MANAGEMENT OF STRATEGIC CHANGE AT KENYA COMMERCIAL BANK GROUP LTD

BY

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DECLARATION

This research project is my original work and has not been presented for any award for degree in any other university or college for examination or academic purpose.

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

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DEDICATION

To my parents James Otieno and Hannah Onduru, your belief and investment in me has propelled me to this level. To my dear husband Zachary your dedication and encouragement, your prayers for my success has made us celebrate this victory. To my son Cannan, Iam grateful for the many times you excused my absence in your life for the search of knowledge. Today we give thanks together. To all my friends and relatives thank you for your presence in my studies.

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My heartfelt gratitude goes to the Almighty God who through His love and mercy has given me life, strength, knowledge and perseverance to complete this study. I owe my life to Him.

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I thank all my family members, friends and other colleagues who have been instrumental in my education towards the completion of this project. I also thank my respondents without whose input this work would not have been possible.

ABSTRACT

This study set out to explore the approaches used in the management of strategic change at Kenya Commercial Bank Group Ltd. Kenya Commercial Bank is one among the major players of commercial banks in Kenya that form a subset in the set of Financial Institutions. The emphasis of this study was laid on what approaches was used in the transformation process and its effects in the overall structure of the bank. It also shows what factors lead to the process of change if they were planned or emergent and also resistance to change and its challenges. The business environment is so dynamic that is forces organizations to be on the lookout for sudden changes which can have adverse effects on their operations and business. These changes can be political, economical, social and technological. The paper used the approach of a case study to have an in-depth analysis of how the various factors attributed to strategic change. Primary data was collected through the use of an interview guide and data collected analyzed through content analysis. Secondary data was collected through the use of circulars; staff magazines emails and staff notes on training for the process. Key findings of the study revealed that KCB underwent a number of challenges in the transformation process. The study details the use of communication, leadership, training as ways in which the organization used to prepare for the whole process of the change and the factors that helped mitigate the influence were as cost cutting, creation of effective and efficient systems and processes and reduction of duplication of work. These are detailed to show specifically as key factors, KCB used them to prepare and train the staff and other key stakeholders that were deemed important for the change. The study also presents the competitive environment and how other competing financial institutions played a part in shaping key decisions that would help in the transformation process. The study's major limitation was the unavailability of the senior management of KCB Group Ltd and to reveal more information citing the strict rules that govern such information with the banks. This explains why KCB Group has undergone structural changes within a very short period of time that in five years. The challenges of change management are evident in the reorganization and resistance to change, changing of the organization structure, balance between planned and emergent change and restructuring especially downsizing. The study concluded that management of strategic change had a number of challenges during its implementation stage such as resistance to change by employees and the cost implication of the process and it recommends that a similar study be carried out to cover other financial institutions that have embraced change as a strategy. The study recommended that there is need for the management to take a more proactive approach to managing change within the organization. Employee involvement throughout the process will ensure that those who have major responsibilities to carry out the plan understand the plan and the reason behind the change and thus create a great sense of organization unity.

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List of Acronyms and Abbreviations

ATM: Automatic Teller Machine

CEO: Chief Executive Officer

CBK: Central Bank of Kenya

KCB: Kenya commercial bank

EABL: East African Breweries Limited

ESOP: Employee Share Ownership Programme

IT: Information Technology

ICT: Information and Communication Technology

IPO: Initial Public Offering

KES: Kenya Shillings

KYC: Know Your Customer

MFI: Micro Finance Institution

NGO: Non Government Organization

NSE: Nairobi Stock Exchange

SACCO: Saving and Credit Cooperatives

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In the aftermath of the Second World War, customers started to become more affluent and, as a consequence, more financially sophisticated. In response to these socioeconomic changes, banks which had traditionally been supply-led, started to emerge as demand-led organizations (Howcroft, 2005). These dynamics have created hyper-competition in different industries.

In 1994, D'Alene hyper-competition is characterized by intense and rapid competitive moves in which competitors must move quickly to build new advantages and erode the advantages of their rivals. Factors that have led to accelerated hyper competition.

Change can only be effectively implemented through proper planning and communication. Robbins, (2003) notes that in order for an organization to survive it must respond to changes within its environment. This would more likely be the case in most corporate transformation exercises. As in the case within organizations, some focus is still needed in creating a vision for the intended change and obtaining commitment from all employees. This means that senior management needs to ensure that the vision of the business unit drives the change, to overcome any resistance to the transformation. When focusing on the implementation of the change process, more effort could be directed at communicating more regularly and taking steps to ensure that all employees are on board and feel motivated to change. Throughout the previous period of relative environment stability, the interest of scholars and businessmen was dominated by a focus on the potential explanatory factors of organizational success and growth (Penrose, 1959).

The contingency approach to management is based on the idea that there is no one best way to manage and that to be effective, planning, organizing, leading, and controlling and these must be tailored to the particular circumstances faced by an organization. Organizations are faced with issues such as low profitability, high operational cost, lack operational efficiency, technological changes and the changing business environment due to competition from both financial and non-financial institutions (Burnes, 2004).Other characteristics such as internal environment may include structure, culture, politics and managerial style which affect the daily performance of the organizations. The contingency approach to management also called the situational approach assumes that there is no universal answer to such questions because organizations, people, and situations vary and change over time. Thus, the right thing to do depends on a complex variety of critical environmental and internal contingencies. Contingency theorist (Kast and Rosenzieig, 1985) suggests that a leaner organization structure and reduced red tape increase flexibility and facilitate the fit between organizational process and the environment.

1.1.1 Management of Strategic Change

Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. Organizations' today are beset by change. Many managers find themselves unable to cope with an environment or organizations that have become substantially different from the one in which they received their training and gained their early experience. Some managers have trouble transferring their skills to new assignments in a different industry. Growing organization, a new assignment and changing customers needs all may be encountered by today’s managers. If managers are to be successful, they must be able to adapt to these changes (Rue and Byars ,1992), Heller (1998) points out that understanding and managing changes are dominant themes of management today. Adapting to ever changing present is essential for success in the unpredictable future. Strategic responsiveness can be institutionalized within a firm though a series of related measures which jointly protect strategic work from the operational, make the strategic work more effective and create a change supporting climate within the firm (Ansoff and Mc Donnell, 1990. Hills and Jones (2001) also note that strategic managers need to evaluate the results of each other in change process and use this analysis to define the organization’s present conditions so that they start the next change process. Well run companies are constantly aware of the need to monitor their performance and strategic managers institutionalize change so that they can continually realign their strategy and structure to suit the competitive environment. People may be sure whether their existing skills and conditions will be valued in the future or may have significant questions about whether they can learn to function effectively and to achieve benefits in the situation.

A somewhat ambiguous term, change management has at least three different aspects, including: adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all three aspects. For an organization, change management means defining and implementing procedures and/or technologies to deal with changes in the business environment and to profit from changing opportunities. Organizations change is the way to stay competitive and grow. In individuals the opportunity created by change enriches careers and personal lives. This allows them to select the most appropriate approach for each situation. In such organizations, not only is change seen as an everyday event, but the management of it is seen as a core capability that needs to be developed and in which all staff need to become competent (Burnes, 2004).

There are three potential benefits of strategic change that are commonly cited in the literature. First, strategic change can enhance the strategy-environment fit. Calingo (1989) found that the low cost leadership strategy was most successful in price sensitive markets, whereas the differentiation strategy was most successful when consumers perceived great differences among product offerings, strategic change can open new dimensions of competitive advantage previously untapped by competitors. These first mover advantages result from the willingness of an organization to enter a new market or develop a new product or service prior to the competition (Gannon, Smith and Grimm, 1992; Lieberman and Montgomery, 1988; Mascarenhas, 1992; Wernerfelt and Karnani, 1989) and also strategic change can improve an organization's ability to adapt by forcing healthy changes within the business. The initial pain associated with change may be offset by the emergence of a lean, rejuvenated organization with a fresh focus on its goals and objectives. On the contrary, organizations that maintain strategic consistency over time may become stagnant, limiting the creativity and potential contributions of its members (Grimm and Smith, 1991; Wiersema and Bantel, 1992).

1.1.2 The Banking Industry in Kenya

The banking industry in Kenya is regulated by the Central Bank of Kenya (CBK) Act (Cap 491) and the Banking Act (Cap 488).The banking system comprised 53 commercial banks, 11 non-bank financial institutions, two mortgage finance companies and 4 building societies at the end of December 2011. The number of institutions under statutory management stood at 4 while the number of forex bureaus has increased to 48. Commercial and non commercial banks which form the banking industry in Kenya play a vital role in an amalgamation of financial institutions. They encourage capital formation within the country by encouraging the culture of formal saving Madura (2008). The Central Bank of Kenya is the main regulator within the country following the statutes laid down in the Kenyan laws. This limits the freedom within which the commercial banks can operate and also determines how fast the sector can grow.

The deregulation of some controls within the banking sector introduced a considerable amount of flexibility which has created a lot of competition within the banking industry. The deregulation has increased competition amongst the Financial Institutions and resulted in rapid product developments and great expansions. This has necessitated the banking regulators to review legislation that seeks to protect customers and also curb forms of money laundering and terrorism financing Madura (2008).These Acts are primarily to facilitate the development and maintain of a sound monetary policy. The Central bank of Kenya is responsible for the formulation and implementation of monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. Measures put in place by the Central Bank to rescue the banks under statutory management continued successfully. The banking system is expected to remain stable following amendments to the Banking Act that gives the Central Bank powers to effectively supervise the sector. The strict enforcement of the Banking Act and prudential guidelines will continue to be pursued. Overall, recent efforts taken to ensure the stability of the banking sector are expected to facilitate a smooth functioning market based financial system (The Consultative Group to Assist the Poor, 2010).

1.1.3 Kenya Commercial Bank Group Ltd

The history of KCB dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Mombasa. Eight years later in 1904, the Bank extended its operations to Nairobi, which had become the Headquarters of the expanding railway line to Uganda. The next major change in the Bank's history came in 1958. Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon independence the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of the shares to take full control of the largest commercial bank in Kenya. National and

Grind lays Bank was renamed Kenya Commercial Bank. In 1972, Savings & Loan (K) Ltd was acquired to specialize in mortgage finance. In 1997, another subsidiary, Kenya Commercial Bank (Tanzania) Limited was incorporated in Dar-es-Salaam, Tanzania to provide banking services and promote cross-border trading. Since then, the subsidiary has 11 branches (KCB Group, 2011).

On 26th November 2010 KCB Group board approved a strategy plan for 2010-2014 and was built around seven pillars based on a detailed analysis of the operating environment and extensive dialogue. The need for change in KCB Group was well planned; the bank was forced to change by a hostile external environment in order to retain viability (KCB Group, 2009). Further, the Executive Committee has been reduced from 22 to 7 members and will have new executive powers and a new mandate under the Chief Executive Officer In fact the entire senior management of the bank had to be replaced as a prerequisite for the change to happen. However, it could be argued that certain management actions including declarations of redundancies disguise under the name of Voluntary early retirement program me that caused fear and anxiety among staff members who opposed change.

From its mission its strategic focus in terms of the scope is geared towards cost reduction, maximization of profits and making banking services accessible to a vast majority. The Bank has focused on providing comprehensive financial services and solutions to the low and medium income segments of the population. The bank intends to reinforce its institutional structure by ensuring that financial resources, information technology, human capital, infrastructure and other core resources are a level needed to respond both to internal and external challenges. Coupled with the growth consolidation strategy, the bank proposes to diversify and offer new but complementary services within its current market and expand into the East African and other regional markets in Africa where the Bank is able to replicate its model (KCB Group, 2007). This is seen with the entrants into the Tanzania, Southern Sudan, Uganda and Rwanda. The focus of the regional business are; achieve profitability in all regional business units, lay the foundation for achievement of our vision to be Pan African

Bank and embed the global corporate relationship unit to leverage our regional presence as a competitive advantage and embed Diaspora marketing efforts (KCB Group, 2011).

1.2 Research Problem

In the last decade there has been an acceleration of the magnitude and pace of change across the globe. Strategic Change Management presents great opportunities but the challenge is determining where to begin the journey. There are two tenets of change and they to understand the outcomes people expect and you will understand their behavior and change the outcomes people expect and you will change their behavior.

KCB Group Ltd strive to restructure and gain greater efficiency, this sense of urgency was strong enough and was perpetuated by competitors, customers and stakeholders in order to propel change forward. Unless strategy is translated to measures that employees can understand, it will be limited to accept its functionality (Lynch, 2002).

KCB in following its vision and mission introduced in 2010. A team of senior managers from different divisions and a consulting firm was given the mandate to spearhead the process of transformation and implement it. The consulting team was tasked to act as an advisory body that plans for the successful introduction of the strategic change management journey, to plan and manage the change requirements, to check on the cost centers of the organization, check on the systems and structures and process and come up with measures that would maximize on stakeholders profits and reduce cost.

A number of studies on change management in Kenya institutions have been done Bett (1995). Similar studies include Ohaga (2004), a study of the strategic responses of Commercial banks in Kenya to changes in their environment and Karambu (2004). The strategic responses to changes in the environment by the Co-operative Bank of Kenya Limited. This research is different to Ohaga (2004) by scope and with Karambu (2004) by focus. If strategy research is to continue to offer credible guide-lines on management of strategic change then firms would have more fundamental under-standing on the management approaches on change thus having a smooth transition process during the transformation period. The study seeks to answer the question; what approaches has KCB Group taken in the management of strategic change.

1.3 Research Objectives

The objective of the study was to determine which strategic change management approaches adopted by KCB Group.

1.4 Significance of the Study

This study is important to the various users of this research information who include government regulators, KCB Group, other banks, investors and academia.

The KCB Group Ltd will use the study to help them understand the effectiveness of the approaches used in the transformation period and practices from the same can be used in future implementation developments. It will also assist them to improve systems in areas where the same is seen as necessary. The study is in line with the bank's overall mission of growing their existing business whilst building the platform to be the preferred Financial Solutions Provider in Africa with a Global reach (KCB Cascade staff Newsletter July, 2009).

The study will enhance knowledge on how the implementation of change as a strategy undergoes a metamorphosis, the key factors that aid and mitigate the negative aspects of change can be overcome. Through this, the study will help other organizations to prepare for change and its challenges in good time. This research is beneficial to KCB Group in that it will expose the gaps in its Strategic change, which if addressed in time will help it to deter resistance to the process by its staff and identifies the strategies it can leverage to sustain its competitive edge.

This study is valuable to the regulators like Central Bank of Kenya considering the pivotal position played by KCB Group in the Kenyan banking industry. Other regulators who may be interested in the case study include Kenya Bankers Association and Capital Markets

Authority. This study will also be useful to investment bankers and investors existing and potential as it will give them gainful insight on the KCB Group business model.

The study will also make significant contribution to current and potential investors of Kenyan banking industry, as it will provide a lot of insight on the strategies they can use to respond to change. This research adds to the existing body of knowledge in this area and stimulates further research on different aspects of response to change in various industries.

The study will benefit Researchers/Academicians/Students especially for those who will want to undertake a similar study in future. It will act as a bench mark, an eye opener for more studies in the same or different field and will also act as a lead or pioneer study in the specific field.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews theoretical and empirical literature on the management of strategic change in commercial banks. It introduces the concept of management of strategic change, the models of change, approaches to management of strategic change, resistance to change and finally reviews related studies.

2.2 The Concept of Strategic Change

Strategic Change means changing the organizational vision, mission, objectives and of course the adopted strategy to achieve those objectives. Strategic change is defined as changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy (Hofer & Schendel, 1978).

Strategic change is defined as a difference in the form, quality, or state over time in organization's alignment with its external environment (Rajagopalan and Spreitzer, 1997 Van de Ven and Pool, 1995).

Strategic change could be affected by the states of firms and their external environments. Because the performance of firms might dependent on the fit between firms and their external environments, the appearances of novel opportunities and threats in the external environments, in other words, the change of external environments, require firms to adapt to the external environments again; as a result, firms would change their strategy in response to the environmental changes. The states of firms will also affect the occurrence of strategic change.

Rajagopalan and Spreitzer, 1997) suggest that the external environment could not be constantly decided; it would be decided depending on the decision maker's cognition of external environment. Therefore, the occurrence of strategic change would be related to their cognition of external environment. Based on the argument of (Rajagopalan and Spreitzer,

1997) the factors which affect decision maker's cognition of external environment would affect strategic change.

A somewhat ambiguous term, change management has at least three different aspects, including: adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all three aspects. For an organization, change management means defining and implementing procedures and/or technologies to deal with changes in the business environment and to profit from changing opportunities. Organizations change is the way to stay competitive and grow. In individuals the opportunity created by change enriches careers and personal lives. This allows them to select the most appropriate approach for each situation. In such organizations, not only is change seen as an everyday event, but the management of it is seen as a core capability that needs to be developed and in which all staff need to become competent Burnes (2004).

2.3 Forces of Change

Force of change is any factor in the environment that interferes with the organizations ability to attract the human, financial and material resources it needs or produce and market its services or products. Forces of change are of two types; internal and external. Internal forces include change in size of the organization, performance gaps, employees’ needs and values and change in the top management. Change in the organization size leads to change in the internal structure and complexity of the operations in the organizations. Organizations change their policies with changing needs and values of the employees, for example attractive financial incentives, challenging assignments, vertical growth opportunities and autonomy at work may be provided in an organization to attract and retain its effective employees. Change in the top management and consequent change in the ideas to run the organizations also leads to change in the system, structure and process (Sengupta, 2006).

External forces of change include technology, business scenario and environment factors. Technology change is greater today than any time in the past and technological changes are responsible for changing the nature of the job performed at all levels in an organization. Due to rapid changes in the business scenario with increasing competition and global economy, the needs and demand are also changing among the customers, suppliers and other stakeholders. Organizations' are, therefore forced to change their operational methods to meet the demands of the stakeholders. Environmental factors such as economical, political and demographic factors play a vital role in devising organizations policies and strategy. For example, organizations may have to change their employment policies in accordance with the government policy, demand of the nongovernmental organizations and changing economic conditions of a country (Senguta, 2006).

An organization operating in a volatile environment, May not always is able to direct change in a planned fashion. Thus changes may occur spontaneously or randomly in an organization. Such changes may be termed as unplanned changes as they occur spontaneously and without a change agent's direction. They may be disruptive, like a sudden strike which may result into plant closure and so on. In comparison, planned change is a result of specific efforts by change agent and more intentional in nature. Planned changes are undertaken by an organization with the purpose of achieving a goal that might otherwise be difficult to accomplish. It also undertakes to reach new and progress rapidly towards a given set of goals and objectives. Most planned changes are directed at dealing with performance gaps to bridge the discrepancy between the desired and actual state of affairs (Senguta, 2006). (Johnson & Scholes, 2005) include other forces of change such as convergence of markets, cost advantage, government policies and globalization. Convergence of markets refers to the tendency of worldwide customer need and preferences becoming similar as the world globalizes. Cost advantage of global operations occurs mostly in industries in which large volume standardized production is required for optimum economies of scale. Central sourcing efficiencies from low cost suppliers across the world also lead to cost advantages. Political changes in the 1990s meant that all trading nations function with market based economies and their trade policies have tended to encourage free market among nations. Many signals of change abound in the current business environment can be traced to some fundamental forces of change. Example are the growth of capital intensive manufacturing, accelerated tempo of new technology, concentrated patterns of consumption and liberalization of the world economy after the fall of communism (Burnes, 2004).

2.4 Approaches to Change Management

Sometimes change is deliberate, a product of conscious reasoning and actions. This type of change is called planned change. In contrast, change sometimes unfolds in an apparently spontaneous and unplanned way. This type of change is known as emergent change. Change can be emergent rather than planned in two ways. Managers make a number of decisions apparently unrelated to the change that emerges. The change is therefore not planned. However, these decisions may be based on unspoken, and sometimes unconscious, assumptions about the organization, its environment and the future (Mint berg, 1989) and are, therefore, not as unrelated as they first seem. Such implicit assumptions dictate the direction of the seemingly disparate and unrelated decisions, thereby shaping the change process by ‘drift’ rather than by design.

Researchers have developed various approaches used individually or in combination to diagnose and manage change. Content centered approaches focuses on the element or what to be analyzed and changed. Those focusing on structure looks at guidelines, procedures, organizational charts, rules, budgetary methods, centralization or decentralization. Those focusing on people look at training, attitude, learning skill, competencies, motivation behaviors, leadership, management, policies and power selection and performance appraisals. Those focusing on technology look at job description, work flow and methods, work standards, work process, procedures and equipment’s. In their work on process centered approach ,(Greiner and Barnes,1970)states that it focuses on unilateral power of change authorizer, new comer with power to initiate change through staff replacement, structural and relationship changes, collaboration or participation in change management as well as delegation authority to employees to initiate and enforce change.

External factors such as the economy, competitors' behavior, and political climate or internal features such as the relative power of different interest groups, distribution of knowledge, and uncertainty influence the change in directions outside the control of managers. Even the most carefully planned and executed change program me will have some emergent impacts. This highlights two important aspects of managing change. The need to identify, explore and if necessary challenge the assumptions that underlie managerial decisions. Understanding that organizational change is a process that can be facilitated by perceptive and insightful planning and analysis and well crafted, sensitive implementation phases, while acknowledging that it can never be fully isolated from the effects of serendipity, uncertainty and chance (Dawson, 1996).

Other approaches include episodic and continuous change. Episodic change, according to (Weick and Quinn, 1999), is infrequent, discontinuous and intentional. Sometimes termed radical or second order change, episodic change often involves replacement of one strategy or programmed with another. Continuous change, in contrast, is ongoing, evolving and cumulative. Also referred to as first order or incremental change, continuous change is characterized by people constantly adapting and editing ideas they acquire from different sources. At a collective level these continuous adjustments made simultaneously across units can create substantial change. The distinction between episodic and continuous change helps clarify thinking about an organization's future development and evolution in relation to its long-term goals.

Some scholars relied on a combination of framework to analyze change. (Dutta and Manzoni, 1999) provide the 7-s framework and the business integration model to enhance the understanding of organizational change. The advanced that performance improvement is derived from the alignment of an organization's people, process and technology with its strategy. Therefore, a consistent and comprehensive organizational change program me should incorporate independently and collectively established customer focused strategic vision that will optimize long term success, organizing ,motivating and empowering people to succeed, redefining and streaming business process to implement strategic vision and to achieve maximum effectiveness and efficiency of all resources and applying appropriate technology to support streamlined.

The effective management of change through holistic focusing on organization's purpose, strategy, structures, processes and monitoring and evaluation is also supported by (Victor and Franckeiss, 2002).They consider leadership and effective communication as critical determinants of change process.

2.5 Models of Change Management

In the modern dynamic world, management of change has become a mandatory function of managers. (Burnes, 2004),(Harigopal, 2001) outlined various models developed by researchers like (Kanter, 1992), (Kotter, 1996) and (Bullock and Batten, 1985) which have been developed and are being used to understand and implement change in individuals and in organizations. (French and Bell, 1999), states that the models are used to manage performance and change are used depending on the results of the organization's diagnosis. The models overlap and are complementary.

One of the biggest distinctions in views about change is in relation to the nature of change. If you think of change as being about moving from one state to another in a structured manner, you are more likely to develop models which highlight a structured set of steps. One of the biggest distinctions in views about change is in relation to the nature of change. If you think of change as being about moving from one state to another in a structured manner, you are more likely to develop models which highlight a structured set of steps. An alternative is to see change as largely fluid and emerging, it's all pervasive and continuous. Taking this view means you are more likely to manage change as part of what happens naturally in an organization, and perhaps see interventions as cyclical or iterative. Organization's environment is known. Change can then be planned to facilitate movement from one condition to another. In contrast, emergent change emphasizes the need to be responsive and adaptive: that change is constantly around us. It may be that some changes can be seen as more stable and predictable moving from one state to another, whilst other change is more fluid and on-going in nature. Change management models are methods by which the processes of change management are implemented. Change is the vein that keeps an organization alive and change management can make or break the organization. The biggest distinctions in views about change are in relation to the nature of change. If you think of change as being about moving from one state to another in a structured manner, you are more likely to develop models which highlight a structured set of steps (Kanter, 1992)

ADKAR is a goal-oriented change management model that allows change management teams to focus their activities on specific business results. The model was initially used as a tool for determining if change management activities like communications and training were having the desired results during organizational change. The model has its origins in aligning traditional change management activities to a given result or goal. For example, awareness of the business reasons for change is a goal of early communications related to a business change. (Prosci, 2006) desire to engage and participate in the change is the goal of sponsorship and resistance management. Knowledge about how to change is the goal of training and coaching. By identifying the required outcomes or goals of change management, ADKAR becomes a useful framework for change management teams in the planning and execution of their work. The goals or outcomes defined by ADKAR are sequential and cumulative. An individual must obtain each element in sequence in order for a change to be implemented and sustained. As a manager, you can use this model to identify gaps in your change management process and to provide effective coaching for your employees. The ADKAR model can be used to: diagnose employee resistance to change, help employees transition through the change process, create a successful action plan for personal and professional advancement during change, and develop a change management plan for your employees (Prosci, 2006)

Action research is a combination of change not only attitudes and behavior, but also testing the change method being utilized (McShane and Von Glinow, 2005; Collier, 1945; Lewin, 1945, 1951; French, 1969; Schein, 1980; Argyris, 1970, 1968). The first part of the change process must be action-oriented because the ultimate goal is to make change happen. The second part revolves around trying different frameworks in a real situation to verify whether or not the theories really work or applying the various theories in various situations that require change. The process of action research is first to diagnose a need for change (unfreezing), then to introduce an intervention moving and finally to evaluate and stabilize change (refreezing). Each of these steps in the process is consistent with the three stages in Lewin's Model. In relating this to the speed at which some changes must occur, this approach may be useful if it is done through the process of drills or exercises. For instance, in most schools students are regularly subjected to fire drills so that in the event that a "real" fire were to occur, the students teachers and school personnel have learned behaviors on exiting the building quickly to reduce the potential dangers to human life.

Kotter (1996) suggest eight steps models that if implemented systematically, one step after the other it will lead to successful change. These stages are as follows establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, communicating the change vision, empowering employees for based action, generating short term wins, consolidating gains and producing more change and finally anchoring new approaches in culture. In Lewin's Model, there is a stipulation for three distinct steps in change management if it is to be effective. Those are unfreezing the present, moving from the present and freezing. If this model is not followed, then changes will be short-lived. In other words, you can cause needed change to occur. However, in order for change to be permanent, you must dismantle the present (and the capability to move back to the present), move from the present to the future and put in place the people and processes to ensure permanency (Lewins ,1951). This model is still relevant in terms of what to do. However, the speed at which it must be done has increased dramatically.

Learning organization model was introduced by (Senge, 1990).It states that learning organization’s perpetually seeks strategic change through learning, experimentation and communication to renew itself constantly. Organization use knowledge and value based changes to improve their problem solving ability and capability for action. People in these organizations continually expand their capacity to create the results they truly desire, learn together and discover how they can create reality and handle change. Learning organization are built through individuals, personal mastery, mental models, shared visions and team learning .Integrated learning is runned parallel to work. It relates ability to change to ability to learn. Change strategy is developed through learning. Organizations are assumed to have learning climate and opportunities for action. People in desire, learn together and discover how they can create the results they truly.

2.6 Resistance to Change

Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them. Resistance may take many forms, including active or passive, overt or covert, individual or organized, aggressive or timid.

Dent and Goldberg (1990) outlined six major conditions that cause people to resist change if the nature of the change is not made clear to people who are going to be influenced by the change if the change is open to a wide variety interpretations ;if those influenced feel strong forces determining them from changing; if the people influenced by the change have pressure put on them to make it instead of having a say in the nature or direction of the change; if the change is made on personal ground and if the change ignores the already established institutions in the group.

Robins (2003) attribute individual resistance to old habits dying hard, selective information processing, fear of the unknown, fear of insecurity and economic loss. Organization resistance on the other hand is attributed to structural inertia, limited focus of change, group inertia, threat of expertise, threat to established power relations and threat to establish resource allocation.

Resistance comes in two varieties, overt and covert. Overt resistance is the most noticeable it is what we experience as obvious opposition, disagreement, arguing, debating, to any change effort. It’s most virulent form is when people say No and flatly refuse to go along with or implement change. Covert resistance comes in two forms: conscious and unconscious. Conscious covert resistance appears when employees are concerned about the consequences of their actions. People sometimes covertly resist by saying yes or apparently agreeing to a change and then avoiding or delaying its implementation. Unconscious covert resistance is the most difficult to see and understand. It is when we are not even aware of our resistance. When we have trouble understanding or hearing another, forget, fail to achieve expected results, become ineffective, become ill, avoid for no apparent reason, we may be unconsciously resisting the process of change. Covert resistance provides no visible conflict or discord yet just as successfully undermines change efforts as when overt processes are at work Dawson, (1996).

2.7 Overcoming Resistance to Change

One of the biggest mistakes you can make is to treat the symptom, not the cause. This is especially true when dealing with resistance to change in an organizational setting. Treating the symptom is ineffective because it does not fix what is broken. Additionally, treating only the symptom can actually further aggravate those who are resisting the change. Instead of addressing their objection, you further frustrate them.

ADKAR - Prosci's individual change model - is an effective tool for identifying the root cause of resistance. It breaks successful change down in to the key building blocks of awareness, desire, knowledge, ability and reinforcement. When a change is not taking hold and there is resistance, ADKAR can be used to focus in on why the resistance is happening. Is the resistance cause by a lack of awareness of the need for change? Is it a result of no desire to change? Is it caused by lack of knowledge or a fear of not having the knowledge to be successful once the change is in place? Are there barriers to ability that are resulting in the resistance? Or, is a lack of reinforcement causing the resistance?

Robins (2003), (Kotter and Schlesinger, 1979) and (Massarik, 1980) agrees that depending on urgency, organizational preparedness and cost implications ,managers can overcome resistance to change through the use of effective education, communication ,employees participation and involvement, provision change facilitation and support, negotiating terms of change with stakeholders ,manipulation, coercion and gaining political goodwill.

Managing resistance to change has been in development for over two years and has included consultants, managers, workers, executives and clinicians as participants. It has conducted it publicly with mixed audiences, for a major consulting firm, two corporations and continues to develop it in-house at a large hi-tech manufacturer. Change in organizations is a constant, albeit discontinuous, process. Organizations are continually immersed in transition. And, since change is an inevitable part of organizational life, we believe that resistance is correspondingly inherent and should be reframed, explored and worked, not eradicated or fixed. In fact, we have found that the process of surfacing and discussing resistance is a part of the learning that all organizations must do to survive. The data of resistance is critical to an organization's development, productivity and ability to make change successful Dawson (1996).

It is paramount that top managers and executives communicate the same language when implementing a strategy. Poor communication serves as a key impediment to employees in the organization. With poor communication, the wrong message may be sent thereby resistance to change developed. Structure and strategy must also be matched to enhance smooth implementation. Growth may influence structure or structure may influence growth otherwise structure may distort and dilute intended strategy. A leader's great role is to implement structures that will align with strategy. Dawson (1996).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This paper chose a case study as its research design. A case study involves an in-depth study rather than a single superficial evaluation to understand the required findings. (Mugenda 2003) defined a case study as an in-depth investigation of an individual, group, institution or phenomenon. Yin (1989) says that a case study allows an investigation to retain the holistic and meaning of real life events. This study was intended to be more descriptive than explanatory.

The case study provided a systematic way of looking at events, collecting data, analyzing information and reporting the results. This helps the study to present a sharpened understanding of why the event happened as it did and what might become more important to look at in future studies Gerring, J. (2005). Although case studies may bring quantitative evidence, the design of this study has utilized the qualitative aspects of a case study. Gerring J., (2005) defined a case study as a research approach situated between concrete data taking techniques and methodological paradigms.

3.2 Data Collection

The study used interview guide to gather primary data. This will be guided by the objectives of the study. The primary data will be obtained from interactive personal interviews with senior management staff of KCB Group, Human Resources, Finance and strategy, information technology, Audit, Retail, Corporate Banking, and Mortgages, because they played a key role in managing strategic change and the challenges they face daily in their line of work.

This study was mainly concerned with the approaches that KCB Group Ltd used in the management of strategic change from a one on one discussion with the senior management team. Such information is best collected using an interview guide (Touliatos and Compton, 1988; Bell 1993).

On the other hand secondary data was collected from internal sources of KCB and staff circulars were a good source of information and how it was carried out together with the content of the information that was carried out. This helped to strengthen the fact that there was a form of communication in preparation for the transformation for the change which includes performance reports, annual reports and departmental strategy as well as in house information.

3.3 Data Analysis

After collection of data, the study checked for completeness, clarity, accuracy and consistency in preparation for analysis. The collected data was analyzed using content analysis in order to come up with conclusions and recommendations. According to Cooper and Schindler (2003) content analysis measures the semantic content or the 'what' aspect of a message. The content analysis carried out shows what approaches KCB Group Ltd used in the management of strategic change

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter details the findings of the study with respect to the objectives of the study. The study was designed with the aim of achieving the objective of determining which strategic change management approaches were adopted by KCB Group to respond to the transformation process. The data collected by interviews is rich and sufficient particularly in discussing the objective of the study. The study involved the collection of primary data through the use of an interview guide which was administered through personal interviews. The research targeted ten respondents drawn from senior management staff of Kenya Commercial Bank Group.

4.2 Change at KCB Group Ltd

Kenya Commercial Bank Group has in the last five years been working on a turn around and all of the respondents had been in charge of change management process in the organization and therefore were in a position to provide quality information for the study. Four years ago the Bank embarked on a performance management in response to the economic and trade development, KCB Group Ltd began to undertake proactive measures to strengthen its corporate credibility. One of the early change attempts was process reorganization of its internal operations via ICT. KCB Group Ltd retail banking activities evolved from a highly decentralized set of operations within individual branches to a more tightly focused operation supported by process reorganization that involved centralization of common processing activities, core and non core business processes for streamlining. A part of the change initiatives was the elimination of non- core processes or outsourcing of back office activities to create a leaner operation at the branch level. The expansion of personalized services was further facilitated by the integrated customer profile system under T24. Such technological change would hopefully enable the bank to compete more effectively in terms of customer service, cross selling and development of innovative products and services. Some examples of customer service included combined account statements, sweep facilities and automated service charging. These potential benefits were communicated to organizational members via bulletin's total change of the system use in any organization would also demand changes in processes, procedures and policies (KCB, 2011).

The study revealed that the changes of the organization structure which reduced 22 to 7 board members that would help achieve many milestones which included an efficient, lean organization that will allow for faster decision-making for the benefit of the Bank's customers and other stakeholders. It had also transformed from a government owned department. It adopted strategic management practices which comprised of continual situation analysis, development and revision of vision, mission, strategic planning, strategic objectives and review. The bank also expanded its mandate by including consulting company to work together with a the planning team who the Chief Executive who himself appointed the lead members of the planning committee to carry out diagnostics of the organization and made recommendations that would transform the company over time from Good to Great and thereby enhance shareholder value in its operations.

The vision was crafted and developed through consultative and participative stakeholders process of meetings, seminars and validation. The study established that each department had objectives that had been set in line with the overall KCB Group objectives and vision Therefore the changes that have taken place in KCB Group were planned changes and not emergent. The senior managers set these objectives with their staff members in formal meetings and each immediate supervisor had to discuss the same objectives with their members in the meetings i.e. performance evaluation meetings score cards.

4.3 Triggers of Change at KCB Group Ltd

Vision is the desired better future state. It is envisioned future state. It includes the guiding core purpose and the values to be observed during the process of managing change. A further force driving the management of change at KCB Group Ltd was the changing customer and market needs. All respondents shared the same view that increasing customer complaints and customer demands for new products and services signaled a need for strategic action. The in-depth interview revealed that the informed customer of today has a product diversity requirement that needs frequent developing. He is dynamic and not averse to risks yet the bank is an institution that depends heavily on history of performance. As much and as fast as technology is dynamic, the customer too is dynamic and what would have taken weeks or months to achieve is received in a matter of hours.It clarifies the direction of the desired movement and reflects the shared expected future. The availability of one stop financial portals and the ease and convenience of electronic banking had enabled consumers to be connected on line to manage their own transactions.

Stiff competition from other banks was another driving force for change. Competition also fueled the wheels of change which saw the expansion of other commercial banks, micro finance institutions and mobile phone companies joining the bandwagon by introducing mobile money.

The rapid advancement of technology of rivals also strongly highlighted the inefficiency and poor integration of the system that relied heavily on labor intensive work processes. For instance, direct marketing, credit history, risk management, and segmentation based product pricing could now all be managed on line for the first time. One of the internal driving forces in KCB Group Ltd was its hierarchical and rigid work practices that included reporting structures and work processes.

It is a product of environment scanning, problem analysis, objective setting, consensus building and strategy development, subsequently the overall objectives for change. From the findings, the respondents indicated that they were intentional with goal-oriented activity and this sought to improve the ability of KCB Group to adapt to changes in its environment and secondly, to change employee behavior.

The interview depicted that change management strategy is based on three methods; redefining and interpreting norms and values and developing commitments to these; appealing to the rational self interest of staff by communicating desired changes and attendant benefits and finally, using authority and sanctions when required to safe guard the values and standards of desired change.

The study also revealed that the use of modern technology to look into regional and Innovation strategies recommended value-adding solutions/changes to the way to operate its systems and procedures. The study also revealed the use Strategic human resource management to review of existing performance management and reward frameworks as well as staff numbers with the view to improving productivity and motivation was done and lastly increased functions of research which saw the penetration into the regional markets of Juba in Southern Sudan, Uganda and Rwanda.

The changes the group had undergone through are strategies that affected the whole organization. The changes were a means of adapting to the environment and decision making, taking actions to address organizational risk to increase productivity and service delivery. The transformation was a managed through a process of planning.

It was established that the Board of KCB set up a Transformation Committee and a strong cross functional project management unit to oversee and work closely with the Consultants to deliver the objectives of the program me. It was established that the urgency for change was necessitated by bank's drive for efficiency, innovation and growth in customer numbers and transaction volumes that would enabled it remain competitive and build a stronger foundation for the success of the business. The need to improve service delivery and contain costs which were incurred through staff salaries made it urgent for the group to adapt to the voluntary early retirement scheme as way of reducing staff cost.

The study also revealed that the adoption of a new IT system dubbed T24 also made it urgent for change a most of the work was duplicated and thus need to merge departments and sections for more productivity. Penetration into the regional markets was necessary to capture the existing markets and increase revenue base. It is evident that the pressure from external environment and internal deficiencies made it a matter of life and death for the group launch into the new system than to maintain the status quo and perish.

4.4 Change Management at KCB Group Ltd

According to the study findings, the implementation and transformation team composed of senior managers who were to oversee that the change decision making at KCB Group and were clear and transparent, free of confusion, tension and is the responsibility of line management to make that relevant information that will lead to informed decision making. The study found that KCB Bank used the following strategies to respond to competition in the banking industry: product offering diversification, branch and regional expansion, relationship marketing, financing, customer-care, innovation, and information technology strategies. The study also found that the bank is very adaptive with a versatile reactionary mechanism to exploit any emerging gaps in the banking industry.

Change management process in KCB Group began with goal setting and objectives. Varieties of objectives are set and the objectives are hierarchical and linked to each other. The departmental objectives identified were; improvement of operational process, the need to improve staff performance , achieve efficiency and effectiveness so as to improve on the profitability and reduce costs and better budgets, improve communication within the organization and finally the need to recover from financial crisis.

4.4.1 Approaches to Change Management

A more systemic, engagement-oriented and process-focused approach was used by KCB Group Ltd. Organizational change enables collaboration between leaders, managers and staff in the implementation of technology and business process changes. In order to achieve this collaboration, two interdependent approaches were undertaken, participatory leadership referring to a set of organizational values and leadership behaviors that can contribute to employees becoming more committed to their organization and its goals, and cultivating better labor-management relationships. It also helps bridge the typical chasm that often exists between leaders/managers and their staff, and contributes to a more adaptive empowerment approach is developing the organizational conditions that support high staff involvement in change initiatives, sharing appropriate decision-making responsibilities among management, supervisors and staff, and sharing of power as appropriate for the circumstances.

Planned approach to change management as opposed to the bottom up were preferred however, pen communication and meaningful staff participation in the change process were key features in most organizations. KCB Group Ltd respondents agreed that the approach they had chosen was the planned approach but in some instances they emergent approach also. In contrast, change sometimes unfolds in an apparently spontaneous and unplanned way. This type of change is known as emergent change. Change can be emergent rather than planned in two ways. Managers make a number of decisions apparently unrelated to the change that emerges. The change is therefore not planned. However, these decisions may be based on unspoken, and sometimes unconscious, assumptions about the organization, its environment and the future and are, therefore, not as unrelated as they first seem.

KCB Group Ltd framework helped employees plan effectively for transformation, avoiding the many possible mistakes that might otherwise compromise the mission. They begin with the development of a road map for the change that charts the course every step of the way from your current day model to the new organization. Where business process change was involved, behavioral science based approach was applied to the evaluation of people, the model and organizational performance.

4.4.2 Change Management Practices

KCB Group Ltd Human resources was one of the most critical components of strategic success in the organizations and the human resources management practices as effective, they contributed to the organization's bottom line. Not all human resources management practices can act as strategic tools. There were practices which are just common and general, while other are tactfully used. The respondents indicated the extent to which they could agree with the some statements concerning the banks' human resource management issues as voluntary early retirement, the remuneration levels, recruitment and selection linked to key performance area. Align the goals of a change effort with organizational strategy. KCB Group Ltd respondent's strategic plan identified the products and services it delivers and the core business and key supporting processes that help deliver these products and services. It also identified the organization's special competencies and how they enhance the core and key supporting organizational processes. If the goals of the change effort do not support the organizational strategy then the change effort will not yield significant value to the organization.

4.4.3 Resistance and its Management

The analysis of the change management process of the KCB Group Ltd revealed that the challenging issues that represent resisting forces to change were often the soft issues such as social, cultural and human issues across different managerial levels and functional boundaries. These significant issues emerged in the implementation stage, in the centralized unit, within branch operations, during the new product launch, across technical training, and were embedded in the HR relocation, interview and organizational performance activities.

In conclusion the application of strategic management grouping KCB Group Ltd a number of human resource practices can be used as strategic weapons for organization to remain competitive, the individual roles of employees before they are employed, communication and decision making process should be done prior to the implementation of the program me.

4.5 Discussion

All organizations must continually be geared towards improving their products and services in order to ensure survival (Johnson and Scholes, 2002).These findings suggest that organizations should continue to seek more of a balance between developing leaders through individual competencies alignment and commitment throughout and fostering the collective capabilities of teams, groups. The issue is that transformations are often met with resistance as members of the organization must shift their way of thinking, learn new skills, and deal with unfamiliar situations, often ambiguous situations and many other uncomfortable realities that come along with the change management process. This study supports the argument that the ability to build and manage effective teams is an important part of implementing strategies (Swartz, 1985). Effectively managing the teams may include recruiting, selection, training, discipline transferring and promotion of team members to achieve the organizational objectives. Leadership has always been associated with success or failure of a strategy. The top leadership always takes the credit for a successful strategy or responsibility for the same. Leadership entails making decisions from among options and mobilizing others to get the job done. When the organization feels the leaders support in a project, the same will be embraced with both hands but the absence of leadership throws the strategy into ambiguity.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The objective of the study was to establish the strategic management approaches used at KCB Group. This was met and the result were analyzed and presented as per the objective.

5.2 Summary of Findings

The research project on management of strategic change at KCB Group introduced major concepts and dimensions of change and its management. It established the strategic change management practices and the factors that influenced approaches to change, reasons why employees resist change and change management models. From the discussion it is noted that the external challenges to implementation included political factors which dictated the political environment of doing business, government policies issued through the Central Bank

KCB Group has a well documented vision and mission statements which are communicated to employees and external stakeholders in both written and spoken form, and also put mechanism for environmental scanning and uses tools as SWOT analysis. The approach that was taken at KCB Group was planned approach although there was some evidence of emergent approach due to the dynamism of the business environment. Other approaches include episodic and continuous change. Episodic change,, is infrequent, discontinuous and intentional. Sometimes termed radical or second order change, episodic change often involves replacement of one strategy or programmed with another.

From the study findings the challenges faced in managing the change program at KCB Group are due to the restructuring of the organization, this is so especially with the stiff competition from other financial and non financial organizations. According to the findings the factors that necessitated the changes were due to the increasing operational costs and hence the need to look at the structure of the organization and the change in the governance context.

Accordingly, the ongoing changes had affected structures, systems, processes, technology and the products and services to a varying extent. According to the findings the consulting team over see the change decision making in KCB Group with the aim of identifying potential areas of cost reduction, improve customer care and avenues of improving commission and interest. Although it is the responsibility of the line management to make sure that relevant information that will lead to informed decision making is availed at all levels and shared with requisite feedback given, there is no evidence to show that this aspect of information management to meet the challenges of change management actually takes place. The internal challenges to the implementation included behavior resistance to change from the common norm of slackness in public sector culture to the dynamic culture that is expected of companies operating in a challenging environment. It was noted that there was some resistance from personnel which may have been due to the culture of the organization or the fear of the unknown. To overcome this, the leadership took an active role in spearheading the change and gave constant communication so that the staffs were well aware of the benefits that the strategy would bring into the organization.

A a goal-oriented change management model that allows change management teams to focus their activities on specific business results. The model was initially used as a tool for determining if change management activities like communications and training were having the desired results during organizational change. The model has its origins in aligning traditional change management activities to a given result or goal. For example, Awareness of the business reasons for change is a goal of early communications related to a business change. Desire to engage and participate in the change is the goal of sponsorship and resistance management. Knowledge about how to change is the goal of training and coaching. By identifying the required outcomes or goals of change management, ADKAR becomes a useful framework for change management teams in the planning and execution of their work. Strategic change management discussed in the analysis at KCB Group takes the three steps a planned approach to change management model is evident in the role of management at KCB Group. From the study findings .it is also evident that a change in the organization has preceded growth strategy. This explains why KCB Group has undergone structural changes within a very short period of time that is in within five years. The challenges of change management are evident in the reorganization and resistance to change, changing of the organization structure, balance between planned and emergent change and restructuring especially downsizing. From the study findings another conclusion pertinent to this study is that other levels of change process like technology and information management are well taken care of as part of the change management process.

5.3 Conclusion

Strategic change management discussed in the analysis at KCB Group took the three step model. A planned approach to change management model is evident in the role of management at KCB Group. From the study findings .it is also evident that a change in the organization has preceded growth strategy. This explains why KCB Group has undergone structural changes within a very short period of time that is in within five years. The challenges of change management are evident in the reorganization and resistance to change, changing of the organization structure, balance between planned and emergent change and restructuring especially downsizing. From the study findings another conclusion pertinent to this study is that other levels of change process like technology and information management are well taken care of as part of the change management process.

5.4 Recommendations for Policy and Practices

The study found that resistance to change by employees has hindered implementation of KCB Group strategies. As the organization prepares to embark on strategic planning, resistance to change by employees may impede the process. There is need for KCB Group management to take a more proactive approach to managing change within the organization. Currently the change management practices involved the management setting goals, clarifying desired outcomes, providing feedback, giving rewards for desired performance and taking action when goals are not met. The focus of these change management practices is on performance driven change. Strategic planning gives explicit recognition to the organization outside environment and places emphasis on the organization strategic advantage in meeting the contingencies' in the environment.

KCB Group management can build upon their experience in long term strategic change planning, environmental scanning, and goal setting and performance evaluation to develop a strategic plan that is more practical. Employee involvement in the strategic change planning process can contribute greatly to employee commitment to mutual goals and a sense of organization unity. Based on the study findings, it is recommended that the process of designing any change must be accepted by all also the implementation of the change must be continuous and should be monitored so that the objectives of the change are met.
A learning organization is a group of people who have woven a continuous, enhanced

Capacity to learn into the corporate culture, an organization in which learning processes are analyzed, monitored, developed, and aligned with competitive goals. A learning organization generates knowledge and learning faster than competitors and turns that earning into a strategic advantage to out market, out manage, and outsell competition. A learning organization moves beyond simple employee training into organizational problem solving, innovation, and learning.

5.5 Limitation of the Study

The main challenge faced was accessing the senior managers KCB Group Ltd were not readily available for face to face interview due to their tight schedules. There was also concern on breach of confidentiality in the disclosure of information. At a time when new management issues are coming up with new strategies to enhance service provision given, this may breach confidentiality due to information technology leakages. The researcher took time in explaining to them that the study was for academic purpose only.

5.6 Suggestions for Further Research

Further research is recommended on the issues of strategic change management on related industry players. There is need to also carry research to determine how well organizations in the country are prepared on the application of strategic change management. Further research should also be undertaken to determine the success levels of organization that are using strategic change management.

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APPENDICES

APPENDIX I: Letter of Introduction

My name is Harty Otieno; I am a Postgraduate student (M.B.A Master of Business Administration) at the School of Business University of Nairobi.

I am conducting an academic research on **Management of Strategic Change at Kenya Commercial Bank Group Ltd.**

I wish to request your kind participation in this research the contents of which will be purely academic and whatever information you provide will be kept strictly confidential and used for academic purposes only.

I request your honesty and accuracy in responding to these questions an activity which may take approximately twenty minutes.

The subsequent analysis and interpretation will be based solely on your answers and your participation is encouraged.

The questions consist of three sections;

1. Section A is on the general details about the respondent and about KCB
2. Section B Requires information on strategy implementation in KCB
3. Section C requires information on challenges of strategy implementation.

I wish to thank you in advance for your willingness to assist.

APPENDIX II: Interview Guide

1. What is your position in the institution?
2. What is the name of your department?
3. How long have you worked in the department?
4. What are your key departmental objectives for change?
5. Have there been any structured changes in the organization for the last 10 years? What were the causes of these changes?
6. Which key changes has the organization gone through?
7. What are the factors that necessitated change?
8. How important was the need for change and why?
9. What would you say was the reason or reasons that led KCB into adopting transformation process?
10. Can you share with me how the leadership or management prepared for the adoption of Transformation?
11. How was the non-management staff prepared for the implementation of Transformation?
12. In your own words can you say to what extent communication advanced or hindered Transformation?
13. Were there any barriers e.g. staff turnovers, lack of key support or lack of technical assistance experienced during the implementation? How did you overcome the barrier(s)? Please explain.
14. What role would you say training played in the implementation process? Would you say the training period was adequate?
15. Would you say that the management and staff had the required skills to oversee the implementation of Transformation? Please explain
16. Could you say that there were some policies and procedures that had to be changed to allow for implementation? Please explain.
17. Can you share with me how the organization structure supported or did not support the implementation? Have there been any changes on the structure since?
18. What plans (if any) were put in place to reward employees who played key roles in the implementation? How would you say this boosted their motivation?
19. Did you experience any uncontrollable factors in the external environment that adversely impacted on Transformation implementation? Please explain.
20. What measures were taken to mitigate these uncontrollable factors?
21. Is there a monitoring system or plan put in place for Transformation to ensure it is in tandem with the corporate plan?

22. What can you say did not work well to support the implementation?
23. What practices, procedures, tools, etc., would you recommend be sustained and/or scaled up? Please provide a justification for your response.
24. What recommendations do you have for future efforts such as these? Is there anything more you would like to add?

I will be analyzing the information you and others gave me and submitting a draft report to the organization in one month. I will be happy to send you a copy to review at that time, if you are interested.

Thank you again for your time.