CHANGE MANAGEMENT PRACTICES AND GROWTH OF THE EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

2018

DECLARATION

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

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

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DEDICTION

Dedicated to family and friends.

ACKNOWLEDGMENTS

I thank God for the blessings and the favor, allowing me an opportunity to pursue my studies at the university.

I am indebted to my supervisor Prof. Awino, and moderator Dr. Ogolla for their guidance and advice through out the whole process.

This study would not be complete without the information provided by the Eastern and Southern African Trade and Development Bank. Special thanks to the President & CEO, Mr. Admassu Tadesse, Head of Project & Infrastructure Finance, Mr. Simbarashe Chikarango and the Office of Corporate Affairs & Investor Relations.

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AGM	Annual General Meeting
CIF	Comesa Infrastructure Fund
CM	Common Market
COMESA	Common Market For Eastern and Southern Africa States
CU	Customs Union
EASTF	Eastern and Southern Africa Trade Fund
ESM	Environmental and Social Management Policy
EU	European Union
FTA	Free Trade Area
FYCP	Five Year Corporate Plan
ICT	Information and Communication Technology
IEBC	Independent Electoral and Boundaries Commission
KCB	Kenya Commercial Bank
LSS	Lean Six Sigma
NAFTA	North Atlantic Free Trade Agreement
PIF	Project Infrastructure Finance
PTA	Preferential Trade Area
PU	Political Union
S&P 500	Standard & Poor's 500 Index
TDB	Trade & Development Bank
USD-	United States Dollar

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ABSTRACT

This study's objective was to identify change management practices and growth of the TDB. During a stakeholders' meeting in December 2016 in Nairobi, and at the sidelines of the African Union Summit in Addis Ababa, in January 2017 the Preferential Trade Area Bank, (PTA) leadership communicated that it had rebranded to Eastern and Southern Africa Trade and Development Bank (TDB). According to TDB, the rebranding illustrates the intention to transform the whole organization into a world-class African investment ready institution, ready to take on projects that will significantly impact the region's economies. The rebranding is a component of a bigger strategy for revitalization reflected by the years of reforms and innovation. The Bank has introduced new member states, launched new class of shares and new shareholders. The Bank has a more modern, robust governance structure, and a stronger institutional frame work as reflected in the new Treasury and Risk Management Division. The study, which is qualitative in nature, makes use of face-to-face interviews via an interview guide as well as secondary data collected through newsletters, financial statements and videos. Theoretical framework of the study is informed by contingency theory, which advances the argument that there is no one-best-way approach to change management. In this regard, the researcher used both planned and emergent theoretical models of change. Change management practices observed include business continuity programs, workshops & trainings, performance management programs using tools such as the balance-score card, anti-money laundering programs, enhanced governance & risk management, and Lean Six Sigma methodology of managing change. The parameters for growth at the Bank include the international ratings, growth in loan portfolio, assets, shareholders capital, improvement in loan quality, reduction of non-performing loans, growth in membership, expanding of the human resource capacity and overall growth of the balance sheet. The study concludes that there is no one-best-way approach for change management. Different complimentary models must be used depending on situational and contextual factors, keeping in mined that team participation and top management support is very crucial for success of change management practices and growth. Top management allocation of time, resources and responsibility to team leaders motivate them to undertake change management and growth projects with better ownership and avert crisis when changes occur. Team participation allows the different members of the team to provide feedback on the change management programs they are undertaking while pursuing the planned change and organizational growth. This feedback forms the basis for the emergent models of change that address issues arising.

CHAPTER ONE: INTRODUCTION

1.1Background of the study

Being able to tackle change efficiently and effectively can be seen as a key component of an organization's survival. Global competition, legislation, change in customer tastes and preferences, governments administration, advances in technology, are among the dynamic issues that force change upon organizations. Individuals, teams and organizations must anticipate, monitor, adapt, enjoy and be ready to change again when the situation demands (Johnson, 2015).

It is therefore convincing to accept the argument that, emphasis of management of change is vital to organizations if they are to achieve objectives in a highly competitive and ever evolving environment (Moran & Brightman, 2000). As organizations pursue set objectives, the environment's dynamism exposes them to a myriad of situations that could lead to either opportunities or threats. Caplow, (2009) argued, whether drastic or incremental, change makes it very difficult to control an organization due to its disruptiveness and uncertainty that may overwhelm the stakeholders.

Shirokova, Berezinets, & Shatalov, (2014) established the direct proportionality between organizational change and growth in emerging economies. They found that rapid realignment and transformation has an impact of firms' growth both in short and mid-term. Thomas, (2014) further revealed the confluence of change management and growth of an organization when he concluded that effective management of change in customer tastes leads to growth in performance. Various theories have been advanced on organizational change management practises.

Literature suggests broad classifications into either planned or emergent models of change (Bamford & Forrester, 2003). The former regards necessity of the stakeholders being aware of the need for change, making necessary considerations and involving all parties in the change process, while the latter views change as a process that is conceived through interactions of various variables within an organization (Burnes, 2004). Planned change theories include Action Research, which advances that the gateway to solving an organization's problems lies in rational, systematic analysis of the issue at hand, and involving the people and a change agent in dealing with transition (Lewin, 1946).

Lewin's Three-Step Model proposes three stages of unfreezing, freezing and refreezing new patterns in addressing organizational change (Burnes, 2004). Bullock & Batten (1985) developed their own theory of planned change by proposing four stages beginning with exploration, planning, action and integration stage. Kotter (1995) argued that successful change goes through eight steps which are processes and not a checklist from establishing a sense of urgency, forming a powerful coalition, creating, communicating & empowering others to act on the vision, planning on short-term wins while consolidating improvements and institutionalizing new approaches. Emergent models of change theories include Logical Incrementalism, Quinn (1980), which argues that managers continuously move forward but incrementally. Additionally, Dawson (1984) advanced the Processual Model, which broke down the complexity of organizational change into smaller units by identifying temporary aspects of change, which are deemed manageable tackled through scope of conception for change, process of organization transition and operation of new work practices and procedures.

On his part Senge, (2006) Learning Organization Model advanced that learning organizations do not suddenly adapt to change, but perpetually seek it by using learning, experimentation and communication to renew self constantly. During a stakeholders' meeting in December 2016 in Nairobi, and at the 28th AU Summit in Addis Ababa in January 2017, PTA Bank's leadership confirmed that it had rebranded to "The Eastern and Southern African Trade and Development Bank" (TDB). TDB's President and Chief Executive Officer, Mr. Admassu Tadesse pointed out "Our rebranding represents our rejuvenation and recommitment to play a more active role in promoting trade, economic development and regional integration". According to Tadesse, rebranding illustrates the intention to "transform the whole organization into a world-class African investment ready institution, ready to take on projects that will significantly impact the region's economies." The rebranding is a component of a bigger strategy for revitalization reflected by the years of reforms and innovation.

1.1.1 Change Management Practices

Whether planned or unplanned, as noted by Singh, (2009), change is loathed because it takes away the consistency individuals, teams and organizations are used to. Anthony, Viguerie & Waldeck, (2016) cautioned that we are in period of accelertating change, where the life spans of organiations has been dwindling and half of the S&P 500 companies are expected to be replaced in the next decade, with the reason for their demise, being "organiztion inertia". Change management is being billed as a new paradigm of critical organization discipline as evidenced by the proliferation of papers in the last decade focused on increasing the organization's capability to adapt (VenDeVen & Poole, 1995).

Kotter, 1995; McKinsley, 2008; Sommerfeldt, 2014) revelation that only a third of all change succed, makes aadvancement of change management as a discipline, very vital and removes the assumption that change be handled on ad hoc basis, occasionally aided by experience. Literature in change management, Kotter & Cohen, (2002), Sharma, (2007), Paton & McCalman, (2008) contend that communication, training, education programs compensation and control and measurement form the basis of change management practices at the organization level.

Additionally, McKinsley, (2008) pointed out highly involved leadership, communication and accountability, employee encouragement, a wholesome approach to change as important practices in pursuit of change management. These form the tools, techniques, and processes utilized to align an organization’s resources to business objectives.

1.1.2 Organizational Growth

Organizational growth is an evolutionary process that can be attributed to dynamics within the organization and the environment. Growth is not easy, and poses significant challenges to organizations (Greiner, 1998). Organizations have different yardsticks to measure organizational growth but most concur that it should be evident in the progress towards the organization’s goals. Managers use growth parameters as means to analyze and adjust their actions towards efficiency and effectiveness (Cole, 2002). However, it is difficult to point out the motivation of growth, until after the fact. Pfeffer & Salancik, (1978) argue that it is difficult to find consensus regarding the reasons observed for growth in a specific organization. Greater efficiencies from economies of scale, increasing revenue, market share and growth rate have been mentioned as ways for measuring growth in organizations.

Child & Kieser, (1981) advance three explanations for organizational growth, first as a result of other organizational strategies, secondly as since growth facilitates the internal management of an organization and lastly growth enables an organization, to attenuate dependence on the environment by reducing uncertainty. Therefore measuring the organization’s performance through financial statements would give an indication of an organization’s growth.

Crosby, (1999) attributes organizational growth to strategic planning, arguing that the growth and success of an organization is contingent on how well the organization has set goals for itself and use strategic planning as a key driver for the attainment of the goals. Therefore goals achieved, against set targets, is a good indicator of organization’s growth. As an organization grows, the relationship between it and its members and environment changes, and change management may be necessary.

1.1.3 Regional Economic Integration

Regional integration is a continuum, with economic interconnectedness progressing form low level of integration such as a Free Trade Area (FTA), to a higher one such as a Political Union (Balasa, 1961). FTA is an agreement where members formally agree to gradually reduce and eventually terminate the barriers to trade within the bloc. The members retain their right to determine their independent trade policies with countries outside the bloc (Velut, Dalingwater, Boullet, & Peyronel, 2017)

Customs Union is similar to FTA but additionally requires members to harmonize their international trade policies to non-member countries (Andriamananjara, 1999). Common Market aims to reduce or removes trade barriers, common barriers are established, and factors of production are allowed to free movement between the countries in the bloc.

The other level of integration is the Economic Union, which combines the advantages of the three aforementioned but additionally strive for unification of fiscal and monetary policies including identical tax rates, free movement of capital and free convertibility of currency. At the very top level of integration is the Political Union, an ideal yet to be achieved but if it were to be realized in future, the members in the agreement would have to enter a unification of policies by a common organization, collapse all separate national institutions into the union. Regional integration generally has positive outcomes with respect to trade, development and economic incentives through the relationship enjoyed by the members (Schühly & Tenzer, 2017).

1.1.4 The Eastern and Southern African Trade and Development Bank (TDB)

TDB was established pursuant to Chapter Nine of the COMESA Treaty (1981) that conceived the PTA, later known as COMESA. TDB's vision is "To be the Preferred Development Financial Institution in the Region". The mission "To be at the forefront of providing development capital in the region through customer focused and innovative financing instruments backed by competitively priced funds." (Trade and Development Bank, 2018)

The Executive team is lead by a President & CEO whose duties and responsibilities are managing the day-to-day operations of the bank. The senior management comprises heads of functional departments of asset management, compliance risk management, financial management, portfolio management, human resource & administration, corporate affairs & investor relations, lending operations, syndication services, treasury, credit risk and coverage (Trade and Development Bank, 2018).

TDB's objectives to member states include provision of financial and technical support, promoting development of trade, providing financing for projects aimed at complimenting the welfare of other Member States, supplementing the activities of national development agencies by joint financing operations. Cooperating, pursuant to the Charter, with organizations in the pursuit of economic advancement of member countries and undertake activities and operations that may advance the Bank's objectives (Trade and Development Bank, 2018).

1.2 Research Problem

Global competition, changing customer demands, technological advances & new legislation, social & political changes are among the inherent pressures facing organizations today, reducing lifespans of even well established organizations (Stubbart & Knight, 2006). Whilst some of the changes might be small and only require incremental changes, commensurate with the pressure, some are disruptive. Disruptive ones may demand radical changes on multiple levels of the organization, and the organization as a whole, the impact of which can be felt across organization culture, processes and systems, focus and strategy, people and leadership.

Growth is seen as a desirable objective to pursue by most organization, achievable through four distinct vehicles (Child & Kieser, 1981). First, through the organization's existing domain, through competitive or non-competitive strategies as organizations strive to be monopolies in their own field (Pennings, 1981). Second, through diversification into new domains in an attempt to spread risks or gain legitimacy (political support). Third, through technological advancement and lastly through improved managerial techniques as organization growth is seen as a means for utilization of managerial talents (Penrose, 1959).

Various studies have been done on change management practices. Fedor & Herold, (2004) conducted multiple cross sectional studies in the Southern US on effects of change and change management on employees in the paper industry. The study revealed the need to have better understanding on the implication change has on individual units at an organization and the importance of the role played out by change management practices in reducing friction caused about by change. This study focused on the people-aspect of change and provided solutions for reducing resistance to change. Business aspect of change was largely left unaddressed.

Nyasha, (2011) used a cross sectional study to investigate the impact of organization change at the Gauteng Provincial Department of Infrastructure and Development. The findings were that lack of communication of vision, failure to involve employees and mistrust hampered successful management of change. Whilst this study identified important aspect of change management by revealing the importance of leadership and communication, it does not point out how this ties into growth. Selvadurai, (2013) used qualitative research to investigate change management in the Canadian public sector by looking at strategies required to achieve desired results, by utilizing (Kotter, 1995) Eight-step Model. The study, found that employee perceptions were aligned with three, out of the eight steps, and called for further research.

Sarah & Adam, (2014), conducted a case study on Gambling Inc. one of the government owned gambling companies in Sweden. Their basic findings were that managers of organizations feel cornered by the pressures of managing change, to a point where they deemed their attempt at managing, as pointless. They pointed out that middle-level managers as often feel the top ignores their ideas. This study focused on people aspect of change, leaving the business aspect of change as a gap.

Musau, (2012) case study change management approaches and challenges Safaricom, concluded that organizations should continuously ensure that management is well equipped with necessary skills and resources to tackle present and future changes. This study focused on planned change models of Action Research, Kotter's model and Lewin's Three-Step Model. It does not mention any emergent change models. Naitore, (2014) case study investigated the change management practices adopted by the IEBC. The study revealed that resistance to new technology, high levels of poverty, political uncertainty, red tape and poor coordination, were main culprits challenging change management.

Munee, (2016) carried out a case study revealing "strategic change management practices and challenges at Barclays Bank of Kenya". The study revealed, the importance of top-level management in matters relating to change. Khoyi, (2016) via a case study, gave an account of how political, social, technological and legal issues affect change management. The study went ahead to show how strategic management practices, and team involvement impact on change management at Pinnacle Projects.

Whilst most of the studies provide valuable insights on change management, most focus on the people aspect of change, leaving the business dimension largely un-tackled. Change management has two crucial dimensions; the people and business dimension. Most of the studies also focus on one approach of change, which is the planned approach. The emergent approach has been less emphasized. The studies reviewed also focus on private and public organization in a number of areas including telecommunications, real estate, public service, banking & financial services, to the researcher's knowledge, limited literature exists on change management practices and growth at inter-governmental organizations such as the TDB.

Studied reviewed also shows the popular attempt of addressing only one dimension of change. Most of the studies focus on the planned mode of change, leaving the emergent model unaddressed. The few that address emergent changes do not tackle the planned model. The researcher's argument is that there is no one-best-way approach to dealing with change management and therefore shall use a double-pronged approach in this study, with the aim of filling the gaps identified by answering the question, what are the change management practices and growth of the Eastern and Southern African Trade and Development Bank?

1.3 Research Objective

This study's objective was to identify the change management practices and growth of The Eastern and Southern African Trade and Development Bank (TDB), in Kenya.

1.4 Value of the study

This study seeks to empower managers in public and private sector with knowledge on change management practices and growth. Additionally, it is useful to the Eastern and Southern African Trade and Development Bank and other intergovernmental organizations and DFIs by providing them with information to be considered when undertaking change management, and pursing growth objectives.

The study also seeks to contribute to the body of knowledge by providing a platform upon which further studies on change management can be done, while equally providing other researchers with a basis for citation and formulating their own research gaps as they conduct their studies in the future. To the current theories, this study supports existing theories by providing findings that offer a platform for building onto existing concepts.

Change management is a new paradigm in strategic management and as such, an attempt to study it in relation to an intergovernmental organization such as TDB is likely to stimulate other academicians to improve an understanding of the various management issues, affecting change management in such organizations. The study will assist strategic management practitioners in emphasizing the importance of change management as part and parcel of strategic management.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Having extensively defined and reviewed change management practices, organizational growth, regional economic integration, research problem and objective in the preceding chapter, in this one, the researcher looks at the literature that informs the research study by reviewing definitions, concepts and theories done by other researchers, relevant to the topic. The literature review begins by introducing the overarching contingency theory, pointing out the theoretical models of change management, defining organizational change, identifying the theoretical foundation, change management practices, change management practices and organizational growth, and empirical studies and gaps (Bamford & Forrester, 2003).

Cummings & Worley, (2009) defined organizational change as a state of transition between the present state and a future one, towards which the organization is directed. Pettigrew (1985) gave a broader explanation by arguing that organizational change includes both the content of change and the context. In order to formulate the content of a strategy, one needs to control both the context and process. After all, strategy is sensitive to the context in which it is practiced.

Organizational change literature suggests that the definitions fall within the purview of revolutionary and evolutionary, transactional and transformational, incremental and transformative (Wit & Meyer, 2005; Bruke, 2002; Burke, 2010). “Revolutionary change” refers to radical transformation that breaks connections with the past. Evolutionary change on the other hand refers to small transformations, which take place in opposition to revolutionary change. These types of changes do not result into the overhaul as necessary in revolutionary change (Bruke, 2002).

Revolutionary change is associated with transformational and transformative change, while evolutionary with transactional and incremental change (Dunphy & Stace, 1988). Although there are different definitions of change, they all seem to concur that the final purpose of organizational change is success, by creating an organization that adopts and influences the changes in its environment.

2.2 Theoretical Foundation

The study views change management from two main approaches: Planned and emergent models. This is informed by the contingency theory proposition that there is no one-best-way to deal with change management. Theories under the planned model of change include Action Research, Three-step Model, Eight-step Model, Bullock and Batten Change Model. Emergent change models include logical Incrementalism, Processual model and Learning Organization Model (Kotter, 1995, Bamford & Forrester, 2003, Burnes 2004)

Change in organizations can be either proactive or reactive. The former involves the deliberate attempt to transform the workplace and practices, including skills, mindsets, capabilities and processes. Proactive companies are always in the pursuit of capturing future opportunities, or avoiding future threats. The latter on the other hand, happens when an organization makes moves to capture opportunities or mitigate effects of threats that have already occurred (Bamford & Forrester, 2003)

Planned change views change as a process of transition from a particular state to another through a series of steps that are well thought-out, planned, rather than on impulse (Sommerfeldt, 2014). Emergent change, describes change as a continuous, open-ended, unpredictable process or aligning an organization to its internal and external environments (Burnes, 2004).

2.2.1 Contingency Theory

This theory is based on the argument that "there is no one-best-way approach to solving organizations problems." The general proposition is that no single problem-solving approach of one organization is equally applicable to all organizations, or to the same organization at different times as the solutions crafted by organizations are situational and contextual. Rather, the alternatives are viewed depending on a fit or match between the alternative and its relation to the organization's resources, available skills, practicality, technology, environmental volatility, receptivity and responsiveness to situational factors among other considerations (Islam & Hu, 2012)

Dunphy & Stance (1993) argued that change strategies employed by organizations should be varied to accommodate environmental changes and arrive at an optimum fit. To support this argument they put forth a proposition that since organizations differ in size and complexity, have different processes & value prepositions, they do not encounter the same situational variables. With this argument, they advanced that there is no single fundamental approach of change management practice that would be applicable in all organizations. They anchored their argument on environmental factors and leadership as crucial factors in any transformation process.

Contingency theory falls within the purview of organization theory, which defines the constituent elements of organizations and the relationship as they combine to pursue the main objectives of the organization. The main underlying themes of contingency theory are based on the assumptions that organizations are open systems, there is no ideal or best way of organizing, different types of strategies and methods are needed in different situations, alignment and good fits should be a priority of management (Morgan, 1986)

2.2.2 Theoretical Models of Planned Change

Planned change models emphasize the necessity of the stakeholders' awareness of the need for change, making necessary considerations and involving all parties in the change process. Models in literature include Action Research, Lewin, (1946). This advances taking an action with the goal of making that action more effective. The aim is to come up with programs that solve a problem or improve a condition, based on the premise that effective way of solving an organization's problems is based on rational, systematic analysis of the issue at hand. It involves the organization, the people and a change agent. The process of involves perception of the problem by a key executive, consultation with experts, systematic gathering of data.

Another planned model is the Three-step model, developed by Lewin, (1985), involving unfreezing previous behavior, changing and refreezing the new patterns. Unfreezing involved dismantling the status quo that supports previous behavior that an organization intends to change. The second stage involves the actual change. This means initiating clear and appealing options of new pattern of behavior. The final stage of refreezing entails solidifying the change formally and informally into the organization.

This model does not explicitly state that introduction of change will be sustained over the long term. If an attempt to create change is unsuccessful, then it means one of the steps was not properly undertaken. Bullock & Batten, (1985), developed their planned change model that summarized change process in four stages. The exploration phase involves awareness of the need for change and searching for solution. The planning stage, involve understanding the problem, collecting information, setting change goals and designing action plans.

The action phase, which involve making arrangement for managing change including feedback. The last phase is the integration phase that concerns itself with consolidating and stabilizing change and reinforcing new behaviors. Kanter et al, (1992) described how individual and companies master the process of change through "analyzing the need for change, separating from the past, creating a sense or urgency, supporting a strong leadership role, lining up political sponsorship, crafting an implementation plan, develop enabling structures, communicate, involve people to be honest, reinforce and institutionalize change."

Kotter, (1995), through his Eight-Step Model, argues that successful change goes through eight steps. "Establishing a sense of urgency, forming a strong purposeful coalition, creating, communicating and empowering others to act on a vision, planning for short-term wins, consolidating improvements while still producing more change and lastly institutionalizing new approaches". He emphasized that the above steps are processes and not a checklist.

2.2.3 Theoretical Models of Emergent Change

Emergent models view change as a continuous process conceived through interaction of various variables within an organization and is part of the manager's daily responsibility. Emergent change differs from planned change as it is bottom-up rather than top-down and identifies four crucial features in change management. These are structures, cultures, organization learning and managerial behavior. Logical Incrementalism coined by Quinn, (1980) argues that managers consciously and proactively move forward but incrementally. This involves identifying patterns of change, solidifying process incrementally and integrating processes and interests.

Dawson, (1984) advanced the Processual Model, which argued the complexity of organizational change is broken down into smaller units by identifying the temporary aspects of change. These smaller units, which are deemed manageable, can be viewed from the scope of conception for need for change, process of organization transition and operation of new work practices and procedures. The process begins with the conceptual need for change, which could be informed by either reactive or proactive approach from the organization. The process of organization transition entails different tasks; activities and strategic decisions are made at this point. The last procedure, new work practices and procedures focuses on the period when, following an implementation of change, new organization arrangements and systems of operation begin to emerge. It is also a period in which a relatively stabilized system of operation emerge comprising new patterns of relations and forms of working practices. The determinants of change in this school of thought are the context, substance and the politics of change. (Senge, 2006) advanced the Learning Organization Model. A learning organization does not suddenly adapt to change, but perpetually seeks it by using learning, experimentation and communication to renew itself constantly.

2.3 Change Management Practices and Organizational Growth

Greiner, (1998) growth model enumerates different stages of organizational growth and corresponding crisis which conceive the need for tranformation as the organization has to change, to propel the next level of growth. This model outlines creativity as the first stage, where the organiation is still small and a lean team easily handles communication and processes. As the organization grows into the next phase, there is a crisis of leadership as the organization changes.

The next stage is direction, where additional leadership has been brought in to manage various aspecsts of the organization. This creates the crisis point of autonomy, where work and authority need to be delegeted to keep the organization perfomance at optimum as the organization continues to grow. Thirdly, delegation stage kicks in with layers of authority added into the organizational structure. At this level, top management focuses on organization strategy, leaving the middle level management to handle various tasks of day-to-day management. This can be chaotic, especially if the middle level management is yet to grasp key skills to manage the organization effectively. Top management may be relactuant to let go of the reigns, leading to a crisis of control. Crisis of control leads to the fourth stage where coordination through policies and procedures aimed at bringing better coordination. Unfortunately, this leads to the crisis of red tape.

To change, the organization enters into the phase of collaboration, as the organization attempts to solve its challenges by in introducing more flexibility. This leads to the crisis of internal growth, where the organization has to mine outward for solutions. The organization to solve its challenges has to partner with other organizations through alliances, merger and acquisitions, partnerships. This becomes the sixth stage which unfortunaltey leads to a cris of identity, where the organization must re-focus on its mission and vision.

2.4 Empirical studies and Knowledge Gaps

This reviews local and international literature’s conceptual argument, context and methodology, identifying the gaps and how those gaps can be filled. Fedor and Herold, (2004) conducted a cross sectional study in the Southern US, on “effects of change and change management on employees in the paper industry”.

The study revealed the need to have better understanding on the implication change has on individual units at an organization and points out the importance of the role played out by change management practices in reducing friction by change. Frahm, (2005) longitudanal study focused on two organizaionts, Tech D and High Sales, looked into the impact of change communication on empoyee receptivity. This study focused on the continous model of change leaving the planned models of change largely unaddressed. Naidu, (2008) descriptive, crossectional study, to establish the Impact of change management to staff turnover at Telkom SA, concluded that employee engagment has huge implications to the success of change management. This study only focused on one division of the organization thus does not provide a holistic approach of change management in the whole organizaiton.

Nyasha, (2011) cross sectional study to investigate the impact of organizational change at the Gauteng Provincial Department of Infrastructure and Development, found that, among other factors, lack of communication of vision, failure to involve employees and mistrust hampered successful management of change. D'Ortenzio, (2012) case study regarding employees understanding of change and change management in public sectors in Australia focued particulartly on South Australian Tourism Commission (SATC) and found that there is a need for employees input in change and change management in public sector organizations in South Australia. Additionally, Boikhutso, (2013) submitted findings from a qualitative case study on an organization called Business Solutions Centre in South Africa, on the impact of change management in systems implementation, finding that human factors, if not addressed, can reduce the success rate of change implementation.

Selvadurai, (2013) cross sectional study on change management in the Canadian public sector looked at strategies required to achieve desired results, by utilizing (Kotter, 1995) Eight-step Model. The study, found that employee perceptions were aligned with three, out of the eight steps, and called for further research. Sarah & Adam, (2014), whose basic findings were that managers feel cornered by the pressures of managing change, to a point where they deemed their attempt at managing, as pointless. Mungai, (2011) case study people dimension of change at Kenya Power and Lighting Company used the AKDAR model to draw conclusions regarding the importance of people in change management.

Odida, (2011) cross sectional survey investigaged "strategic change management practices in the downstream petroleum industry in Kenya" concluding that strategic change management impacts of company efficiency as customer satisfaction and pricing are matters affected by changes. This study focused only on planned change approach leaving a gap in emergent approach. Matara, (2012) survey, "strategic change management practices at Local Authorities in Coast Province in Kenya" conluded by confirming that local authorities indeed employ strategic change management practise, and that people were a huge part of the success rate. The study does not reveal the strategic significance of change management practices, or how change management relates to growth and development of the organizations aformentioned. Musau, (2012) case study change management at Safaricom concluded that organizations should continuously ensure that management is well equipped with necessary skills and resources to tackle present and future changes. This study focused more on planned models of change such as Action Research, Lewin's three step model and Kotter's eight step model to emphasize on the importance of motivating employees. Emergent models were not mentioned.

Omitto, (2013) conducted cross sectional survery on “employee percetion of change management practices at Kenya Commercial Bank in Nairobi County.” This study fo used on the people element of change. Naitore, (2014) case study investigated the change management practices adopted by the Independent Electoral and Boundaries Commission (IEBC). The study revealed that resistance to new technology, high levels of poverty, political uncertainty, red tape and poor coordination, as main challenges of change IEBC.

Munee, (2016) carried out a case study revealing strategic change management practices and challenges at Barclays Bank of Kenya. The study revealed, inter alia, the importance of top-level management in matters relating to change. Khoyi, (2016) case study, gave an account of how political, social, technological and legal issues affect change management, showing how strategic management practices, and team involvement impact on change management at Pinnacle Projects, in Kenya. The theoretical framework was on behavioral and group dynamic theories, thereby making the study more people centered.

Despite the promising trajectory, current literature is limited on the confluence of change management practices and growth of organizations. Most of the studies focus on people aspect of change in corporate entities either private of publicly owned. Limited literature exists on intergovernmental organizations such as the TDB. This study addresses this knowledge gap by situating the research within the context and thus contributing to the advancement of knowledge relating to change management practices and growth. The theoretical framework of this study also takes a double-pronged approach by examining both planned and emergent models of change. Which is far different from the one-dimensional approach popular with the reviewed studies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In line with ethos of research traditions, methods and procedures, it is necessary to provide quality research arranged in a logical and systematic manner. To actualize this, it is necessary to construe research as an argument rather than absolute truth. Similar to studies earlier reviewed, this study regarding change management practices and growth of the TDB is qualitative and utilizes both primary and secondary data sources. Details of how the primary and secondary data were obtained have been given in detail in proceeding sections.

This chapter outlines the methodology utilized in carrying out the study by unpacking the procedures and techniques utilized for collecting and processing the data. The sections of research design, data collection and data analysis shall be tackled in this chapter by providing detailed information on how the data was collected, how it was organized, categorized and analyzed using content analysis, among other critical areas of the methodology.

Arising from the above considerations this chapter provides an overall understanding of the methodology of the study and guideline for the various stages by providing details on the respondents interviewed, the data collected, timelines for the data collection engagement and how the data was organized and analyzed. Data from the organization came from the President & CEO, the Head of Project & Infrastructure Finance and the office of Corporate Affairs & Investor Relations.

3.2 Research Design

Burns & Grove, (2003) described research design as a blueprint for conduction a research study, with full control over the factors that may interfere with validity of the findings. This project has been conducted using the case study method, which is a form of qualitative analysis where a study is done on one entity, giving a detailed description of a single matter being investigated. The organization in focus for this study is TDB, and the detailed description of the single matter being investigated pertains to the topic of the study "Change Management Practices and Growth of the Eastern and Southern African Trade and Development Bank"

Cooper & Schindler, (2002) noted that a case study focuses on depth rather than breadth, more concerned with the complete analysis of a limited number of events or conditions. This study is concerned specifically with identification of change management practices and growth at TDB. In depth information regarding the change management practices and the growth of the organization have been captured extensively, with the information being presented in later chapters of this study. This research design offered various merits including bringing close focus into the context of the study and saving time, which was used to improve on the quality of the overall research study.

A good number of the studies reviewed in Chapter One and Two of this proposal, use the case study as the research design when focusing on one organization. The researcher elects to use the same case study research design to obtain in depth knowledge of the strategy, "change management practices and growth at the Eastern and Southern Africa Trade and Development Bank". The details of the data collected to indicate the above have been captured in detail in other sections of this chapter.

3.3 Data Collection

To prevent information bias, and improve credibility, both primary and secondary have been used in this research project. The former can be gathered through telephone or personal interviews, questionnaires or direct observation. The latter utilizes information already existing. In this study, primary data was collected through face-to-face interaction via the interview guide attached as Appendix 1. Having obtained a data collection letter from the MBA Coordination office, confirming that the researcher is a bona fide student of the University of Nairobi, the respondents afforded the researcher an opportunity to collect data at the organization.

The data collection letter has been stamped & signed accordingly and attached as "Appendix 2." Further, a letter of confirmation from the organization as been attached as "Appendix 3". The President & CEO of the Bank, Mr. Admassu Tadesse and Head of Projects & Infrastructure Mr. Simbarashe Chikarango, were interviewed. The interview questions were sent to the President in advance, and a discussion held on the overall objective of the study with the aim of clarifying certain concerns and providing information that is relevant and timely.

Secondary data sources for the study included relevant articles, newsletters, events and gallery publications available on the Trade and Development Bank through their website, library and other sources. Newsletters, Annual Reports and TDB Charter were provided through the office of Corporate Affairs & Investor Relations. 10 video interviews conducted by various media houses were also reviewed in terms of relevance, timeliness and content. The information collected from these sources was organized and shared with the President & CEO, who validated the findings as shall be presented in a later section of this chapter.

3.4 Data Analysis

Nachmias & Nachmias, (1996) defined content analysis as a technique for deducing objective inferences by systematically identifying specified characteristics of message and using the same approach to relate to trends. Creswell, (2014) argued that it is all about systematic inferences coupled with objective identification & analysis or messages from respondents. This method of analysis has numerous advantages including allowing the researcher to deal with huge amounts of data, both good for qualitative and quantitative data, allows the researcher to deal with large amounts of data.

The data collected was analyzed for consistency and completeness, after which, since the data is qualitative, content analysis was used to carry out the analysis. As most of the studies reviewed and cited in Chapter One and Two in this study, conceptual content analysis has been used to bring out the relevant information in the data collected. The audio recorded during the face-to-face interviews, and the video data available produced information that was transcribed, summarized and analyzed on the basis of syntactical, categorical and proposition distinctions. Comparing the content of both primary data and secondary data to the literature review then drew inferences.

A review of the secondary data was done, and the content generated discussed with the respondents equally who provided explanations regarding certain aspects of the data that was provided. This provided an opportunity for the researcher to seek clarifications of details earlier not understood. Explaining in detail what the numbers and other aspects of the data mean in real and practical terms. A detailed explanation of the Lean Six Sigma methodology was given in the interview, with clear details on where how and when TBD has used the methodology, and what the results have been.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The objective of this study was to "identify change management practices and growth at the Eastern and Southern Africa Trade and Development Bank". In order to achieve this objective, the researcher utilized an interview guide, while adhering to the ethical ethos of research, to collect primary information from The President & CEO, Head of Projects & Infrastructure and Corporate Affairs & Investor Relations through the printed documents and reports.

Secondary data was also collected from the Corporate Affairs and Investor Relations office in the form of annual reports and financial statements for the year ended 2016 & 2017, annual reports for years 2016 and 2017, Charter of TDB, News Letters for the years 2016, 2017 and 2018. Video interviews by African Investor network, CGTN Africa, NTV Uganda, Conference proceedings of the 34th Annual TDB Meeting recently held in Uganda. Content analysis was utilized to examine the available data by keenly investigating the syntax, categorical and preposition distinctions

In the previous chapter, the research design and methodology were presented. This chapter contains the interpretations of the findings of the research using research question. The results obtained through primary and secondary sources are presented. It also explains the critical change management practices and growth of TDB. The findings also give insights on a specific methodology used by TDB in change management, process efficiency and standardization.

4.2 Change Management and Growth at TDB

TDB operates pursuant to the “Charter of the Eastern and Southern African Trade and Development Bank”, which is anchored on Chapter Nine of the Treaty for the Establishment of the Preferential Trade Area for Eastern and Southern African States. TDB’s objectives include; providing financial and technical assistance in promoting the economic and social development of Member States, promoting development of trade among Member States, supplement activities of national development agencies of the Member States through joint financing operations, cooperate with other institutions and organizations which are interested in economic and social development of the Member States.

The interview guide is divided into different sections: A, B, C, D and E. Section A is optional and captures details of the respondents. Section B captures the changes that have taken place at TDB. Section B focuses on the growth, change management is addressed at Section C and lastly change management practices falls under Section C. The discussions and findings of this study in this chapter are arranged in paragraphs following the order.

The most noticeable change is the change in name. From its inception in 1985, the Bank has operated under the legal name “The Eastern and Southern African Trade and Development Bank”, and trade name PTA Bank in English, Banque dela ZEP in French. In May 2016, at the 32^{nd} Annual Meeting, the Bank’s Board of Governors approved the rebranding of the Bank, pursuant to which the Bank now operates under its new trade name “Trade and Development Bank (TDB)” with an new logo and tagline. Important to note is that the legal name has not changed.

The respondents confirmed that the change in name was part of a bigger rebranding strategy which was meant to among other things enhance the autonomy of the Bank by "de-linking" it's operations and scope from the PTA, COMESA and other possible metamorphosis of the regional integration, as the Bank intends to cover bigger geographical region that might go way and beyond the regional integration pursuits of the Member States. This change in name also makes it easy for clients and investors to notice what exactly the Bank does, which is trade and development, as the name suggests. In this regard, the Bank has embarked on a series of rebranding activities across Member States including Mauritius, Burundi, Zimbabwe, Kenya, Ethiopia, Burundi, Rwanda, Democratic Republic of Congo, Seychelles, Tanzania, Uganda and Mozambique.

TDB has also launched a new website in line with its new name and tag line. This new website was designed from scratch to align to global best practices. The new website is mobile-ready, meaning it responds to a variety of mobile device screens, such as tablets and smart phones. This is important especially so, considering the mobile penetration rate in Africa. The new website also boasts user-friendly features making it easy to navigate and access content. The user interface has enhanced and modern aesthetics for users. This has been coupled with a modern content management system that makes it easy for non-technical staff to update the website.

Figure 4.1: PTA Bank old logo.

Source: TDB, 2018

Figure 4.2: TDB new logo.

Source: TDB, 2018

Other than the noticeable change of the logo, Mr. Simbarashe confirms there has been a change in terms of the business model guided by the theme of moderate growth and consolidation, continued reform, institutional strengthening & repositioning, re-emphasis on portfolio diversification across countries and sectors with close attention to infrastructure and industrial projects while maintaining and improving cost-effectiveness. Further, TDB has changed its corporate governance structure with the introduction of new boards to enhance its governance approach.

Changes in the human resource saw 21 new positions being filled in 2016, to enhance capacity and professionalism to assist the bank in achieving its objectives. In line with the FYCP 2018-2022 expansion strategy; new young and professional staff has been brought in to join the team and assist the Bank in pursuing its set objectives. In the year 2017, several positions were filled including Director of Legal Services, Director of Assent Management and Directors, Deal Structuring and Financial Modeling. The aim of the Human Resource and Administration is to enhance the capacity of the Bank by deepening the talent pool, enhance the efficiency of physical infrastructure and leverage on technology to drive business performance across the board.

The staff is informed of the changes through cross-departmental taskforces. When there is change being effected, each department has a number of employees who form part of the task force that is assigned the responsibility to get the information of the change initiatives from top management and report back to the department. Another avenue is through departmental meetings, and meeting with the President and top executives. Informal channels such as brown bag meetings also form part of the socialization avenues through which change initiatives are communicated. This makes it possible for the information to cascade all levels of the organization.

From the interviews and the data collected, the 2013-2017 strategy for growth was a triple pronged approach seeking growth, innovation and diversification, underpinned by stronger and expanding partnerships. With the advent of Pan-Africanism on the rise, the Bank changed focus on the geographical scope to capture some of the opportunities in the growing African economies by instituting reforms, upgrading the institution, strengthening the framework and building confidence, which is expected to allow capital, flows both regionally and globally.

Growth at TDB is measure through various avenues with the most important being improved numbers in the overall balance sheet of the bank. Other parameters include improved loan quality, reduced non-performing loan ratios, increase in membership, expansion of human resources capacity, upgrading of regional offices and introduction of new financial instruments. To compliment these parameters, Mr. Simbarashe adds an independent growth matrix can be viewed from the awards the Bank has been awarded by independent organizations. Before the just concluded FYCP, TDB had not been granted an investment-grade rating. The case is different now as the bank has been awarded various awards and is now a fully investment-graded DFI.

Mr. Tadesse pointed out that TDB's loan assets grew by close to 12% from USD 2.9 billion in 2014 to USD 3.24 Billion in 2016. Total assets rose by 4% to close at USD 4.26 billion in 2015. Further shareholder's capital also grew by 16% to USD 865.5 million from USD 766.3 million in 2015. 2016 also saw continued improvement of the overall loan asset quality with the non-performing loan ratio edging lower than 2.85% from 2.87% in 2015. Overall TDB recorded a profit of USD 101.5 million in 2016, which was a 17% increase from the recorded numbers the previous year.

The Annual Report for the year ended 2017 indicates the net profit grew USD 111.9 million from USD 111.5 million the previous year, representing a 10% growth. Information provided to validate the findings in the report indicate that there was a 24% growth of the bank's total assets to reach USD 5.26 billion, from USD 4.26 billion in 2016. This was 52% over the target set in the FYCP. The Bank's loan book increased to USD 3.81 billion from USD 3.26 billion in 2016, representing a 17% growth. Further, the non-performing loan ration decreased from the percentage indicated in 2016 to 2.39%. Shareholders capital also grew from USD 856 million to USD 1.02 billion, surpassing the projected figures in the FYCP by 30%

In 2013 TDB created a new class of shares, Class B, dedicated to institutional investors, in addition to Class A shares offered to Sovereigns. Class B shares continued to attract investors with a 50% over target growth as outlined in the fifth corporate plan. In 2016 the volumes raised, including share premium reached USD 16.8 million, which grew to USD 23million in 2017. The growth and transformation reforms undertaken by the bank from 2013 have seen the Bank's balance sheet grow by a record 24% every year on year, leading to a USD 5.2 Billion milestone.

Mr. Tadesse pointed out that the projected growth rate was 10-15%, which it has out performed with 52% as it continues to pursue a growth strategy of attracting new members and institutional investors. Data collected shows that five years ago, the Bank barely had any institutional investors, compared to 12 institutional investors they have now. The following countries have also joined the bank leading to growth in numbers; Republic of South Sudan, Republic of Mozambique, Kingdom of Swaziland and Republic of Madagascar.

The current corporate plan, which was approved by Board at the 33rd AGM, envisions a growth plan where the bank shall increase its balance sheet from the current USD 5.2 billion to USD 10 billion by the year 2022. The Bank plans to build on its success in the recent years through strategic funding partnerships, bilateral agreements, Eurobonds, private placements, international syndicated loans and continued pursuit for members and institutional investors. The data collected shows that growth can be constrained by currency, political, early state risks among other forms or risks. To counter this the Bank has two specialized Board committees: the Board Credit and Investment Committee and The Board Nomination and Remuneration Committee.

Further, new Directorships have been created to ramp up the corporate structure to deal with risks. These reform measures are expected to boost confidence in both existing and new investors of the bank as reflected in the positive credit rating received by the Bank over the years. TDB plans to build The TDB Tower off Lenana road, in Nairobi Kenya in order to upgrade its Nairobi premises, moving from its current physical location off Lenana road to the new building once it is complete. The proposed office building is expected to have twenty-three stories with office space, meeting and conference facilities. Demolition of the current existing structures on the site has been done, with ground breaking expected to begin soon.

4.3 Change Management Practices

As early pointed out, literature in change management, Kotter & Cohen, (2002), Sharma, (2007), Paton & McCalman, (2008) contend that communication, training, education programs, compensation & control and measurement form the basis of change management practices at the organization level. Additionally, McKinsley, (2008) pointed out highly involved leadership, communication and accountability.

Additionally, employee encouragement, a wholesome approach to change as important practices in pursuit of change management. These form the tools, techniques, and processes utilized to align an organization's resources to business objectives. At TDB, change is initiated by both top-level and middle level, thereby indicating that they subscribe to both planned and emergent change. The planned change is championed by the top-level leadership, who are more concerned with the strategic direction of the organization, while the operational level champions the emergent changes. The FYCP are initiated through planned change by the top-level leadership. An example of the emergent changes coming from the operational level includes the changes in due-diligence processes.

The respondents confirmed that TDB engaged in Business Continuity Management (BCM) through a consultant with the aim of reviewing and enhancing the Bank's business continuity plans (BCP). The consultant assisted the bank to put in place a robust, comprehensive and tested continuity plan to assist the Bank respond to events that may significantly impact and disrupt its business. The BCP addressed data back-up and recovery, all mission's critical systems, financial and operational assessments, alternative communications, alternate physical locations, risk mitigation, protection of Bank's reputation, safeguarding resources and sustaining customer confidence.

Information provided by the Corporate Affairs & Investor Relations indicates that in September 29, 2017, TDB conducted a Workshop on "Trade and Development Finance for Sustainable Growth" in Addis Ababa in Ethiopia. The purpose of which was to create awareness of TDB's products to the corporate and local business community. Access to information is billed as a critical component of the relationship TDB has with its clients and stakeholders.

TDB seeks to take performance management to a higher level. The data collected shows that the Bank has gone live with a cloud-base performance management system where the staff and their supervisors can actively engage in goal setting, coaching, performance review and evaluation and year-to-year self-assessment. This system is aimed at effectively driving and managing the workforce through continuous coaching and feedback and actively attracting and retaining talent to the Bank. The Human Resource and Administration Department conducted a Balance Score card and Success Factors End- User training for all staff to ensure consistency in the manner in which the performance management tool is used.

Discussions with both Mr. Tadesse and Mr. Simbarashe reveled that TDB has implemented an advanced Anti-Money Laundering Combating the Financing of Terrorism and Sanctions Program (AML/CFT) intended to move the Bank towards a more strategic and responsive compliance function. The Board and staff have all been trained on this program and this enhanced the Bank’s capacity in terms of conducing due diligence, approval and monitoring processes thereby enhancing control and monitoring capability deployed to mitigate risks. TDB has also been continuously aligning technology and treasury for digital transformations by looking at ways to improve and analyze their data to keep up with trends and global practices.

The 2012-2017 corporate plan aimed at achieving operational efficiency and effectiveness through automation and enhanced governance and risk management practices through the use of technology. In this regard the Bank deployed the Treasury Management System in order to move away from manual processing in favor of an automated one. This approach not only reduces the turnaround time for information processing, but also reduces the number of errors associated with manual processing.

In line with the current five-year plan FYCP 2018-2022, TDB has adopted the Lean Six Sigma, which is a customer-focus change strategy. Lean Six Sigma methodology is a technique used for process improvement by finding hours of wasted activity that is disguised as productivity, so that that time can be used to enhance productivity. To understand the Lean Six Sigma Methodology (LSS), we must understand the terms; LEAN, SIGMA, LEAN SIX SIGMA, DMAIC GUIDE, who are the key players in LSS and when to apply it (Adams, Gupta, & Wilson, 2002) The term "LEAN" is about the holistic elimination of non-value added work. The customer perceives business activities as either waste: those that do not add any value, value add: those customers are willing to pay for and business non-value addition activities: those that the business has to do in order to operate, but do not necessarily add value to the customer. The central focus of lean is to reduce wastage classified into seven: motion, waiting, inventory, transportation, overproduction, over-processing and rework (Adams, Gupta, & Wilson, 2002).

The waste of motion typically implies the movement of people. This might be unnecessary motion within the workstation or one that takes too much time to complete. The waste of transportation implies any conveyance of a product but do not add value, such as moving documents, electronic data or excessive email attachment. Waiting implies time spent waiting for approvals, for information or clarification. Overproduction implies producing more that is needs, for instance printing more than is needed, or processing more than actual demand. The other form of waste is inventory, which implies having surplus of inputs. Over processing relates to making extra copies, generating unused reports or any extra step that does not add value (Adams, Gupta, & Wilson, 2002)

Finally the waste of rework implies correcting data entry errors, any correction of activities that are not done right the first time. One of the primary components of LEAN is value. After clarifying the value and identifying the waste, Value Stream Mapping (VSM), which lays out and conceptualizes processes by creating a value stream map to provide common understanding of the current state and help identify waste and opportunities for improvement. This helps to visualize the process cycle and make it easier to clear weak points, otherwise knows as waste, along the process cycle.

SIX-SIGMA has its origins from the works of Shewhart, (1924) who introduced statistical quality control and introduction of charts. Smith, (1986) introduced the technique at Motorola and it became well known after Welch made it a pivotal focus of his business strategy at General Electric in 1995. Six-Sigma is about eliminating variation and eliminating defects. Variation is the range of the difference between the statistical mean and all data points utilized to calculate the mean. Mr. Simbarashe, who is the lead in LSS at the organization submits that the LSS methodology has been rewarding and an eye opener has it has allowed TDB to reduce processes turnaround time by half.

It is the extent to which process performance varies around the average and is measured using standard deviation. Each level of sigma, starting from 1 to 6 allows for fewer defects and a value of 6 means that for every million chances, there are only 3.4 defects, which translates to a 99.99% success rate. The LSS breaks down problem evaluation into five distinct steps: Define, Measure, Analyze, Improve and Control. Practitioners use the acronym DMAIC (Adams, Gupta, & Wilson, 2002).

At each level, practitioners apply sutiable tools and techniques from numerous alternatives to enhance the staff's knowledge of best practices and quality management to reduce errors and wastage by becoming agents of change. Each phase has a specific purpose with the ultimate goal being to implemete effective and perment process improvements. The Define phase deals with the busiess problem, scope, objective through a project charter. The Measure phase measures how the process performs today and determine the base-line perfomance of the process. The Analyze phase analyzes the data and the process flow to rootout causes of waste, variation and defects. The Improve phase is about generating and evaluating solutions to reduce or eliminate the identified root causes. The purpose of the Control phase is to sustain the gains by creating or updating standardized procedures and ongoing monitoring of process performance.

LSS is a predominatly proactive way of managing change that combines different tools of LEAN and SIX-SIGMA to effectively improve business processes by faster processes, higher quality, increased customer satisfaction, cost savings, increased revenues and improved employee morale & skills among others. The key players in LSS are: sponsor, champion, black or green belts, process owners and team members. The sponsor actively supports the implementation of LSS and provides necessary budget and resources required. The champion leads culture change, identity and prioritize improvement projects while addressing and removing any issues or barriers that may occur. The black or green Belts are leaders, teachers and mentors of project teams, whose responsibility is to deliver solutions to business issues to the Process Owner. The process owner is responsible for process that is the target of a project. Team Members assist by providing expertise, identity and collecting data.

According to Mr. Simbarashe, DFIs generally have a reputation for being very diligent, which sometimes mean longer lead times and waiting periods for closing transactions. TDB, relative to other DFIs has shorter lead times and therefore able to complete transaction processes faster. This has indeed been their competitive advantage relative to other DFIs. The need to improve these processes, lead to LSS methodology deployment at the organization. TDB has been able to deploy this methodology in a number of their processes including the disbursements, which have now become even faster but not at the expense of checks and balances which have still ben maintained and in line with risk management.

Work at TDB involves a great deal of multi-tasking on numerous demanding projects and systems. To reduce downtimes and potential delays when workers and users have issues at their work desks, TDB has implemented an advanced system; SYSAID through which the users can submit their tech issues and have them resolved faster in a more transparent way that pushes for accountability and faster turn-around time. This helpdesk system allows the IT team to also categorize and prioritize issues, allowing the team to better prioritize issues to work on.

Documents provided by Corporate Affairs & Investor Relations indicate that between 30th April and 3rd May 2018, TDB's internal lawyers attended a completed Association of Corporate Counsel (ACC) In-house Counsel Certification Program in Dubai. This training provided the staff with intensive training on international best practices and core competences essential for successful practice as in-house lawyers. Further, data collected indicate that TDB is set to launch a world-class training academy in an effort to stock the Bank's pool of trained and skilled manpower.

The Academy is expected to provide training in partnership with external service providers when required. Further, when fully functional, the Academy is expected to create a research platform and organize periodic seminars where subject matter experts will be invited to share their knowledge and expertise. This is expected to enhance the knowledge and skills of the staff, as well as provide opportunities for Member States to receive training and knowledge on various aspects relating to projects and general offerings of TDB.

TDB uses consultants for their change management practices. Mr. Simbarashe confirmed that TDB has partnered with consultants for their corporate plans, rebranding as well their LSS methodology, which was conducted by Deloitte India. Consultants offer huge wealth of experience gained over the years and bring about the best practices when it comes to change management practices. Consultants have also been instrumental in assisting TDB to come up with their FYCPs through carrying out diagnostic studies and benchmarking, and having a discussion with the Bank on where they are, and the intended objectives.

4.4 Discussion of findings

The objective of the study was to identify the change management practices and growth of the Eastern and Southern African Trade and Development Bank, in Kenya. This section compares the research findings to the literature and empirical studies within the focus of the study by explaining the meaning of the findings, how they fit into existing body of knowledge, connects the findings to the current theories, analyze whether the findings give new insights and whether they suggest new theories. The theoretical framework of the study views change management from two main approaches: Planned and emergent models (Bamford & Forrester, 2003)

Changes at TDB are both strategic and operational. The strategic changes involve fundamental changes in the organization and its future direction. These are captured in the FYCPs that are executed. The current FYCP is 2018-2022. The goal of strategic planned change is to gain and maintain competitive advantage while maximizing shareholders value. Operational change is aimed at ensuring the activities of TDB are performed in the best possible ways. Whilst planned change focuses on effectiveness, operational change has efficiency as its main focus (TDB, 2018)

The respondents confirmed during the face-to-face interviews, that there is simply not practical to use only one school of thought in change management. In this regard, they use both planned and emergent changes (Dunphy & Stance, 1993). Theories listed under the planned model of change in this study, include Action Research (Lewin, 1946), Three-step Model, Kotter, (1995) Eight-step Model, Bullock & Batten, (1985) Change Model. Emergent change models include logical Incrementalism (Quinn, 1980), Processual model (Dawson, 1984) and Learning Organization Model (Senge, 2006)

Change at the TDB is predominantly proactive. However, change management at the organization is not only strategic, but also operational. This means contingencies have to be made to tackle emerging issues through various avenues and models. Planned change involves the deliberate attempt to transform the workplace and practices, including skills, mindsets, capabilities and processes. There is evidence of the proactive approach through the Five Year Corporate Plan 2013-2017 & 2018-2022, which shows that TDB is always in the pursuit of capturing future opportunities, or avoiding future threats (Trade and Development Bank, 2018)

Change management at TDB is approached from both the planned model and emergent models of change. This double-pronged approach assures that the top leadership provides the planned change aspect by mooting strategies and ideas that form the long-term path the organization is going to follow (TDB, 2018). This is passed on to the middle and operational management level, which in tern provides the feedback coming from the operational level, and ideas on how to pursue the provided planned change strategy (Brisson, 2010)

Other than the identified change management practices identified in Chapter One and Two in the theoretical framework, there is the LSS methodology, which is deployed by TDB to inspire and manage change (TDB, 2017). TDB does not use any theoretical model exclusively. They borrow different elements from the theoretical models pointed out in the theoretical framework. They have been able to generalize the following emphasis from the emergent models: structure, organization culture, organization learning and managerial behavior.

Change management practices and organizational growth share an inherent nexus that make the two concepts inseparable. Growth periods require commitment and precise alignment of effort with organizational goals (Kotter, 1995). Organizational growth is a "double-edged sword" offering both opportunities and challenges, revealing an explicit need for change management to mitigate risks associated with growth. Change management involves empowering employees and other stakeholders to accept and embrace the transformation process. Organizations must continuously monitor and evaluate all elements of growth including resources required, skills, technology and incremental analysis. Change management practices identified at TDB as identified by the study include, Business Continuity Program and workshops.

Others include training, performance management system utilizing a balance score card, enhanced governance and risk management, enhancing productivity and communication through deployment of different technological solutions, lean six-sigma methodology. TDB's objective of investing more in their employees and enhancing growth of the organization has adopted the Lean Six Sigma methodology to enhance its internal and external processes. Dubbed "Project Wakanda", TDB engaged the services of an external consultant to train twelve members of staff from different departments (Linch, 2015, TDB 2017)

The Bank expects to leverage on this training to improve internal processes and reduce turnaround times. Mr. Simbarashe Chikarango, Head of Project & Infrastructure Finance, spearheads the LSS project and is currently being trained for the Green Belt Certification. For the emergent models of change aforementioned, beginning with the Learning Organization, which argues that individuals continuously expand their capacity to achieve results, they truly desire. The five disciplines of personal mastery, mental models, shared vision, team learning and systems thinking are mirrored by DEMAIC tool of LSS.

McKinsley, (2008) in their quarterly survey showed results from interviewing a total of 3,199 top business leaders around the world, identified growth parameters as: moving from good to great performance, cost reduction, geographical expansion, positive outcome of a crisis. These executives pointed out that transformation for them was to be able to achieve the above listed issues through innovating, adapting, embracing new trends and clear strategic framework. Organizational growth is an evolutionary process that can be attributed to dynamics within the organization and the environment.

Growth is not easy, and poses significant challenges to organizations (Greiner, 1998). Different organizations have different yardsticks to measure organizational growth but most concur that it should be evident in the progress towards the organization's goals. Growth at TDB is viewed by looking at the achievement the bank has channeled through their Five Year Corporate Plans. The parameters for growth are increase in profits, increase in the loan portfolio, growth in assets, growth in shareholders capital, improved loan quality, reduction of non-performing loan ratios, crating new financial instruments to attract more investments as is the case with the Class B shares.

In addition, growth in membership, both institutional and Member States, expanding capacity through hiring of more competent staff and overall balance sheet growth. According to Mr. Simbarashe, an independent and objective parameter for growth for DFIs is international investment rating. In 2017 the Bank received its first Moody's and Global Credit Rating (GCR) reflecting the Bank's improvement on efficiency, effectiveness and growth parameters aforementioned above (TDB, 2018). In May 22, 2018 the Bank received an award from the Association of African Development Finance Institutions (AADFI) recognizing TDB as the best performing DFI in 2017. The parameters for the award were governance, financial and operational performance.

In this chapter, the presentation and discussion of the research findings has been submitted, with the central focus being what the meaning of the findings are, how they fit into the existing body of knowledge, consistency with the current theories. In the next chapter the implications of the findings for policy and practice will be discussed. The limitations will also be presented

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the research conclusion is discussed and recommendations drawn. The research problem, research question and objective are re-stated to determine if they were successfully addressed by the research. The purpose of this chapter is to present a conclusive discussion, based on the findings of the previous chapter. The researcher also discusses the limitations encountered during the research process and provides recommendations for policy, practice and suggestions for further research.

This thesis answers the question "What are the change management practices and growth of the Eastern and Southern African Trade and Development Bank, in Kenya?" and in doing so supports the theories and models of planned and emergent change management as pointed out in the literature review. It also proceeds to indicate that beyond the theories and models, Lean Six Sigma methodology can be used to manage change. Further, change management depends on change agency and organizational competency.

This chapter concludes the research study by providing a summary and interpretations of the findings. The significance of the study in the immediate context of TDB and change management practice & growth is examined. The scope of the following conclusions is limited to the context and characteristics of TDB. Thus applied to other contexts, these conclusions may yield incorrect assumptions. Recommendations for further research end the chapter.

5.2 Summary

The objective of the study, which was to “identify the change management practices and growth at the Eastern and Southern African Trade and Development Bank in Kenya”, observed that growth has been driven by increase in loan portfolio, assets, shareholders’ capital, improved loan quality, reduction of non-performing loans, creating of more innovative financial instruments, bank membership, expanding Human Resource team and the proposed new building to be built on Lenana Road.

From the interviews and as detailed in the Five Year Corporate Plan FYCP 2013-2017 and the FYCP 2018 expected to run till 2022 there has been change in name of the organization from PTA Bank to TDB. Other changes include change in the logo and website, staff changes, change in business model and overall focus of the Bank. The Bank had a satisfactory finish of its FYCP with very good, all-round performance in both financial and operational performance in 2017. An indication that the change management practices, yield positive results, not withstanding the challenges in the environment during the same period.

Change management practices observed include business continuity programs, workshops & trainings, performance management programs using tools such as the balance-score card, anti-money laundering programs, enhanced governance & risk management, and Lean Six Sigma methodology of managing change. The parameters for growth at the Bank include the international ratings, growth in loan portfolio, assets, shareholders capital, improvement in loan quality, reduction of non-performing loans, growth in membership, expanding of the human resource capacity and overall growth of the balance sheet.

5.3 Conclusion

This study sought to “identify change management practices and growth of the Eastern and Southern African Trade and Development Bank”. On the basis of the research findings, it is possible to make sound judgments about the change management practice, what constitutes growth and the relationship between the two at TDB. The rate at which organizations are faced with change has not decreased over the years, and it can be argued that keeps on increasing.

This study concludes that change management and growth are “joined at the hip”. The significant progress made in managing and steering TDB to achieve the set objectives cannot be achieved without the commitment, professionalism, teamwork, diligence and enthusiasm that form the change management practices at the organization and replicated in its different offices across the region. The study concludes that there is no one-best-way approach for change management. Different complimentary models must be used depending on situational and contextual factors, keeping in mined that team participation and top management support is very crucial for success of change management practices and growth.

Top management allocation of time, resources and responsibility to team leaders motivate them to undertake change management and growth projects with better ownership and avert crisis when changes occur. Team participation allows the different members of the team to provide feedback on the change management programs they are undertaking while pursuing the planned change and organizational growth. This feedback forms the basis for the emergent models of change that address issues arising.

Change in organizations has two critical dimensions of people and business. The business dimension deals with the need & strategy for change, business processes, systems & structures, implementation and post implementation. The areas of concern for the business dimension of change include the scale of change, magnitude, duration and strategic importance. People dimension of change involve the alignment of the organization's culture, values, and behavior.

This dimension of change focuses on how employees deal with the change process, and happens to be the most critical factor of change management. Plans, even well thought out and executed may fail, if the people aspect is not included. Engaging people entails involvement in all levels of the organization, ensuring every person owns the change, communicating the right information at the right time and culture diagnosis to assess organization preparedness. Planned change models share a lot of similarities and are guided guided by four principles of urgency, vision, empowerment and execution. Urgency can be caused by change in customers, change in competition, changing technology& benchmarks among issues. Urgency is necessary for creating open minds, energizing pursuit for change, motivates and inspires new behavior. The vision defines where we must go. It must be created with full participation of the stakeholders, must be clear & precise, inspirational, shared widely and be centered on customers. The principle of empowerment tells us who will be accountable. It deals with the need to afford capacity to the people to do their jobs. This can be achieved through training, hiring people with new skills, frequent re-orientation and review and advancement of technical and team skills. Execution defines how we are to attain the vision.

Effective execution requires aligning systems and structures around customers, developing self-directed work teams, and using training as a leveraged activity. Business dimension of change is concerned with the need for change, strategy for change, business processes, systems & structures, implementation and post-implementation. The areas of concern for the business dimension of change include the scale of change, magnitude, duration and strategic importance.

Emergent change identifies four crucial features in change management. These are structures, cultures, organization learning and managerial behavior. Beyond planned and emergent theories aforementioned, organizational change depends on change agency and competency. Agency assigns responsibility for change to a change agent in the form of leadership, management, team or consultant. Competency relates to the organization's whole capacity to utilize change management practices successfully and routinely. It is the existence of organization culture and ability to identify and react to change with the understanding, perspectives, and techniques to make change seamless and effortless.

5.4 Recommendations for policy and practice

The ongoing discourse in economic and business circles shows that the whole world has gone through numerous and impactful changes in the recent past and shall continue to experience changes. There is "Brexit" and what that means for the EU, change in the political scene in the US and what is now called "Trumponomics" (Khetani & Deutsch, 2017, Moore & Laffer, 2018) The Chinese stock market crash in of 2015-2016 and back in Kenya, there were two presidential elections in a span of three months (Allen, 2015, Stack, 2017)

The subsaharan African region was hard hit with the growth in Gross Domestic Product growth rate dropping to 1.3%, being the lowest recorded in the last 20 years (Trade and Development Bank, 2016 & 2017). Not withstanding the global and regional upheaval, TDB has continued to record stalar performance with operatonal and financial perfomance exceeding expectations and set targets. The Bank achieved this through strengthened institutional framework on change management (Trade and Development Bank, 2018)

The researches recommendations are based on the discussions & findings of the research, and the conclusions presented. Based on the review of the engagement and available evidence, it can be argued that the environmental turbulence puts all types of organizations at risk of failure and ultimate demise. Innovation on new ways of doing things and ultimately the management of change are the anchors of future prosperity. To ensure successful outcomes of change programs and growth, all organizations both private and public should be cognizant of the changes taking place in their environment, and seek avenues for change management keeping in mind the best practices that lead to growth of organizations.

Change is endemic in all sectors with pressure coming from different dimensions of globalization, government initiatives, economic cycle, advancement in technology, changing customer needs among other factors (Osborne & Brown, 2005). Managing change is a skill essential not only for public sector players, but the private sector as well as no sector is “immune” from change. The leaders and staff at TDB must continuously “sharpen” their edges by attending workshops and training to continue gaining more knowledge regarding change management initiatives.

Change management practices are instrumental in organizational growth. Organizations should not shy away from engaging external consultants who bring the best practices standards and tool-kits on board to ensure staff and cultural competency go hand in hand with the integrated change management programs executed. Methodologies such as the Lean Six Sigma can be employed by government and private sector players to increase the level of efficiency and reduce wastage.

The success of change management at TDB is solely contingent on organization competency, change agents and commitments by all stakeholders. Because of the importance of the leadership of the organization to the adaptive process, it is vital to continuously support and enhance those traits required to promote change orientation and growth. Avenues to measure the impact to Member States and other stakeholders should equally be enhanced as this provides a more integrated view of the change management ecosystem, which assures that the impact of the Bank, shall be felt even more.

TDB has a principal office in Bujumbura, regional offices in Nairobi, Harare and Mauritius. The macro-environment of these locations is dominated by rapidly changing environments in terms of politics, economy, technology and socio-legal issues. It is recommended that the leadership and staff of TDB be especially attentive to the needs of the Member States in sharing change management practices with them to enhance their capacity and reduce their risk profiles. For instance TDB could share the inner workings of LSS with airlines like Kenya Airways and Rwanda Air, by proposing mandatory terms and conditions as they engage in financing some of the projects.

5.5 Limitations of the study

This study was particularly contextualized to the Eastern and Southern African Trade and Development Bank. The change management practices identified may be different from those of other intergovernmental organizations and agencies. It is vital to consider the following limitations in order to account for discrepancies among the information provided and the conclusions formed and to be aware of them when making generalizations.

Firstly the interview sessions were very brief and at the time of collecting the data, two important continental events were taking place. The African Investment Forum was taking place in Johannesburg, South Africa and The Special Summit of the African Union in Addis Ababa, Ethiopia. The respondents, having roles to play in these events, had limited time and thus could not allocate time to engage over a long periods.

Out of the interview conducted, there were strict restrictions on confidentiality and a limit to what can be shared publicly. Furthermore the time and logistical constraints of carrying out the study could not allow all the departmental heads to be interviewed. The researcher would have wished to go into more depth of the objective of the study, but the time and resource constraints could not allow.

Lastly this study did not consider the challenges of change management. Change creates disruptions in several elements of an organization that may cause discomfort in culture and power structure. Resistance to change has numerous dimensions, which might cause delays, additional costs, introduce instabilities in processes and generally make the process of change difficult to undertake.

5.6 Suggestions for further research

The study of change management practices and growth is a highly significant one because of constant environmental turbulence. The objective of this study has been identified and discussed. It has been concluded that planned change is important for growth. But planned change is not enough. Organizations must also leave room for emerging issued to be tackled as they arise. The study is about change management practices and growth at TDB. The researcher suggests that studies be done to establish the relationship between change management and growth at other inter-governmental organizations. This could lead to analysis of the best-standard practices of change management practices which would be then documented and form part of the fundamental plans and inputs in strategic planning for such organizations.

The study focused on change management practices and growth. The study was very revealing, submitting the change management models used and the practices employed, showing how they relate to growth. However, the discussion of challenges of the change program was not addressed. It is important to consider the challenges of change management and growth in future studies, in order to provide a different dimension to the change management lexicon and appreciate the People-aspect of change management.

The environment is dynamic and change is always constant. This study covered only one organization: The Eastern and Southern African Trade and Development Bank. There is need to carry out cross sectional studies involving other intergovernmental organizations and DFIs such as the World Bank Group, AfDB, Shelter Afrique and others, particularly development finance institutions.

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APPENDICES

Appendix 1: Interview Guide

Objective: Interview respondents on change management practices & growth at TDB

Section A: (Optional)

1. Name

2. Designation

3. Years worked in the Bank

Section B: Changes at TDB

1. What changes that have taken place in the last 5 years?

2. How are you informed about these changes?

Section C: Growth at TDB

1. How do you measure growth at TDB?

2. How has TDB grown in the last 5 years?

Section D: Change Management at TDB

1. Who in the organization initiates change?

2. Describe how, if at all the changes have been initiated by the staff

3. Are external consultants involved in change program?

4. In managing change, do you use planned or emergent approach?

5. Why the change management approach the organization uses above?

6. What are the avenues for facilitation and support?

Section E: Change Management Practices

1. Does TDB carry out training and development programs before it embarks on a change program?

2. What are the change management programs at TDB?

3. What entails planning for change at TDB?

4. How are leadership roles assigned for specific changes?

5. How do you assess and review progress for change?

Appendix 2: Letter of Introduction.

Approved for data analysis LSS project write-up

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

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

P.O. Box 30197
Nairobi, Kenya

DATE 3/10/2018

TO WHOM IT MAY CONCERN

The bearer of this letter Yoni Atieko

Registration No. D61/84935/2016

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.

UNIVERSITY OF NAIROBI
31 OCT 2018

PROF. JAMES M. NJIHIA
DEAN, SCHOOL OF BUSINESS

TRADE AND DEVELOPMENT BANK
TDB
HRA
EASTERN AND SOUTHERN AFRICA

Spoke to Yoni on 26/11/18 about TDB Lean 6 Sigma project
26/11/18

Source: University of Nairobi, 2018

Appendix 3: Letter of Confirmation

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK
BANQUE DE L'AFRIQUE DE L'EST ET DE L'AFRIQUE AUSTRALE POUR LE COMMERCE ET LE DÉVELOPPEMENT

TDB

Letter of Confirmation

Date: 28.11.2018

Univerisy of Nairobi
School of Business
Department of Business Administration
P. O Box 30197
Nairobi, Kenya

Attn: Prof. Z.B Awino

RE: YONI AYIEKOH DATA COLLECTION

I hereby confirm that **Yoni Ayiekoh** has been at the Eastern and Southern African Trade and Development Bank, Nairobi Regional office off Lenana road, for collection of data related to his study "Change Management Practises and Growth of the Eastern and Southern African Trade and Development Bank."

Any questions and enquiries can be directed to the undersigned.

Yours Sincerely

Simbarashe Chikarango
Head Project & Infrastructure Finance
Project & Infrastructure Finance, TDB

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Source: Trade and Development Bank, 2018

Appendix 4: Plagiarism Report

12/10/2018 Turnitin

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