points of any change are people, processes and technology; of these people are the most important.

Alessa and Kliskey (2010), state that the ability of a community or group to respond to change depends largely on the composition of agent types in the group. Adelman and Taylor (2003) add that change agents create trust, knowledge, skills and attitudes essential for the kind of working relationships required for effective change. They are responsible for creating readiness, coalition building, clarifying priorities for developing and implementing strategic plans, establishing workgroups and resolving conflicts. All these require the ability to relate to and be accepted by various stakeholders in the change process from the strategic team to the implementers. It involves changing their cognitions from one way of perceiving things to another so as to rally their efforts towards the change.

The research is hinged on two core theories. These theories highlight how organizational behavior and employee readiness impact on the necessary type of change agent based on how the people factor of the organization perceive the change agent. The theories thus cover behavioral studies during change by Kurt Lewin, change perception theories, and these are further supported by the change agent roles by Lunenburg. Theories of resistance to change are covered under change implementation. Kelley (2010) infers that different categories of change agents create transformation or change differently based on the different roles that they take.

### **2.2.1 Theoretical Schools of Thought, of Behavioral Change**

These theoretical foundations include the individual perspective school, the group dynamics school and the open systems school. Each of these schools of thought give an indication as to how change can be ingrained in the minds of those implementing it, reducing chances of failure (Burnes 2004).

The individual perspective school supporters believe that behavior results from a person's interaction with the environment and to some extent reason. The behaviorists (a section of the proponents of this school of thought) believe that all behavior is learnt. They believe that human actions are conditioned by their expected consequences, and that behavior which is rewarded is likely to be repeated, and behavior that is ignored tends not to be. This school of thought holds that in order to change behavior, there is a need to modify the conditions that leads to it. The idea is to manipulate behavior by rewarding instantly all instances of desired behavior. The Gestalt-Field perspective, adding on to the behaviorists belief, holds that human behavior is not only a result of conditioning, but also of the use of reasoning to interpret the stimuli meant to condition them (Burnes 2004).

The group dynamics school of thought emphasizes the use of teams of work groups to bring about organizational change, instead of using individuals. Kurt Lewin, in 1947, stated that group behavior is an intricate set of interactions that not only affect group structures but individual behavior. Thus, he said that individual behavior is a function of the group environment. The group exerts on an individual positive and negative pressures that cause him/ her to behave in a different manner. Therefore, according to this school of

thought, it is useless to focus on changing individual behavior, as the individual is constrained by group pressures to conform. The pressure of change is thus of more use if focused on the group, and on influencing and changing the group norms, roles and values other than if focused on the individual (Cummings & Huse, 1989). It can thus be inferred that a change agent who focuses solely on changing individual behavior or whom the informal groups do not relate to.

The open system school of thought focuses on the whole organization as a reference point. It approaches change from the point of describing and evaluating the subsystems so as to determine how they need to be changed to improve overall functioning of the organization (Burnes, 2004). Burke (1980) stated that subsystems are independent and any changes need to take into account this interdependence otherwise the outcome will be less than optimal. An internal change agent is better able to understand the internal subsystems and their correlation than the external one.

Large scale change in very large groups is counterintuitive, since size and participation tend to be negatively related. The large scale interventions by the change agent need to rely less on individual unit learning and rely more on whole organization learning, less on being senior management driven and have more of a mixed model driven by both senior management and the organization (team agent), less consultant centered and more participant centered, less incremental and more fundamental in terms of change depth (Weick, 2000).

### **2.2.2 Employee Perceptions and Corporate Readiness**

There are seven aspects of change readiness. These include perceptions towards change efforts, vision for change, mutual trust and respect, change initiatives, management support, acceptance and how the organization manages the change process. At its core, change readiness involves a transformation of individual cognitions across a set of employees (Armenakis *et. al.*, 1993). This transformation is the work of a change agent, who must first be accepted and perceived as capable of bringing change before any success sets in.

An organization's employees' perceptions towards change efforts that take place within the corporation are an important aspect of change readiness, because perceptions affect attitudes and behavior. Moreover, employees' perceptions of the organization's readiness for change have been identified as one of the most important factors in understanding sources to large-scale change. Their perceptions of the organization to accommodate the changing situations, by altering policies and procedures are strongly related to their perceived readiness for change (Eby, *et. al.*, 2000). The change agent needs to be able to impact and change employee cognitions and perceptions towards the change process so as to reduce resistance and implement the change process successfully.

### **2.3 Technology, Processes and People**

The building blocks of enterprise success are in the people, processes and technology (Williams & Leask, 2011). These are the variables that the organization finds to be out of



place that require working on by the change agents in order for the organization to be restored to good financial health or to be placed at a higher position financially and in terms of employee performance that is tandem with corporate goals. Williams & Leask (2011), add that by making the people and processes more efficient, and then investing in technology to make them more effective, organizations can achieve their missions more effectively and at a lower cost.

The people factor of the independent variables is the core focus of this research and this covers change in perception, thinking and behavior of all the employees of the organization, from the senior management to the operations staff. This is because people drive technology and processes. Human behavior in relation to change is explained by various theoretical schools of thought and studies on human perceptions. Change agents need to understand how employees think and perceive them, the change process and the organization's readiness for change in order to effectively influence their behavior without the chance of destabilization.

## **2.4 Types of Change**

For the longest time, most academicians considered corporate change to define anything that involved the metamorphosis of a corporation from one state to another. Scholars of strategic change tend to view it under two schools of thought; that is, the school of thought that views strategic change as a formal rational preplanned process (planned change), and the other which views change as a less rational emergent and continuous

process (Burnes 2004). These can further be sub-divided into three types of change. These are developmental change, transitional change and transformational change (Anderson & Ackerman, 2001).

Developmental change is the type of change where continuous improvements are done of an existing method, performance standard or condition that does not measure up to the current or future projections. These changes are “within the box” of what is already known or practiced. Therefore, this involves the enhancement of the old state rather than a radical experimental solution requiring profound change (Anderson & Ackerman, 2001). Basically, developmental change is what is mainly considered to be emergent change.

Planned change is usually triggered by the failure of people to create continuous adaptive organizations (Dunphy, 1996). Thus organizational change routinely occurs in the context of failure of some sort (Weick, 2000). This infers that if the emergent change that is being continuously practiced in an organization is leading to the results that are being sought after, then there would be no need for planned change. Planned change becomes vital because things are not working as they should.

Transitional change is more complex and is classified as part of the planned change. Instead of improving what is, it involves the replacement of what is, with something entirely different. The motivation for this type of change is when leaders recognize that there is a problem or an opportunity that is not being pursued. Examples of transitional change are reorganizations, simple consolidations, divestitures or creation of new products, technology, services, systems and procedures to replace the old ones (Anderson

& Ackerman, 2001). This still covers technology and processes. Transformational change, another type of planned change, is the most complex type of change because it involves the change of human thinking and behavior. This is a totally radical change from one state to another; so significant that it requires a shift in the culture, behavior and workforce mindset for the change to be implemented successfully (Anderson & Ackerman, 2001). This type of change requires an expert with deeper understanding of the change process, as well as the understanding that behavioral change requires a shift in the workforce mindset.

In the planned change (transitional and transformational change), the role of the change agent is one of a prime mover who creates change. The change agent thus focuses on inertia and changes the meanings of the core systems, through communicating differently, communicating alternative ways of doing things and building coordination and commitment around the new way of doing things. In emergent change (developmental change) the change agent takes the role of being a sense maker who redirects the change. This involves recognizing and reframing the current patterns, showing how intentional change can be made at the margins and supporting the continuous learning process (Weick, 2000).

## **2.5 The Change Agents**

The moderating variables are the various types of change agents from the angle of the roles that they each play. Each type of change agent is able to play certain roles better than others based on their disposition.

### **2.5.1 Concept of Change Agency**

This research focuses on change agents as people rather than events. Human change agents are intelligent actors who respond to social and environmental stimuli in multiple ways including hysteresis (for example, not responding to stimulus until it carries risk), learning and values (Alessa & Kliskey, 2010).

Battilana & Casciaro (2011), state that scholars have long recognized the political nature of the change process in organizations. Change facilitation and implementation can thus be conceptualized as an exercise in social influence, defined as the alteration of an attitude or behavior by one actor in response to another actor's actions (Marsden & Friedkin, 1993). This infers that the change agent's major role is that of changing the beliefs, attitudes and behaviors of others.

### **2.5.2 Types of Change Agents**

Change agents can be either external or internal. Change agents can be internal such as managers or employees who are appointed to oversee the change process, but they can also be external, such as consultants from another firm (Lunenberg, 2010).

Holland (2000), states that there are three types of change agent. The first change agents are those who are 'made'. That is, highly communicative individuals who are likely to take a leading role in any organization that they join (leadership change agency). These are the innovators or the early adopters. The second type of change agent is the one who takes on the role, perhaps working on behalf of a change agency whose objective is to promote a new product or behavior ( such as a consultant). The third category is a change agent whose role is emerging from an existing role (team agency). Information professionals tend to fall into this category when the organization needs to change and they find themselves being sought after as change agents because of their specialized knowledge in the area of change or their relationship networks within the organization.

### **2.5.3 Roles of Change Agents**

According to Warrick (2009), the roles a change champion include initiating the change, facilitating the change and implementing it. In the initiating phase, the tasks of the change agent include, developing a change mind-set, providing visionary leadership, being well informed about the issues, opportunities and how to get things done, and communicating and involving key stakeholders (that is, senior management, employees and others who will be directly affected by the change) so as to build commitment towards the change process. Facilitating the change process involves working with people and with teams to ensure that there is staff readiness, urgency and morale to implement the change.

Adelman & Taylor (2003) argue that it is evident that the complexity of major change requires enhanced knowledge, skills and attitudes of those who are called on to act as change agents. Rodgers (2003), states that one of the main problems faced by change agents is information overload. He then describes one of the roles of change agents as one of providing a communications link between a resource system and a client system.

Connor & Lake (1988) support the notion that the four change agent roles are catalysts, solution givers, process-helpers and resource-linkers. Adelman & Taylor (2003) also say that the role of a facilitator is to help form and train an on-site change team. While the facilitator guides the work, the change team learns to be catalysts and managers of change. During implementation there is an acute need for mentor and coaches to guide performance. This is cited as one of the core roles of a coach by Adelman & Taylor (2003).

From the information in the roles of the change agent, it is clear that most of the roles and tasks of a change agent require a lot of communication and networking. It is vital that the change agent understand each company's core mode of communication and implement it in the necessary communication of the change. Krackhardt (1992) proposes the existence of two types of networks within organizations. That is, the first is advice networks centered on the expertise of key individuals, and the second is philo (or friendship) networks based on trust, friendship and frequent communication.

During routine changes, information flows through advice networks, but in times of crisis, change or uncertainty, advice is sought through the philo (friendship) network. This means that the ability to communicate and network with all the relevant groups in

the change efforts will determine the success of the change agent in initiating, implementing and institutionalizing change (Krackhardt, 1992). Successful change agents are seen to have certain characteristics. One of these is that they are usually experts, that is, people sought after for their know-how which they can pass on to clients.

Holland (2000) puts it this way: Change agents take on the burden of knowledge until their clients are able to accept their “know-how”. They also need to understand the communication networks of their clients and they need to find boundary-spanning individuals to distribute the information through. Change agents should also be visible people, especially to their client groups. Change agents should be able to exploit their networks.

Kelley (2010) categorized change agents into practitioners, consultants, trainers, activists, leaders, messengers and innovators. These categories are based on the various roles that they play. Practitioners create change in individuals, one person at a time, employing processes that take long but are able to create deep transformational changes. Consultants create the kind of change in teams and individuals that continue even after they have left. Trainers create programs for groups to induce change and they introduce the programs through seminars and workshops.

Activists rally support and employ influence to change policy and shift public perceptions. These are important in rallying staff allegiance behind the change process. They may operate visibly or behind the scenes. The leader in this case, is a change agent by virtue of their position in the organization. They are expected to first transform themselves, and then transform the organization. The messenger delivers change through

books they have written, media and public speaking. Their impact is usually broad and temporary. Only the individuals who choose to take the next step experience the change. Innovators bring change through creating new products, services or processes to alter the way people live and work (Kelley, 2010).

## **2.6 The Change Management Cycle**

The process of change management can be viewed as a cycle of various stages. These stages are the visioning phase, the planning phase, the implementing phase, and then the reviewing and learning phase (Coskun & Krdzalic, 2010).

### **2.6.1 Visioning and Planning**

Visioning is the process of being able to perceive and envision the changes that need to be done. It involves setting the scope of the change and its impact, and then embedding it into the strategic context. The planning phase involves creating a clear blueprint on how the change process will be carried out so that it achieves its intended purpose. It involves the selection and assignment of a credible change agent to oversee the change process as well as the identification and integration of all the change programs. Involving part of the implementation team in the planning process is important in encouraging them to change and therefore reduce resistance. At this point, the tasks of change are assigned to various people in the change management team (Coskun & Krdzalic, 2010).



## **2.6.2 Implementation and Communication**

The implementation phase involves selecting the implementing team, performance monitoring and communication and evaluation of the change process on everyone involved. Communication at this phase is vital to ensure that employees and stakeholders are involved. Resistance should be expected and there should be a plan in place to handle the varying sources of resistance. Rewarding and celebrating new behavior that is in tandem with the change process should be done to reinforce change. Finally there should be contingency plans in place as to hedge against failure (Coskun & Krdzalic, 2010). It's at this level that the change agent should watch out most for resistance and other factors that contribute to change failure.

### **2.6.2.1 Reasons why Change Processes Fail**

Looking closely, most change processes end up with a lower success rate than anticipated. Coskun & Krdzalic (2010) in their studies note that of the Fortune 100's change activities recorded between 1980 and 1995, only 30% of performance changes or improvements were successful. This is an indicator that not too many change processes end up fully successful as intended. Warrick (2009) states that the primary reason why so few change efforts succeed, is a lack of understanding on how to successfully manage change.

Kotter (1996), states that it is not possible to be successful with change initiatives unless the change leadership creates a strong coalition of people committed to improved

performance. This coalition needs to be of people who are influential to the whole organization; people powerful in terms of titles, reputation, information, expertise and relationships. People need a sensible vision in order to change. They need to see where the leadership 'is going with all this'. The vision helps to direct, align, and inspire actions of the people.

Communicating the vision passionately and in a manner that the employees understand is also just as vital as having one. Communication runs from having consistent communication to the teams especially using the team leaders, that is, management at all levels, to having top level management acting congruent to the changes required. When top management act like the change is a waste of time the result is cynicism among the teams. Communication is in both words and deeds (Kotter, 1996).

Another reason for corporate failure is neglecting to take time to anchor changes firmly in the corporate culture. Change only sticks when it becomes "the way we do things around here". This happens when new behavior is rooted in the social norms and shared values. One of the major ways of doing this is actively showing people the result of how specific change has helped improve performance. Also, the next generation of management really needs to personify the new approach. Promotion criteria must also be reshaped to support the new changes (Kotter, 1996).

### **2.6.2.2 Resistance to Change**

Kurt Lewin, in 1951, came up with the notion that there are forces that drive change and those that restrain it. He believed that the driving forces were usually positive logical and economic while the restraining forces were negative, emotional, unconscious and psychological. Both forces are very real and need to be taken into consideration when dealing with change. The forces that drive change include need for increased revenue figures and the need to reduce costs to increase profitability.

The forces that hinder change include the staff members' faithfulness to status quo, the current strategies that support status quo and restrictive covenants with external parties that prevent change. Kurt Lewin came up with the Force-Field analysis theory that states that status quo is a result of the restraining and driving forces being in equilibrium. He states that to bring change there is a need to gradually reduce the restraining forces and increase the driving forces, or risk ending up with a destabilized workforce.

Lunenburg (2010) states that resistance to change is caused by uncertainty, concern over personal loss, group resistance, dependence, lack of trust in the administration and awareness of weakness in the proposed change. He also states that it is inevitable that change will be resisted to some extent. Employees usually work in teams and groups, where they tend to establish informal group ties. These groups tend to have norms of performance and expected behavior. Failure to comply with the norms usually results in sanctions against group members. Changes that challenge behavior within the norms will be resisted (Lunenburg, 2010), and so are changes that will break up the group.

Anderson & Ackerman (2001) state that if leaders experience difficult human and cultural impacts in the transitional change it is usually a result of people having inadequate skills to function in the new state, people feeling uncertain about what will happen, people reluctant to stop doing what they are used to or homeostasis – a natural human resistance to learn new things, emotional loss related to past change processes, poor planning creating confusion, fear of not being successful and unclear expectations.

### **2.6.3 Reviewing and Learning**

The reviewing and learning phase involves progress reviews, process evaluations for further improvement as well as institutionalizing the lessons learnt and the knowledge that comes with it. It involves deliberate reflection and monitoring of the processes. (Coskun & Krdzalic, 2010).

### **2.6.4 Change Institutionalization**

Institutionalization is the process by which learning which has occurred by individuals and groups and is embedded in the design of the systems, structures and procedures of the organization. It is through institutionalization that individual and group learning is capitalized on in an organization (Crossan, *et.al*, 1999). Institutionalization involves the process through which socially accepted conventions take on the status of being socially accepted in social thought and action (Meyer & Rowan, 1977). Unless change processes are institutionalized, the organization will revert to the old, ineffective ways of doing things.

## **2.7 Effective Change Management**

McCarthy & Eastman (2010), state that an effective change management program should have certain vital qualities. They believe that the overarching purpose of change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster. The successful change process improves outcomes and performance as per expectations, and then enhances employee satisfaction, morale and engagement, when they learn new skills, meet performance expectations and contribute to a greater mission. An effective change management program improves the quality of services offered by the corporation, reduces operational errors and provides higher return on invested capital.

An effective change program creates higher levels of openness and trust, involvement and teamwork, leading to a more engaged workforce that is able to own their work. It builds capacity in the organization resulting in the ability to respond quickly and effectively to new situations. In other words, an effective change process is predominantly about the people, intentionally managing the cultural, behavioral and organizational changes required to facilitate the organization's transformation (McCarthy & Eastman, 2010).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the research design, data collection and data analysis. The research design influenced the type of data collection methods used.

#### **3.2 Research Design**

The study used the case study research design. This research design was considered appropriate because it involved the focused investigation of only one unit (company) and its change performance. Kothari (2004) states that the case study method is quite popular and is a form of qualitative analysis where there is complete analysis of a social unit, be it a family, a person, an institution or a cultural group.

#### **3.3 Data collection**

The data collected was both primary and secondary data. The data for this research was derived from Commercial Bank of Africa annual reports within the period 2009 to 2013; from staff interviews and some observation. It involved the study of Commercial Bank of Africa during a time that it was undergoing transformational change. Information related to the brand refreshing was collected by observation of the branch outlets.

The primary data was derived from interviewing the bank's staff to find out how well they ingrained the values, their cognitions about the change process, how well they understood what they were to do, in order for them to act in tandem with the change and how receptive they were to those facilitating the process. The interviewees were to consist of three senior managers from the service delivery department, because it experienced the biggest shifts, three line managers and three operations staff, who had been in the bank for at least seven years. The seven-year minimum threshold ensured that the interviewees had experienced the state of the company before and after the change.

The senior managers were to provide a bird's eye view of what was being sought after when the change strategies were put into place, and whether, from their point of view, the process was successful. The operations staff and line managers were interviewed because the success of any strategy is proved by financial performance, the staff attitudes and morale towards their work (in a cultural shift) and the notable improvements in operations staff work performance; they were able to avail this information better in an unbiased format. They were also chosen for the interviews because of the roles that they played in the strategy planning, facilitation and implementation, which led to successful change institutionalization. The input of the middle management and operations team is vital in enhancing the reliability and objectivity of the research findings in appraising the change agents' performance.

Of the nine chosen for the interview, eight responded. They include two senior operations managers, two business line managers, an operations line manager and three operations staff (two customer service assistants and cashier). One senior manager declined to be interviewed citing confidential reasons. An interview guide with open ended questions was used.

The interviews were arranged through phone calls before hand to request for time to have a face to face interview and discussion around the interview guide questions. After having a time slot allotted to visit the interviewee, the researcher did the morning visits and had a face to face interview with each interviewee. One of the challenges included waiting for the respondent to finish with urgent work or customers so that the interview could get underway. The other challenge was having explanations that sometimes strayed from the topic at hand, but this was resolved through further clarification and repetition regarding what was being sought after.

The secondary data from the annual statements was used to provide the benchmarks that were being sought after so that the company could say that it had success in the financial performance after the process of change implementation was started.

### **3.3.1 The Interview Guide and the Balanced Scorecard**

The interview guide was formulated on the basis of the balanced scorecard and based on the blueprint for its formulation in appendix 2. This was to enhance objectivity of the findings. The balanced scorecard is a tool that was developed by Dr. Robert Kaplan and



David Norton in 1990 to manage and appraise performance. The balanced scorecard is a management tool that translates the corporate strategy, mission and vision into four perspectives, that is, the financial perspective, the business process perspective, the customer perspective and the perspective of learning and growth (Kaplan, 2010). It was used in this research to support the process of objectively appraising the change agent.

MacLellan (2007), states that the financial perspective covers measures such as revenue growth and profitability measures. The customer perspective covers the corporation's value creation and product differentiation to meet customer needs and expectations. The business perspective focuses on operational excellence, product innovation and business process improvement, while the learning and growth perspective focuses on employee training and the corporate culture development.

The balanced scorecard can thus be used to measure and appraise performance of the change agent on the basis of the results of the change process so far. The purpose of this study is to determine whether there is an optimal mix of change agents based on the success of their performance, thus the need to appraise them.

### **3.4 Data Analysis**

Qualitative data was collected and analyzed using content analysis, a type of qualitative analysis. Content analysis is a research technique for the objective, systematic and quantitative description of the manifest content of communication. This technique measures the extent of emphasis or omission of emphasis on any analytical category

(Zikmund, 2003). Content analysis was important and relevant because it provided a ground to analyze the qualitative bulk of CBA's change process and compare it to the theory in the literature review.

Using content analysis, the researcher compared the processes undertaken by CBA which has been successful in the change process, to the underlying literature review. This provided a basis to find where CBA could have done better, or to find information gap areas where the literature differed from the practical.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter covers the analysis and interpretation of the data that has been collected. Included is a brief explanation of the change process that forms a basis for interpretation of the analysis. The findings give information on the effectiveness of the change management process and choice of change agency in Commercial Bank of Africa (CBA).

#### **4.2 Actual Change Process Background Details**

Commercial Bank of Africa used a combination of the leadership and team agency methods to implement and institutionalize change. The leadership agency included the senior management team as well as some managers in departments. The team agency included staff chosen by each department to represent them and spearhead change in each unit.

The senior management team took time to discuss how to go about the change, and sought to understand how to best implement changes such as more driven and motivated sales all through the organization, staff understanding and working towards the achievement of the vision and mission, a refreshed brand, the revelation of the strategy and creation of values that were not initially known and a stronger business awareness and focus of the whole organization.

After a series of lengthy discussions, the process was underway and it was communicated to the whole team in part during a staff meeting with the Managing Director. Shortly after, each department was asked to select someone who they were comfortable with; who they felt would represent their views on the changes to the senior management and would help facilitate the change process amongst them. They formed a team change agency called the “Brand Ambassadors”. The senior management used this team to communicate to the rest of the staff as well as facilitate the implementation of the change processes. Most of these facilitators also doubled as implementers making it easier to reduce resistance. This commenced the change process using a mix of leadership or management agency and team agency, but with a focus on the latter.

CBA did face some normal challenges such as staff resisting certain changes on the basis of being used to certain ways of doing things and feelings of inability to cope with the new ways of performing. CBA’s top management were able to select from the middle management, managers who were more able to handle the changes and challenges, so that the talk and the performance of the managers supporting the change process were in tandem with the new ways of working that were more sales focused and revenue generation based than before. This gave the employees ‘working examples’ that they could look to for support.

Other ways that they reduced resistance was continuous communication with staff, rewarding behavior that was consistent with the changes, incessant training programs and literally making the changes something that was considered fun and interesting – something to be proud of and identify with. Those resisting change soon felt out of place

as this process was being propagated through staff that were chosen by the other staff and they could easily relate to each other. The process involved staff reducing cases of resistance through their own involvement.

### **4.3 Interview Data Presentation of Findings**

The interview process was successful. Of the nine respondents, eight agreed to the interview and contributed to the research findings, on the condition of anonymity. In the interview guide used, the first 7 questions covered the learning and growth perspective, question 8-11 cover the knowledge and impact of the vision, mission and values; question 13 and 14 covers the business processes and question 15 and 16 cover the customer perspective. The financial perspective is covered by the secondary data from CBA's financial statements.

#### **4.3.1 The Vision, Mission and Values**

CBA's vision is to be a respected and significant financial services business partner in Africa. The mission is to enhance the wealth and fulfillment of life for our customers and the core values are confident, comfortable, prestige and elegant. The respondents all knew and understood the vision, mission and values and how their jobs feed into these. This is probably one of the reasons for the banks great performance.

All the respondents are also able to explain how they each embody the core values in their areas of work. One of the customer service assistants stated that the ingraining of the value of confidence in her work is evident in how she is able to serve the customers confidently and warmly. The business line manager said, “The knowledge of the values enables me to ensure that I keep my customers comfortable through going the extra mile for them. The new values direct my behavior when dealing with customers. This has resulted in higher sales and more customer loyalty.” This response indicates improved service quality.

This is proof of the change agent’s success in changing the corporate culture, to one which embodies a certain set of values that the corporation finds vital. All the respondents stated that there are incentives that are given in relation to behavior in tandem with the core values and meeting of annual goals that feed directly into the corporate goals, vision and mission. One of the senior operations managers said, “When I was recognized for performance in tandem with the new brand values, it elicited so much pride that I was glad to be associated with the bank and was willing to push even harder to support the change.” She stated that others felt the same way strengthening the change process. The change agents have thus been able to successfully build allegiance to the change process and the new values through the introduction of incentives and rewards, which is important in institutionalizing change.

### **4.3.2 Learning and Growth Perspective**

The respondents all understood what the change process was about and were agreeable that the change process was communicated clearly. The operations line manager stated that there are weekly meetings where the change process issues are communicated. This indicates that the change agents communicated the change process and the need for change very clearly. This is one of the vital roles of the change agent. Based on the literature, a lack of clear communication is one of the reasons for change failure and a core cause for resistance to change. Clear communication is also a pre-cursor to developing a change mindset in the client corporation. They also agreed that there was a lot of training that was done in line with the changes before hand and all through.

All the respondents stated that management spearheaded the change process although the facilitation was done through the brand ambassadors group. This is a good indicator that the change agents were highly visible. This also indicates that the management change agents realized the importance of creating a strong supporting coalition that the employees could relate to. The use of a philo network of change agents that the staff relate to is important in ensuring that they don't reject the change process. According to the literature, this is one of the important roles of a change agent. They also unanimously agreed that the trainings related to the change process have been many and consistent.

Each respondent was very clear about the fact that the change process has resulted to career growth and development with the exception of one who felt that he had not grown much. One of the senior operations managers said, "Staff training is vital. We ensure that staff under our jurisdiction are consistently trained to ensure continuous competency

development which leads to growth.” Unfortunately, three of the eight respondents (that is, two operations assistants and one of the line managers) did not feel involved in the change process. The previous responses indicate that the change process has been profitable to the employee and morale is good as most seek to grow and develop within the organization. The final response points to a weak point in the performance of the change agent, in that one of the main roles of the agent is to make everyone feel involved in the process. This too further reduces resistance.

### **4.3.3 Financial Perspective**

CBA has been profitable for the distant past, reporting profits after-tax that show gradual growth with the exception of 2011, the year that the change processes were being implemented at all business and operations levels. Also from the stock price graphs of financial companies listed in the Nairobi Stock Exchange, as well as the financial performance of most of the listed banks, the year 2011 was bearish indicating a downward cycle which had nothing to do with individual company performance and more to do with country’s economics. This is the strongest indicator that the change agents were successful in the change process. An unsuccessful change process usually results in eroded profits and financial reports that are bleeding red ink (losses).



<b>YEAR</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>REVENUES</b>	16.22B	14.38B	9.58B	8.37B	6.79B
<b>AFTER-TAX PROFIT</b>	3.74 B	3.123B	1.671B	2.073B	1.41B

*Table 1- CBA revenues and profit, [www.cba.com](http://www.cba.com)*

#### **4.3.4 Business Process Perspective**

From the two questions, all the respondents had a good understanding of the latest series of product offerings of the bank and the business teams clearly understand and use daily the sales monitoring tools. The business line managers and the customer service assistants have exceptional knowledge of the products. The responses from all the interviewees indicate that the bank is strong on innovation and keeps bringing new products into the market like the latest online platform which tops most in the country. It also shows that the staff are well informed about the product offering of the bank.

#### **4.3.5 Customer Perspective**

The response of the respondents on the last two questions indicates a very strong focus on the customer and customer acquisition and retention strategies, with consistent application in operations. The business line managers confirm that there are new and better sales and relationship management strategies in place with clearer monitoring tools. This is further exemplified in the exceptional customer service and personalized

relationship management practices of the bank as observed by the researcher. The customer interface of the online banking system is very customer friendly and safe as indicated by all the affirmative responses and the researcher's observations. It has also greatly improved since the change management process started indicating further success in the change agents' performance in terms of the results of improved services and reduced errors.

The refreshing of the brand is evident in the state of the art ambience of most of the CBA banking halls where the current corporate colors of earth brown, lime green, off-white and red are incorporated into the furniture and fittings. Also observed is the change of the logo from the old to the new which derives its theme from African nature.

#### **4.4 Discussion and Interpretation of Results**

The purpose of this study is to establish whether there is an optimal mix of change agents or even one type of change agent that is better than all the others. The hypothesis that is being tested is one that supports the existence of there being an optimal mix of change agents for particular change type. More than 99% of the responses support the existence of the optimal mix of change agents. This is clearer shown in the interpretation below.

There are two core types of change agents based on the literature review and framework diagram (appendix 1), that is, the external change agent and the internal change agent (Lunenber, 2010). The change agent spearheads the change process. Based on the literature review on effective change management, a successful transformational change

process should at least have cultural improvement through ingraining of core values at work, improved services and operational excellence, staff knowledge of the vision, mission and values, as well as increased employee morale. Successful change should also result in better financial performance, better staff performance based on clearer goals and yearly plans, more staff training and staff development, and the learning of new skills (McCarthy & Eastman, 2010).

An exceptional change agent should therefore show these results in their change process, and the process should not revert to what it was before (that is, change institutionalization). These are the core areas that the interviews and the financial statements assisted in finding. The research findings indicate that the management and team agents in CBA were able to produce these results, without the introduction of any known external change agent. They were thus successful as agents on the basis of the literature review (McCarthy & Eastman, 2010) and on the basis of the qualitative appraisal of their results using the balanced scorecard when the stated measures are considered.

The theory of employee readiness in the literature review suggests that transformational change requires the change of people perceptions and the overall corporate culture to incorporate the change (Armenakis *et. al.*, 1993). CBA underwent a transformational change and due to its size, it can be considered as a transformational change requiring large-scale intervention. Based on the literature, large-scale intervention works best when it is more participant centered than consultant centered; participants here being the management and team agencies (Weick, 2000). Lunenberg (2010) also stated that for the

change agent to be successful there is need for deeper empathy and a tighter linkage between the collaborative activities of the change agent and of the staff members. He also states that the change agent and the staff need to have the capacity to respond to and be influenced by one another to breed success. The CBA change was not consultant centered but they used the senior management to provide leadership and to start the ball rolling through the introduction of the changes' vision and primary strategic planning of the change process. They also used the team agents to facilitate and support the core communication and change acceptance process required to ensure change success.

The research is based on two main theories (as per the literature review), the theories of behavioral change and the theories of perception and corporate readiness. The schools of thought of behavioral change have three core branches. The first is that of the individual perspective school of thought that purports that for behavior to be ingrained it is important to have a mechanism to create and support learnt behavior through mental conditioning. Manipulation of desired behavior by rewarding all instances of desired behavior is vital if the new behavior is to be sustained (Burnes 2004).

The findings show that CBA used training processes as well as rewarding all cases of behavior in tandem with values and required change. This supported the change process further as most staff wanted to be rewarded or to win the awards related to the necessary performance. This was thoroughly implemented through the senior management support and facilitated through the team agents who encouraged staff participation.

The group dynamics school of thought focuses on influencing team dynamics in a group. The school of thought insists that people form informal groups which influence their behavior. Change that is not accepted by the group will be rejected by all the members of the group so that they can retain the group's acceptance (Cummings & Huse, 1989). CBA used the brand ambassadors' team which was selected by the staff from amongst themselves to facilitate the process. Most of those chosen were 'leaders' (or activists) in the informal teams and thus whatsoever they rallied behind, the whole team would eventually rally behind, including the change process. This reduced resistance and supported phlo-network communication, according to Krackhardt (1992). This is probably one of the main reasons why this process was so successful in CBA.

The open systems were well understood by both the team agents (that is, brand ambassadors) and the management agents. This means that they understood the impact of the ripple effect of changes in one subsystem on another. This is something that an external agent would have a real problem with, as they do not understand the in-depth systems of their client organization nor their interrelationship.

Based on the literature review related to the roles of the change agent, the core role of the change agent is to communicate in order to bring change. This means that if the communication role fails, no other area of change will work (Kotter, 1996). Inferred here is the importance of the staff understanding and thus accepting the change agent (Lunenberg, 2010). If the staff reject the change agent through belief that they are incompetent or that they do not understand the organization's 'way of doing things' or their personal working conditions, then they will reject what they (the change agents)

communicate along with the entire change process. Lunenberg (2010) iterates that one of the characteristics of an effective change agent is homophily. He explained that the more alike the change agent and the employees are, the more likely the change agent is to be successful because it will result in acceptance of the change agent by the employees and enhance their understanding of each other. This also indicates that in terms of acceptance the internal change agent has more advantage compared to the external one.

According to the theory of employee perceptions, for employees to change, they need to perceive the change as something that the organization (and change agent) is capable of and ready for (Eby, *et. al.*, 2000). For this to be, the change agent needs to be first accepted by the staff, in their perceptions and cognitions. External change agents usually find this to be one of the biggest huddles to get over. Staff don't reject them outwardly, they simply have good reasons why what they are suggesting, won't work for their situations (that is, resistance to change). CBA's use of team agents who are part of the employee body reduced the chances of this problem occurring as everyone could relate to the team agents, who were their workmates.

The CBA management agents were thus implementing the theory when they took it upon themselves to bring direction and guidance, and to set up a supporting coalition of people from each unit as team agents to facilitate the change process (Kotter, 1996, stated that the change process cannot work without a strong supporting coalition). In the literature, Krackhardt (1992) stated that in times of uncertainty and change people normally revert to philo or friendship networks for advice. This infers that other advice from networks outside the philo circle will be ignored.

This theory works against the success of an external agent; but it also works against the success of the management agents because at the grassroots, most of the operational staff who will implement the change do not have philo networks with the senior management, and thus the importance of the team agents. Informal networks have been identified as key sources of influence in organizations (Brass and Burkhardt, 1993), thus change agents' position in informal networks do affect their success in implementing organizational change. CBA's decision to use the management agents to lead the change and the team agents to facilitate and communicate the change seem to be some of the reasons for the success of the change process and its acceptance amongst the implementers.

CBA also used the team agents to reduce chances of resistance through group influence, finding areas that employees needed training and facilitating the training, communicating to workmates at their level and within philo networks. The management agents also ensured that the change process was made interesting and fun so that the resistance levels were low as it was considered out of place to reject the change. The fear of failing and lack of adequate skills have been dealt with through consistent trainings and coaching through the team agents.

External change agents do have one key advantage over the rest, in that they usually have access to more specialized change information in their areas of expertise (Adelman & Taylor, 2003) and that they have no real bias brought about by already established work relationships and attachments to prior ways of doing things.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, conclusion and recommendations of the study based on the objective of the study which is to find out if there is a better choice of change agent in the context of a large organization (Commercial Bank of Africa).

#### **5.2 Summary of Findings**

The purpose of this study is to find out if there is an optimal choice of change agents and whether there are some change agents that are better than others in certain areas. The study is hinged on theory related to schools of thought of behavioral change and employee perceptions. To bring change the change agent needs to change the perceptions and cognitions of the implementing staff and to achieve this effectively, they need to understand what influences underlying behavior.

The change agent would then need to understand the type of change that the organization needs to undergo to achieve their targeted change, whether developmental, transitional or transformational change. The change agent thus has the responsibility of taking the organization through the change management cycle with an aim of achieving effective change management results.



The findings, collected through face to face interview with respondents, show that the change agents were successful in achieving most of what is required in the case of transformational change on the basis of the theoretical body of literature that is quoted in this study. The findings of the research are to assist with the general appraisal of the work of the change agent using the balanced scorecard, so that the researcher can determine their effectiveness relative to the theoretical framework.

The interpretation relates the work done and results of the actual performance of CBA change agents with the theory. It covers the importance of the management agents in providing change leadership and supporting communication based on the theories. It also shows the importance of having team change agents in bringing employee acceptance and changing perceptions in tandem with the corporate change process.

### **5.3 Conclusion**

The hypothesis that was being tested is one that supports the existence of there being an optimal mix of change agents. The research findings and the related interpretation indicates that for transformational change requiring large-scale intervention, there is a real need for the communication and networking abilities of the team agent in bringing about participative learning and acceptance of the change process. The findings also indicate that without the leadership capabilities of the management agent, the process would implode due to a lack of alignment.

The research also shows that although the external agent has their part in providing specialized, unbiased information, they are not vital in large-scale intervention related to change. The findings, therefore, support the hypothesis through pointing to the fact that different change agents contribute differently to the change process due to their varying strengths. They also show that the choice to choose one type of change agent over another will have significant impact on the change process; for example the choice of using an external change agent over team agency could lead to change failure in particular people-based contexts.

The conclusion thus suggests that there is an optimal choice of change agents but this is based factors such as the type of change and the size of the organization experiencing the change. An organization should therefore look into these factors before deciding which change agents to select for the process.

#### **5.4 Recommendations and Implications of the Study**

The study has unearthed interesting findings. The implications of the research include its provision of foundational information for the academic body to research on and build further on the topic of choice and impact of change agency. There is relatively little information on the relationship between the choice of change agent and the outcome of the strategic change process. The information herein is thus of this additional value.

This study also opens a relatively uncharted path for academia in Kenya to further study and add input in the area of the optimal mix of change agents and their impact to corporate change. The research provides a basis for understanding the impact of choice of change agency for organizations that are soon to undergo planned change.

The significance of this study is largely to the corporate society in providing more light to the existence of different capacities represented by different change agents based on how they relate to the employees and how employees perceive and accept them. Proper choice of change agent is likely to significantly reduce costs related to the change process and also reduce the chances of reversion of the people and processes to status quo. The research also supports the need for the existence of corporate policies that support the use of different types of change agents for different types of change situations.

Recommendations of the researcher are predominantly to the corporate society in line with the stated implications. Corporate Kenya should pay attention to the types of change agents that they invest in for the purposes of supporting change in various situations. Changes that directly affect people should have change agents that the people already relate to so as to avoid cases of reversion and loss of funds. For Commercial Bank of Africa, more people involvement, especially at the planning level, is the core result of process owning by the same people at the point of implementation. The researcher recommends that organizations understand the type of change that they need to undergo as well as the needs of the people in the organization in terms of readiness for change before engaging a certain type of change agent. The information deduced is useful in determining the best type of change agent.

## **5.5 Limitations of the Study and Suggestions for Further Research**

The limitation of this study is that only one company's change process was analyzed. Therefore the information could be biased to only large companies or the financial sector. It is suggested that further researches have choice of change agency research done across a cross-section of companies of various sizes in various industries; as well as the public sector.

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## **APPENDICES**

### **APPENDIX 1**

#### **INTERVIEW GUIDE**

1. There was a change process that started in 2011. Can you articulate what was supposed to change, in terms of the strategy and the work you do?
2. Was there any training done in line with the changes that were to take place before hand?
3. Who spearheaded the change process according to you? (Determines the person they related to in terms of the change process)
4. How often do you have trainings related to performance in tandem with values, per year?
5. Were you involved in the change process? Were there any activities or incentives given to encourage you to implement the new processes?
6. Kindly state any growth and development in terms of your career since the change process started in 2011?
7. Are you able to easily communicate the impact or effects of the changes (whether positive or negative) to the person that you have indicated as spearheading the change?
8. Kindly recite the VMV and core strategy to me and how your job feeds into the vision or mission of the company; are you appraised about them?
9. How do you apply the values in your day to day work?
10. How clearly and often is the VMV and strategy are communicated?

11. Please name any incentives related to achieving goals related to the strategy
12. Are company budgets related to the core strategy?
13. Do you understand the sales process monitoring tool? How often are the results of the performance called upon at the business level?
14. What is the latest innovation, in terms of product, process, or technology? When was it released to the market?
15. Are there any new customer acquisition efforts that are being done at business level?
16. Is the last online system installed more customer friendly in terms of the customer interface? How so?