

**CHANGE MANAGEMENT STRATEGIES AND PERFORMANCE
OF ABSA BANK KENYA PLC**

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DECLARATION

I, Kavoi Stephen Mutinda, hereby declare that this MBA research project titled “**Change Management Strategies and Performance of Absa Bank Kenya PLC**” is my own original work and has not been submitted to any College/University or Institution for award of any Certificate, Diploma or Degree.

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SUPERVISOR’S APPROVAL

This research project prepared by Kavoi Stephen Mutinda titled “**Change Management Strategies and Performance of Absa Bank Kenya PLC**” has been submitted for examination with my approval as the university supervisor.

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DEDICATION

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ABBREVIATIONS

ABK	Absa Bank Kenya
CBK	Central Bank of Kenya
KBA	Kenya Bankers Association
KES	Kenya Shilling
M & A	Mergers and acquisitions
PCK	Postal Corporation of Kenya
PLC	Public Limited Company
RBT	Resource-Based Theory
ROA	Return on Assets
ROE	Return on Equity

ABSTRACT

The objective of this study was to establish the effect of change management strategies on performance of Absa Bank Kenya PLC. The researcher employed a case study research design. The data normally collected by a researcher can either be primary data or secondary data. As the study relied on qualitative data, the researcher used an interview guide during data collection as it helped him get in-depth firsthand information regarding the study phenomena. In this study, the researcher used primary data collected from five top management team members at Absa Bank Kenya PLC. Interviews were conducted with the Head of Investor Relations, Chief Executive Officer, Country Strategy Director, Chief Financial Officer and Chief Operating Officer. The data gathered was qualitative in nature. Consequently, content analysis was the best suited method of analyzing the data collected from the five interviews. The findings showed that change agents' strategies played a key role in the change management in Absa. This study concludes that change agents' strategies play a key role in the performance of the bank. The study concludes that Absa implements change agents' strategies by creating a timeline for the change strategy with an employee development program. The leadership in Absa promotes based on merit with a committed change implementation team. Absa implements change agents' strategies through transformation and returns strategy. On systems compatibility strategies of Absa bank, the study concludes that Absa bank has an innovation policy; research and development policy; and new product processes. The bank has developed partnerships and developed transformative partnerships. Stakeholder involvement strategies play a major role in change management in Absa bank. To enhance performance, Absa bank adopts resistance to change mitigation initiatives; supportive management team and stakeholder participation in order to enhance the performance of the bank. On the communication strategies, Absa bank implements communication strategies through marketing and stakeholder campaigns. The bank has a well-established communication system. Absa bank has knowledge management policy and curriculum for knowledge management. The bank adopts various measures of performance. Absa bank uses market share growth as the main measure of performance of their bank. Change management enables Absa bank to venture into other markets and enhance growth. The study concludes that the Absa bank benefits from change management strategies. The bank has experienced increased revenue streams due to the change management strategies. The study recommends that Absa bank engage in more investments to grow market share and participate in mergers and acquisitions.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Mergers and acquisitions (M&A) are some of the strategic changes that are frequently taking place across various industries today (Maina, 2020). Due to the dynamic nature of the business environment in which organizations across the world operate, business leaders across all industries are always faced with numerous challenges in effectively and efficiently managing strategic change initiatives (Kario & Ngugi, 2017). This is because many organizations across the globe find themselves in nearly continuous change. The primary difference between organizations that succeed and those that fail is the ability to respond to the pace of change (Ulrich, 2012). In light of this, Marquardt (2015) states that organizations need to constantly scan their external environment, anticipate and timely adapt to continual change. This timely response to turbulence in the business environment in turn ensures long-term survival of the concerned firms.

There are numerous reasons that may inspire strategic change initiatives in an organization. For instance, according to McKinsey's Global Survey on Organizational Change Management (2010), organizations change in order to move from a good performance to a great performance, divest part of the organization, catch up with rivals, turn around a crisis situation and to reduce costs. Organizational change is shaped by numerous business environment and external environment factors like advancements in information technology, demographics, political changes, increased competition due to globalization, professionalism and managerial innovation. According to Parnell et al (2012), the ability of a firm to effectively manage and mitigate change so as to meet the changing environmental, government, consumer and customer needs is crucial for survival as

competitors across all industries and sectors seek market positions. This forces organizations to restructure through a number of strategies aimed at coping with the changing environment.

That notwithstanding, a change program may fail to successfully lead to the expected results due to lack of the necessary resources, resistance to change by the people involved, lack of commitment in implementation of the change program and unexpected changes in the external conditions. Some of the implications of failed change projects are negative symbolism and demotivation of the change team members, failure to achieve organizational objectives and development of skepticism among the people affected by the change efforts. According to Rosabeth (2012), employees might perceive future change projects as just another fancy idea from the company management which brings a lot of work and few benefits.

This study is anchored on Kurt Lewin's Three-Step Change Theory and supported by Lippitt's Phases of Change Theory and Resource-Based Theory. Kurt Lewin's Three-Step Change Theory is generally accepted as the basic change management framework. In this theory, resistance to change and the force for change or motivation are the two forces of group dynamics that result in equilibrium in organizations (Swanson & Creed, 2014). On the other hand, Lippitt's Phases of Change Theory formulates seven phases that are crucial for strategic management in organizations. This entails proposing problem diagnosis through the examination of all results necessary in determining what will be affected by the change, identifying enthusiastic and capable change agents, carrying out data collection

from individuals who will be affected by the change and actively involving all affected individuals so as to ensure success of the change initiative.

Finally, the Resource-Based Theory postulates that firms normally compete based on their available resources and capabilities. Consequently, the resources possessed by organizations play a crucial role in strategic change management. This is because firms use their existing resources to effectively manage their internal and external environments. The success or failure of strategic change management initiatives therefore depends on a firm's resource base through which it is able to manage the change. Whenever most Resource-Based Theory scholars are looking for potential sources of sustainable competitive advantage, they look within the organization and down to the factor market situations that the firm must be satisfied with (Lewis, Brandon, Slack & Howard, 2010).

In this study, the researcher sought to determine the effect of change management strategies on the performance of Absa Bank Kenya PLC after the acquisition by Absa Bank Group of South Africa. This study is aimed at forming the basis of understanding the most effective change management strategies that can help organizations, especially commercial banks, in Kenya to smoothly navigate through change initiatives and continue to earn above average returns. This safeguards the long-term survival of the concerned organizations (Porter, 1985). However, the study is prone to numerous challenges such as the short duration available for data collection by the researcher, possible reluctance by some top management team members to share the sensitive information required and unwillingness by some of the bank's staff to meet the researcher for interview in light of the prevailing Covid-19 pandemic.

1.1.1 Change Management Strategies

Prosci (2012) defines organizational change as action(s) emanating from change(s) in the direction or process which ultimately influences the firm's operations. Organizational change usually affects the firm's mission and vision, formulated strategies, strategy implementation, relationships between employees and tasks carried out. It can either be a deliberate shift within the firm by the management (planned change) or it can be originating from the external environment and going beyond the control of the firm's management (unplanned change). Planned change is a purposeful, calculated and collaborative effort to bring about improvements in the dynamic systems with the assistance of a change agent (Roussel, 2006).

According to Keller (2011), strategic change is the difference in quality, form or state over a period of time in an organization's alignment with the external environment. It entails changing a firm's mission, vision, objectives and strategies employed in order to successfully attain the set objectives. During mergers and acquisitions, business leaders across the world often carry out restructuring programs which entail the adoption of change management strategies geared towards driving growth and ensuring successful provision of goods and services to customers.

Change management strategies refer to the approaches needed when managing change in organizations given the prevailing conditions in the firms' internal and external business environments. This study is aimed at establishing the impact of the various change management strategies adopted by Absa Bank Kenya PLC, formerly Barclays Bank of Kenya Ltd before the acquisition and subsequent change of name by Absa Bank Group

Ltd, on the bank's performance. These Change Management Strategies include Change Agents' Strategies, Systems Compatibility Strategies, Stakeholder Involvement Strategies, Communication Strategies and Organizational Learning Strategies.

1.1.2 Organizational Performance

Due to the competitive nature of the markets in which organizations operate today, firms are constantly under pressure to continually monitor and improve their performance so as to meet the ever-increasing expectations of customers, shareholders and employees. The understanding of the concept of organizational performance varies from one author to another. For instance, organizational performance can be defined as the actual outputs realized by a firm against the expected outputs or set goals and objectives. On his part, Pearce (2013) defines performance as the outcome of all the firm's operations and strategies. According to Thompson, Strickland and Gamble (2008), a firm's performance relates to the results and outcomes which the top management of the organization plans to achieve. In addition, Noye (2002) opines that performance entails achieving the goals that were given to you in convergence of enterprise orientations.

Moreover, Martz (2013) posits that organizational performance is the collective purpose successfully attained by the physical resources, human resources and financial resources which jointly constitute a firm. An organization's performance can be understood better by analyzing its culture since firms respond to changing circumstances based on their established culture (Colyer, 2000). Organizational performance is often associated with efficiency, market share, effectiveness, productivity, earning capacity, profitability, return on equity (ROE), return on assets (ROA), quality, competitiveness, economy, etc.

Performance involves quantifying the efficiency and effectiveness of actions (Neely, 2002). Matei (2006) views performance as the result of simultaneous exercise of efficiency, effectiveness and adequate budgetary process.

1.1.3 The Banking Sector in Kenya

As the Kenyan banking industry continues to adjust to the effects of the economic slowdown occasioned by the prevailing Covid-19 pandemic, individual market players are continually embracing innovative strategies so as to smoothly navigate through the increasingly competitive market environment. From the 2020 State of the Banking Industry Report by Kenya Bankers Association (KBA), it was established that the total assets of Kenya's banking industry continued to grow.

By the end of 2019, the total assets of Kenya's banking industry stood at KES 4.8 trillion. This represented an asset growth of 9.2% when compared to that of the previous year and was driven majorly by increase in credit to the private sector following the removal of interest rate capping for Kenyan commercial banks by the Central Bank of Kenya (CBK). As a result, numerous players in the banking industry are continually seeking to improve their efficiency so as to increase their financial performance and enhance their operational economies of scale. The pursuit of economies of scale has formed the basis of the observed market-driven mergers and acquisitions as witnessed in the case whereby Barclays Bank of Kenya Ltd was acquired by Absa Group Ltd (South Africa) then rebranded to Absa Bank Kenya PLC. These developments continue to significantly change market power and the competitive gains witnessed thereof subsequently enhance the pursuit for efficiency in the industry.

1.1.4 Absa Bank Kenya PLC

Absa Bank Kenya PLC is a commercial bank registered in Kenya and now a subsidiary of the South African based Absa Group Limited. The bank is headquartered in Westlands, Nairobi County, and is one of the 8 tier 1 banks in the country. Presently, it comprised 106 branches spread across the country. The study targeted five top management team members based in Absa Bank Kenya PLC's headquarters.

1.2 Research Problem

Change management in organizations is a structured approach aimed at ensuring that institutional changes are smoothly and thoroughly implemented so as to achieve lasting benefits of the change efforts (Jensen, 2018). According to Sparr (2018), the successful implementation of change management initiatives in any organization requires the change agents to target all leaders across various levels within the firm (staff, supervisors, middle level managers, senior level managers and executives) and focus on the wider impact of change efforts especially on individual teams and employees as the organization moves from the current state to the future state. Bhatti and Hussain (2010) posit that the business environment in which commercial banks operate in across the world is characterized by dynamic shifts especially regarding the operating environment and statutory regulations. It is therefore prudent to continually scan the environment to identify opportunities which can be tapped to gain competitive advantage or threats which can be adapted to so as to ensure the firm's long-term survival and earn superior profit margins. This is because the only constant in organizations today is change (Burk, 2020) and organizations that meddle through turbulence find it extremely difficult to survive.

In the recent past, majority of the Kenyan banks have continued to experience increased competition due to the emergence of new entrants into the market coupled with increasing innovations in the industry such as mobile banking and mobile money transfer (KBA Report, 2019). Consequently, the industry has witnessed a number of market-driven Mergers & Acquisitions among the existing players in the industry as they seek to enjoy economies of scale, enhance efficiency in operations and survive (KBA, 2020). One of these banks is Barclays Bank of Kenya Ltd which was recently acquired by South Africa's Absa Group then thereafter rebranded to Absa Bank Kenya PLC. This research project proposal sought to establish the influence of change management strategies adopted by the bank on the performance realized.

Since scientific knowledge is empirically-based, subject to change with new discoveries and involving human inference, imagination and creativity (Lederman et al, 2013), the change management discipline continues to attract numerous researchers who desire to make a valuable contribution in the field. For instance, Mbuthia (2012) carried out a study on Management of Strategic Change at British American Tobacco Kenya Ltd. The study adopted a case study design with interview guide as the data collection tool. The research established that the firm was responsive to changes in the business environment and its adaptation to change was reflected at its macro and micro business levels. However, the study failed to investigate the change management strategies adopted by the company and the influence it had on the firm's performance. In addition, Mulwa (2012) undertook a research on the Management of Strategic Change at National Social Security Fund of Kenya. The study employed a case study design with an interview guide as the data collection tool. The study revealed that the management of strategic change adopted at the

state parastatal was mainly reactive because majority of the changes effected were as a result of responses in both the internal and external needs of the agency. However, the research did not establish the relationship between the change management strategies employed by the state parastatal and its performance. Moreover, Munyoki (2016) conducted a study on Sustainable Change Management Practices and Sustainable Competitive Advantage at National Bank of Kenya. The study adopted a case study research design with an interview guide as the data collection tool. This research failed to establish the effect of change management strategies on the firm's performance. Besides, Nzuki (2016) performed a study on Strategic Change Management Practices at Barclays Bank of Kenya. The study adopted a case study research design with an interview guide as the data collection instrument. The research revealed that the organization's top management team facilitated change implementation through training programs and encouraged staff for them to adopt the new organizational change initiatives. However, this study did not bring forth the consequences of the change management strategies implemented at the bank in relation to its performance. Finally, Ochieng (2013) did a study on Strategic Change Management Practices and Performance of non-governmental organizations in Nairobi, Kenya. The study used a cross-sectional survey research design with a questionnaire as the data collection instrument. The research results established that strategic change management practices were considered to be very important by the organizations studied. In that context, this study created a knowledge gap which the researcher sought to fill by undertaking a similar study at Absa Bank Kenya PLC. In light of the above, this study sought to fill these research gaps and answer the question; What is the effect of change management strategies on the performance of Absa Bank Kenya PLC?

1.3 Research Objective

The study was aimed at establishing the effect of change management strategies on the performance of Absa Bank Kenya PLC.

1.4 Value of the Study

The findings from this research will make a valuable contribution to change management theory. This will further strengthen the existing body of knowledge on the discipline. As a result, future researchers and scholars will find the material useful when doing literature review and carrying out their research.

In addition, the results of the study will make an invaluable contribution to practice and industry. The research project will therefore be useful to change practitioners who will always have a point of reference to gauge the viability of various planned change management strategies aimed at driving organizational performance. Consequently, this will serve to set a firm foundation for inculcating commitment and enthusiasm among change leaders hence ensuring success of change initiatives.

Finally, the research findings will make a contribution to policy formulation and development. This will aid stakeholders when seeking to gauge the security of their investments in various corporate entities. As a result, policy makers will be able to make better decisions which culminate in earning above average profit margins for a long time in the foreseeable future.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher details literature review on change management strategies of mergers and acquisitions. This entails reviewing other researchers' past studies on the field and key theories in support of the study. In light of this, the chapter comprehensively covered the theoretical foundation of the study, empirical studies and knowledge gaps as well as conceptual foundation of the study.

2.2 Theoretical Foundation of the Study

This section presents theories developed by past scholars which the researcher found relevant to guide the current area of study. The research was anchored on Kurt Lewin's Three-Step Change Theory and supported by Lippitt's Phases of Change Theory and Resource-Based Theory which jointly provide a framework for examining the association between the research variables.

2.2.1 Lewin's Three-Step Change Theory

In this popular and classical change process theory, Lewin (1951) postulated a three-step change model that explains organizational change in terms of a process of modification between forces for stability (status quo) and forces for change. The goal is to reach beyond the equilibrium (balance) and make change to successfully take place by decreasing the forces for stability while increasing the forces for change. The three steps or phases in organizational change are unfreezing, changing and refreezing.

In the unfreezing phase, the fundamental assumptions and practices of the organization are questioned and critiqued in order to provide a rationale for the need for change (Cawsey & Deszca, 2007). As a result, the firm's employees realize that the old ways of doing things

are no longer adequate when dealing with the emerging challenges in the turbulent business environment. This occurs following a crisis in the business environment or results from the change leaders' efforts to enlighten employees on existing opportunities or threats in the external environment. People are willing to accept new ways of doing things but this requires a trigger, for instance declining profits, sales or threat of closure (Maalu, 2012). In the changing stage, employees usually look for new ways of doing things then select the most promising approaches. This entails introducing a clear and appealing option for a new pattern of behaviour (Maalu, 2012). Finally, in the refreezing phase, the new approaches of doing things in the organization are implemented and become institutionalized. Successful change process in organizations involves all the aforementioned three phases. Any attempts to move directly to the changing phase without first unfreezing employees' attitudes or behaviour is likely to face strong resistance or apathy.

Systematic diagnosis and problem solving in the changing phase often results in an effective change plan. During the implementation of any change initiative, it is imperative to pay keen attention on consensus building and enthusiasm development among all concerned parties so as to ensure success of the change program. According to Lewin (1951), change can be achieved by either increasing the driving forces towards the desired change (e.g. using position power to force change, increasing incentives, etc) or reducing restraining forces that create resistance to change (e.g. co-opting or removing opponents, reducing fear of failure or economic loss, etc). Lewin asserts that in order for change to take place, the driving forces must exceed the restraining forces. On the contrary, change will not occur whenever there is equilibrium between the two sets of forces. Whenever the restraining forces are weak, they may only be enough to increase driving forces. However,

whenever restraining forces are strong, a dual approach is advisable. An increase in driving forces will in turn create an intense conflict over the change unless the restraining forces can be reduced. Continuing resistance only makes it more difficult to successfully complete the refreezing stage.

2.2.2 Lippitt's Phases of Change Theory

This seven-step change theory was developed by Lippitt, Watson and Westley (1958) as an extension of Lewin's Three-Step Change Theory. It focuses more on the roles and responsibilities of the change agent in the process of change instead of proposing the phases involved in the evolution of change. The steps or phases in this change theory include development of the need for change, establishment of a change relationship, working towards change, diagnosis and clarification of client systems' problem, examination of alternative goals and courses of action, transformation of goals into actual change efforts and generalization or stabilization of change so as to achieve a terminal relationship. Buchanan (2012) defines a change agent as a manager who seeks to reconfigure an organization's roles, responsibilities, structures, outputs, processes, systems, technology or other resources in order to enhance organizational effectiveness. Lippitt's Phases of Change Theory emphasizes that communication on change programs that are being implemented within an organization should be shared among the firm's subsystems in order to ensure success of the change initiatives.

2.2.3 Resource-Based Theory

The Resource - Based Theory (RBT) developed overtime through the contributions of numerous scholars. For instance, Penrose (1959) is credited with presenting enduring principles governing the growth of organizations and the rate at which firms grow

efficiently. She submitted that whenever organizations are entering new fields, it was crucial to consider not only the possible rate of return on their investments but also whether their resources are likely to be adequate for the maintenance of the rate of investment required to keep up with innovations and expansion of competitors in the existing fields as well as in the new ones. According to Wernerfelt (1989), the resources possessed by organizations may limit the choice of markets to enter and the levels of profits to expect.

RBT provides a five-stage procedure for strategy formulation which involves the identification and classification of the organization's resources, appraisal of the firm's capabilities, analysis of the profit-earning potential of the organization's resources and capabilities, selection of strategies which best exploit the firm's resources and capabilities, and identification of any existing resource gaps which need to be filled. According to this theory, the possession of strategic resources by an organization provides it with a golden opportunity to develop sustainable competitive advantage over its competitors. On their part, Gathungu and Baariu (2018) posit that firms must optimize their resources (e.g. intellectual property, organization brand, human resources and materials) and capabilities (e.g. efficiency, innovativeness and quality) so as to sustain competitive advantage.

2.3 Change Management Strategies and Performance

Change management refers to a strategic activity aimed at getting the best outcomes from a change process (Mitchell, 2002). It entails helping people through change and consists of the process, tools and techniques for proactively managing the people side of change so as to receive the desired results (Hiatt & Creasy, 2003). Ndung'u (2010) defines change management strategy as the approach needed to change given the unique situation of the

project or initiative. According to Barret (2002), organizational change is difficult whether the impetus is a merger or acquisition, new venture, new process improvement approach, reengineering or any number of flavours of the day management fads.

2.4 Review of Related Literature

Okeke, Oboreh, Nebolisah, Esione and Ojukwu (2019) examined the effect of change management on organizational performance in selected manufacturing companies in Anambra state, Nigeria. The researchers adopted descriptive survey research design with a questionnaire being the data collection tool. The study established that change management strategies have a positive significant effect on organizational performance in manufacturing companies in Anambra state. In that context, the scholars' study created a knowledge gap which the researcher sought to fill by undertaking a similar study at Absa Bank Kenya PLC.

Kario and Ngugi (2017) carried out a study to evaluate the change management strategies and performance of commercial banks in Kenya. The researchers employed census survey research design with a questionnaire being the data collection tool. The study revealed that the organizational performance had a positive relationship with all the change management strategies studied. However, the scholars only considered two independent variables. In this study, additional independent variables are being introduced so as to establish whether the researcher ends up with similar findings.

Anunda (2012) investigated the change management strategies adopted by fast moving consumer goods companies in Kenya to implement the Enterprise Resource Planning system. She employed cross-sectional survey research design with a semi-structured questionnaire being the data collection tool. The study established that many fast-moving

consumer goods' companies in Kenya had adopted various change management strategies in order to ensure a smooth change process as the firms' implemented the Enterprise Resource Planning system so as to enhance organizational effectiveness. However, the study did not provide the effect of change management strategies on the performance of the different organizations studied.

Okamar (2017) investigated the change management strategies at Postal Corporation of Kenya (PCK). The study employed case study research design with an interview guide as the data collection tool. The study unearthed the various change management strategies implemented at PCK in an endeavour to institutionalize various change initiatives. However, the study did not provide the effect of change management strategies on the performance of the organization.

Mwaura (2013) examined the influence of change management strategies on growth and development in the banking industry: a case of Kenya Commercial Bank. The study employed a descriptive survey research design with a questionnaire as the data collection tool. The research established that change management strategies had a positive significant effect on organizational growth and development. However, the study did not provide the effect of change management strategies on the performance of the organization. This research served to fill that research gap.

2.5 Empirical Studies and Research Gaps

Table 2.5: Summary of Empirical Studies and Research Gaps

Study	Methodology	Key Findings	Research Gaps	Current Study Focus
The effect of change management on organizational performance in selected manufacturing companies in Anambra state, Nigeria (Okeke et al, 2019)	Descriptive survey research design	Change Management Strategies have a positive significant effect on organizational performance	Focused only on Change Management as a whole leaving a gap on effect of individual Change Management Strategies on Performance of firms.	Focuses on how firm performance is influenced by Change Agents' Strategies, Systems Compatibility Strategies, Stakeholder Involvement Strategies, Communication Strategies and Organizational Learning Strategies.
Change management strategies and performance of commercial banks in Kenya (Kario & Ngugi, 2017)	Census survey research design	Organizational performance had a positive relationship with all the change management strategies studied.	The study only considered two independent variables and therefore its findings cannot be generalized in contexts involving more than two independent variables.	The current study introduces additional independent variables hence its findings can be generalized in contexts involving up to five independent variables.
Change management strategies adopted by fast moving consumer goods companies in Kenya to implement the Enterprise Resource Planning system (Anunda, 2012).	Cross-sectional survey research design.	Many fast-moving consumer goods' companies in Kenya had adopted change management strategies to ensure smooth change process as the firms' implemented the Enterprise	Focused only on the change management strategies employed in implementation of Enterprise Resource Planning system thus leaving the impact of each of the various Change Management Strategies on Performance.	The current study focuses on how Change Agents' Strategies, Systems Compatibility Strategies, Stakeholder Involvement Strategies, Communication Strategies and Organizational Learning Strategies influence firm performance.

		Resource Planning system.		
Change Management Strategies at Postal Corporation of Kenya (Okamar, 2017)	Case Study research design	Change Management Strategies implemented at the organization.	Focused only on Change Management Strategies implemented at the organization thus leaving the impact of each of the various Change Management Strategies on Performance.	The current study focuses on how Change Agents' Strategies, Systems Compatibility Strategies, Stakeholder Involvement Strategies, Communication Strategies and Organizational Learning Strategies influence firm performance.
Change Management Strategies on growth and development in the banking industry: a case of Kenya Commercial Bank (Mwaura, 2013)	Descriptive survey research design	Change Management Strategies had a positive significant effect on organizational growth and development	Focused only on the impact of change management strategies on organizational growth & development thus leaving the effect of the change management strategies on performance.	The current study focuses on the effect of change management strategies on the performance of the organization.

Source: Researcher (2021)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the researcher presented the research methodology to be employed in the study. Research methodology involved identification and description of the research design, definition of the target population, provision of data collection tools and analytical approaches and declaration of ethical considerations made. In addition, the research design, data collection and data analysis were outlined herein.

3.2 Research Design

Research design refers to the overall strategy that a researcher adopts in order to integrate various components of the research in a coherent and logical manner thus ensuring that the research problem is tackled effectively (Gupta & Gupta, 2011). According to Akhtar (2016), research design comprises a blueprint with a clear indication on the data collection methods, measurement and data analysis.

In this study, the researcher employed a case study research design. This is a research design employed to gain comprehensive and multidimensional knowledge of a research problem in its natural environment (Chandra & Sharma, 2019). On their part, Lincoln and Guba (2018) posit that a case study may be characterized in a number of ways with the most important premise being the necessity to thoroughly investigate a phenomena in its natural setting. The design involved focusing on one entity to have an in-depth understanding of its change management strategies and how they influence its organizational performance.

Case study research design is beneficial in that it provided a concrete picture of the current occurrences hence establish a strong basis for building the research question and advancing the existing body of research in the discipline. The rationale behind the choice of this research design is that it allowed the researcher to collect data from the study sample on the perceptions relating to effect of change management strategies on performance with regard to change agents' strategies, system compatibility strategies, stakeholder involvement strategies, communication strategies and organizational learning strategies.

3.3 Data Collection

Data collection is the most critical stage of research (Kabir, 2016). According to Deyrup (2013), data collection is the systematic process of gathering and measuring information on interested variables through an established manner which enables one to respond to the research questions, run the hypothesis testing and undertake the process of evaluating the outcomes. In academic, scientific and social sciences, data can take numerous forms. According to Rose, McKinley and Briggs (2019), the two major types of data are quantitative data and qualitative data. Quantitative data is numerical in nature and thus mathematical computations can be used on it. On the other hand, qualitative data is non-numerical, nominal or descriptive in nature. Data collection can entail use of mixed methods in which case quantitative data and qualitative data is gathered.

The data normally collected by a researcher can either be primary data or secondary data. Primary data refers to data which is collected directly from the selected respondents using data collection tools such as interview guides, questionnaires or observations. On the other hand, secondary data refers to data collected by someone else (Boslaugh, 2007). This

includes any data that is examined to answer a research question other than the questions for which the data was initially collected (Vartanian, 2010). Since the study relied on qualitative data, the researcher used an interview guide during data collection as it helped him get in-depth firsthand information regarding the study phenomena.

In this study, the researcher used primary data collected from five top management team members at Absa Bank Kenya PLC. Interviews were conducted with the Head of Investor Relations, Chief Executive Officer, Country Strategy Director, Chief Financial Officer and Chief Operating Officer. These Executive Management members were selected as respondents in the study due to their involvement in the formulation, implementation, evaluation and control of Change Management Strategies in the organization. In view of the existing Covid-19 prevention protocols, the interviews were conducted either virtually or physically depending on the mode selected by each of the targeted respondents.

3.4 Operationalization of Study Variables

Variable	Operational Indicators	Data Collection Tool	Data Analysis
Change Agents' Strategies	<ul style="list-style-type: none"> • Sense of urgency • Creative & Innovative Initiatives • Promotion & Development of Leaders • Change Leadership team • Team Commitment & Enthusiasm 	Interview Guide	Content Analysis
Systems Compatibility Strategies	<ul style="list-style-type: none"> • Technology & Innovation Policy • Technology Adoption & Promotion Initiatives • Training & Communication Sessions • Research & Development Policy • New Processes & Equipment • Environmental Adaptability 	Interview Guide	Content Analysis

Stakeholder Involvement Strategies	<ul style="list-style-type: none"> • Resistance to Change Mitigation Initiatives • Supportive Management Team • Dialogue within teams • Stakeholder Participation • Change Leaders' Recognition 	Interview Guide	Content Analysis
Communication Strategies	<ul style="list-style-type: none"> • Smooth & Clear Information Conveyance • Formal & Informal Communication Methods • Numerous Communication Channels • Feedback among stakeholders • Synergy within informal teams 	Interview Guide	Content Analysis
Organizational Learning Strategies	<ul style="list-style-type: none"> • Knowledge Management Policy • Peer Learning • Talent Management & Promotion Policy • Creativity & Innovation • Training & Development Programs 	Interview Guide	Content Analysis
Performance	<ul style="list-style-type: none"> • Financial (Profitability, Efficiency, Market Share) • Customer Satisfaction • Strong Internal Processes • Continuous Learning & Growth • Green Environment 	Interview Guide	Content Analysis

Source: Researcher (2021)

3.5 Reliability and Validity Tests

This study relied on qualitative data. An interview guide was then used in gathering the required primary data. This research instrument was appropriate for gathering information from the small sample comprising selected members of Absa's Executive Management. An interview guide was beneficial as it provided flexibility to both the researcher and the interviewees who were working remotely so as to protect themselves from contracting coronavirus. It also enabled the researcher to get 100% response rate, save time since the interviews were done virtually, better judge the respondent's non-verbal behaviour and

easily control the order of questions. This helped the researcher to get in-depth firsthand information regarding the study phenomena.

3.5.1 Reliability of Research Instrument

This is the degree to which a research instrument yields insignificant inclination thus guaranteeing predictable estimation crosswise over time and over different items (Sekaran & Bougie, 2010). Magenta and Magenta (2003) define reliability as a measure of the extent to which a given research instrument under consideration yields the same results upon conducting several trials. This is aimed at estimating measurement errors which are normally random.

3.5.2 Validity of Research Instrument

This refers to the ability of the research instrument to precisely yield results to measure the intended objective by making it possible for the researcher to hit the bull's eye of the objective in the interest of the sample population (Mugenda & Mugenda, 2003). It is the degree upon which the processed information is a true representation of the study phenomena. A research instrument should meet face and content validity before use in data collection. The validity of interview guide, the research instrument used in this study, was enhanced by first seeking the supervisor's approval and guidance after it was developed. The interview guide was then submitted for review by the National Commission for Science, Technology and Innovation (NACOSTI) as part of the research proposal evaluation. This culminated in the processing of a research permit by NACOSTI. Pre-testing of the interview guide was also done to a few respondents in the banking industry in Nairobi County. The substance legitimacy of the interview guide was further enhanced through critique from experts in the subject matter of the study. All the above measures

were undertaken to ensure that the research instrument collected relevant data to answer the research question.

3.6 Data Analysis

According to Akhtar (2016), data analysis is the process of getting useful information by inspecting, cleansing, transforming and modelling data. It can also be defined as the process of extracting and compiling raw data for the purposes of getting constructive information that can be used in drawing conclusions and predicting study outcomes. The choice of data analysis method employed normally depends on the type of data to be gathered and the data collection instrument to be used. Regression analysis, factor analysis, time series analysis, dispersion analysis and descriptive analysis are some of the frequently used data analysis techniques.

In this study, the data gathered is qualitative in nature. Consequently, content analysis was the best suited method of analyzing the data collected from the five interviews. Content analysis is a qualitative data analysis method that focuses on human artefacts such as voice recordings, diaries and manuscripts (Lincoln & Guba, 2018). The data analysis involved analyzing major concepts, themes and content relevant to change management strategies. Interpretation of the analyzed data will be used in drawing conclusions and recommendations.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section presents the data analysis and interprets the data based on the objective of the study. This study sought to establish the effect of change management strategies on the performance of Absa Bank Kenya PLC. The study used change agents' strategies, systems compatibility strategies, stakeholder involvement strategies, communication strategies and organizational learning strategies as the key change management strategies influencing performance of organizations. Thematic analysis was done based on the various change management strategies adopted in Absa Bank Kenya PLC.

4.2 Background Information

On the general information, the research sought to establish the designation and the period worked in Absa bank. From the interviews done, the interviewees indicated that they held positions including Head of Investor Relations, Chief Executive Officer, Country Strategy Director, Chief Financial Officer and Chief Operating Officer. These are the key strategists in the bank and would understand change management strategies and their influence on performance of Absa Kenya.

On the period worked in Absa Kenya, the interviewees indicated that they had worked in the organization for more than five years. For example, the Head of Investor Relations indicated that he had worked in the bank for six years. On the other hand, the Country Strategy Director had worked in the bank for less than 5 years but had experience in the banking sector of more than 10 years. This indicates that the interviewees had been in the banking sector and specifically Absa for time enough to understand how the change management strategies had influenced the performance of the bank.

4.3 Change Management Strategies

The study sought to establish the change management strategies adopted by Absa bank and how the bank has implemented the strategies. This was based on the role that the change management strategies play in enhancing the performance of the bank. The analysis was based on change agents', systems compatibility, stakeholder involvement, communication and organizational learning change management strategies.

4.3.1 Change Agents' Strategies

The change agents' strategies played a key role in the Change Management in Absa Kenya. The researcher also sought to establish how the banks had implemented change agents' strategies to improve performance. The interviewees indicated that they implemented change agents' strategies by creating a timeline for the change strategy. This ensured that the employees and other stakeholders worked towards delivering the change within the planned time. This prevented unnecessary delays and additional costs. The bank also involved the employees in the formulation of the change strategy by asking for their ideas. This allowed the bank to have creative and innovative change strategies given that the bank has diverse employees and strategic team. The bank, according to the interviewees, engaged in reward and employee development program which ensured that the key skills were added and developed among the employees. The leadership in the bank was also promoted based on merit which made the bank to have one of the best strategic team in the Kenyan banking sector. The change implementation team was also committed and enthusiastic which led to successful implementation of the change strategy in the bank. In their attempt to enhance the performance of the bank, the change agents' strategies were implemented seamlessly through various ways. One of the interviewees said "*Our bank*

strategy has change at the core; Our Growth, Transformation and Returns strategy seeks to ensure we are growing and evolving our business while returning top-quartile returns”.

The bank implemented the strategy by having a transformation office. This was noted by one of the interviewees who said *“Strategy is all about execution, we believe our execution track record has room for improvement therefore we established a Transformation Office as the core execution capability for our bank-wide strategy, with a goal to centrally co-ordinate and track execution”.* The mandate of the Transformation Office in the bank was strategic planning and ensuring seamless execution of change strategy in the bank. The office was also indicated as the team involved in ensuring prioritization, synthesis and interlock of strategic initiatives across functions and within the bank. The banks also implemented the change agents’ strategies through agile methods that call for generation of ideas across the bank based on a certain problem. One of the interviewees noted that *“To drive faster execution, the bank employs sprints and squads where team are allocated a problem statement and they tackle the problem in an agile methodology and iterate as they go”.* The interviewees also noted that change agents influenced performance of the bank by supporting implementation of change to mitigate the problem that led to the formulation of change plan.

4.3.2 Systems Compatibility Strategies

The researcher sought to establish the systems compatibility strategies in change management of Absa bank. The interview findings showed that there was system compatibility in change management. An interviewee noted *“While the bank has myriad of systems, we don’t have system integration issues due to our high standards of system scope and implementation. However, we are getting into the age of platforms which are*

power plants for growth". The interviews showed that the bank had adopted various systems compatibility strategies. The interviewees noted that the bank developed innovation policy that drove the bank towards change and improved performance. The bank also trained on the use of the systems in the bank which facilitated change. The bank also researched on the best systems to use and how to fit them to the change management strategy and organizational structure. The bank also had a research and development policy which guided the change management strategy. The bank in their attempt to enhance performance has ensured that the systems were compatible to the environment.

The bank has also established new product process where every project must be subjected to. This ensured that all dependencies were covered, project well-funded and meeting all the technical and functionalities intended. An interviewee indicated *"All projects go through a rigorous test before going live to ensure minimum disruption of services"*.

The bank also developed partnerships to ensure improved performance through systems compatibility. An interviewee said *"We are developing comprehensive Transformative Partnerships because we believe the future of growth is in ecosystems and not a singular customer segment or proposition. Towards this, we are exposing most of Systems Application Interfaces for easy integration in the company as well as external parties"*.

4.3.3 Stakeholder Involvement Strategies

Stakeholder Involvement Strategies were found to play a major role in change management in Absa bank. The researcher sought to establish how the bank implemented these strategies to improve performance. The interviews showed that the bank adopted resistance to change mitigation initiatives. This ensured that the stakeholders supported the change proposed in the bank. An interviewee noted *"Colleague A-Game and Game-on in 2019"*

ensured colleagues were informed, enabled and motivated to help land the journey of change". This ensured seamless implementation of the change initiatives for improved performance. The interviews also showed that the bank had a supportive management team in the change management implementation. To support this, an interviewee said *"We instituted transformation team headed by change director to centralize execution dialogue within teams, stakeholder participation and change leaders' recognition"*. The bank also adopted stakeholder participation in order to enhance the performance of the bank. An interviewee noted *"robust above the line messaging, internal communication for colleagues, townhalls and targeted engagements with regulators were carried out"*.

4.3.4 Communication Strategies

On the communication strategies the researcher sought to establish how they influenced Change Management in the bank and whether the implementation of such strategies improve performance. From the findings, the interviewees noted that the bank implemented the communication strategies for change through marketing and stakeholder campaigns. An interviewee said *"marketing and stakeholder campaigns enabled us to manage perceptions and build Absa brand equity, reputation and value prior to the roll out of new brand"*. The interviewees indicated that the co-branding of Absa/Barclays campaigns ensured the bank transferred equity both ways. They also noted that Absa Group Credentials campaign ensured the bank-built stature and gravitas ahead of launch. They further noted that conversion of all major sponsorship properties ensured awareness and affinity. They also noted that the branch front-loading and "We are changing" campaign allowed customer to get used to the change over time.

The interviews also showed that the bank had a well-established communication system which ensured the movement of information across the bank was smooth. The bank also adopted various communication channels that ensured that the employees and the customers accessed information easily. For example, the bank used social media tools in the change strategy which has increased their access to the diverse markets.

4.3.5 Organizational Learning Strategies

For organizational learning strategies, the interviewees noted that they adopted strategies relating to peer learning; and training and development programs. The bank had project champions who guided the top management in the training needs. An interviewee noted *“We always have project champions in every department, they are trained and become subject matter expert. Consequently, if there is training or feedback required to the project team, they will be the liaison for that”*.

The interviewees also noted that the bank had a knowledge management policy where knowledge was shared with the employees and other stakeholders. This is supported by an interviewee who noted *“We also develop or revise our procedure manuals with every change which is placed in our intranet repository”*. The interviews also showed that the bank had a plan to develop a curriculum for knowledge management. An interviewee noted *“through HR, we develop learning curriculum that employees read and certify every year to ensure compliance with the procedure manual”*. The interviews showed that organizational learning enhanced implementation of change which improved the performance of the bank.

The bank encouraged employees to recognize the need for change and support the implementation of the proposed change management strategies. This was done through

Gamification, Newsletters, Workshops and Townhalls. An interviewee indicated *“We believe in over communication for effective change implementation”*.

4.4 Performance

The researcher sought to understand how the bank measured its organizational performance. From the interviews, the bank adopted various measures of performance. The interviews showed that the bank used performance measures like profitability, sales growth, market share growth, loan advances and deposits. The interviewees, however, agreed that their main measure of performance of their bank was market share growth. This was based on the ambition of Absa which was to achieve scale through organic growth and reinvent itself to a large-sized cohort in the medium term targeting a market share of 10% or more in the next five years. One of the interviewees noted *“At the end, we believe choosing growth in order to move the bank from its mid-sized position to a large -sized is a credible decision to counter the strategic dilemma of “too small to compete”. Therefore, our singular measure of success is growth in market share”*.

4.5 Change Management And Performance

In order to understand how change management strategies, affect performance of Absa bank, the researcher asked the interviewees to elaborate how their bank had benefited or gained competitive advantage as a result of the change management strategies it had adopted. The findings from the interviewees showed that the change management had enabled the bank to venture into other markets that they didn't operate in previously. One of the interviewees indicated *“We are currently running into the 2nd half of our strategic cycle and we have seen tremendous improvement. In 2013 we were largely a corporate banking and retail banking with a small business banking division and markets division.*

Over the years, we have evolved our business with over 16 new propositions towards a full financial services group. We believe our future growth will be driven by a broader proposition set.”

The bank had also benefited from increased revenue streams and level due to the changes in the bank. One of the interviewees noted *“This has diversified our revenue towards 50/50 retail/wholesale which has tamed the decline in market share and provided a more predictable financial profile in uncertain times like we have now”*.

Due to the change management strategies adopted by the bank, the bank had experienced an increase in size. This has been reflected in the increased level of assets and employees in the last ten years. An interviewee noted *“We’ve invested significantly in our business banking and SME banking proposition towards building relevance in our local market while capturing opportunities in key sectors of the economy, and that has been growing very strongly. Our business bank is now bigger than corporate bank”*.

Based on their change management strategy, the bank has expanded their territories. This has enhanced their performance metrics which has continued to attract customers and investors greatly. From the interviews, one of the interviewees said *“We have invested in our global markets business in fixed income trading, Risk management product and Brokerage”*. Change management has also enabled the bank to expand their portfolio. This was shown by the various products that the bank had come up with in their change journey. To support this, one of the interviewees noted *“On the Corporate side we have invested in investment banking, advisory, trade finance and transactional banking to diversify income towards Non-Funded-Income. In 2018, we launched Timiza which has assisted us grow*

our customer base 5X, we continue to invest in the platform as a bedrock for low-cost service model for entry level segment, self-employed and youth propositions.”

Change management in the bank was found to encourage diversification. This was seen through the introduction of subsidiaries in an attempt to enhance performance and growth of the bank. One of the interviewees noted *“We haven’t rested on our laurels, we recently launched new strong and exciting propositions such as the Absa Asset Management Limited as part of our diversification strategy to grow market share”*. The bank also came up with innovative products and solutions to the performance challenges in the bank. For example, one of the interviewees said *“We launched the Absa She Business Account proposition, through which we have committed to impact over 1 million women-owned and led businesses over the next 5 years access to affordable finance, access to mentorship and coaching, access to information and training, as well as access to trade opportunities within the local and international markets”*.

4.6 Discussion of Results

The results will be discussed. This will be based on their relation with theories and empirical review.

4.6.1 Link of Findings to the Theories

The study found that change agents’ strategies played a key role in the change management. The findings support the Lewin’s Three-Step Change Theory. This theory stipulated that employees realize that the old ways of doing things are no longer adequate when dealing with the emerging challenges in the turbulent business environment. This, according to the theory, results from the change leaders’ efforts to enlighten employees on existing opportunities or threats in the external environment. The interviewees indicated that they

implemented change agents' strategies by creating a timeline for the change strategy; involved the employees in the formulation of the change strategy; and engaged in reward and employee development programs. The findings support the Lippitt's phases of change theory which focuses on the roles and responsibilities of the change agents in the process of change instead of proposing the phases involved in the evolution of change.

The interviewees also noted that change agents influenced performance of the bank by supporting implementation of change to mitigate the problem that led to the formulation of change plan. This is in line with Lippitt's phases of change theory which stipulates that the change agents play a key role in the implementation of change.

The researcher sought to establish the systems compatibility strategies in change management of Absa bank. Lewin's Three-Step Change Theory postulates that systematic diagnosis and problem solving in the changing phase often results in an effective change plan. The interview findings showed that there was system compatibility in change management which influenced the bank's performance. The findings relate to the assumptions of Lippitt's Phases of Change Theory which stipulated that the diagnosis and clarification of the systems was one of the phases of change implementation. The theory stipulates that change programs within an organization should ride on compatible systems in order to ensure success of the change initiatives.

Stakeholder involvement strategies were found to play a major role in change management in Absa bank. To enhance performance, the interviews showed that the bank adopted resistance to change mitigation initiatives; supportive management team and stakeholder participation in order to enhance the performance of the bank. On the communication strategies, the researcher sought to establish whether the implementation of such strategies

improve performance. Lewin's three-step change theory states that during the implementation of any change initiative, it is imperative to pay keen attention on consensus building and enthusiasm development among all concerned parties/stakeholders so as to ensure success of the change program.

On communication of change, the bank had a well-established communication system which ensured the movement of information across the bank was smooth. Lippitt's Phases of Change Theory emphasizes that communication on change programs that are being implemented within an organization should be shared among all employees and departments in order to ensure success of the change initiatives. The interviewees also noted that the bank had a knowledge management policy; and curriculum for knowledge management. The organizational learning enhanced implementation of change which improved the performance of the bank. Resource based theory states that the possession of strategic resources like knowledge and physical resources provides an organization with a golden opportunity to develop sustainable competitive advantage over its competitors and enhance their performance.

4.6.2 Link of Findings to Empirical Studies

The study found that change management influenced the performance of Absa Bank Kenya. The change management was found to improve the performance of the bank. This shows that when organizations undertake change management they find themselves experiencing improved financial performance. The findings concur with those of Okeke et al (2019) who established that change management strategies had a positive significant effect on organizational performance.

The findings from the interviewees showed that the change management had enabled the bank to venture into other markets and enhance growth. This shows that they experienced increased growth in terms of sales and customer base. Okeke et al (2019) found similar findings where they found that change management strategies led to increased organization growth.

The bank had also benefited from increased revenue streams; an increase in size; expand their territories; and expand their portfolio. The findings are similar to those of Kario and Ngugi (2017) who found that change management led to increased revenue and market share.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the study and the results from the interviewees, the following discussions, conclusion and recommendations were made in the study. The responses were based on the objective of the study which was to establish the effect of change management strategies on the performance of Absa Bank Kenya PLC.

5.2 Summary of the Findings

The findings showed that change agents' strategies played a key role in the change management in Absa. The interviewees indicated that they implemented change agents' strategies by creating a timeline for the change strategy; involved the employees in the formulation of the change strategy; and engaged in reward and employee development program. The leadership was promoted based on merit with a committed change implementation team.

In their attempt to enhance the performance of the bank, the change agents' strategies were implemented seamlessly through various ways. This was done through a transformation and returns strategy. The bank implemented the strategy by having a transformation office which has a core execution capability for the bank-wide strategy. The banks also implemented the change agents' strategy through agile methods. The interviewees also noted that change agents influenced performance of the bank by supporting implementation of change to mitigate the problem that led to the formulation of change plan.

The researcher sought to establish the systems compatibility strategies in change management of Absa bank. The interview findings showed that there was system

compatibility in change management. The interviews showed that the bank had adopted various systems compatibility strategies. The bank has an innovation policy; trained employees on the use of the systems; researched on the best systems to use and how to fit them to the change management strategy and organizational structure. The bank also had a research and development policy with new product processes. The bank developed partnerships and developed transformative partnerships.

Stakeholder involvement strategies were found to play a major role in change management in Absa bank. To enhance performance, the interviews showed that the bank adopted resistance to change mitigation initiatives; supportive management team and stakeholder participation in order to enhance the performance of the bank. On the communication strategies the researcher sought to establish whether the implementation of such strategies improve performance. The interviews showed that the bank implemented communication strategies through marketing and stakeholder campaigns. This involved co-branding of Absa/Barclays campaigns; Absa Group Credentials campaign and conversion of all major sponsorship properties. They also adopted branch front-loading and “We are changing” campaign.

The bank had a well-established communication system which ensured the movement of information across the bank was smooth. The bank also adopted various communication channels like social media tools. For organizational learning strategies, the interviewees noted that they adopted strategies relating to peer learning; training and development programs; and project champions. The interviewees also noted that the bank had a knowledge management policy; and curriculum for knowledge management. The organizational learning enhanced implementation of change which improved the

performance of the bank. The bank encouraged employees to recognize the need for change and support the implementation of the proposed change management strategies. This was done through Gamification, Newsletters, Workshops and Townhalls.

The researcher sought to understand how the bank measured its organizational performance. From the interviews, the bank adopted various measures of performance. The interviews showed that the bank used performance measures like profitability, sales growth, market share growth, loan advances and deposits. The interviewees, however, agreed that their main measure of performance of their bank was market share growth.

In order to understand how change management strategies, affect performance of Absa bank, the researcher asked the interviewees to elaborate how their bank had benefited from change management strategies. The findings from the interviewees showed that the change management had enabled the bank to venture into other markets and enhance growth. The bank had also benefited from increased revenue streams; an increase in size; expand their territories; and expand their portfolio. Change management in the bank was found to encourage diversification; innovative products and solutions like Absa She Business Account.

5.3 Conclusions of the Study

The findings showed that change agents' strategies played a key role in the change management in Absa. This study concludes that change agent strategies play a key role in the performance of Absa. The study concludes that Absa implements change agents' strategies by creating a timeline for the change strategy with an employee development program. The leadership in Absa promotes based on merit with a committed change

implementation team. Absa implements change agent through transformation and returns strategy.

On systems compatibility strategies of Absa bank, the study concludes that Absa bank has an innovation policy; research and development policy; and new product processes. The bank has developed partnerships and developed transformative partnerships. Stakeholder involvement strategies play a major role in change management in Absa bank. To enhance performance, Absa bank adopts resistance to change mitigation initiatives; supportive management team and stakeholder participation in order to enhance the performance of the bank.

On the communication strategies, Absa bank implements communication strategies through marketing and stakeholder campaigns. The Absa bank has a well-established communication system. Absa bank has knowledge management policy and curriculum for knowledge management. Absa bank adopts various measures of performance. Absa bank uses market share growth as the main measure of performance of their bank. Change management enables Absa bank to venture into other markets and enhance growth. The study concludes that the Absa bank benefits from change management strategies. The bank has experienced increased revenue streams due to the change management strategies.

5.4 Implication of the Study

5.4.1 Implication to Theory

This research will have an implication to the theoretical foundation of the change management research. This research would contribute to the theories of change management. It will support the assertions of the theories that underpinned the study. This would support the assumptions of the change management theories which would strengthen

them and increase their applicability. This research may also refute the assumptions of the theories. This would bring in a basis for critical review and improvement of the theories. This research would also add to the literature available for scholars. This would enable the scholars to handle their assignments on change management with ease. Other researchers may note the gaps and utilize them plus the recommendations for further research to undertake future research.

5.4.2 Implication to Practice and Industry

This research will contribute to practice and the banking industry. For practice the study will create an understanding on the change management practices and performance of banks. This would enable the management of banks, especially Absa Kenya, to develop key change management strategies that would enable them improve their bank's performance. The study also gives recommendations that the banks can adopt to improve their performance.

5.4.3 Implication to Policy Development

This research will have implications on the policy in banking. This research provides an understanding to the policy makers on the change management strategies and performance in banking. The understanding on how change management strategies relate to performance of banking would enable the policy makers to improve the policies for improved banking performance. This shows that the research will implicate on the policies developed by CBK and other policy makers for banks.

5.5 Recommendations of the Study

In order to improve Absa bank's performance, this study recommends that Absa bank engage in more investments to grow market share and participate in a merger and

acquisition. The bank should increase the level of investment especially in the emerging markets like SMEs which could drive their sales and income level. The banks should also ensure that they come up with programs that would make the customers feel part of the bank and hence increase loyalty. This can be done through customer days where the customers can interact informally with the employees. This would enable the customers to feel loved and hence provide information that may enhance positive change strategies for improved performance.

The bank should also ensure that the banking systems are user friendly. This would make it easy for the customers and employees to use the systems which would increase loyalty and productivity respectively. This would in turn increase the sales and enhance firm growth and performance. The bank also needs to come up with technology adoption and promotion initiatives. These initiatives would increase the number of customers adopting digital banking channels in the bank. The adoption of digital banking would make the bank cut on costs hence improved performance metrics.

The bank should enhance dialogue within teams. This would create synergies across the team's easing implementation of change programs. This would reduce the costs and other performance challenges for improved performance in the bank. The bank should also come up with change leaders' recognition. This would increase the morale among the change leaders which would increase their energy towards change implementation.

The bank should adopt both formal and informal communication methods to ensure that the change is communicated to all the stakeholders easily. The bank should also adopt various communication channels, both digital and analogue, which would cut on costs of delayed change. The bank should also come up with effective feedback channels at the

same time creating synergy within informal teams. In order to enhance performance through organizational learning the banks should come up with talent management programs that would ensure that the best talent is retained and attracted. The banks should also come up with innovation programs.

5.6 Limitations of the Study

From the interviews, the interviewees had a very tight schedule. Their accessibility was a challenge for the researcher. They were also not willing to provide the information required for the study. However, the researcher assured them that the data would be kept private and used for academic purposes only. The researcher also sent follow up emails to counter the limitation of the busy schedule.

The study was also limited by the time available for data collection. To overcome this the researcher used emails and made follow up calls to get the responses from the interviewees. The study was also limited to change management strategies and performance. This limited the study in terms of variables. The study was limited to Absa Kenya. This limited the focus of the study and the generalization of the findings.

5.7 Areas Suggested for Future Research

The researcher recommends a similar research based on other change management strategies other than ones adopted in this research. The study also recommends a research based on other banks for comparing of results. The study also recommends a similar study based on other institutions other than banks.

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APPENDIX II: MBA OFFICE INTRODUCTORY LETTER FOR RESEARCH



**UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, KENYA

22 November 2021

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

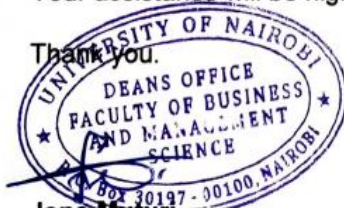
**INTRODUCTORY LETTER FOR RESEARCH
KAVOI STEPHEN MUTINDA – REGISTRATION NO.D61/36542/2020**

This is to confirm that the above named is a bona fide student in the Master of Business Administration degree program in this University, He is conducting research on ***"Change Management Strategies And Performance of Absa Bank Kenya Plc."***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your assistance will be highly appreciated.

Thank you.



Jane Muturi

**For: MSc. Human Resource Management Co-Ordinator,
Faculty of Business**

WN/jkm

APPENDIX III: INTRODUCTORY LETTER

Dear respondent,

My name is Kavoi Stephen Mutinda, a final year Masters of Business Administration student at the Faculty of Business and Management Science in the University of Nairobi. Presently, I am conducting a research project on **Change Management Strategies and Performance of Absa Bank Kenya PLC**. Your organization has been selected as part of my research to understand change management strategies and how they influence organizational performance. In light of this, I kindly request you to spare a few minutes to respond to my brief interview which will help me to compile a crucial report on the research phenomena. Finally, the researcher wishes to declare that he shall strictly adhere to ethical considerations of academic research thus safeguarding your confidentiality.

Best regards,

Kavoi Stephen Mutinda

APPENDIX IV: INTERVIEW GUIDE

Section A: Background Information

1. What is your designation?.....
2. How long have you worked in this organization?.....

Section B: Change Management Strategies

3. Change Agents' Strategies have been found to play a major role in Change Management in organizations in your industry. How has your bank implemented these strategies to improve performance?

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4. Systems Compatibility Strategies have been found to play a major role in Change Management in organizations in your industry. How has your bank implemented these strategies to improve performance?

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5. Stakeholder Involvement Strategies have been found to play a major role in Change Management in organizations in your industry. How has your bank implemented these strategies to improve performance?

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6. Communication Strategies have been found to play a major role in Change Management in organizations in your industry. How has your bank implemented these strategies to improve performance?

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7. Organizational Learning Strategies have been found to play a major role in Change Management in organizations in your industry. How has your bank implemented these strategies to improve performance?

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8. How did you prepare and continually encourage your employees to recognize the need for change and support the implementation of the proposed Change Management Strategies?

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9. Kindly highlight any other Change Management Strategies adopted in your organization following the acquisition of Barclays Bank of Kenya Ltd by Absa Bank Group Ltd and subsequent rebranding to Absa Bank Kenya PLC.

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Section C: Performance

10. How do you measure your organizational performance and why use the selected measure?

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11. Kindly elaborate how your bank has benefited or gained competitive advantage as a result of the change management strategies it has adopted.

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12. What recommendations would you give towards the improvement of your bank's performance?

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APPENDIX V: SUPERVISOR ALLOCATION FORM



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS MASTERS PROGRAMME
MBA PROPOSAL / PROJECT SUPERVISION ALLOCATION FORM

SECTION A: (To be completed by the student)

Name of student: KAYDI, STEPHEN MUTINDA Reg. No.: D61/36542/2020
Department: DEPARTMENT OF BUSINESS ADMINISTRATION (DBA)

Specialization (Tick as appropriate)

- i) Marketing
- ii) Human Resource Management
- iii) Strategic Management
- iv) International Business
- v) Insurance/Risk Management
- vi) Entrepreneurship
- vii) Finance
- viii) Accounting
- ix) Operations Management
- x) Management Information Systems
- xi) Procurement & Supply Chain Management

Mobile phone: 0728048436 Email: KAYDISM@STUDENTS.UONBI.AC.KE
0738020436

Proposed Title of Study: CHANGE MANAGEMENT STRATEGIES AND PERFORMANCE OF ABSA BANK KENYA PLC.

Name of Preferred Supervisor(s): (i) PROF JAMES GATHUNGU (ii) PROF MARTIN OGUTU (iii) PROF. ZACHARY AWINDO

Signature of student: [Signature] Date: 08/08/2021

SECTION B: (For Official Use only. To be completed by the Department)

i) Name of Supervisor Allocated:

Supervisor: [Signature] Mobile No.:

Co-Supervisor (If any):

Moderator: [Signature] Mobile No.:

Proposal Presentation/Submission Dates:

Proposal Presentation: Oral Defence: Project Report Submission Date:

Total number of students allocated to the supervisor within the year to date

ii) Acceptance by Supervisor

Name: Signature: Date:

iii) Approved by Thematic Coordinator:

Name: Signature: Date:

iv) Approved by Chairman of Department:

Name: [Signature] Signature: [Signature] Date: 13/8/2021

NOTE:

1. A student shall not commence proposal writing before allocation of University supervisor.
2. Original Transcript, Fees Statement and Synopsis should be attached to this form. This form is available in the Department, SOB website or Ambank House. Students get their copy later from the Department after allocation is done.
3. The approved copy of this form must be attached to the proposal when submitting for moderation and presentation and when submitting the final project.
4. Original to be filed in the Department.
5. Turnitin report **MUST** be attached to the proposal when submitting for moderation, presentation and when submitting the final project.
6. Each student **MUST** fill in the attached declaration form on plagiarism and collusion.

APPENDIX VII : TURNITIN REPORT.

APPENDIX VII : TURNITIN REPORT (STEPHEN KAVOI)

 **6TH DECEMBER 2021.**


07/12/2021

CHANGE MANAGEMENT STRATEGIES AND PERFORMANCE OF ABSA BANK KENYA PLC

ORIGINALITY REPORT

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Submitted to UNIVERSITY OF LUSAKA