

**STRATEGIC LEADERSHIP AND CHANGE MANAGEMENT PRACTICES AT
CHASE BANK KENYA LIMITED**

BY

GACHARIA JAMES GAKUYA

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DECLARATION

This research project is the result of my independent study and has not been submitted for examination in this University or any other Institution of higher learning.

Signature

Date.....

GACHARIA JAMES GAKUYA

D61/72607/2014

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

Signed

Date.....

PROF. EVANS AOSA,

DEPARTMENT OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

DEDICATION

I dedicate this project to the Almighty God for giving me the grace to undertake it, to my family: my father Job Gacharia, for all his sacrifices to enable me achieve my academic goals, my only sibling and brother, Arthur Gacharia for his encouragement and moral support; and in memory of my late mother, Jacinta Gacharia, for being an inspiration to me, for her encouragement and for her vote of confidence.

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ABSTRACT

Organizations have increasingly ventured in complex business environments with the objective of growth, increasing profitability and ensuring that customer satisfaction and loyalty is attained. This study aims at establishing strategic leadership and change management practices at Chase Bank Kenya limited and the challenges faced in regards to the same. The study was carried out through a case study focusing on Chase Bank Kenya Limited and the strategic leadership being practiced and the change management process that was undertaken at the organization in enabling it achieve its goals and objectives while managing the risks and challenges involved. Primary data was collected from the respondents through an interview guide and key informant interviews. A total of 5 interview guides were administered in the process. Secondary data was obtained from existing records such as annual reports, records, print media, academic works audited accounts and journals. The data collected was analyzed using content analysis in order to meet the study objectives. The results from the study findings revealed that strategic leadership at Chase bank Kenya limited was viewed as the visionary leadership that guided the organization, with strategies being formulated by strategists in the bank that ensured need based solutions were reached and thus resulting to competitive advantage over other firms. The respondents cited that the forces of change in the organization were both external and internal. The external forces of change identified were changes in technology, changing demands of consumers, changes in regulatory policies, political forces, economic forces, social cultural forces and competition from other banks. Internal forces of change identified were changes in employee demands, changes in work schedule, growth and expansion, new innovation and restructure changes. Activities that were rolled out as change program were strategy formulation, strategy implementation, strategy evaluation, culture change, staff retraining, review of the organizational structure, review of policy and law, realignment of functions, documentation of procedures/ processes, awareness, coaching, training and role plays. It was established that the challenges faced while leading the activities in the change management program include politics within the organization, resistance to change, difference in ways of perceiving opinions, inadequate funds, staff resignation, poor management and rapidly changing environment with competing initiatives and projects. Strategies adopted for minimizing resistance to change were classified under people-centered and task-centered recommendations. This study recommends that strategic leadership must make change a continuous process and should be well communicated and known by the entire organization. This study offered insights into strategic leadership as key to driving change management offer lessons to professional and practitioners of strategic leadership. The research findings addressed the questions under investigation and the objectives of the study. The implication of the study was to establish the importance of strategic leadership in driving change and the results are going to add value to theory, help academia and practitioners to understand, apply and replicate the findings.

CHAPTER ONE

INTRODUCTION

1.1 Background

Many organizations are operating in increasingly complex environments, in which strategic adaptation to environmental changes is an imperative. The attempt by an organization to align its mission, goals, and strategies with the external environment is really the essence of strategic management, which is the field of strategic leadership. In order to optimize organizational performance and effectiveness, organizations must ensure that they adapt and fit their internal strengths and externalities in the macro-environment. The dynamic environment necessitates changes in the organizational activities, processes and values in order to remain afloat (Johnson and Scholes, 2004). How successful a company is at exploiting emerging opportunities and dealing with associated threats depends crucially on leadership's ability to cultivate a global mindset among managers and their followers.

The dynamic capability theory emphasizes on how transformational leadership could change their existing models and paradigms to adapt to the changing environment. Dynamic capabilities theory emphasizes two things; one is the organization must be stable in order to continue to deliver value in their own unique way, and two is that they must be flexible and adaptive enough to shift on time when circumstances dictate so (Teece, 1997). On the other hand, the resource based view of strategy development is on the organization's own resources-its physical resources such as plant and machinery, its people resources such as its leadership and skills, and above all the ways in which such resources interact in the organization.

Kotter (1995) introduced his eight-step process for leading change as follows; create urgency, form a powerful coalition, create a vision for change, communicate the vision, remove obstacles, create short-term wins, build on the change and anchor the changes in corporate culture. Lewin recognized three stages of change, which are still widely used today: unfreeze, transition, and refreeze (Syque, 2007). The main motivation of conducting this research is to analyze the change management practices that leaders at Chase bank Kenya limited have put in place as a result of the adoption of the retail growth strategy, which has led to ease in the implementation process and success thereafter. By Identifying this practices, the bank's strategic leaders are able to focus and steer through thus giving it a lead over competitors, thus resulting to having a competitive advantage while still managing change (Pearce and Robinson, 2000).

The banking industry in Kenya faces a variety of challenges, including competition from global markets, restructuring by down-sizing, mergers, acquisitions, technological changes, increased awareness and demands from customers. These challenges have placed pressure on organizations to change their systems, structures and processes to ensure continued survival and existence of their business (Peach, 2009). Chase Bank's strategy is to strengthen its position in the retail and the SME customer base market in Kenya through acquisitions, development of regional agencies and new branches. Chase Bank Kenya limited is forced to seek alternative funding methods to boost its cash position to be in tandem with its rapid growth in line with banking regulations of capital adequacy ratio. One of the initiatives has been partnering with development finance institutions for debt and equity. The overall goal is to boost our capital to meet regulatory requirement but also to take the bank's expansion and growth strategy to the next level.

1.1.1 Concept of Strategic Leadership

Leadership is the process of influencing an organization or group within an organization in its efforts towards achieving an aim or goal (Johnson and Scholes, 2002). On the other hand strategic leadership is the influence process that facilitates the performance of the top management team to achieve objectives (Clegg et al, 2011). Strategic leadership is the ability to anticipate, envision, maintain flexibility and empower others to create strategic change as necessary in an organization. Effective strategic leadership is the foundation for successfully using the strategic management process. It can help prioritize objectives for subordinates and can provide guidance towards achieving the overall corporate vision.

According to characteristics and tasks of strategic leadership the most effective and suitable leadership style is transformational leadership. Transformational leadership recognizes that success results from their belief in both themselves and their staff (Capon, 2008). Transformational leadership explains how a leader is held with the responsibility of identifying the needed change, creating a vision to guide the change through inspiration, and executing the change among a set number of individuals.

Strategic leaders are important leaders in organizations Adair (2010). Good strategic leadership requires an analytic and critical thinking perspective to see the process through during strategy formulation and implementation, which is a strong driver in leading the organization in achieving its goals and objectives. Strategic leadership is very important in an organization since it entails having core competencies and proper working relationships with the leaders, managers and staff which results to proper change management techniques adopted.

1.1.2 Change Management Practices

Change management is an approach to transitioning individuals, teams, and organizations to a desired future state. In some project contexts, change management refers to a project management process wherein changes to a project are formally introduced and approved. All organizations undergo changes at one point or another. Strategic change can be defined as a difference in the form, quality or state over time (Van de Ven & Poole, 1995) in an organization's alignment with its external environment. Strategic change involves radical transitions within an organization that encompass strategy, structure, systems, processes and culture. It is the process of getting individuals, teams and organizations to function better (Mullins and Riseborough, 1999). There are two types of change within the organization; strategic change and operational change (Nadler, 2006).

Strategic change occurs mainly at corporate level and involves fundamental changes in the business of organization and its future direction. It is concerned with vision, mission, values and corporate philosophy with the aim to achieve organizational effectiveness. Operational change occurs mainly at business level and e the organization to achieve efficiency and competitive advantage. There two dominant approaches managing change are namely; emergent and planned approaches (Burnes, 2004). Emergent approach views change as a continuous, open ended and unpredictable process of aligning and realigning the organization to its changing environment (Burnes, 1996). It tends to be a bottom –up activity and views change as a continuous learning process. This approach seeks to avoid the pitfalls of imposed change by allowing individuals within their working groups to come to terms with change through involvement and participation.

Planned change approach rely more on assumptions that an organization's environment is known and change can be planned to move from one state to another. The planned approach views change as a process of moving from one fixed state to another through a series of pre-planned steps. The limitation of planned approach, it inhibits the organization's ability to respond promptly to sudden changes in the environment which is constantly occurring (Graetz et al., 2002).The Importance of strategic change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster. Additional benefits to change management include improved organizational outcomes and performance, enhanced employee satisfaction, morale, and engagement and improvement of service quality in the organization.

1.1.3 Strategic Leadership and Change Management

Despite the growing consensus that change is imperative if organizations are to grow and thrive in the current and future environment, effecting change, especially major change, it is still not an easy undertaking. Many change efforts don't meet the expectations of the organization. A central strategic challenge for many leaders is managing people during the change process and dealing with resistance. Resistance to change and the absence of effective leadership are major reasons for why most transformation efforts. Therefore, change management needs to effectively listen and communicate with employees (Daly et al., 2003).

There has been much focus on strategies that leaders can use to effectively manage change rather than simply reacting to it. These strategies include articulating a compelling reason for change; having open and regular communications, a road map for implementation, and training programs for required skills and competencies; forming a coalition of supporters and experts in the field during the early stages of the change process; staying the course in spite of perceived difficulties; recognizing and rewarding the contributions of others to the process; carefully managing resources and priorities; keeping the process transparent; and last but not least, having a plan for dealing with resistance. Groups without strong line leadership never achieve the power that is required (Kotter, 1995).

1.1.4 Banking Industry in Kenya

The Banking industry in Kenya is regulated and governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and prudential guidelines issued by CBK. CBK falls under the Ministry of Finance and is tasked with formulating and implementing of monetary and fiscal policies while fostering the liquidity, solvency and proper functioning of the financial systems. The Banks have come together under the KBA , which serves as a lobby for the banks" interest and also addresses issues affecting the member Banks. The Banking sector in Kenya has continued to indicate significant growth in assets, deposits, profitability and products offering.

The banking industry has shown some tremendous growth over the past few years in deposits, assets, profitability and products offering. This has mainly been attributed by the automation of services and the branch network expansion both locally and regionally. Its involvement with automation has made it move from the traditional banking in order to meet the growing needs of its customers and globalization challenges. The kind of growth in the banking industry has brought about increasing competition among players and new entrants into the banking sector.

Currently the banks in Kenya are now focusing on the diverse customer needs rather than the traditional banking products such as over the counter cash withdrawals and cash deposits. According to the Financial Sector Deepening (FSD) Kenya (2008), the banking industry in Kenya is strategically enhancing its present and future performance by guiding new business development, international benchmarking, informing bank customers and keeping regulators on their toes. As of December 2008 the banking system comprised of 44 commercial banks, 15 micro-finance institutions and 109 forex bureaus. The banks are under the Kenya Bankers Association (KBA) which works as lobby for the local banking industry.

1.1.5 Chase Bank Kenya Limited

Chase Bank Kenya Limited is a privately owned bank incorporated in Kenya in 1996. Chase Bank is a conventional one stop financial institution with a focus on the SME Market. In addition, The bank has an Islamic window branded Chase IMAN which was introduced in May 2009 and it was licensed and approved by the Central Bank of Kenya as well as the bank competent Shariah Advisory Board. With total assets of around USD 1.3Bn, Chase Bank is currently the 11th largest bank in Kenya with 49 branches all over the country. The Bank has developed a comprehensive SME and retail offering which has sustained the growth momentum. Through the identification of unique and profitable segments such as the SME market which has been directly responsible for the increase in country's GDP, the Bank has positioned itself as the preferred SME Bank. We have 6 uniquely tailored products to suit the needs of SMEs in the country to ensure that they benefit from the varied financing options.

Chase bank's has set its vision as being the pan African relationship bank, and it's mission as enabling people achieve the things that matter to them most. The values which facilitate this are being inclusive, keeping it real, making it simple and sharing the passion. As such the core business is providing financial solutions that enable people and businesses achieve things that matter to them most. Chase bank strives to create lasting, relationship-driven engagements with customers from SME's to individuals.

The Bank has established partnerships with the aim of capacity building for entrepreneurs and increasing their knowledge in book keeping. Chase Bank focus is to continually deliver a unique banking experience modeled around a one stop financial solutions product offering. Through this, the bank will ensure that the customers financial needs are all met under one roof. Chase Bank objective is to provide the client with exceptional service through product diversification, and relationship creation. Today the intricate branch expansion strategy has seen us grow from a one branch bank into a strong institution that now has branches located in strategic urban and peri-urban centers within the country.

1.2 Research Problem

Defining strategic leadership has been challenging. Kouzes and Posner (2007) define leadership as the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task. Stogdill (1998) emphasizes that leadership is the process of influencing group activities towards goal settings and achievement, while Burns (1978) views it as the ability strengthen and inspire the followers to accomplish shared goals. Strategic leaders establish organizational direction through vision and strategy. They are responsible for analyzing the organization's environment, considering how it may be different in the future, and setting a direction everyone can believe in and work toward. Strategic leaders must then craft the organization's mission, which includes its core values and purpose for existence.

Marquardt (2005) says that in many organizations, leaders put together a program to sell the changes needed to the organization. This approach usually meets strong resistance. He further notes that by exploring some of the opportunities posed by strategically asked questions, staff can find new paths to explore for themselves and continue the development of their own careers. Goldberg (1998) notes how questions cause new openings whereas statements and opinions rarely do. Effective questions, on the other hand lead to effective action, ineffective or neglected questions result in detours, missed goals and costly mistakes. Strategic leadership is necessary for change management since many people in an organization would want to remain at status quo leading to resistance to change.

Chase bank Kenya offers an interesting study as it is recognized as the only financial service provider in the emerging markets which meets the threshold of sustainability based on a criteria covering, innovation, growth and corporate sustainability. The challenges faced by Chase bank Kenya have increased because of the rapid changes in the environment such as increased innovation from players and high competition. This requires Chase bank Kenya to have effective strategies that increase the growth while managing their risks, leverage, and liquidity (McConnell, 2013) thus managing the change that arises. Chase is required to have these effective strategies that can help respond to any challenges that may come up. This is through identifying opportunities both now and in the future. Chase bank Kenya is required to have sufficient team members with effective strategic leadership that can foresee, anticipate and give the right pathway to a good performing and successful bank. Chase bank Kenya has set effective teams to create an effective strategic management process in order to manage the change.

A number of studies have been undertaken on leadership and change management which include: Leadership and organizational change (Tushman & Nadler, 1994); Leading change (Kotter, 1995); Leading organizational transformation (Nadler et al, 1995); the impact of leadership and change management strategy on organizational culture (Belias & Koustelios, 2014); Perceived influence of employee participation on the change management at the Ministry of Housing, Kenya (Oganga, 2012); Leadership and management of strategic change at Equity bank Ltd Kenya (Achitsa, 2013); Leadership attributes and management of strategic change at commercial banks in Kenya (Ojwang, 2013); Strategic leadership and change management practices at the Kenya wildlife service (Ndunge, 2014). None of the studies has covered strategic leadership and change management at the Chase bank Kenya Limited.

This study therefore aims at identifying the relationship that exists between strategic leadership and how it influences change management in an organization. How has strategic leadership influenced change management at the Chase Bank Kenya Limited?

1.3 Research Objective

The objective of this study will be to determine how strategic leadership influences change management practices at Chase Bank Kenya Limited.

1.4 Value of the Study

The study will contribute new knowledge to the existing body of knowledge on the field of leadership and change management by providing a basis for future research in the field on how visionary leaders should drive the strategic role for effective change implementation and sustainability. The study shall provide practitioners and policy makers with adequate information in the field of strategic management as well as provide a source for further research into the complex leadership roles during strategic change management in an organization.

The study will assist the banking leaders to be aware of the important role of strategic leadership and how it will help them in the change management process and the best leadership styles and behaviors suited to the organization. The findings and recommendations of this study will provide valuable information to practicing leaders and managers especially how to go about the change management process and how it can be effectively handled in the organization in order to comply with the requirements of the organization. The study will also assist academicians who undertake the same topics in their studies. It will also be a source of reference material for future researchers on other related topics. As for the government, the findings will be useful in developing policies that improve the business environment hence enhancing the success of commercial banks.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews various studies and theoretical discussions relevant to strategic leadership and change management. It focuses on the theoretical foundation, models and forms of strategic leadership in the change management process in organizations and finally the role of strategic leadership in the change management process.

2.2 Theoretical Foundation

The theory that best explains Strategic Leadership and change management in organizations is the Dynamic Capability Theory and the Resource Based View Theory.

2.2.1 Dynamic Capability Theory

According to Teece (1997) dynamic capability is the firm's ability to integrate, build and reconfigure internal and external competences to fit the rapidly changing environments. Dynamic capability is the process of identifying organizational or individual capabilities that enable the business enterprise to build and maintain value enhancing points of differentiation. Capabilities are the firm's capacity to deploy resources that have been properly integrated to achieve a desired goal.

Dynamic capabilities define managerial traits, management systems and organizational designs that help keep the organizations alert to opportunities and threats. Pisano (1994) defines dynamic capabilities as the antecedent organizational and strategic routines by which managers alters their resource base, acquire and shed resources, integrate them together, and combine them to generate new value creating strategies. This theory argues that it is neither resources nor knowledge, but intangible assets that matter most to companies. These includes the technological know-how, intellectual property, business process know-how, customers, organizational culture and values (Teece, Picano and Sheun, 1997).

2.2.2 Resource Based View Theory

Resource Based View is a method of analyzing and identifying a firm's strategic advantages based on its distinct combination of assets, skills, capabilities and intangibles as an organization Pearce and Robin (2000). An organization is likely to succeed and excel if it has the best and most appropriate stock of the resources relevant for its business and its strategy. In this the firm is characterized in terms of the resources or knowledge it embodies or commands Clegg et. al (2011).

The proponents of this theory argue that special resources deliver sustainable competitive advantage. This theory focuses on those internal factors that the organization can control rather than the external factors that are beyond their control. Its resources and capabilities provide the building blocks for constructing a firm's strategy. Firms differ in fundamental ways because each firm possesses unique resources, tangible and intangible assets and organizational capabilities to make use of these assets Clegg et. al (2011).

2.3 Models used in Leadership to Manage Organizational Change

Burnes (2004) outlines various models developed by researchers like Kurt Lewin (1958) and Kotter (1996) which have been developed and used to understand how strategic leadership is involved in managing and implementing change in individuals and organizations. Lewin (1958) argues that there are two opposing sets of forces within social system; these are the driving forces that promote change and the resisting forces that avoid change or maintain the status quo. This model proposes that the change process is divided into three phases: unfreezing, changing, and refreezing. The unfreezing Phase is instigated by the actions of a charismatic, strategic, or transformational leader; people in an organization may become aware of the need for change. In other words, a leader may inspire people with a vision of a better future that is sufficiently attractive to convince them that the old ways of doing business are no longer adequate.

Changing Phase this is the phase where the actual change takes place. It is the implementation phase. Here, people look for leadership in finding new ways of doing things. The eight-stage model prescribes six steps that are part of the changing phase in the force-field model. Kotter (1996) suggests eight steps to change management as follows; the strategic lead should create a sense of urgency. The second step stipulates that change implementation should start with the leader forming a powerful guiding coalition that supports the change initiative. One way to do this is by establishing a cross-functional team with the necessary expertise and power to guide the change process also referred to a pro-change coalition. With a pro-change coalition in place, the third step is for the leader to develop and articulate a compelling vision that will guide the change effort and formulate the strategies for achieving that vision.

The fourth step is active communication of the new vision and strategies for effecting the change. The leader's excellent communication skills in the change process are critical for success. The fifth step describes the importance of empowering employees throughout the organization to act on the vision. The leader must empower people with resources, information, and discretion to make decisions. Successful implementation is increasingly dependent on winning employee support and enthusiasm for proposed changes, rather than merely overcoming resistance. The sixth and seventh steps require the leader to organize the change activities in ways that highlight and celebrate short-term accomplishments. Major change takes time to complete, and without some visible signs of progress, the transformation effort may lose momentum.

The final step is institutionalizing new approaches within the organization-articulating the connections between the new behavior and corporate success. In the refreezing phase, old habits, values, traditions, attitudes, and mindsets are permanently replaced. New behaviors, values, and attitudes are instilled or refreezed in the culture in order to avoid a reversion to the old ways after implementation. Complete transformation can only occur when the desired change in behavior becomes habitual. This phase involves institutionalizing the new changes so they become part and parcel of the organizational culture. Despite its popularity, Lewin's original theory has been criticized. The key ones are that his work assumed organizations "operate in a stable state, ignored organizational power and politics and was top-down approach or management-driven (Dunphy and Stace, 1993).

2.4 Strategic Leadership

Rumsey (2013) strategic leadership involves spotlighting what effective top leaders actually do in order to produce a strategy-focused organization. Achieving organizational success is not a chance occurrence. It is determined largely by the decisions strategic leaders make. It is the responsibility of top managers to monitor the organization's internal and external environments, build resources and capabilities, track industry and competitive trends, spot emerging market opportunities, identify threats, and develop a vision that followers can believe in. This series of activities makes up a major part of what is known as strategic leadership which consists of managers at the top, middle, and lower levels of the organization. However, of these three managerial classifications, top-level managers are clearly held responsible for the organization's near-term performance and future survival. Strategic leaders manage the organization's portfolio of resources by organizing them into capabilities, structuring the organization to use the capabilities, and developing and implementing a strategy to leverage those resources to achieve a competitive advantage (Sirmon, Hitt, & Ireland, 2007).

Effective strategic leaders are skilled at anticipating and forecasting events in the external environment that have the potential to impact business performance. They observe from the outside in finding and sustaining competitive advantage by building core competencies and selecting the right markets in which to compete, evaluating strategy implementation and results systematically, and making strategic adjustments, building a highly effective, efficient, and motivated team of employees selecting, developing, and mentoring a talented team of leaders, deciding on appropriate goals and priorities for achieving them being an effective communicator.

There are two styles of strategic leadership namely Value-Based leadership and transformational leadership. Value-based leadership is about understanding the conflicting and different needs of followers. According to Kraemer (2011) Values-based leadership is based on the notion that personal and organizational values are aligned. A company's mission, vision, strategy, performance measures, incentive programs, procedures, and values are all a representation of the leader's ethics and values. It entails energizing followers to pursue those goals they had never thought possible.

This leadership approach means that employees and managers behave in a way that is conducive to the productivity, profitability, sustainability, and integrity of the business in order to manage change that arises in an organization. Transformational leadership is charismatic, inspirational, intellectually stimulating and individually considerate (Clegg et al., 2011). Transformational leaders tend to help individuals to go beyond their self-interest for the sake of the organization's larger vision. Transformational leadership is important and relevant in situations of change and has been related to creativity and motivation. Daft (2011) states that transformational leadership has a significant impact on subordinates and can potentially renovate an entire company.

2.5 Change Management

Change is the transition from one state to another with the sole focus of being different. Change management on the other hand is the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results Davis and Holland (2002). Strategy is often described as the management of change. It can also be termed as alteration in an organization's alignment with its external environment. In today's turbulent environment, where change is a fact of life, organizations must constantly cope with unfamiliar events or situations in order to survive and stay competitive.

Managers need to choose different approaches of managing change according to the circumstances they face and also create an organizational context that will facilitate change. According to Nichols (2004) managing change refers to the making of changes in a planned systematic fashion. Paulson (1999) was of the idea that change management refers to a systematic approach to dealing with change, both from the perspective of an organization and at the individual level that is composed of three aspects including adapting to change, controlling change and effecting change. Rapid environmental changes are causing fundamental transformations that are having a dramatic impact on organizations and presenting new opportunities and threats for leadership

2.6 The Role of Leadership in Change Management

Robinson (2007) states that in today's rapidly changing, highly competitive global market place change is the only constant. Leadership is an important role for successful implementation and management of change. The constant environmental and industry changes call for tactical actions for success and this is where strategic leadership is needed for implementation and management of change. The executive level of today's organizations is no longer in a position to know the best solutions to the problems that emerge day by day. Hiriyappa (2008) says that a strategic leader act as many occasions call for a highly visible role and extensive time commitment. While others entailed a brief ceremonial performance with the details delegated to subordinates.

Burnes (2004) says that leaders focus on the future, create change, and create culture based on shared values, establish an organizational link with followers and use personal power. The change process is the means for a leader to transform the organization, in a way to realize a new vision for the organization. It requires moving through several stages and executing different tasks, including performing an organizational audit, planning, formulating the change strategy, communicating, persuading others, and consolidating the change. It takes effective transformational leadership at the individual, group, and organizational levels helps to accomplish all these activities.

2.7 Empirical Studies and Research Gaps

Ndunge (2014) studied the strategic leadership and change management practices at the Kenya wildlife service. This study had two main objectives of establishing strategic leadership and change management practices at the KWS and establishing the challenges of leadership strategies on change management practices at the KWS. This study revealed that KWS had a vision and mission that are communicated through strategic plans, work plans, sensitization to inform all members of staff. It was also determined that KWS undertook change programme, and that the change was necessitated by low staff morale, poaching, and fraud, financial constraints/ corruption, poor performance, the lack of passion to deliver on the mandate and changing work environment.

Achitsa, (2013) studied leadership and management of strategic change at equity bank limited Kenya. This study sought to determine the role of leadership in the management of strategic change at Equity Bank Kenya Limited, with a view to enhancing the practice of leadership, performance and management of the bank and other organizations in Kenya. The results from this study indicated that different leadership styles were adopted in the organization depending on the situation so as to reinforce the need for change. The researcher recommended that given the importance of proper leadership during the process of management of strategic change in an organization, it is mandatory that organizations select the type of leaders with the necessary set of skills and abilities in order to ensure that the change management process is handled correctly.

Maina (2013) the study sought to establish challenges of change management, as well as determine change management practices adopted by NBK. The study observed that numerous challenges were faced in change management process. The research findings show that NBK had embraced reliable change management practices in its change process. A management lesson from this research is that for an organization to successfully implement change there must be planning, constant communication, training and evaluation of the change process.

Rusipus (2014) studied strategic change management practices at the national bank of Kenya Ltd. The study highlighted that the National bank of Kenya has been improving its services and the mode of delivery of service to their customers. The study recommends that banks should analyze their target market, identify their competition and learn from your competition and your customers. Banks should gain indepth insights about their customer portfolio and consider human resource management as a mean to gaining competitive advantage. Banks should continuously maintain the competitive advantage they have gained by predicting future trends in the banking industry, constantly researching and monitoring competitors, and adapting to customer's wants and needs.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology the researcher adopted in investigating the strategic leadership and change management at Chase Bank Kenya. It highlighted the procedures and techniques that were used in the collection, processing and analysis of data. The chapter includes the research design, data collection and the procedure in data analysis.

3.2 Research Design

Rajendra (2008) has defined research design as the linkage and organization of conditions for collection and analysis of data in a manner that aims at combining relevance to the research purpose with economy in the procedure. The research adopted a case study design. This is appropriate since it is a research method that emphasizes in depth rather than breadth analysis.

A case study provides detailed information about a particular subject that it would not be possible to acquire through another method. The importance of a case study is emphasized by Kothari (1990) who acknowledged that a case study is a powerful form of qualitative analysis that involves a careful and a complete observation of a social unit, irrespective of what type of unit is under study. Case studies generally study a single person or a group of people and therefore are the best methods of study to get in-depth information in a particular context without generalization.

3.3 Data Collection

The study made use of both secondary and primary data. Primary data was obtained from five heads of departments at Chase Bank Kenya limited using interview guides. They included the Senior manager strategy, Manager Change management, Business analytics manager, Project manager and Operations manager.

These respondents were efficient in providing the required data since they were in a leading role and they are the ones who carry out the managerial functions that may help a bank in change management. Secondary data will be obtained from existing records such as annual reports, records, print media, academic works audited accounts and journals.

3.4 Data Analysis

This section discussed the techniques that were used to analyze data. According to Cooper and Schindler (2006), data analysis begins immediately after data collection and ends at the interpretation and processing of data. Content analysis was used to analyze the respondents' views on strategic leadership and how change management is handled. Content analysis is defined as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends (Bryman & Bell, 2007).

Content analysis uses preselected sampling units to produce frequency counts and other insights into data patterns. To carry out effective analysis, written or recorded materials were analyzed step by step, following rules of procedure, devising the material into content analytical units. Content analysis approach ensured that any unanticipated themes were given the opportunity to emerge from the data. The data was then presented in a continuous prose as a qualitative report. The data obtained was compared with existing literature in order to establish areas of agreement and disagreement in order to ascertain the facts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers the analysis and presentation of the primary qualitative data collected using an interview guide from the Chase bank respondents. The objective of the study was to establish how strategic leadership influences change management practices at Chase bank Kenya limited. The study was conducted from the top managers involved in strategy formulation and implementation.

4.2 Response Rate and General Information of Interviewees

The targeted number of respondents was five; all of them were available for the interview making the response rate 100%. This was a considerable response to represent the actual happenings at Chase bank. The gender of the respondents was 80% male and 20% female from projects, trade finance, business analytics, strategy and change management departments and the range of duration the respondents had worked at the organization was between 1 month to 7 years. This gave a wide range of experience from the respondents in regards to the change management process carried out in the organization.

4.3 Strategic Leadership and Change Management Practices

The following resulted from of the analysis of both primary data and secondary from information gathered from the respondents of managers at Chase bank Kenya limited who represented the entire organization and the information gathered helped address the study objectives. In order to be able to understand the concept revolving around the strategic leadership and change management at chase bank, respondents were asked to give indications of what they think happens in strategic leadership, change management, the role of strategic leadership in change management and dealing with challenges of strategic leadership and change management. Secondary data was also used during analysis. The use of secondary data was necessary to support the data received from the interviews with the bank's management team.

Content analysis technique was used to assist in making inferences by objectively identifying specific information and relating the same to the objectives. The results are two parts first qualitatively and secondly quantitatively. According to Stemler (2001), when used properly, content analysis is a powerful data reduction technique. Its major benefit comes from the fact that it is a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding. The last section is a discussion of the findings in view of other research that have been conducted on similar studies on leadership and management of strategic change in other organizations.

4.3.1 Strategic leadership

According to the respondents, the study findings revealed that strategic leadership at chase bank Kenya limited was viewed as the visionary leadership that guided the organization and its people towards achieving a common goal. It went ahead and pointed out that it was a setting of senior management having clear objectives, practical targets and how to implement them. Strategic leadership must involve managers at the top, middle, and lower levels of the organization. However, of these three managerial classifications, top-level managers who are the strategists are clearly held responsible for the organization's near-term performance, as well as for creating conditions that will ensure the organization's future survival.

The respondents highlighted a strategy as an integrated, overarching plan of how an organization will achieve its objectives. They reported that when armed with a vision and mission statement, corporate objectives, and an assessment of the internal and external environment, strategies are formulated by strategists in the bank that ensure need based solutions are reached and thus resulting to competitive advantage over other firms. Corporate strategy draws from all these elements. During the implementation process, successful leaders in the organization employ a directive and task-oriented leadership style while others are equally successful by being more consultative, participative, and people-oriented.

Managerial skills such as persuasiveness, administrative ability, communication, knowledge about team dynamics, social skills, creativity, and conceptual skills have been found to strongly affect strategy implementation efforts and ultimately firm performance when applied within Chase Bank Kenya Limited. At chase bank strategists are said to perform four primary responsibilities in achieving its goals and objectives; conceptualize the organization's vision, mission, and core values; oversee the formulation of objectives, strategies, policies, and structures that translate vision, mission, and core values into business decisions; create an environment and culture for organizational learning and mutual exchange between individuals and groups and serve as steward and role model for the rest.

All this is achieved when the leaders analyzing the environment which is one of the most important activities of strategic leadership in understanding the type of industry and general environment in which the organization operates. This involves being able to identify and interpret emerging trends before they become evident to everyone else. Secondly the creation of a Vision Statement and Mission Statement which gives meaning and purpose for the organization with a compelling vision and mission. This is done through formulation of Corporate-Level Goals which are the desired long-term outcomes that the organization seeks to achieve for its various stakeholders—employees, customers, suppliers, stockholders, government agencies, activists, and other community groups.

Thirdly the process of Strategy Formulation starts. Armed with a vision and mission statement, corporate objectives, and an assessment of the internal and external environment, Chase bank strategist can then select appropriate strategies or plans of action for his or her organization. Fourthly Strategy Implementation and Strategy Evaluation mean that objectives have a greater chance of being met and thus results in better firm performance. This common shared vision is communicated and implemented throughout the organization by selecting 2-3 key areas and 4-7 key action to deliver. These actions are assigned to managers and closely monitored.

The strategic leadership at chase bank Kenya limited ensures that the strategic management process is successfully carried out and yields the desired results for the organization through setting of decisions and actions used to formulate and implement specific strategies that will achieve a competitively superior fit between the organization and its environment, so as to achieve organizational goals. The roles of strategic leaders are formulation of key strategy changes in the organization, periodic review of strategic decisions and outcomes, communication of the bank's strategy to various stakeholders, leading in the implementation of the strategy, planning and reviewing of performance. Effective strategic leaders at Chase bank are expected to possess certain skills so as enable them to efficiently implement the strategy formulated and hence achieving the organization's goals.

The respondents advised that leaders at Chase bank Kenya limited are skilled at anticipating and forecasting events in the external environment that have the potential to impact business performance they observe from the outside in; finding and sustaining competitive advantage by building core competencies and selecting the right markets in which to compete, evaluating strategy implementation and results systematically and making strategic adjustments, building a highly effective, efficient, and motivated team of employees in addition to that selecting, developing, and mentoring a talented team of leaders, deciding on appropriate goals and priorities for achieving them and being an effective communicator. A strategic leader can choose to concentrate decision-making power at the executive level or spread it throughout the organization. Each approach has implications on follower motivation and commitment. At Chase bank, shifting much of the decision-making responsibility, especially operational decisions away from the leader and onto other team members frees top leaders to think strategically and gives them more time to address key issues.

4.3.2 Change management

The respondents cited that the forces of change in the organization were both external and internal. The external forces of change identified were changes in technology, changing demands of consumers, changes in regulatory policies, political forces, economic forces, social cultural forces and competition from other banks. Internal forces of change identified were changes in employee demands, changes in work schedule, growth and expansion, new innovation and restructure changes. The interviewees were asked to identify some of changes the organization is currently implementing. They identified; the retail market venture, bank expansion, universal banking and truncation system as a platform of improved service delivery, SME segmentation, response to competition, cost reduction and decentralization of operations.

The respondents were asked to identify and explain the change management practices in the study organization. The respondents cited the following practices namely; effective communication which they pointed out that it was critical during the process of change. An ultimate goal of communication in change is to convey meaningful change messages in a strategic manner across the organization to achieve employees' corporate acculturation and employees' commitment. The respondents noted that the top management's support and planning to the change process was critical for successful implementation, thirdly employee participation and involvement was key to effecting meaningful change, employee training and implementation was effected to facilitate change due to inadequate training on the areas targeted for change.

The change management impacted on performance through better operational efficiencies, better awareness and responsiveness to market changes, innovation and creativeness, customer satisfaction and need based needs met, increased profits as a result of minimized costs and growth of assets. Other approaches for managing change included innovation, employee participation, use of a project management framework, training and development among the staff members, hiring of consultants to manage change and rewarding acceptance and implementation of change.

4.3.3 Role of Strategic Leadership in Change management

The respondents established that strategic leadership supports change management practices by leading the process, facilitate resources for the implementation and offer support for the change to be sustained. Also through work plans, identifying change champions, new policies and manuals, improved structures and systems, ICT and ensuring availability of resources. The leadership model as identified in Chase bank Kenya limited reflected three components: who, how, and what. The three interdependent processes of this model are thinking, acting, and influencing. This means that the strategy of an effective leader in Chase bank Kenya limited is to develop new visions, create new strategic and move in a new, sometimes unexpected direction. At these strategic opportunity points, the most important component is the timing of when to intervene and directing change verse what the intervention is put in place. The more clearly leaders can communicate the problem they are trying to solve by instigating change, the better. A sense of urgency is critical to garnering the support of stakeholders throughout an organization. Without motivation and clear rationale, stakeholders within the business will question the need for change.

Analysis found out that that leadership in strategy implementation is overwhelming and so if you had a leader who cared about strategy the rest of the team will implement strategy, leaders would facilitate with resources, direct and evaluate the strategy and align the entire organization to the strategic direction being undertaken and constantly reminding members of the organization that without strategy you don't deliver your mandate. Strategic leaders are the ones having organizational ability with strategically orientation, translate strategy into action, align people and organizations, determine effective strategic intervention points and develop strategic competencies. Leadership at Chase bank determined availability of resources for strategy implementation and gave the drive and support.

Therefore leadership was the main component of strategy implementation resulting to either success or failure. Furthermore, strategic leadership affected employee participation by engaging staff to draw departmental strategies, use of monitoring and evaluation and staff giving management reports on their work; had a motivating effect thereby allowing full participation of staff. If there is no clear direction from senior leadership the employees do not participate. The employees went ahead and mentioned that strategic leaders make the objectives of the organization and align the people. They ensure that staff buy into and accept proposals for change which leads to more universal implementation by employees.

4.3.4 Dealing with Challenges of Strategic Leadership and Change Management

It was established that the challenges faced while leading the activities in the change management program include politics within the organization, resistance to change, difference in ways of perceiving opinions, inadequate funds, staff resignation, poor management and rapidly changing environment with competing initiatives and projects. The risks faced in leading the change management program include loss of revenue, low retention of good staff, bad politicking, deviation from the vision and mission, internal fights and loss of jobs. Without effective change leadership, challenges are disruptive at best, and more likely miserable failures. In order to be successful, leaders must understand the reasons why most change efforts fail.

These challenges were dealt with through continued engagement, seeking alternative funds, proper communication, developing timelines and targets for staff, use of social media, open forums, non-victimization of employees, strong leadership and clear planning and pre-agreed updates. Participation implies involvement in strategic decision making through workgroups and teams as well as setting of the organizational strategic agenda. Also by reassuring staff that the change is for the better and is meant to get work done in a better way and building confidence and alliances for general change management acceptance. In order to ensure that achieved change goal does not slide back to earlier unwanted practices, it was reported that they create a vibrant Monitoring and Evaluation, ask for reports on agreed targets as well non acceptability of undesirable activities, constantly reminding staff, audit and inspectorate.

Resistance to change was dealt with through sensitization programs, demonstrate to staff on the importance of the changes, assuring them about their jobs, some staff assigned new roles, but those who were extreme were retired. Change implies learning new ways to do things. Change can disrupt the status quo and lead to stress, discomfort, and for some even dislocation. These conditions motivate people to resist change. Resistance is a natural response by employees who want to protect their self-interest in the organization. For leaders and their followers, change is often perceived as a win-lose proposition where some leaders see it as a positive way to strengthen the organization while some followers view it as a threat to their status and livelihood.

Change has to be perceived as a win-win proposition by all leaders and followers. Respondents at Chase bank identified some of the reasons for resisting change as; Threat to One's Self-Interest as an employee when protecting his or her power, position, prestige, pay, and company benefits was noted as a major reason for opposing change. When an organization embarks on a major change, such as pursuing a new strategy, it often results in a shift in the relative power structure and the status of individuals and units within the organization. Secondly uncertainty which represents the fear of the unknown. Lack of information about a change initiative creates a sense of uncertainty. When employees don't have full knowledge of how a proposed change will affect them, they may worry that replacing skills they have mastered over the years with new ones may prove too difficult to achieve. Therefore, a proposed change may have a better chance of acceptance if it includes a generous provision for helping employees learn new skills required by the change.

Thirdly Lack of Confidence that Change will succeed. A proposed change may require such a radical transformation from the old ways of doing business that employees will question its likelihood of succeeding. In this case, even though there may be a general acknowledgment of problems and the need for change, the lack of confidence that the change will succeed creates resistance. Also, if there have been instances of past failures, this may create cynicism and doubt of future change proposals. Fourthly lack of conviction that change is necessary. People may resist change if the leader has failed to articulate a real need and urgency for change. This is especially true in cases in which employees believe that the current strategy has been successful and there is no clear evidence of impending problems in the near future.

In other words, survival anxiety is absent or very low; there is no sense that the organization is facing a real threat that could impact its survival or future well-being. Distrust of Leadership trust between parties is the basic requirement for sustaining any relationship. The absence of trust will cause people to resist change, even if there are no obvious threats. Change is resisted if people suspect that there are hidden consequences or motives that management is not revealing. Trust is a valuable currency for leaders to have, because it is the basis upon which the benefits of a proposed change can be sold to employees who may suffer personal losses from such action.

Threat to Personal Values ignites powerful feelings that fuel resistance to change. Any proposed change must take into account its impact on the values of those who are affected by the change, especially values that are closely aligned with an entrenched organizational culture. If threatened, values that are aligned with an entrenched organizational culture will ignite resistance that is organization-wide rather than isolated. Fear of Being Manipulated when people perceive change as an attempt by others to control them, they will resist. However, when people understand and accept the need for change and believe that they have a voice in determining how to implement the change, resistance is lessened.

The respondents highlighted Strategies for Minimizing Resistance to Change. These guidelines, if followed, can significantly reduce the level of resistance encountered during the change implementation process. These guidelines or actions can be grouped into two separate but overlapping categories people centered and task-centered recommendations. People-centered recommendations acknowledge the human element of change. The human element views resistance to change as having cognitive, emotional, and behavioral states that mutually reinforce each other. People-Centered recommendations for minimizing resistance is where leaders can use certain guidelines to keep employees informed, supportive, and motivated about a change. Effective communication before, during, and after the change implementation process will prevent misunderstandings, false rumors, and conflict. It is important that those responsible for implementing change not learn about it from secondhand sources.

It is important for followers to be informed of what is changing, why it is changing, who is affected, how the change will affect each person individually, and when the change will start and end. People actions involve undertaking the following: anticipate change and prepare people for the necessary adjustments that change will trigger, avoid micromanaging and empower people to implement the change, ensure that change efforts are adequately staffed and funded, communicate a strong message about the urgency for change, celebrate and maintain ongoing communication about the progress of change, and show a strong commitment to the change process.

Task-centered recommendations for minimizing resistance. These are task-centered activities dealing with power and structural issues of implementing major change. Focusing on key tasks needed to implement change enables leaders to design appropriate structures, procedures, and processes that can simplify and facilitate successful completion of each task. Effective strategic leaders are adopting flatter, more agile structures and more empowering team oriented cultures. Although it is time-consuming, getting employees involved in designing change activities pays off in that it gives people a sense of control. Task-based actions include assembling a coalition of supporters inside and outside the organization, recruiting and filling key positions with competent and committed supporters, aligning the organizational structure and other infrastructure with the new strategy, using qualified task forces to shape and support implementation activities, and recognizing and rewarding others' contributions to the change process.

4.4 Discussion

This section presents the discussion regarding the research findings including comparison with the two theories stated in chapter two guiding the study. They are the resource based theory and the dynamic capability theory. The results are also compared with other empirical studies undertaken in the past.

4.4.1 Comparison with the Theory

The resource based theory stress on the organization's resources like the physical resources such as plant and machinery, its people resources such as its leadership and skills (Lynch, 2009). Both the physical and people resources are available in the bank which if utilized well can enable the bank manage change effectively. From the findings, the banks are able to compete due to the management of resources. Investing and using the development of new technologies gives the organization an upper hand in the change management process. The strong emphasis on training and motivating employees ensures that the people resources such as leadership and skills are enhanced. Most of the employees participate in the in-house trainings organized by the bank. The study found that what is needed are the full resources of the people within the organization to help stay abreast of the many events and consequences that will evolve the organization

Dynamic capability theory looks at the organization's ability to change, innovate to be flexible and to learn how to adapt to a rapidly changing environment (Johnson, Scholes and Whittington, 2008). From the study, most of the banks which are able to hold on to competition, continuously act to anticipate environmental change and have developed policies and procedures that have enabled them cope with the competitive environment. This view was found to be in line with the organization's strategy where people are encouraged to continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations are set free and where people are continually learning to see the whole together.

4.4.2 Comparison with other Empirical Studies

Ndunge (2014) in his study on Strategic Leadership and Change Management Practices at the Kenya Wildlife Service also concluded and said that respondents noted that change was undertaken since management provided strategic leadership as well as support to the process. Strategic leadership presumes a shared vision of what an organization is to be, so that the day-to-day decision making or emergent strategy process is consistent with this vision (Rowe 2001). According to the study, all the respondents affirmed that Chase bank has undertaken strategic leadership in delivering its goals and objectives, an indication that strategic leadership remains one of the most relevant aspects in the organizational context. Most of the respondents also indicated that continuous training is done to communicate the vision, mission and mandate. McGuire (2003) states that when leaders learn together the connections are powerful. Training and career development are very vital in any company or organization that aims at progressing. This leads to acquiring the essential skills required for the job in order to meet the required standards or goals.

Through coalescing expressions of those learning cycles across organizational boundaries, their joint experiences begin to make sense of complexity. They build common beliefs and explore scenarios for trying out new forms of doing work. The learning process serves as a unifying benefit of customers, the organization, and the people they employ. The research has also indicated that development of strategies is a consultative process as reported by most of the respondents. This indicates that the staff is able to own the strategy and work with enthusiasm towards its achievement. This style goes hand in hand with Lewin's (1939) (as cited by Cherry, 2010) description of democratic leaders who allow the team to provide input before making a decision, although the degree of input can vary from leader to leader. This style is important when team agreement matters, but difficult to manage when there are different perspectives.

According to the findings, most of the respondents were aware or knew about change management that took place at the organization. This is an indication that change here has been taken or thought of as a process with an ending which should not be the case. Change should be a continuous process and should be well communicated and known by the entire organization. It may have some breaks but not a definite end. Majority reported that change was necessitated by non-delivery on the goals and objectives; this means that leadership must remain vigilant so as to avoid falling back. In today's fast-paced world, change is inevitable and the organization can benefit from a better way to manage change and so Chase Bank adopted change management as an organizational competency, viewing it as a competitive advantage as compared to other banks.

Achitsa, (2013) studied leadership and management of strategic change at equity bank limited Kenya. This study sought to determine the role of leadership in the management of strategic change at Equity Bank Kenya Limited, with a view to enhancing the practice of leadership, performance and management of the bank and other organizations in Kenya. At Chase Bank Kenya Limited, strategic leadership is likely to act as a system that focuses on the future and is change-oriented. Strategic leaders stress the importance of fostering strategic clarity, making better connections between strategies and tactics. Leaders enhance their own and others' perspectives, and then contribute to sustaining success at Chase Bank Kenya Limited.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the leadership strategies and change management practices at the Chase bank Kenya. The chapter is therefore structured into summary of findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of the Findings

According to this study it revealed that the strategic leaders are responsible for setting the context for change within an organization. Most of the interviewees acknowledged that the key to successful change management at Chase bank is driven by competent and visionary leaders. A culture and vision must be cultivated that can support the planned changes, and deal with unplanned change. Envisioning, energizing, and enabling are all important strategies for rallying support for change initiatives. Strategic leaders must be able to counsel, teach, coach, and reward employees as they adopt and move through the change process. For lasting change to occur, habits, attitudes, and values at all the levels of an organization must be congruent with the vision and goals inherent in the process. Transformational leaders influence their followers by developing and communicating a collective vision and inspiring them to look beyond self-interests for the good of the team and the organization.

According to interviewees, if effective communication channels between employees and management are employed, then the organization is able to manage change effectively through transformation of the system from one state to another within a given time frame that is essential for the organization's long term survival and profitability. A second key point emerging from the review is that the literature is consistent in indicating that change is not a single, continuous process, but rather is broken down into a number of different steps. The significance of this is that managers will need to consider what leadership style as well as strategies, in terms of communication, training, reinforcement, are appropriate for the different stages, rather than decide on a single approach that can be applied throughout the process, and at the same time remain flexible and reactive to changes as they happen.

The study reveals that the strategic change management process at Chase Bank Kenya Limited was a structured approach to transitioning individuals, teams and organizations from a current state to a desired state. Chase Bank Kenya Limited responded to the strategic management challenges brought about by leadership by employing a structured approach to effectively transition employees to change. Organizational change management processes were put in place including techniques for creating a change management strategy, engaging senior managers as change leaders, building awareness of the need for change, developing skills and knowledge to support the change and helping employees to move through the change process while sustaining their enthusiasm for it.

One of the most important activities of strategic leadership is understanding the type of industry and general environment in which the organization operates. This involves being able to identify and interpret emerging trends before they become evident to everyone else. Organizations operate in highly uncertain and changing environments in which existing strategies quickly become outdated and ineffective—what others have described as environments characterized by turbulent disruptions. Effective change agents/leaders create psychological safety for followers by recognizing the existence of learning anxiety and reducing it by providing ample opportunities for training and education. Focused education and training can be the difference between success and failure in implementing change. To manage change is to manage the learning process. Effective leaders do not downplay resistance or perceive it as a discipline problem to be dealt with through punishment or coercion. Rather, leaders view resistance as energy that can be redirected to support change. It is evident that shifting the weight of the resistance and turning it into positive momentum will focus the energy where it will do the most good.

5.3 Conclusion

From the research findings some conclusions that can be drawn from the study are that organizational change is about making alterations to the organization's purpose, culture, structure and processes in response to seen or anticipated change in the environment. Strategic change needs to be understood and managed in a way that people can cope effectively with it. It is also important to ensure that people affected by the change agree or at least understand the need for change and have a chance to decide how the change will be managed and to be involved in the planning and implementation of change.

The study established that strategic leaders establish organizational direction through vision and strategy. They are responsible for analyzing the organization's environment, considering how it may be different in the future, and setting a direction everyone can believe in and work toward. Strategic leaders must then craft the organization's mission, which includes its core values and purpose for existence. Strategy formulation is the leader's responsibility: He or she must guide the selection among alternative plans and choose the best option for translating goals and objectives into action. The final step is strategy implementation and evaluation. Successful completion of the strategic management process and the attainment of superior organizational performance is not a chance occurrence. It is determined by the decisions and actions that strategic leaders take during the process.

Based on the findings, strategic leadership in change management is about vision setting and communicating it effectively which provides employees with an understanding of the organizational direction and allows them to clearly understand their roles and responsibilities. It also concerns planning, research, strategy formulation and implementation that will most effectively meet the organizational goals and objectives. An inclusive planning process also provides the opportunity for people to identify, contribute to, understand and achieve well defined objectives. Also, the commitment and enthusiasm of a strategic leader shapes the common goals of the organization and provides inspiration and motivation for people to perform at a high level. Successful change management can only be possible in organizations that value each employee involvement and participation.

5.4 Recommendations

According to the findings above, the change process should be implemented by a leader to transform the organization so as to realize a new vision for the organization by moving through several stages and executing different tasks, including performing an organizational audit, planning, formulating the change strategy, communicating, persuading others, and consolidating the change. It is recommended that strategic leadership must make change a continuous process and should be well communicated and known by the entire organization. The leader's excellent communication skills and ability to mobilize widespread participation in the change process are critical for success. It may face challenges which require strategizing from time to time. Such a pro-change coalition should consist of people who are effective communicators and who understand the roadblocks, inertia, fears, and political issues that would impede adoption of change initiatives.

Also, the organization should prioritize shared values and a clear vision which are important aspects of strategic leadership enabling and allowing employees to make decisions with minimal formal monitoring or control mechanisms. This will help save time for the leader to handle and focus on other important strategic matters affecting the organization. Career development and training which is about gaining the skills needed for a job is vital in attaining desired results. Effective change agents/leaders create psychological safety for followers by recognizing the existence of opportunities for training and education. Focused education and training can be the difference between success and failure in implementing change.

To manage change is to manage the learning process. It may be learned at the place of work i.e. on-the-job or away from work i.e. off-the-job. On-the-job training is most recommended here because it is more cost-effective and relevant. Off-the-job training which is usually carried out by professional trainers away from the distractions of work is more of theory than practice. Development of the top management is also recommended so as to make them more efficient at a job or capable of facing different responsibilities and challenges. Development which concentrates on the broader skills that are applicable to a wider variety of situations, such as thinking creatively, decision-making and managing people is highly recommended.

On the implications for policy, theory and practice, the study found that the leadership of the bank acted as change agents during the change process. They therefore have to be well able to guide the organization successfully through the process, while keeping focus on the organizational goals and objectives. To maintain a competitive edge over rivals, effective strategic leaders develop strategies that enhance value to the customers, create synergistic opportunities, build on the company's core competence. It is recommended that there is need for Chase Bank Kenya Limited to incorporate greater emphasis on values, ethical philosophy, and moral reasoning as key components of leadership assessment and development. Through effective communication channels between employees and management, leaders are able to manage change effectively through transformation of the system from one state to another within a given time frame and resources that is essential for the organization's long term survival and profitability.

The study found that employees identified themselves with the planned change if they were given an opportunity to participate in coming up with the change strategy for the organization. The study recommends that there is need for the organization to enhance employee engagements in the management of strategic change by revising leader selection and promotion criteria to reflect the candidate's ability to articulate the complexities of change management and develop strategies that balance the needs of the various stakeholders in the bank. A leader's social appraisal skills, problem solving competencies, expertise, and tactic knowledge are necessary but not sufficient in isolation to influence the display and quality of particular leadership processes that influence of these proximal traits derives from their joint application.

The study found that the leader must empower people with resources, information, and discretion to make decisions. Successful implementation is increasingly dependent on winning employee support and enthusiasm for proposed changes. Empowerment must also include removing obstacles to change, which may include adapting the infrastructure systems, structure, policies, procedures, and rules to match the requirements of the change effort. Employees were better empowered to make decisions affecting the organization if they felt equipped with the necessary skills needed to oversee change in the organization. The study recommends that there is need for training and development of employees through on the job training as well as providing them with opportunities to seek higher education. This is because the importance leaders place on the employees' knowledge and capability is reflected in how much they are willing to provide them with opportunities to grow through training and development.

5.5 Limitations of the Study

The findings presented in this study must be viewed in the context of several limitations. The problem of inaccessibility of the managers to respond to the interview guide as well as conflicting time schedules have been the major challenges encountered in this study. Other limitations encountered were inadequate time for the data collection, delay in answering the interview guide by respondents hence delaying the data analysis. It was therefore a race against time running up and down and literally begging the respondents' permission and information from them.

Another major limitation faced during the study was lack of cooperation by some of the managers who failed to exhaustively answer all the questions. Some respondents' flatly refused to answer the questions since they felt their strategies would be exposed and other competitors would get to know how they run their daily activities. The respondents had to be convinced that this was purely an academic exercise.

5.6 Suggestions for Further Research

The study was limited to Chase Bank Limited where the researcher sought to examine the role of leadership in the management of strategic change. A similar research could be conducted in other banks in order to affirm the findings of this research as well as many other researchers who have done the same research. The research recommends the need for further research to establish the leadership style most suited for managing change efficiently in organizations and enhancing a competitive advantage.

The researcher also recommends more research on the strategic leadership and change management be carried out in other industries such as the telecommunication industry and the hotel industry. This is because strategic leadership has a significant impact on the business and financial performance of any organization and it is a very important element of sustaining competitive advantage in organizations

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 14/9/2015

TO WHOM IT MAY CONCERN

The bearer of this letter James Gakuya Gacharia

Registration No. DCI/72607/2014

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

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

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

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

An interview guide on Strategic Leadership and Change Management at Chase Bank Kenya. To be filled by the Senior manager strategy, Manager Change management, Business analytics manager, Project manager and Operations manager.

Section 1: General Information

- 1. Gender Male () Female ()

- 2. Highest level of education.....

- 3. Department.....

- 4. Position held.....

- 5. Number of years of service in the bank.....

Section 2: Strategic Leadership

- 6. What is your understanding of strategic leadership?
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- 7. How are strategies formulated and implemented at the Chase bank Kenya Limited?
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8. How has Chase bank Kenya Limited undertaken strategic leadership in achieving its goals and objectives?

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9. What are the roles of strategic leaders in Chase bank Kenya Limited?

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10. What are some of the skills that a strategic leader should possess?

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Section 3: Change Management

11. What are the major causes of change management in your bank?

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12. What are the change management practices adopted by your bank?

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13. How has change management impacted on the performance of your bank?

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14. Apart from strategic leadership, which other approaches of managing change does Chase bank Kenya Limited use?

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Section 4: The Role of Strategic Leadership in Change Management

15. In what ways has strategic leadership influenced change management in your bank?

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16. How does leadership affect strategy implementation?

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17. How does strategic leadership affect employee participation?

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Section 5: Dealing with challenges of Strategic Leadership and Change management

18. Which are the challenges faced by practicing change management in Chase bank?

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19. How do you deal with these challenges?

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20. Identify the major reasons for resisting change?

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21. How do you deal with resistance to change?

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Thank you for your valued time and response!