ORGANIZATION COMMUNICATION STRATEGIES TO EMPLOYEES DURING ORGANIZATIONAL CHANGE: A SURVEY OF COMMERCIAL BANKS IN KENYA

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DECLARATION

This management research project is my original work and has not been presented for a degree in any other university.

Signed .... Date 28/11/2012..........................

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This project has been submitted with my approval as the university supervisor.

Signed .... Date 28/11/12..........................

Mr. Omondi

DEDICATION

To my family who have ensured I have excelled in life. May the Lord bless you. To my siblings who have braved my carping and assisted when they could.

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To the almighty God for being the pillar in my life and for the strength He has given me. I also appreciate my parents' efforts to support me through school.

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ABSTRACT

Banks are continually changing their operations in order to reach out to more customers and increase their profitability. In their quest to communicate these changes to employees, the banks use different communication strategies that could be similar to other banks or that are special to the particular bank. This study sought to find out organization communication strategies to employees by commercial banks in Kenya during organization change. The banks' major communication strategies revolved around change acceptance and employee involvement. The main communication strategies include interactive, strategy, integrative strategy, two way communication strategies, inclusive strategy and participative strategy. Organizational communication strategy, regardless of how small, should start with a goal and that goal should give some indication of the intended outcome. The study used primary data collected from human resource and change managers of the banks by way of a questionnaire. This was the most appropriate method of collecting data as it involved the key people who make decisions regarding the banks change programs.

The study found out that employee involvement is really important in the banks' decision of changing its operations. It was noted that there is no clear common communication strategy within the industry and each bank appeared to use their strategy and methods. Communication strategies used by Kenyan commercial banks are in line with past research findings. The findings indicate that audience-driven focus and objective during each stage of organizational change need to be identified. The stage of organizational change and objective of communication during each stage were factors that determined communication strategy used during organizational change.

The findings of the study imply that banks employees do understand the need for change that is driven by various factors including: competition, technological development, regulation among others factors. Since employees have an understanding of organizational change, it makes it easier for the management to communicate change within the industry.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. It is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization. It increases ownership and commitment, retains the best employees, and fosters an environment in which people are motivated and satisfied in their roles (Reid, 2004). Involvement of employees in decision making and continuous improvement activities is the strategic aspect of management and can include such methods as suggestion systems, work teams, continuous improvement meetings, events, corrective action processes and periodic discussions with the supervisor. Intrinsic to most employee involvement processes is training in team effectiveness, problem solving; the development of reward and recognition systems and frequently sharing of gains made by the business.

Participation and involvement of employees at every level of the organization has become critical for organizations to develop and maintain a competitive advantage. The continuous demand for new and improved products and services require the utilization of the mental skills and emotional commitment of each organization employee. Employee involvement through shared responsibility and authority is a critical skill for management, managers must facilitate the work processes and development of other employees. Joint development of programs gives people ownership and the motivation to ensure the support of the business activities. For a company to succeed in its operations, employees are viewed as business partners (Reid, 2004). Partnership leads to job satisfaction and motivation which in turn impacts the business performance positively since involving employees in performance planning helps understand the activities that contribute to the performance of the business.

Encouraging employees to express their opinions and concerns make them perceive fairness and enhance their willingness to cooperate with their employers to strive for accomplishment. If employees have trust in the organization, their level of mental, physical and emotional contribution will be increased. When employees are involved in making decisions, they gain a professional and personal stake in the organization and its overall success. Employee participation gives each employee the opportunity to voice their opinions, and to share their knowledge with others. This improves the relationship between manager and employee; it also encourages a strong sense of teamwork among workers. The expression of viewpoints opens dialogue between co-workers, with each worker bringing their individual strengths to the organization Greenberg and Folger (2003).

1.1.1 Organizational Change

Organizational change is the transformation process that a company goes through in response to a strategic reorientation, restructure, change in management, merger or acquisition or the development of new goals and objectives for the company (Burnes 2004). The goal of change is to find new or improved ways of using resources and capabilities in order to increase an organization's ability to create value for its stakeholders. Even a thriving organization needs to change the way it uses its resources so that it can improve productivity, develop new products or find new markets. The growing globalization of business and increasing competition and technological advancement has led to an increasing need to change organization policies and strategies (Hampel and Martinsons, 2009). In organization, most problems and challenges are generated by competition, advanced technology, mergers, expansion, product quality maintenance, or enhancing employee efficiency on the one hand and rapid growth, new business ventures, exciting opportunities, innovations, and new leadership and management approaches on the other hand(Madsen *et al.,* 2005). To overcome these challenges, organizations are often under pressure for survival and stay competitive in future thus the need to change.

The areas of change in a company's internal environment include changes in strategy, structure, process, people and technology. In the course of normal business operation it is necessary for management to adjust the firm's strategy to achieve the goals of the company. Adjusting a company's strategy may involve changing its fundamental approach to doing business: the markets it will target, the kinds of products it will sell, how they will be sold, its overall strategic orientation, the level of global activity, and its various partnerships and other joint business arrangements. Structural changes involve the hierarchy of authority, goals, structural characteristics, administrative procedures, and management systems (Cummings, 2004).

Process oriented change is often related to an organization's production process or how the organization assembles products or delivers services. The adoption of robots in a manufacturing plant or of laser scanning checkout systems at supermarkets is examples of process oriented changes. Technological change requires that organizations learn how to manage the innovation process since they provide new products, change existing ones, and create a core competence. People centered change alters the attitudes, behaviors, skills, or performance of employees in the company (Madsen et al, 2005). Changing people-centered processes involves communicating, motivating, leading, and interacting within groups. Changes include investment in training, socializing employees, changing norms to motivate a diverse workforce, monitoring promotion and reward systems, and changing top management. Some people-centered changes may involve only incremental changes or small improvements in a process.

Organizations should understand employee's attitudes, beliefs and behaviors towards change. In this regard, main focus should be paid on employees' involvement factor. (Madsen et al, 2005). To develop the situation, employees can be affected by different factors like individual's life experiences, socio-demographic characteristics, knowledge and skills, attitudes, behaviours and organization's internal and external as well as social factors (Cummings 2004). These factors support to develop employees different feelings, thoughts and beliefs towards organizational change. In this regards, change management agents are solely concerned with the issues how to deal with the employees so that they can actively accept and be involved in the change process.

1.1.2 Organizational Communication Strategies

Organizational communication is the process of creating and exchanging messages within a network of interdependent relationships to cope with environmental uncertainty (Gerald

M. Goldhaber's 1978). It is exchange of information with employees across all levels or divisions of an organization. The formal flow of information in an organization may move via upward, downward, or horizontal channels. Most downward communications address plans, performance feedback, delegation, and training. Most upward communications concern performance, complaints, or requests for help. Horizontal communications focus on coordination of tasks or resources.

Strategy in organizational communication is defined as the systematic planning and realization of information flow, communication, media development and image care in a long-term horizon. It conveys deliberate message through the most suitable media to the designated audience at the appropriate time to contribute to and achieve the desired long-term effect; engaging employees and aligning them with the organization's vision to accomplish strategic goals. Organizational communication strategy, regardless of how small, should start with a goal and that goal should give some indication of the intended outcome. A business that wants to communicate with employees about benefit options, for instance, may have goals related to increasing employees' level of understanding of the available benefits and increasing employees' satisfaction with benefits. Goals should be focused on some measurable outcome (Kramer and Pierce, 2004). Strategic Communication is a consistent, collaborative process that must be integrated vertically from strategic through tactical levels and horizontally across employees.

Participative communication strategy seeks to foster a climate of openness and trust to ensure that mechanisms are in place to facilitate the free flow of information. In an open communication climate, upward, downward and lateral information flow is encouraged using both formal and informal communication methods (Hall 2002) Professional communicators must see themselves as internal experts on communication who serve as facilitators and counselors to executives and managers and provide strategic support for business plans. Communicators must also be organization experts. They must possess knowledge of the organization's structures, challenges and objectives, as well as understand employee issues and needs and marketplace requirements and realities. Encouraging employee participation in decision making builds loyalty and commitment and improves the overall climate for communication. Participative decision making also often improves the quality of decisions (Sanchez 2006). Recognizing and celebrating achievements at all levels helps build shared values and organization identity.

Interactive strategy is whereby information is clearly communicated through repetition of the message by using more than one medium since this increases people's memory of the message (Cummings, 2004). Business communication should be results-driven and strategically focused on achieving measurable results. Organizations need to think about what employees need to know to do their jobs effectively, to interact with customers effectively and to serve as ambassadors outside of the organization (Armenakis, 1993). Effective organization communicators know that messages need to be delivered multiple times in multiple ways to have the most impact. Employee communication needs and preferences differ, different messages require different methods and busy business environments can mean that messages get lost. Using multiple channels to communicate with various audiences will increase the odds that communications are received and understood. Because the organization would like to institutionalize the change and make it a way of life, it may be necessary to create mechanisms that can ferret out the inevitable misunderstandings as they develop and then deal with these misunderstandings in terms that are easily comprehended by the workforce.

The communication strategy should consider the fact that personally relevant information is better retained. The most important content is associated with work standards of evaluation, work expectations, reinforcement of performance and technical work-related information (Cummings, 2004). In other words, information that directly affects one's job territory is attended to and retained. Information concerning the company, plant or other workers tends to be quickly forgotten.The effective communicator learns early the value of audience adaptation and that many elements of the message can be shaped to suit the receiver's unique perceptual filter. Without this adaptation, the success of the message is uncertain. Content analysis involves awareness, understanding, justification, action and evaluation. The information flow should be multidirectional, continuous and concrete so that people can become comfortable in the fact that they have a reasonably full understanding of the personal implications of the change irrespective of their attitudes towards the change itself.

Targeting the right employee segment ensures that information is delivered to the intended audience. It is important to identify the audience segments based on different needs, goals and desired outcomes. Employees can be segmented in a variety of ways based on department, length of service, location and level of position (Cummings, 2004). Based on the identified goal and target audience segments, a business should create key messages for each identified employee audience designed to help achieve the goal. It is a good idea to limit the number of key messages to no more than five because attempting to communicate more than that can lead to confusion for the employees. The communication tool should be chosen based on the goal, audience and the message. It is important to measure the results of any communication to determine whether the goal was achieved and to what extent. The information gathered from this measurement can give important insights that can be used to modify or improve future communication efforts.

Integration of information provides a high level overview of the situation by providing sufficient details that someone not directly involved would understand the issue driving the need for communication and the desired outcome. This should include any pertinent facts or data that would have an impact on the communication process such as areas of particular sensitivity, any anticipated negative responses from specific audiences, details on how similar issues have been handled in the past and the results (Kramer and Pierce, 2004). This is the area of communication strategy where you identify any key cross departmental impacts or inputs necessary to successful implementation, or point to any areas of concern regarding the need for consistency of messages to various target audience categories of employees.

Effective communication involves two-way communication strategies. Companies whose managers successfully engage employees in conversations about their work, their ideas and their perspectives on issues related to products, services, customers and the business environment develop a culture of inclusiveness that generates results. There should be an open communication environment is one in which all members of the organization feel free to share feedback, ideas and even criticism at every level. Leaders who are committed to open communication build an environment of trust that can be the foundation for success.

There should be an inclusive communication strategy in which explicit steps are taken to ensure that all employees feel they are involved in decisions that affect their day-to-day work. Organizations with a secretive communication environment shut people out, which can stifle involvement and result in lost ideas and opportunities. Employee involvement is a key factor that affects employee satisfaction and success. Communication should never be one-way--either from the top-down or the bottom-up (Kramer and Pierce, 2004). A close tie between business, performance technology, and communication strategies focuses understanding and support for the direction of the organization. Effective communications build awareness and/or motivate to action, explain a program's value to employees as well as solicit employee's co operation.

1.1.3 Organization Communication Strategies to Employees During Organizational Change

Communication strategies during organizational change must attend to the message, the method of delivery, the timing, and the importance of information shared with various parts of the organization (Seitel, 2004). A well defined strategy should engage employees and align with the organization's business goals. Employees need to understand why the change is being made, but more importantly, how the change is likely to affect them. A communication strategy should coincide with the general stages of a planned change and the relevant associated information requirements. According to the Lewinian model there are three general stages of change: unfreezing, changing or moving, and refreezing (Lewis et al. (2006).

During the first phase of change, individuals within organizations face the loss of old ways of doing things, and should be supported in the initial phases of the change by communication that acknowledges this loss and that recognizes the difficulty that some individuals may have in letting go of the past. During the second phase of change, staff may face confusion and uncertainty as they try to adopt the new way of doing things. Barrett (2008) characterizes this as a neutral zone a way station between the old and the new, and notes that communication during this phase should recognize and attempt to assuage the isolation that may ensue from this confusion. The setting of short term, easily measurable and attainable goals will aid employee morale during this time. The third phase of change occurs as staff begins to internalize the change and move forward, and communication at this time should be characterized by an acknowledgement of what individuals in the company have accomplished thus far and an understanding of the role the individual plays within the new system.

The change communication strategies differ from stage to stage. For example, the primary communication objective of the unfreezing stage should be to prepare organization participants for the change (Kramer and Pierce, 2004). If the change is more than marginally incremental, it is likely that resistance, some of it quite strong, will surface because old values and method are implicitly challenged. It is almost impossible to predict the long-term future implications of most significant change processes but it is possible and necessary to communicate the objectives of the change (Kramer and Pierce, 2004). To help ready the organization, information on what is going to happen, and why, ought to be conveyed. This can take the form of a concrete description of the activity associated with the first steps of the change.

Communication about change aids in the unfreezing of old behaviors, the transition during which new behaviors are adopted, and the refreezing of the new behavior into habit. Change does not occur except when mediated by communication; in other words, communication is the context within which change occurs (Barrett, 2002). He describes four types of strategies that move the change process through its successive phases: initiative conversation strategies, that begin the change process by focusing the participants' attention on what needs to be done; conversations of understanding, during which the participants seek to make sense of the problem and start generating methods of addressing it; conversations of performance, which concentrate on producing the intended result; and conversations for closure, during which the change process is determined to be complete.

When changes follow a planned change model, initially changes are made provisionally; that is experimenting, piloting, and testing (Barrett, 2002). Because most of the workforce is not directly involved and may not know exactly what is happening there is a lot of uncertainty and rumours tend to emerge. Thus the communications strategy during the changing stage should have three primary objectives. It should provide those who are not directly involved initially with the change with detailed and accurate information of what is happening. Second, those not currently involved should be aware of how they will become engaged in the future; how the change will affect them, their new roles and responsibilities (Barrett, 2002). Third, to challenge whatever misinformation is circulating about the change. To reinforce the above described information flow, we have found it useful for the senior unit manager, in person and through written media, to issue periodic supporting statements which generally highlight progress and which reiterate management's support for the change. All too often executives go on to other things once the change is launched, thinking that once they have indicated their support that should be enough.

The goals and objectives of change have to be clear to the people involved, and they must have a vision of the direction change in order to know their specific roles (Kotter, 1999). Managers and change agents are usually seen as the ones who have to explain why change is needed and which improvements are intended (Madsen et al 2005). Communication is often discussed as a factor that determines the attitude towards change. For instance, Armenakis, (1993) argue that readiness for change can be created through effective communication of the message for change. A study by Chawla and Kelloway (2004) showed that openness to change is directly and indirectly influenced by communication. Motivation, communication and integration of change into the workforce determine the magnitude of success of an organization.

1.1.4 Commercial Banks in Kenya

The face of banking is changing rapidly and competition is tough with financial liberalization under the World Trade Organization and the regional trade agreements. Banks have to benchmark themselves against the best in the world. For a strong and resilient banking and financial system, therefore, banks need to go beyond peripheral issues and tackle significant issues like improvement in profitability, efficiency and technology, while achieving economies of scale through consolidation and exploring available cost-effective solutions. These are some of the issues that need to be addressed if banks are to succeed, not just survive, in the changing milieu.

Commercial banks in Kenya have similar functions granted to them in accordance with their banking licenses as regulated by the Central Bank of Kenya. They take deposits, give loans, own securities and offer banking services. Goulet and David (1996) stated that the commercial banks have changed dramatically over a relatively short period to a highly competitive market. Financial deregulation and increasing globalization have brought new competition to commercial banks and allowed considerable diversification. Information technology has provided many opportunities for creating new financial products and distribution methods, for example Automatic Teller Machines (ATMs), Telephone Banking and Computer Banking, has reduced the need for investment in conventional branch infrastructure.

Commercial banks in Kenya have been changing the way they operate and products they offer to remain competitive in the financial market. These changes as identified are major technological upgrades, change of organization structures, processes, products and services, corporate image, mergers, downsizing and acquisitions among others (Nyadat 2010). Over the last five years, the banks in Kenya have continued to grow in assets, deposits, profitability and products offering. The growth has been mainly underpinned by a wide branch network expansion strategy both in Kenya and in the East African community region and the need for customized customer needs rather than traditional off the shelf banking products.

The current economic down turn has continued to impact negatively on all businesses in the economy culminating in an unprecedented erosion of revenue margins whilst operational and administrative costs have tended to remain relatively high. The commercial banks are not an exception to this. They have to address these issues and measures implemented with a view to achieving optimum results for all the stakeholders and to maintaining the banks market share. Such measures include investing enormous resources in information technology through which the banking halls have began to be decongested, rationalizing the banks branch network and in the process closing unprofitable units in an effort to reduce operating costs and outsourcing non-core services such as internal security services and computer transport in an effort to control administrative costs. Maintenance of these services has been costly to banks. The above measures have led to changes in the level, type and quality of the banks current and future employee requirements. In order that the banks can be able to meet new and emerging market challenges and thus remain competitive, it has become inevitable to gradually involve the employees with the aim of improving productivity (Central Bank of Kenya, 2001).

1.2 Statement of the Problem

Success of a change program is partly determined by the way change is communicated regardless of whether organizational change results from a merger, acquisition, new venture or new process improvement approach. Organization communication helps management understand their information needs during organizational change. It must be integrated into the company's strategy and be recognized for its strategic implications and effects on organizational change (Madsen et al., 2005). Each business unit or division must tailor the important messages to their employees and convert the overall message of the corporate center into the digestible and actionable messages the employees can understand and act upon. Before implementing changes, management must communicate the change messages properly, accurately, timely and effectively (Gautam et al., 2001).

Commercial banks have implemented organizational changes in form of strategy to conform to the changing norms and pattern of operation in the market. Commercial banks today are also increasingly encountering fierce competition from competitors, customers that are more demanding, economic pressures and financial crisis. They need to devise communication strategies to effectively counteract the potentially negative effects of these situations. The change process poses serious challenges for the banks as it can create uncertainly among staff if they are not properly engaged trough effective communication.

In 2011, The Kenya Commercial Bank Group changed its organizational structure in a bid to enhance productivity. The transformation program that was implemented on recommendation of global consultancy firm, McKinney Rogers, is also expected to help the bank cut its operation costs by about 20 percent. With operations in Kenya, Tanzania, Uganda, Rwanda and Southern Sudan, KCB is the region's largest bank and with that comes increased operational expenses which have in turn strained its cost income ratio. The bank is currently working on a strategic blue print that is expected to guide its quest to become a pan African bank by 2013 and hence the need to ensure that it is operating efficiently. In the meantime, the bank reports that the implementation on a pilot basis of a number of initiatives is already returning positive and exciting results focusing on improved efficiency, cost management and customer service.

Due to changes in the operating environment, commercial banks have had to merge (combine their operations in mutually agreed terms) or one institution takes over another's operations (acquisitions). Some of the reasons put forward for mergers and acquisitions are: to meet the increased levels of share capital; expand distribution network and market share; and to benefit from best global practices among others. For instance in 2010 City Finance Bank Ltd merged with Jamii Bora Kenya Ltd to form Jamii Bora Bank Ltd and Equatorial Commercial Bank Ltd merged with Southern Credit Banking Corporation Ltd to form Equatorial Commercial Bank Ltd (Central Bank of Kenya 2010).

Studies have focused on organizational changes in Kenya specifically on the employee perceptions and change resistance. Nyagari (2009) studied a survey of effectiveness of change management practices at Kenya Commercial Bank Ltd, Njoroge (2009), the strategic responses of Kenya Commercial Bank to changes in the Kenya banking industry, Meja (2009) change management and practices at Equity Bank Ltd, Mberia (2006) a survey of resistance to change in commercial banks in Kenya , Angwenyi (2009) employee empowerment practices in commercial banks in Kenya and Nyadat (2010) challenges facing the implementation of strategic changes among commercial banks in Kenya .These studies have not dealt with the communication strategies used across the commercial banks to meet employee information needs during organizational change. This study therefore seeks to fill the knowledge gap by establishing organization communication strategies that meet employee information needs during organizational change. The research question is what are the organization communication strategies to employees used during organizational change in commercial banks in Kenya? This paper attempts to evaluate organization communication strategies to employees in relation to organizational change.

1.3 Objective of the study

To determine the organization communication strategies to employees used by commercial banks in Kenya during organizational change.

1.4 Value of the study

The research will provide useful information to managers thus prevent some of the negative effects of poor communication in times of organizational change. Those effects, across many industries, include low morale, companies losing good employees and employee distrust. Employee trust can be built by developing communications structures that legitimate and encourage the disclosure of problems and the discussion of solutions. As the change is being institutionalized, significant operational problems are likely to occur that are to some degree based on misinformation and unclarity. At this time, intensive face-to- face communication seems to be warranted so that the misunderstandings can be cleared up (Madsen et al., 2005).

Supervisors in other departments of the organization assume that communication and human resource professionals should handle all formal communications. However, employees tend to believe information that is passed on by their managers and direct supervisors. The findings of the study will therefore be useful to managers in organizations which are going through change. Employees will feel more at ease and will believe more information if their direct supervisors and managers know of and communicate the issues that are important to them. Management's ability to communicate the things that are important to employees will affect employees' acceptance of change and will make the communication meaningful (Zorn & Ganesh, 2004).

This study will present the items and issues that are important to employees, providing management information to consider in developing communication during times of change. It is hoped that putting this information to use will prevent some of the frustration that employees and managers often feel during change. It will reveal communication strategies that will effectively address employee information needs. The question of what are the employee communication strategies used during organizational change is being studied because change has become the norm in corporate Kenya and change has a tremendous impact on employees and management. As change occurs more often, managers must be prepared to communicate with employees. They must be able to anticipate employee reactions and know what items are important to employees before communicating.

CHAPTER TWO: LITERATURE REVIEW

2.1 Organizational Change

Burnes (2004) defines organizational change as the transformation process that a company goes through in response to a strategic reorientation, restructure, change in management, merger or acquisition or the development of new goals and objectives for the company. The realignment of resources and the redeployment of capital can bring many challenges during the transformation process and organizational change communication seeks to address this by adopting best strategies to assist with the integration of new company vision. According to Smith (2006) changes in organization are important, constant and imperative since the business environment also keeps changing. Change may be large or small, easy or dramatic but it comes in many shapes and sizes reflect thoughts, and benefits to the organization and the employees. Several authors have emphasized on the organization dynamism and reported that organizations are persistently pressed to implement change in strategy, structure, process, and culture with the support of employees (Chawla & Kelloway, 2004; Jones, Jimmieson, & Griffith, 2005; Peach, Jimmieson, and White, 2005). The most crucial and successful factor to make change is human factor (Armenakis, et al., 1993; Smith, 2006).

According to Linstone and Mitroff (2004), there are three factors to be considered in implementing change processes, that is the technological, organizational and people perspectives. Although people are the most important factor in making change, however, they are also the most difficult element to deal with (Linstone and Mitroff, 2004). Therefore, managing the human part of the organization becomes a major challenge in handling change processes in the organization as it involves values, preferences, and attitudes toward a particular activity. Attitudes, for instance, are difficult to change as people are generally more comfortable with what they have learned or knew due to stereotyping, fear of taking risks, intolerance to ambiguity, and possibly the need to maintain tradition (Dunham, 1984; Carnall, 1990).

Dunham (2000) stated that complex changes could be understood better by recognizing that employee attitude has three distinct components, which are cognitive, affective and behavioral tendencies. Each of this type of attitude toward change determine employee support for changes occurring in an organizational setting. Nonetheless, for any change to be effective, it is crucial to challenge and clarify people's beliefs, assumptions, and attitudes because the most potent leverage for significant and sustainable change resides within the human system at the core of every business system (Juechter et al., 1998).

Employee accountability should be also addressed during change management (Price Waterhouse, 1995), and effective communication to all involved in the change process is required. Price Waterhouse (1995) outlines five basic "Cs" to draw up successful communication plans: Candidness: telling the truth with employees. Contextual: providing stakeholders with a look into what the bigger picture and explaining the relevance of the project to the company. Constructive communication: guarding against counterproductive comments that do not work well with the team or threaten stakeholder unity. Consistency: actively supporting messages with oral, nonverbal, and written communication. Continuous: ongoing reinforcement of commitment to making the proposed change happen.

Kotter (1996) shows that change can be implemented better when it is anchored in communication, which involves knowing that most alterations in norms and shared values will occur when the transformation process is near completion. Successfully showing how new ways are superior and will help the culture adjust to the transformations by changing people's paradigm. Anchoring change also requires that leaders give plenty of verbal communication and support, which Kotter explains is because people are often reluctant to admit the validity of new practices. Change leaders of successful companies must develop a known succession plan so that promotion processes are compatible with new practices and the old culture will not reassert itself.

2.2 Employee Involvement in Organizational Change

Employee involvement is recognized by most leading employers as a key element in successful organizational change as well as boosting overall productivity. It is possible to facilitate successful organizational change, where after the change effort people feel more committed to the organization, more confident of their contributions, and more prepared to deal with change as a continuous experience Wheatley (1998). Empowering employees during change initiatives with such methods as participatory processes results in successful change because people support what they create. Employees who make choices that affect an organization's development are empowered as they are given power or authority (Neufeldt & Guralink, 1988). The intrinsic rewards of being engaged in one's work are a sense of choice, competence, meaningfulness, and progress, which results in innovativeness, commitment to the organization, and reduced stress Thomas (2002). Thomas states that these are also factors in measuring empowerment and that interfering with these rewards leads to reduced energy. Change that promotes employee participation and intrinsic rewards may serve to sustain employee engagement, thus increasing employee innovation and commitment to the organization.

Employees with the highest level of engagement perform better and are less likely to leave the organization during times of change .Not only have highly engaged employees been linked to higher levels of performance, they have also been linked to delivering more innovative solutions to change situations and solving problems more effectively, Scarlett (2008. Change is also demanding on employees and it is important that the organization recognize this impact. Senior leaders often spend many hours creating an organization plan to deal with the changing economy. Too often these plans only focus on the organization impact (budgets, goals, resources) and fail to address the impact of the change on employees Lockwood (2007). Managers should take this opportunity to engage employees by identifying how employees will contribute to the organization during and after the change.

The key role of management is to create supportive, loyal, and talented employees. This cannot be accomplished from a distance. Times of transition and change increase the need for managers to be visible and approachable. Employees want a manager who knows them personally and professionally, who is willing to listen to them, and who is caring enough to take time to address their individual concerns. This is a critical time to walk around the office, make extra phone calls to off-site employees, and keep up to date on email. Employees who feel connected to their manager are more likely to feel engaged in the organization. Be sure to schedule time for keeping employees connected. Employees typically like to believe that their efforts contribute to something bigger than themselves Lockwood (2007). To help employees be empowered, contributing members of the team, take time to help them focus for results in support of mission achievement, grow their skills and abilities so they can continue to contribute in the future, and challenge them to find innovative ways of performing their role. This process will help them be productive today, plan for ways to continue being productive in the future, and help the organization as a whole find ways to improve effectiveness and efficiency which are the two things every organization need to focus on to stay competitive Thomas (2002).

Organizational change can be exciting and scary at the same time. As an organization, assure that you are taking steps to provide direction and information that allows employees to remain engaged. As a manager, find ways to keep individual communication open and directed by focusing on results and opportunities rather than fear and uncertainty. Keep the lines of communication open with management and your co-workers. The organization should be ready with alternative suggestions as to how to make current efforts useful no matter how market conditions impact the organization Conrad, (2006). Applying these simple approaches will help keep the organization as engaging and adaptable as possible so you are able to adjust to market changes with confidence, ease, and a sense of connection to the future.

Greenberg and Folger (1983) indicated that encouraging employees to express their opinions and concerns makes employees to perceive fairness and enhance their willingness to cooperate with their employers in the period of organizational change and to strive for accomplishment. Thus, if employees have higher benefit perceptions about organizational change, their level of organization commitments will be increased. This effect is even more obvious if employers ensure job security, communicate change benefits, and openly express their sincerity to employees. Thus, employees will be inclined to stay in the organization, work with employers during organizational change, and involve deeply in their jobs to achieve a greater accomplishment. Eby et al. (2000) found that if employees are involved in the change preparation process, and realize change benefits and resultant organization competitiveness, they will be less likely to resist.

In today's economy, employees are a critical asset in ensuring an organization has a competitive edge in the market place. An appreciation of what would affect their organizational change perception is therefore of great concern to decision makers. Unlike other resources in a firm, employees need constant communication to be effective and efficient in their work. Njoroge (2003) therefore argues that managers need to be interested not only with the physical presence of the employee in the work place but more importantly their emotional presence. Policies and structures must also be able to generate commitment and enhance individual and company goals communication. A critical factor that can greatly influence performance in that respect is how they perceive various initiatives, that management introduce in an effort to enhance the competitiveness of an organization. A critical initiative being undertaken by management today is strategic change management, aimed at making implementation of firm's business strategies more effective. Cummings and Worley (2005) explains that employee perception influences employee involvement in strategic change management. Employee involvement always leads to a higher rate of success in the implementation of strategic change management coupled with higher productivity.

2.3 Communication Strategies during Organizational Change

Providing timely and relevant information to individuals, through channels they use and trust, and in language they understand, remains the basis for successful and strategic change communication. Context and audience analysis communication strategies should provide context and rationale for changes or new initiatives as they relate to the organization, but especially to the relative performance or requirements of employees in local work units. This underlines the importance of the supervisor's front-line role in communication (Holtz & Hobson, 2007).

Interactive strategy should be used in establishing the mandate and communicating company intentions clearly right from the start Worley (2005). The information flow should be multidirectional, continuous and concrete so that people can become comfortable in the fact that they have a reasonably full understanding of the personal implications of the change irrespective of their attitudes towards the change itself. Because the organization would like to institutionalize the change - make it a way of life - it may be necessary to create mechanisms that can ferret out the inevitable misunderstandings as they develop and then deal with these misunderstandings in terms that are easily comprehended by the workforce. Regardless of the reasons that cause organizational change to take place, the strategies used to communicate must be such that employees are ready for change and have trust to the management.

Two way communication strategies is the richest medium which is facilitated through face to face communication. It should be emphasized in change communication, especially to resolve conflicts during major changes in the organization. (Boyett & Boyett, 1998). Excellent listening skills reduce errors and misunderstanding, help uncover problems, save time, improve evaluations and facilitate relationship building. Development of excellent listening skills among leaders at all levels in organizations is crucial. Social media are fast and powerful dialogue-creating channels which can empower and engage employees and members Izzo and Withers (2000) . They influence and alter traditional media and their uses, but don't eliminate them. Communicators should blend new and traditional media in ways that help organizations best achieve their goals and enhance relationships with internal and external publics.

Participative communication strategy seeks to foster a climate of openness and trust to ensure that mechanisms are in place to facilitate the free flow of information. In an open communication climate, upward, downward and lateral information flow is encouraged using both formal and informal communication methods (Hall 2002) Professional members Izzo and Withers (2000) . They influence and alter traditional media and their uses, but don't eliminate them. Communicators should blend new and traditional media in ways that help organizations best achieve their goals and enhance relationships with internal and external publics.

Participative communication strategy seeks to foster a climate of openness and trust to ensure that mechanisms are in place to facilitate the free flow of information. In an open communication climate, upward, downward and lateral information flow is encouraged using both formal and informal communication methods (Hall 2002) Professional communicators must see themselves as internal experts on communication who serve as facilitators and counselors to executives and managers and provide strategic support for business plans. Communicators must also be organization experts. They must possess knowledge of the organization's structures, challenges and objectives, as well as understand employee issues and needs and marketplace requirements and realities. Encouraging employee participation in decision making builds loyalty and commitment and improves the overall climate for communication. Participative decision making also often improves the quality of decisions Sanchez (2006). Recognizing and celebrating achievements at all levels helps build shared values and organization identity. Similar social events, rites and rituals contribute to and reflect an organization's distinctive culture.

Employee feedback is a key to successful communication in any organization (Boyett & Boyett, 1998). Through diverse forms and approaches, feedback helps define problems, determine the status quo, record progress, assess value and provide a factual basis for future direction and action. Improving feedback knowledge and practice is an ongoing professional requirement. Two-way communication is the foundation for employee motivation and organization success as it provides continuous feedback, which is crucial to learning and to processing organizational changes (Burton, 2007).

Effective communication strategies involve meetings, documents, multimedia presentations and other supporting resources. To ensure organization readiness, leaders start with small changes before implementing new programs on a wide scale. After they achieve short-term successes, they use the lessons learned to introduce change to the rest of the organization and maintain change by supporting employees in the new infrastructure. Those championing for change should pay special attention to employee readiness, both in terms of the adverse consequences it brings and the underlying problems it may indicate (Burnes, 1996). In order to preempt possible resistance to change, organizations ought to cultivate a condusive climate where change is accepted as the norm (Chaneta, 2010). Organizations therefore, need to create readiness for change among their employees and adopt an approach, which is aware of the possibility and case of resistance and deals with these at an early stage.

According to Harvey and Brown (2006) in order to implement successful change, an organization ought to make people aware of the pressures for change. The organization should inform employees of its plans for the future, market pressures it faces and the performance of its key competitor on a regular basis. Through this approach, organization employees will come to accept that change is not only inevitable but is being undertaken to safeguard rather than to threaten their future. They should also give regular feedback on the performance of individual processes and area of activity with the organization. This allows an organization to draw attention to any discrepancy between actual performance and desired present and future performance.

Employee communication continues to evolve in a dynamic world characterized by an explosion of new technologies, intense global competition and rapid change. Today, many would agree with Harris and Nelson's (2008) assertion that internal communication is an essential aspect of organization change it is the key variable in almost all change efforts, diversity initiatives and motivation. Some even argue that internal communication is the most "fundamental driver of business performance" (Gay, Mahoney and Graves, 2005).

2.3.1 Preparing Employees for Organizational Change

Employees view the change process differently and they often view change as disruptive. A successful change program requires that employees understand why the need for change is necessary so that they can buy into the change program. Employees' commitments must be linked to the company's change outcomes. When restructuring jobs or refocusing the organization's direction, it is very important to clarify roles and how they support each other (Madsen et al, 2005). Role clarification helps raise issues in a neutral manner and avoids confusion when change is in process. Managing change means managing people's fear or the expectation of loss. Nothing has a greater potential to cause failure and a decrease in the quality of production, yet nothing is as important to the survival of an organization as change (Freese, 2007).

Managing organizational change for the company typically involves preparing employees for things such as moving to a new facility, serving new customers or adapting to new leadership directions. Effective leaders set up group exercises and activities designed to ensure employees understand the company's vision, overcome obstacles and adapt to the new situation. Managers should also provide employees with regular communication about important details Strategic organizational change exercises help ensure that employees know the reasons for imminent changes. Some exercises involve small group activities, such as designing, testing and solving problems with a subset of employees. By conducting these activities in advance of a large-scale implementation, you can identify problems and solve them before they become costly mistakes. Other exercises simulate the impact of changes on people within the organization to help prepare managers to overcome resistance and minimize disruption (Freese, 2007).. Evaluation activities assess the readiness of individuals for the change. Assessment activities occur at the end of the process as well, to prove that training or process improvements produced the desired results. By measuring success and adapting activities accordingly, managers enable their organizations to transition from one state to another in a timely manner (Cheney et al., 2004).

Managers should define a clear vision for the organizational change. This usually includes running focus group meetings with employees to get their ideas about strategic direction. Brainstorming exercises allow participants to express their opinions about how to solve critical problems facing the organization (Freese, 2007). The change leaders should prepare their employees for change by defining and validating specific, attainable, measurable, relevant and time-constrained goals for the organization. Successful managers involve their employees in this effort. This makes them feel more in control of the situation and less likely to resist changes.

It is important to gain information about how employees perceive reality and how they react to it in an environment of change within organizations (Freese, 2007). So, it is important to know what employees think of the organization change they experience and if this perception influences their behavior. When focusing on the employee perception, organizational change causes positive response, but it can also be perceived as non-beneficial (Heuvel and Schalk, 2009). Employees build an overall perception of the extent to which an organization values their contributions (Rhoades and Eisenberger, 2002). Saunders and Thronhill (2003) argue that it is likely that employees will perceive the changes as threatening, because of feelings of being defenseless and fear of losing security. They can face difficulties in accepting and adjusting to the new environment.
The change communicator should discuss the positive and negative sides of the change. There is a tendency to over sell the change by stressing the positives. However, in the long run, a reasonable discussion of the negative proves useful because it provides areas for employee input and they may be in the perfect position to solve some of the potential problems. Moreover, sharing concerns can create a climate of trust. Miller and Monge's (2003) noteworthy field study of an office layout change provides further empirical support of the importance of sharing both kinds of information. The key strategy is to legitimize their concerns, no matter how farfetched they may be. A simple but powerful technique is to merely ask employees to voice their concerns and record them on a flip chart in a non evaluative fashion. Only after all the issues have been recorded are any of the problems debated or discussed. Moreover, the list can be transformed into a series of questions/answers that can be distributed to all employees.

Organizational change depends on the capability of a company's employees. Human resource professionals use adult learning theory techniques, such as encouraging self-directing learning, to provide flexible training alternatives to busy professionals. By offering an array of lectures, workshops and self-study options covering a range of technical and professional development topics, training professionals ensure that employees possess the required skills to complete job tasks safely and accurately Cunningham and Brown (2002). Adult learners require educational opportunities that allow them to direct their own learning, build on their experiences, set realistic goals and use what they've learned on the job to make a positive business impact. For example, they can provide adult learners with questionnaires and surveys, such as the mind tools problem solving test, used to assess their own readiness to resolve issues.

Organization readiness activities for change involve motivating employees to prepare for and adopt changes. This includes communicating in an effective and timely manner. By ensuring employees have the information, skills and experience to adapt to changes; human resource professionals help the company make transitions smoothly Cunningham (2002). For example, they make sure employees have information about company moves to other facilities, changes to salary increases or updates to attendance policies. By prioritizing changes and minimizing disruptions, they help maintain productivity in the workplace. If human resource professionals do not help organize and manage change in the company, chaos tends to occur thus productivity and profitability declines.

2.3.2 Employee Response to Change

Employee's response regarding the change may be either active or passive but can be critical and serious for the management. Change perceptions could be developed by employees' commitment with the organization and career because this relates with individual's psychological and financial needs. First time in literature, Madsen et al., (2005) examined employees' commitment with the organization and found positive relations for readiness to change. In fact, change perception is related to individual's attitudes and behaviors by his or her career. If an employee is committed to her career, she can exert more efforts with high level of progress and skills to work into the organization. The managers who are responsible for guiding staff in change process should understand the common stages and reactions experienced by employees as they are going through the change process. The typical stages include: denial, resistance, exploration and commitment. Each person will go through the stages at their own pace. Some may get stuck in the stages of denial or resistance, and will need extra help in moving forward. Some employees may be especially vulnerable to experiencing anxiety or depression as a result of what is happening at work (Worley 2005) .Allowing staff to add their input before, during and after the change will increase their sense of control and add to their ability to trust management, contribute creative ideas, and commit to new ways of doing things.

In the change management domain, various theories have been applied to get in-depth insight to measuring employee's attitudes and reaction to change. Having a different cognition level, experiences, cultures, habits, skills and mental process of an individual, employee's reaction might be different to even the same change message. Worley (2005) urges that before announcing or implementing changes, management must communicate the change messages properly, accurately, timely and effectively. Besides, change agents must inform five key message components including self-efficacy, principal support, discrepancy, appropriateness, and personal valence, which can provide greater clarity among employees for the change issues (Madsen et al., 2005).

The communication strategy of leaders should invite open, ongoing and transparent discussion so that people are willing to voice their opinions and suggestions. The actions of leaders at all levels must match their words. This has everything to do with credibility and the extent to which employees will trust, commit to and follow leaders There should be effective ways to gather and analyze feedback from employees noting to avoid the one size fits all approach to change communication. Many studies have investigated the extent to which information and communication decrease uncertainty about change (e.g., Berger and Calabrese, 2001; Kramer and Pierce, 2004). Finally, communication has been presented as a strategy for dealing with resistance to change (Kirkpatrick, 2005). The more employees participate in the communication and change strategy, the higher the level of trust between the organization and its employees; the higher the degree of control mutuality between an organization and its employees; the higher the level of commitment between an organization and its employees; the higher the level of satisfaction with the relationship between an organization and its employees; and the more positive the overall relationship between an organization and its internal publics.

The credibility of management is enhanced if they own up to the difficulties inherent in most changes and inform people of how the difficulties have been overcome or how the process has been modified on the basis of the evaluations. The problems associated with change become a matter of public knowledge soon after they are discovered. The actual problems are often embellished by those who revel in such things, and if unanswered with the facts, they become part of the common rumours (Madsen et al., 2005). The hierarchy ought to be invoked again, and accurate information should proceed down through the structure to the lowest levels in face-to-face meetings. As the change moves from piloting and evaluation to more widespread applications, people need to be informed of the progress (Thronhill, 2003).

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter represents the research design, population, sample, data collection method and data analysis techniques that were used to achieve the objective of the study.

3.1 Research Design

This is a cross sectional descriptive survey. The design is appropriate for the study since data will be collected from across the industry. The design is also feasible when the population is small and variable. Weirs and Ronald (1996) defines a survey as including a cross sectional and longitudinal study using questionnaires or structured interviews for data collection with the intent of generalizing from a sample to a population.

3.2 Population

Target population can be defined as individuals with common observable characteristics that are being investigated Mugenda and Mugenda (2003). The target population is the 43 commercial banks in Kenya (Central Bank of Kenya 2011). All the commercial banks will be studied. This will be a census survey.

3.3 Data Collection

This study will use primary data and secondary data. Primary data will be obtained through a structured questionnaire comprising of open ended and closed questions (Appendix II). Respondents will be the person in charge of change management in each of the 43 banks in Kenya since they are directly involved in designing and implementation of employee communication programs during organization change. Secondary data like human resource journals, employee handbook and other human resource information will supplement the primary data.

3.4 Data Analysis

Data collection and analysis will quantitative in design methodology will be used to analyze data gathered from the proposed research instruments. The quantitative design methodology is applied using descriptive statistics. Descriptive statistics is a process of transforming a mass of raw data into tables, charts with frequency distribution and percentages Descombe (1998

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the principle findings from the research questionnaires that were distributed among the participants. The chapter focuses on findings of the study in relation to research objective and our research question.

In order to determine communication strategies used by commercial banks in Kenya to their employees during organizational change, the research instrument that was used for the purpose of this study comprised of a questionnaire. All respondents were requested to answer the same questions to describe their personal opinions regarding the issues raised. The questionnaires that contained both closed ended and open ended questions were distributed to respondents with 38 out of 43 respondents managing to respond within the given timelines.

Structured questionnaire was used to get feedback regarding: employees understanding of organizational change, employee involvement in organization change, and communication strategies during planning, implementation and post implementation stages of organizational change.

4.2 General information relating to organizational change

While organizational change has been inevitable in commercial banks in Kenya, it was noted that only 4 banks out of 38 under study had a department set up to deal with organizational change. Moreover, only four were found to have internal communication departments. It was noted that in most banks, the officials directly involved in change management were drawn from human resources, finance and operations department.

Also it was noted that there is no clear common communication strategy within the industry and each bank appeared to use their strategy and methods. The findings therefore indicate that there is need for scholars and players within the industry to come up with communication strategy that can be adapted by the industry during this period of rapid organizational changes.

The use of technology has made significance improvement in the way organizations do business to maximize their return to investment. All over the world, organizations that are able to adapt to changes in technological developments improve their operational efficiency and they therefore gain competitive advantage over their competitors. However, within the Kenyan banking industry 39.53% of organizational change was found to be attributed to organization structure change, and 30.23% was attributed process changes. Only 11.63% was attributed to technology or system change. This means that most banks in the industry focus on structure and processes as a mean of gaining competitive advantage or increasing their profits.

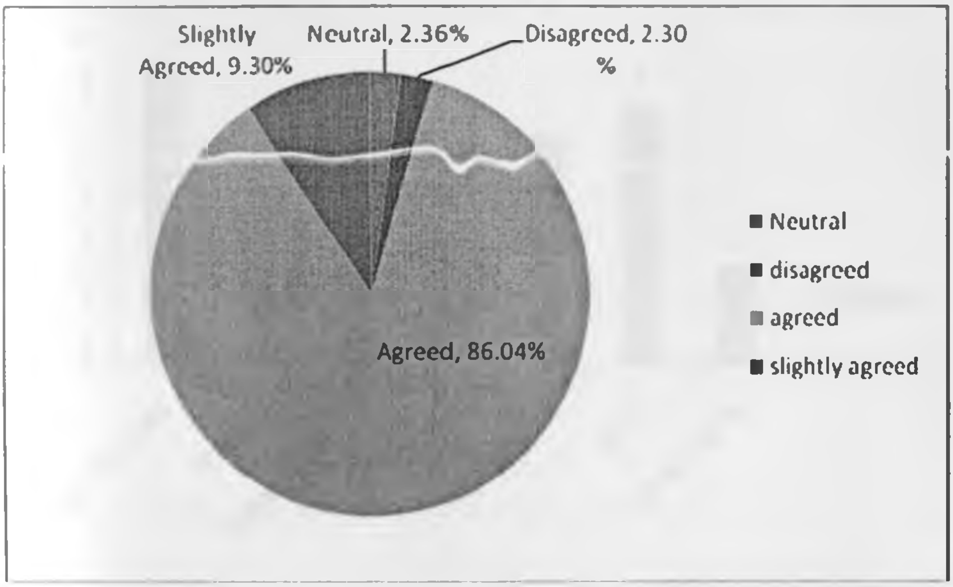
In general, communication strategies used by Kenyan commercial banks are in line with past research findings. The findings indicates that audience-driven focus and objective during each stage of organizational change need to be identified. The stage of organizational change and objective of communication during each stage were factors that determined communication strategy used during organizational change.

4.3 Employees Understanding of Organizational Change

It is argued that employees do not resist organizational change except when they do not understand or when they detect that the change is economically or psychologically threatening (Hayes,1996).Whenever employees do not understand the need for change or change process, they result to displeasure, anxiety, frustration and confusion (stohl,1995). It was not possible to interview employees of all banks to determine whether they understand the need and implications of organizational change. However, having interviewed banks officials who are directly involved in change management, 81% of respondent agreed that employee do understand organizational change while only about 11% disagreed.

The result implies that banks employees do understand the need for change that is driven by various factors including: competition, technological development, regulation among others factors. Since employees have an understanding of organizational change, it makes it easier for the management to communicate change within the industry. While asked whether managers understand organizational change more than clerical and subordinate staff, 86% of respondent answered in the affirmative while 9.3% slightly agreed. Only 2.3% disagreed while a further 2% choosing to remain neutral.

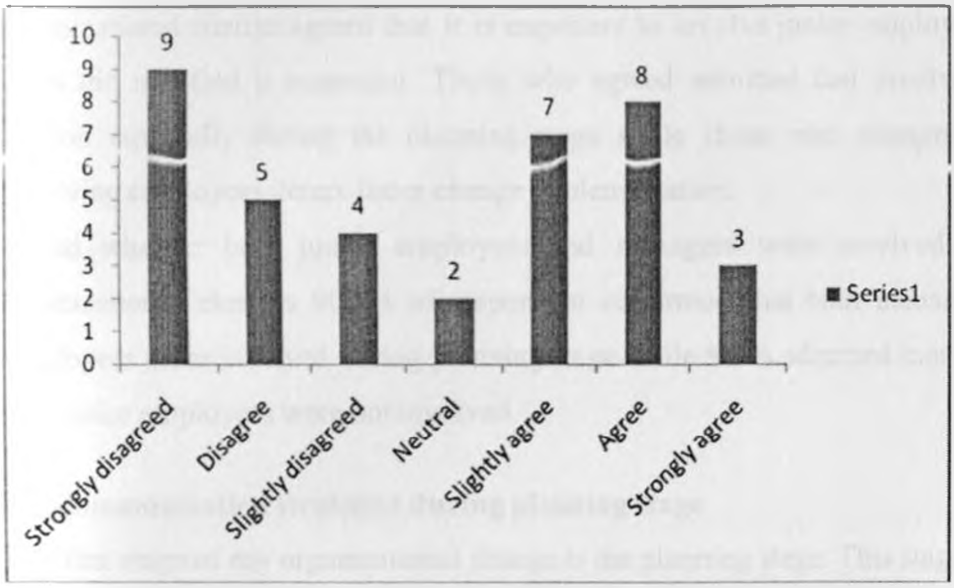
Figure 4.3.1 Managers understand change more than clerical and subordinate staff



The result therefore indicates that managers understand organizational change more than clerical and subordinate staff. This in turn implies that managers are able to offer guidance, information and direction to their direct reports throughout change process within the industry. The findings indicated that managers can play significant role in affecting employees' attitude and understanding of organizational change (Larking and Larking, 1994).

It was noted that there was high staff turnover within the banking industry mainly due job insecurity caused by frequent organizational changes. However, In order to determine whether employee experience contribute to their understanding of organization change, respondent were asked to indicate how they agreed with the statement that employee's experience contribute to their understanding of organizational change. The feedback is summarized in the table 4.3.1 below.

Figure 4.3.2 Does employees experience contributes to their understanding of organizational change?



This implies that employees experience does not significantly enhance their understanding or support of organizational change. Respondent agreed that the more experienced members of staff are, the more they are likely to resist organizational change. Change agents must therefore formulate a communication strategy that will enable experienced members of staff to gladly adopt and support the change.

4.4 Employee involvement in change process

In the past organizational change was viewed as the management initiative and prerogative. This resulted to change resistance and uncooperative effort from other employee making organizational change a slow and ineffective process. However, increased global market conditions, competition and technological development have forced organizations to implement changes more frequently and rapidly in order to maintain their competiveness. In order to achieve rapid and frequent changes, there has been an increased employee involvement in management of organizational change within the banking industry in Kenya. Employee involvement is strategy used by management to gain maximum benefit from their employees in terms of expertise and cooperation during organizational change. Employee involvement during change also facilitates smooth transition and appropriation of full benefits of change investment.

This study sought to determine the level of employee involvement during organizational change in Kenyan banking industry. 81.4% of our respondent directly involved during organizational change agreed that it is important to involve junior employees while only 4.7% did not find it important. Those who agreed admitted that involvement reduced tension especially during the planning stage while those who disagreed argued that involving employees deters faster change implementation.

Asked whether both junior employees and managers were involved during recent organizational changes 90.7% of respondent confirmed that both managers and junior employees were involved during planning stage while 9.3% admitted that both managers and junior employees were not involved.

4.5 Communication strategies during planning stage

The first stage of any organizational change is the planning stage. This stage is initiated by both internal and external stimulus that threatens organization's ability to achieve its goal and objectives. Although it may assumed that employees from top level to junior staff understand the need of organization change, the planned change may not be effective unless it is properly communicated. The goals and objectives of change have to be clear to the people involved, and they must have a vision and direction of change in order to know their specific roles (Kotter, 1999).

Kotter (1995) lists eight steps that leaders of organizations should take in order to successfully implement change. One of the most crucial steps in the process, and the step during which many attempts at organizational change fail, is communicating the vision of change to the staff via every possible means. He notes that a classic error made by leaders trying to implement change is under-communication of the change to the staff that will be implementing it.

It was noted that the goal of communication during planning stage was to prepare and create awareness to members of staff of the coming change, to foster alliance and gain support from members of staff, to develop consensus of any objections regarding change and also make test messages aimed at identifying supporters, opponents, or those who are neutral regarding the planned change. At this stage top management must be aware of any change resistance that could be caused by different factors including self interest, fear, group pressure and inertia (Hayes, 1996).

Generally, respondents agreed that during the planning stage of organizational change, the objective was to educate and lure members of staff to support the planned change. Formal communication was used and communication channel used at this stage included circulars, internal bulletins and emails and newsletters. More information was posted to intranet for reference by the members of staff. Surveys were also carried out during this stage to determine level of awareness and support from staff members.

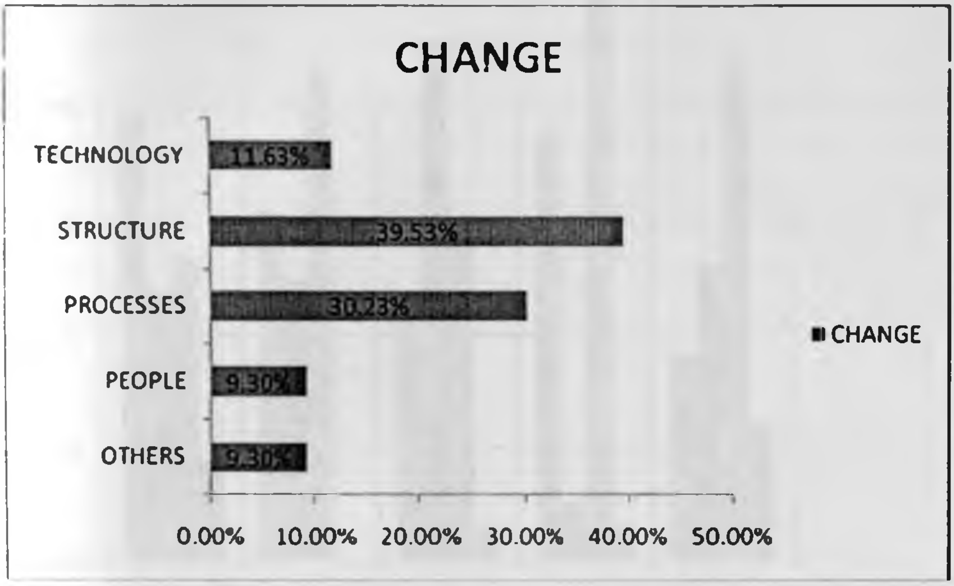
90.69% of respondent admitted that all employees from junior staff to top management were involved during planning process, while 95.35% of respondent believed that it was important to involve junior staff in order to overcome resistance, remove fears and doubts and minimize confusion brought by sudden change. Most banks that have undergone organizational change appear to have communicated impending change way before implementation with the need of change being emphasized at this stage. 75% respondent noted that the need for organizational change was emphasized at this planning stage while 25% noted that both the need and impact of organizational change was emphasized.
46.5% of respondent felt that the change affected them positively, 27.9% felt that the change affected them negatively and 25.6% felt that the change did not affect them. 79% of respondent admitted that the communication during planning stage was similar to all members of staff and formal channel of communication was the main source of communication.

4.6 Communication strategies during Implementation Stage.

Most banks used participative communication strategy during this stage of organizational change and the channel used included both informal and formal methods. All banks under study appear to have implemented organizational change within the last two years with change of organizational structure taking 39.53% being the most common change experience. It was followed closely by change process or business reengineering at

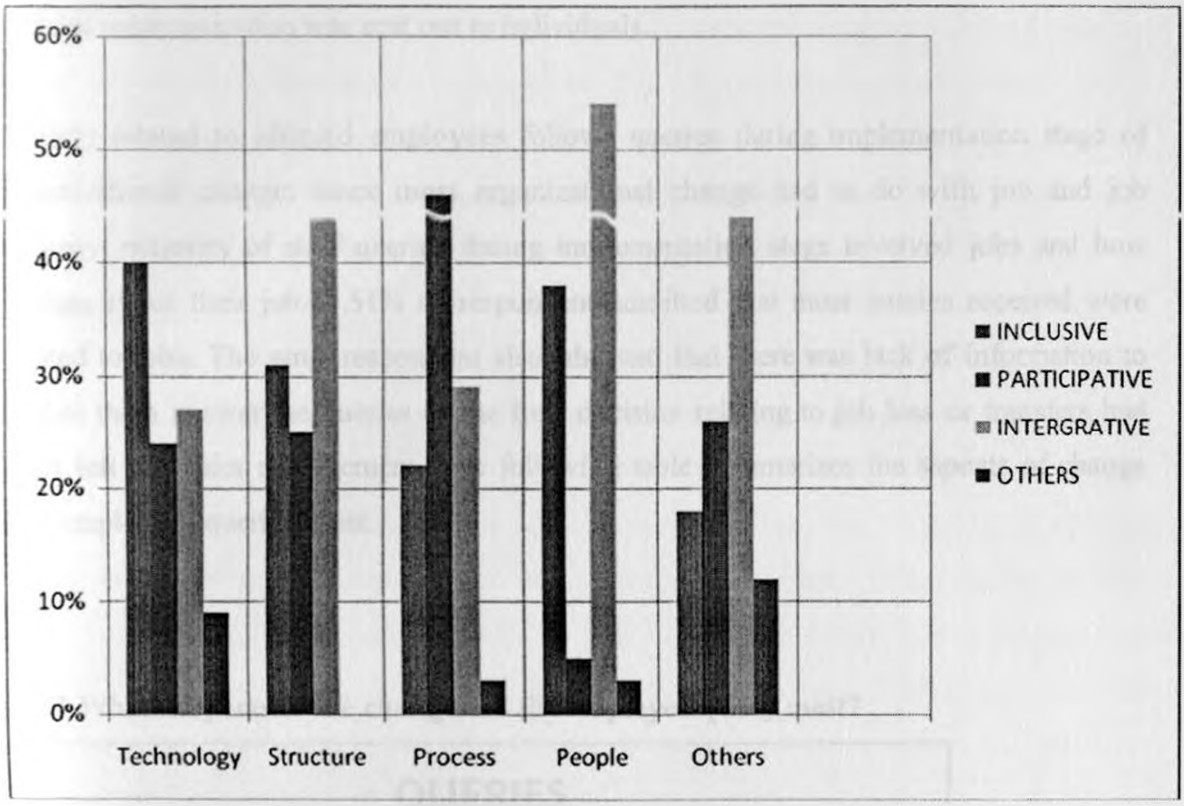
30.23%. The table below summarizes result when respondent were asked what the major change in their organizations involved.

Figure 4.6.1 what were the major changes in the organization?



It was noted that communication strategies were also dependant on the nature and type of organizational change. Majority of those banks that underwent organizational structure change used participative-51% and inclusive strategies-40%, while those who underwent technological change used inclusive strategies-49% and integrative strategies23%. The table below summarizes the communication strategies that were used during different type of organizational change.

Figure 4.6.2 Type of organization change and communication strategy

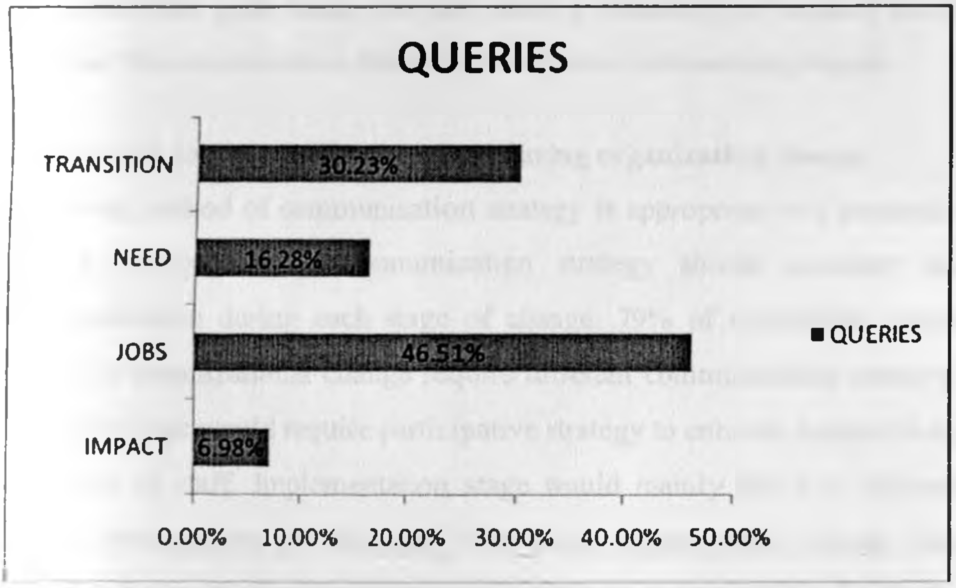


Most respondent agreed that during change, employees were affected with some being declared redundant while others having to be replaced or transferred. The time when employees are affected is usually a time of anxiety, confusions and assumptions. How banks communicate such information is vital as it affect productivity of all employees even those who are not affected.

Before communicating redundancy to individual members of staff, 80% of respondent agreed that preparations to pass such communication was done systematically and mainly began by attractive exit package being communicated to all members of staff. This was to encourage voluntary exit program for those wished to leave at their own volition. After this method was exhausted, face to face individual communication and discussion between senior management and affected members of staff were held. Some banks also held training to assist the affected members cope with transition. Once all affected members were notified of their eventual exist through oral communication, personalized written official communication was sent out to individuals.

Closely related to affected employees follows queries during implementation stage of organizational change. Since most organizational change had to do with job and job security, majority of staff queries during implementation stage involved jobs and how change affect their job.46.51% of respondent admitted that most queries received were related to jobs. The same respondent also admitted that there was lack of information to enable them answer the queries as the final decision relating to job loss or transfers had been left to senior management. The following table summarizes the aspects of change that employees queried most.

4.6.3 Which aspects of the change did the employee query most?



4.7 Communication Strategies After the Implementation

Internal communication regarding change should be continuous process not only during the planning and implementations stage but also after implementation (Wilbur.1999); however the objective of communication after change implementations aims to inform both staff and management of the success and impact of implemented change. It was noted that communication efforts during this post implementation stage was not vigorous as during the earlier two stages. Also noted was the fact that most banks used interactive communication strategy in order to get feedback from employees regarding the changes made. The methods of communication during this stage mainly included: regular newsletter, staff briefings, communication champions, and intranet and discussion forums. Participative communication strategy was preferred during this stage as it allowed management to combine both formal and informal channels to communicate to their employees and receive feedback. Only 10 banks out of 43 banks in the industry had carried out survey on employee feelings toward organizational change process. This suggested that most banks did not deem it necessary to conduct survey to determine whether there was positive feedback from those implementing change.

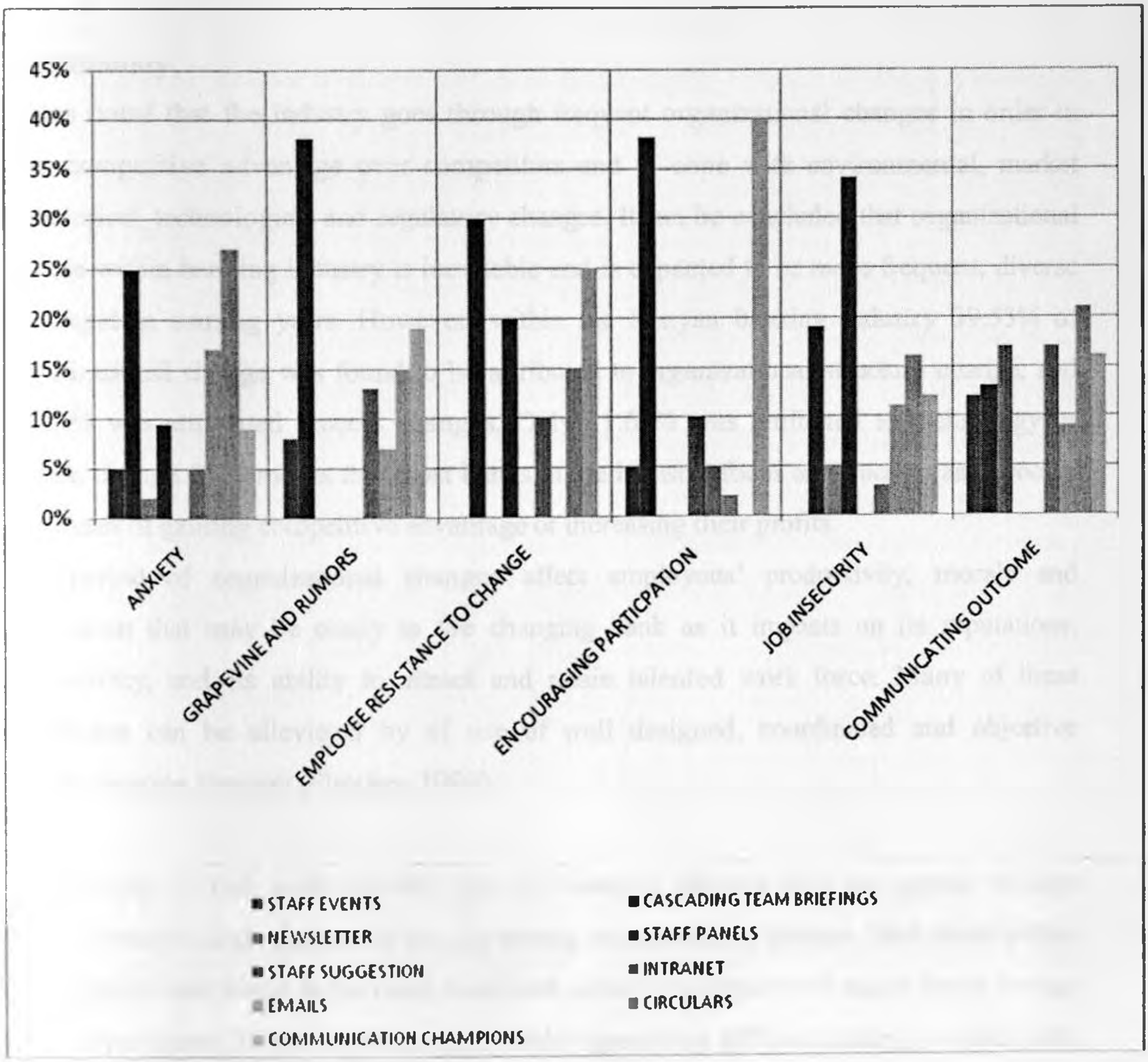
4.8 Overall communication strategy during organization change

Different method of communication strategy is appropriate at a particular stage or event during change. Every communication strategy should consider the objective of communication during each stage of change. 79% of respondent agreed that different stages of organizational change require different communication strategy. In particular, planning stage would require participative strategy to enhance support and gain ideas from members of staff. Implementation stage would mainly focus on interactive strategy to enable management get feedback from those implementing change. Some method are meant to bring clarity while others are to inform, interact or bring feedback, or share ideas, some are more faster than others, while others are more effective.

It was also noted that organizational culture plays an important role in determining communication strategy to use during organizational change. Gilsdorf, 19980 argues that analysis of organizational culture should be conducted in order to help determine communication strategy.

Change managers or change agents have various methods at their disposal to use at various stages of organizational change. 46.51% of respondent preferred integrated communication strategy as the most effective as it enabled management to communicate differently at various stage of change. The column diagram below summarizes response from officials directly involved during organizational change when asked which method they used in times of indicated situation.

Figure 4.8.1 which communication method did you use in situations of?



CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

The objective of this study was to determine communication strategies used by Kenyan banking industry to communicate to their employees during organizational change. It explored how different levels and experience of employee view and understand organizational change and how internal communication can impact on organizational change success.

5.1 Summary

It was noted that the industry goes through frequent organizational changes in order to gain competitive advantage over competitors and to cope with environmental, market economical, technological and regulatory changes. It can be concluded that organizational change within banking industry is inevitable and is expected to be more frequent, diverse and rapid in coming years. However, within the Kenyan banking industry 39.53% of organizational change was found to be attributed to organizational structure change, and 30.23% was attributed process changes. Only 11.63% was attributed to technology or system change. This means that most banks in the industry focus on structure and process as a mean of gaining competitive advantage or increasing their profits.

The period of organizational changes affect employees' productivity, morale and motivation that may be costly to the changing bank as it impacts on its reputations, profitability, and its ability to attract and retain talented work force. Many of these challenges can be alleviated by of use of well designed, coordinated and objective communication strategy (Fletcher, 1999).

The findings of this study revealed that the banking industry does not appear to have communication strategies model for use during organizational change. Each bank within the industry was found to be using their own inbuilt strategies with some banks having none in particular. However the member banks agreed that different strategy worked well under different stages of communication and methods varied with scenarios, emotions and situations. In order to facilitate flawless, faster and effective organizational change, banks should in future formulate communication strategies and if possible set up internal communication departments. This will enable banks to have a more objective internal communication that will alleviate or reduce challenges that are commonly and therefore expected during organizational change. The result of this study can be used to improve internal communication strategy used during organizational change and identify communication best practice within the industry.

5.2 Conclusion

It has now become clear that organizational change is inevitable within the banking industry in Kenya and each organization will undergo change more frequently in future in order to remain in market in a competitive and dynamic industry. Banking industry in particular is bound to undergo changes ranging from business re-organization, management systems, business re-engineering, outsourcing, off sourcing, merger and acquisition among other changes. It is therefore important for banks to be prepared early in advance on how they will manage change and in particular communicate to their members of staff before, during and even after organizational change (lattimore et al, 2004). Most scholars have been attempting to develop and search for best internal communication practice that can be used by different industries during different stages of organizational change. However, the findings of this research indicate that each bank in Kenya tends to use their own communication model with most of them customizing communication strategies to fit into their culture and needs. Since what works well in one organization may not work for other organizations, it is important to formulate communication strategies by considering each organization at a time.

Communication strategies serve as vital part of change management strategy in banking industry. In practice, the findings suggest that face to face communication can be used to minimize negative change perceptions and reaction which is mainly caused by lack sufficient and accurate information and ineffective use communication channels. Change agents also need to use the method of cascading down information through open discussion in an informal atmosphere.

It is expected that as organizations and in particular banking industry in Kenya undergoes inevitable change, communication will take centre stage in determining success and failure of any organizational change. It is therefore expected that survival of any organizational will not only be determined by their current profitability but also by their ability to formulate and implement effective internal communication strategies.

5.3 Recommendations to the Banking Industry Players

The following recommendations may be found important to players within the banking industry regarding internal communication during organizational change. Firstly, each organization should employ a dedicated and well trained resource to handle internal communication. This is because change cannot be avoided and communication should be embedded in change management process. Second, each organization should have a deliberate, ready and objective internal communication strategy to be executed during organizational change. Finally, the findings also seem to suggest that formulation of communication strategies need to be harmonized with various stages of organizational change to ensure that all change information is correctly and timely conveyed to the right recipient.

It was noted that the subordinate and clerical staff were not asked for their input in change process. They were only informed of the decisions that have already been made. Banks should seek their input since they are the ones who are in direct contact with the clients thus understanding the implications of change on the market dynamics.

The banks should always carry staff survey before, during and after the change process. This will enable them to know the concerns of the employees hence employ a communication strategy that addresses the effectively.

Change communicators should also incorporate junior staff and immediate supervisors instead of heads of departments alone. This will enable employees at all levels to own the message and embrace the intended change.

5.4 Limitations of the Study

The research was conducted within a limited period of time and therefore sufficient time could not be afforded to respondent to give indulgence before answering questionnaires. The interview arrangement with managers directly involved in change management officials in all commercial banks in Kenya is challenging. Therefore a combination of face to face interview with electronic interview and email questionnaire was used to deal with this challenge. As per qualitative research theories, face to face interview tend to bring out more information than electronic interviews. Finally, it may not be possible to eliminate the element of bias by the respondent in their response despite discretion and careful response analysis by the author. Finally it was not possible to measure the success of any communication strategy used and therefore the study was inconclusive as to the best practice of communication during organizational change.

5.5 Suggestions for Further Studies

To the researchers, it is recommended that similar study be conducted using a specific case study rather than industry survey. This is because the result may not be generalized given that each organization faces different inherent factors such as culture that may determine the choice of best communication strategy during change. Case study would also give more detailed information describing communication strategy employed by a single organization. A researcher may also be interested in measuring success of each communication strategy at various stages of organizational change by use comparison approach. Most information used in this study was collected from single change representative in each bank. However, to eliminate bias, a researcher may sample and collect date from both change officials and other members of staff to get better and more accurate information regarding change communication.

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APPENDIX I: INTRODUCTION LETTER

The Chief Executive Officer,
Equity Bank Ltd,
P.O Box 75104 – 00200,
Nairobi.

I am pursuing an MBA degree in the University of Nairobi.

To fulfill the requirements of the course, I am undertaking a research on organizational communication strategies to employees during organizational change. This will involve use of interview questionnaires with the members of staff in your organization.

Attached herewith please find a copy of the introduction letter from the university.
Please grant the authority to conduct the interviews and access of relevant documents.

Thank you in advance.

Yours faithfully

Muthaura S. Gacheri.

APPENDIX II QUESTIONNAIRE

Kindly answer the following questions by filling the spaces provided.

SECTION A: GENERAL INFORMATION

1. Name of department: ____

2. What is your designation: _____________________________________

3. What is your total work experience in years? __________________

4. How long have you been working with this bank? ________________

   Years __________________ Months __________________

5. I am interested in the extent to which you agree with the following statements about your views on organizational change.

	Strongly disagree	Disagree	Slightly disagree	Neutral	Slightly agree	Agree	Strongly agree
The change resulted to improved communication between senior and junior employees	1	2	3	4	5	6	7
All employees understand the need for organizational change	1	2	3	4	5	6	7
All employees should be involved in change implementation	1	2	3	4	5	6	7
Employees are							

supportive and they embrace team work in their new roles.	1	2	3	4	5	6	7
The roles that fell redundant were specifically communicated to the job holders in time	1	2	3	4	5	6	7
Passing of information affected employee perception of organization change.	1	2	3	4	5	6	7
Experienced employees appreciate organizational change	1	2	3	4	5	6	7
Managers understand the change process more than clerical and subordinate staff	1	2	3	4	5	6	7
The bank carries surveys on employee feelings towards the transformation process	1	2	3	4	5	6	7

SECTION B

Part A: Planning Stage

1. Did the planning process involve both the junior and the management staff?

....

....

2. Was it necessary to involve the junior staff in the planning stage and why?

....

....

3. What information did the organization find vital to pass to the employee during the planning stage?

....

4. How was the information communicated to the employees?

....

5. How did the organizational change communication affect you as an individual?

....

....

6. Was the message the same in for all employees?

....

....

Part B: Implementation Stage.

7. What were the major changes in the organization?

....

....

8. How was job redundancy and transfer to new work stations communicated to the affected employees?

....

....

9. Which aspects of the change did the employee query most?

....

Part C: After the Implementation

10. Which communication strategy did you find most effective?

....

Which communication method did you use in situations of :

a. Anxiety

....

b. Grapevine and rumors

....

c. Employee resistance to change

....

d. Encouraging participation through feedback

....

e. Job insecurity

....

f. Communicating the outcome of change

....

Assessing employee readiness for change

....

Thank you for your participation.

APPENDIX III: COMMERCIAL BANKS IN KENYA

1	African Banking Corporation Ltd
2	Bank of Africa Kenya Ltd
3	Bank of Baroda (K) Ltd
4	Bank of India
5	Barclays Bank of Kenya Ltd
6	CFC Stanbic Bank Ltd
7	Charterhouse Bank Ltd 9 Under Statutory Management)
8	Chase Bank (K) Ltd
9	Citibank N.A
10	Commercial Bank of Africa Ltd
11	Consolidated Bank of Kenya Ltd
12	Co-operative Bank of Kenya Ltd
13	Credit Bank Ltd
14	Development Bank of Kenya Ltd
15	Diamond Trust Bank Kenya Ltd
16	Dubai Bank Kenya Ltd
17	Ecobank Kenya Ltd
17	Equatorial Commercial Bank Ltd
19	Equity Bank Ltd
20	Family Bank Limited
21	Fidelity Commercial Bank Ltd
22	Fina Bank Ltd
23	First community Bank Limited
24	Giro Commercial Bank Ltd
25	Guardian Bank Ltd
26	Southern Credit Bank
27	Gulf African Bank Limited
28	Habib Bank A.G Zurich

29	Habib Bank Ltd
30	Imperial Bank Ltd
31	I & M Bank Ltd
32	Jamii Bora Bank Limited
33	Kenya Commercial Bank Ltd.
34	K-Rep Bank Ltd
35	Middle East Bank (K) Ltd
36	Oriental Commercial Bank
37	Paramount Universal Bank
38	Prime Bank (Kenya)
39	National Bank of Kenya Ltd
40	NIC Bank
41	Standard Chartered Bank
42	UBA Kenya Bank
43	Victoria Commercial Bank Ltd