

STRATEGIC LEADERSHIP AND CHANGE MANAGEMENT AT EQUITY BANK

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ABSTRACT

This study sought to determine the role of sustainable people, process and organization management in emerging markets with a view to enhancing the practice of leadership, performance and management of the bank and other organisations in Kenya. Based on the Transformational theory of leadership, the study determined the effect of the various leadership styles and behaviours on management of change, realization of change objectives, employee morale, motivation and their overall satisfaction with their jobs. The results from this study indicated that different leadership styles were adopted in the organization depending on the situation so as to reinforce the need for change. A significant majority of

interviewees reported that the involvement of employees in the decision making process of the firm made them feel included in the change management process and the firm's leadership recognized the employee's efforts by making the work environment conducive for their participation. The researcher recommended that given the importance of proper leadership during the process of management of strategic change in the emerging markets, it is mandatory that organizations select the type of leaders with the necessary set of skills and abilities in order to ensure that the change management process is handled correctly.

Key Words: *Strategic change, emerging markets, work environment, leadership styles, change management*

INTRODUCTION

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

The dynamic capability theory emphasizes on how transformational leadership could change their existing models and paradigms to adapt to the changing environment. Dynamic capabilities theory emphasizes two things; one is the organization must be stable in order to continue to deliver value in their own unique way, and two is that they must be flexible and adaptive enough to shift on time when circumstances dictate so (Teece, 1997). On the other hand, the resource based view of strategy development is on the organization's own resources-its physical resources such as plant and machinery, its people resources such as its leadership and skills, and above all the ways in which such resources interact in the organization. Kotter (1995) introduced his eight-step process for leading change as follows; create urgency, form a powerful coalition,

create a vision for change, communicate the vision, remove obstacles, create short-term wins, build on the change and anchor the changes in corporate culture.

Lewin recognized three stages of change, which are still widely used today: unfreeze, transition, and refreeze (Syque, 2007). The main motivation of conducting this research is to analyze the change management practices that leaders at Chase bank Kenya limited have put in place as a result of the adoption of the retail growth strategy, which has led to ease in the implementation process and success thereafter. By Identifying this practices, firms's strategic leaders are able to focus and steer through thus giving it a lead over competitors, thus resulting to having a competitive advantage while still managing change (Pearce and Robinson, 2000). Firms in Kenya faces a variety of challenges, including competition from global markets, restructuring by down-sizing, mergers, acquisitions, technological changes, increased awareness and demands from customers. These challenges have placed pressure on organizations to change their systems, structures and processes to ensure continued survival and existence of their business (Peach, 2009).

Concept of Strategic Leadership

Strategic leadership is leadership that has vision and influence, focuses on its people, implements the vision, has integrity, stretches employees for high performance, is an agent of change, and keeps focused on the objectives (Neuman & Neuman, 1999; Appelbaum, St-Pierre & Glavas, 1998; Beerel, 1997; Taylor-Bianco & Schermerhorn, 2006; Miller, 2006; Marzec, 2007). The execution of the strategy is seen as a responsibility of the senior leadership function. This thinking is supported by Davies (2000, p. 26), who argues: "Whereas policy is a legislative function, strategy is an executive function. The responsibility for formulating and implementing a corporation's strategies rests, therefore, with a company's senior management, under the leadership of the chief executive officer." The strategic leaders must have the following: they must have a vision to change the current status depending on internal and environmental factors; they must be change agents in making sure that the strategy is implemented by developing, mobilising, and motivating people who understand the vision; the leaders should be flexible and be able to change the organisational structures to accommodate new strategic requirements; they should measure performance in order to exceed customer and shareholder expectations; they must have the integrity through their practices and controls for governance; and finally, they must be focused on the strategic objectives of the organisation.

The importance of strategic leadership throughout the different levels and at project level becomes the basis for dealing with challenges currently faced by the absent link between strategy and executed projects in state-owned enterprises. Strategic vision, processes of the organisation, leadership, culture, organisational structures, change management, and having a project environment complemented by the right skills all contribute to the success of creating the link between strategy and projects during the selection of projects and their execution. The element of

change management in view of the role of projects in producing new ways of doing things needs to be taken seriously to allow it to dictate the speed at which changes are brought about.

The leadership has to be present throughout the execution and remove all obstacles faced by the project manager. While it has been noted that there is still some confusion around the terms “leader” and “manager”, they complement each other in project execution, and until such time as ideal leadership for project management is defined, the present generation has to live with the best of what academics and scholars have put forward in their arguments. The gap in the linking of projects to strategy should be guided by the relationship between leadership, project leadership, management, human resources, and organisational structures. These need to be set up in such a way that they support project execution in order for the benefits of projects to be realised in terms of strategic alignment. Effective strategic leadership is the foundation for successfully using the strategic management process. It can help prioritize objectives for subordinates and can provide guidance towards achieving the overall corporate vision. According to characteristics and tasks of strategic leadership the most effective and suitable leadership style is transformational leadership.

Transformational leadership recognizes that success results from their belief in both themselves and their staff (Capon, 2008). Transformational leadership explains how a leader is held with the responsibility of identifying the needed change, creating a vision to guide the change through inspiration, and executing the change among a set number of individuals. Strategic leaders are important leaders in organizations Adair (2010). Good strategic leadership requires an analytic and critical thinking perspective to see the process through during strategy formulation and implementation, which is a strong driver in leading the organization in achieving its goals and objectives. Strategic leadership is very important in an organization since it entails having core competencies and proper working relationships with the leaders, managers and staff which results to proper change management techniques adopted.

Change Management Practices

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

Change management thinking starts by taking such decisions as inputs and looks at how we can put them into effect. But effective change management is hard, the more you can base the change

architecture process and thinking on existing resources and capabilities, the more you will build in stakeholder buy-in, and the more likely you are to be successful. Thus it is that strategies, no matter how innovative, should seek to leverage 5 existing resource, thinking capabilities etc. (Carnall, 2007). Burnes (2009) writes that change management is based on two approaches the planned and emergent change approach. The planned change is suitable in predictable and stable environment, where the change process is consciously planned by taking organization from stable state to another stable state. The emergent approach is applicable in an increasingly turbulent flux environment that requires continuous alignment and realignment of organization with changing requirement of unpredictable environment. Zigarmi, et al (2008) state that leaders need to create an atmosphere of trust and genuine concern for how the proposed change will affect people personally. If leaders do not take the time to specifically address individual needs and fears near the beginning of the change process, they will find themselves retracing their steps because their concerns linger. People may comply with the proposed change for a short period of time, but if they have unresolved personal concerns, the people will not commit the discretionary energy required to successfully implement and sustain the change

Colin (2007) argues that leverage and connectivity are two important dimensions for success in change management. Rather than specify problem solution in rigid detail it is better to encourage local-level problem solving led by the most respected co-workers, supported by local leaders with senior leaders focused on the overall integrity of design and on the intended outcomes. Down that line lays a possibility of ownership. He further writes that change leadership entails credibility, visibility, learning orientation, sponsoring early adopters, organizational slack and encouraging learning through change.

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

Strategic Leadership and Change Management

Despite the growing consensus that change is imperative if organizations are to grow and thrive in the current and future environment, effecting change, especially major change, it is still not an easy undertaking. Many change efforts don't meet the expectations of the organization. A central strategic challenge for many leaders is managing people during the change process and dealing with resistance. Resistance to change and the absence of effective leadership are major reasons

for why most transformation efforts. Therefore, change management needs to effectively listen and communicate with employees (Daly et al., 2003).

Robinson (2007) states that in today's rapidly changing, highly competitive global market place change are the only constant. The executive level of today's organizations is no longer in a position to know the best solutions to the problems that emerge day by day. Hiriappa (2008) says that a strategic leader act as many occasions call for a highly visible role and extensive time commitment. While others entailed a brief ceremonial performance with the details delegated to subordinates.

Burnes (2004) says that leaders focus on the future, create change, and create culture based on shared values, establish an organizational link with followers and use personal power. He further argues that transformational leadership will establish direction by developing a vision that describes a future state along with strategy for getting there. It aligns people by communicating and aligning people to understand and believe change is for better. It motivates and inspires by satisfying basic needs for achievement, belonging, recognition, self-esteem and a sense of control and change is the outcome. Senior and Fleming (2006), state that management and leadership are both parts of the formal and informal aspects of organization's life and their influence is also influenced by organizational culture. Leadership cannot be examined other than as an interactive process. Leaders must have „followers“. So logically if we are to understand change leadership, we have to say something about followers Carnall, (2007). The KWS has gone through changes in leadership and this has attracted different strategies being employed in the organization hence different outcomes.

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

Management of strategic change All organisations undergo changes at one point or another. Strategic change can be defined as a difference in the form, quality or state over time (Van de Ven & Poole, 1995) in an organization's alignment with its external environment. Strategic change involves radical transitions within an organisation that encompass strategy, structure, systems, processes and culture. Successful strategic change is built on an overall strategic management system of the organisation. Strategic change management is focused on increasing the organisation's capability to adapt and adopt new ways of doing business. It is a problem finding and a problem solving activity, where the problem is the future state to be realized, some

current to be left behind and some organised process for getting from one state to another. The overarching purpose of strategic change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster. Additional benefits to change management include improved organizational outcomes and performance, enhanced employee satisfaction, morale, and engagement and improvement of service quality in the organization. Building on individual capability and organizational capacity, change management results in a change capable culture—a huge advantage in today's competitive and fast changing world.

RESEARCH PROBLEM

Leadership is an important dimension in organizational strategic change management, and it is central to the success of any strategic process. However, defining leadership has been challenging. Kouzes and Posner (2007) define leadership as the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task. Stogdill (1998) emphasizes that leadership is the process of influencing group activities towards goal settings and achievement, while Burns (1978) views it as the ability strengthen and inspire the followers to accomplish shared goals. Generally speaking, leaders are individuals who influence other individuals towards the achievement of a goal. Effective leaders exhibit the ability to cause their followers to accomplish the desired work and achieve their goals. According to House (1998), leaders are effective because of their positive impact on followers' motivation, ability to perform, and satisfaction.

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

Change processes which encompass human resources, IT adoption and upgrades, tools and techniques, as well as the basic rules and controls within the organization are the mandate of leaders engaged in the management of change (Bainbridge, 1996). It is up to the leaders to make these change initiatives tangible rather than abstract and to awaken enthusiasm and ownership of the proposed changes within the organisation. Leaders are responsible for bridging the gap between strategy decisions and the reality of implementing the changes within the structure and workforce of the organization.

LITERATURE REVIEW

Management of strategic change

Change is the transition from one state to another with the sole focus of being different. Change management on the other hand is the use of systematic methods to ensure that an organisation change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results Davis and Holland (2002). According to Flamholtz and Randle (2008) the need for change in organisations is inevitable regardless of how strong and successful an organisation been. Managers need to choose different approaches of managing change according to the circumstances they face and also create an organisational context that will facilitate change. According to Nichols (2004) managing change refers to the making of changes in a planned systematic fashion.

Paulson (1999) was of the idea that change management refers to a systematic approach to dealing with change, both from the perspective of an organisation and at the individual level that is composed of three aspects including adapting to change, controlling change and effecting change. Strategic change is one that involves fundamental changes in the business of the organisation and its future direction. Successful strategic change is built on an overall strategic management system of the organisation.

Organisational leadership

Organisational leadership can be defined as the management staff that typically provides inspiration, objectives, operational oversight, and other administrative services to an organisation. Effective organizational leadership can help prioritize objectives for subordinates and can provide guidance toward achieving the overall corporate vision. Researchers have stressed the importance of organisational leadership as being fundamental to the success of firms, even more so for industries that are global and dynamic. The key to being a leader lies in the firm's ability to manage change as suggested by Olsen, West and Tse (1998). Using this as a basis, organizational leadership can provide the functions of leadership to an organizationally beneficial degree that cannot be matched by individual charismatic leaders alone. It is also far more reliably focused on the organization's ability to accomplish its own purposes and ensure its own sustainability (rather than resulting in the perversion of those to the interests of senior executive "leaders").

Researchers have stressed the importance of organisational leadership as being fundamental to the success of firms more so for industries that are global and dynamic. In a complex, dynamic and ever changing industry, it becomes challenging for the firms in the industry to sustain their competitiveness on a continuous basis. The key to being a leader lies in the firm's ability to manage change as suggested by Olsen, West and Tse (1998). Given the forces of change that have an impact on businesses within the industry, it is essential to identify a firm's leadership characteristics that help in sustaining competitive advantage in a dynamic environment.

Organisational leadership is inherent in the very nature of the organisation. It arises from the peculiar relationships that form among people joined together in a collaborative effort. As such, it takes on an identity of its own, existing in these relationships, rather than merely in the individuals who enter into them. Thus, it both influences, and is influenced by those individuals. It communicates their organizational impressions and needs throughout the organisation. In an intelligently managed organisation, that leadership is not a randomly operating process, rather its a propulsive force given motion by purpose and by a joint effort to accomplish it. It is management's role to ensure that this organisational leadership has a substantive and meaningful core around which to form itself and to give it traction for advancing the organisation towards its stated ends. Using this as a basis, organisational leadership can provide the functions of leadership to an organizationally beneficial degree that cannot be matched by individual charismatic leaders alone.

It is important to study organisational leadership from the micro and macro perspectives of leadership since overall organisational leadership is a function of how firms strategically manage change. In order to sustain the growth of organisations within the industry, firms will have to take leadership positions both at the micro and macro level. This means that firms will have to orient themselves to the environment and manage change strategically at the macro level, while at the same time emphasise on the notion of managing their human resources through effective leadership at the micro level.

THEORETICAL FOUNDATION

Academicians have come up with different theories to explain the phenomena of using strategic leadership and change management practices. Some of these theories include the following.

Resource Based View

Wernerfelt (1984) provide that resource based view (RBV) essentially argues that any form of sustainable competitive advantage that a firm may develop results from the unique resources endowment of the firm. Sanchez (2002) proposes that an analysis of a firm's internal strengths and weaknesses should address the four questions on the value and rareness of a resource, ease of imitability of a capability and resource, and organizations capability to exploit its resources. The organization determines the value, rareness, imitability to ensure sustainability of resources that are required during the period of strategy implementation process.

The key concept in the resource based view framework is the identification of properties of resources that are necessary in creating a competitive advantage to ensure effective strategy formulation, implementation, growth, sustainability and earn above average profits. According to Peteraf and Barney (2003), firm's resources must be heterogeneous. The resources and capabilities that a firm develops, for its value creation and strategy implementation processes must be distinctive and different from the resources used by or available to other firms. Secondly, the heterogeneous resource that makes a firm successful must originate in imperfect

factor of markets, which means that a competing firm either cannot acquire the distinctive resources that a successful firm possesses or must pay such a high price for such a resource or capability to an economic profit.

The distinctive resources that make an organization successful must be imperfectly imitable and substitutable, so that the competing firm cannot imitate or substitute other resources in value creation process. Fourthly, the distinctive resources of a firm must be subject to imperfect mobility, so that the key resources of the firm cannot easily leave the firm and thus remain inside the firm. Barney (2005), RBV approach recognizes that the resources inherent in the company's human capital represent one of the principal strategic factors that a firm currently possesses, particularly the so-called individual competencies of employees. The RBV exploits the distinctive competencies at work organization; its resources and capabilities. An organization resource can be divided into tangible, (Human, technological, Physical and financial) and intangible (brand-name, reputation and knowhow) resources.

Eisenhardt Agency Theory

This study is based upon Eisenhardt agency theory. According to this theory there is a best way to organize relationships. In this relationship one party called the principal determines the work to be done by the other party who is termed as the agent (Eisenhardt M. K., 1985). The relationship between the principal and the agent is called the "agency," and the law of agency establishes guidelines for such a relationship. The formal terms of a specific principal-agent relationship are often described in a contract. A contract to be made by an agent on behalf of a principal is considered to be the contract of the principal and not that of the agent. It allows the principal to authorize somebody to carry out her duties, either for a specific purpose or generally (i.e., to conduct many transactions). Inherent in the Principal-Agent relationship is the understanding that the agent will act for and on behalf of the principal. The agent assumes an obligation of loyalty to the principal that she will follow the principal's instructions and will neither intentionally nor negligently act improperly in the performance of the act.

An agent cannot take personal advantage of the business opportunities the agency position uncovers. A principal, in turn, reposes trust and confidence in the agent. These obligations bring forth a fiduciary relationship of trust and confidence between Principal and Agent (Green, 2012). It is clearly demonstrated that, there is need for both the agent and the principal to take care of each other's interests. The employer will be confident that the employee is doing exactly what is being paid for with maximum effort. At the same time the employee should be confident that the employer takes care of his/her professional welfare in the best way possible. Organization's top management can only put someone in the position of authority if they see that that particular individual represents their interest well. Indeed, so entrenched is the notion of the need to keep the incentives of agents and principals aligned that the law frequently holds principals liable for the misdeeds of an agent. For a person or business to decide whether or not to contract with an

agent, she must weigh the expected benefits of that relationship against its potential costs. The deviation from the principal's interest by the agent is called 'agency costs.

Various mechanisms may be used to align the interests of the agent with those of the principal. The first type of agency cost is expenditures by the principal in monitoring the agent. By monitoring costs, economists usually imply not only observing the behavior of the agent, but also “efforts on the part of the principal to ‘control’ the behavior of the agent through compensation policies, operating rules, etc” (Walker, 2003). In this theory, the top management (principal) is persuaded to put someone at the helm if they know that the individual will protect their interests. At the same time, the employee (agent) will ensure that good governance is maintained if they know that their welfare is taken care of. The problem comes when the top management appoints people to take positions without regard for their competence and do not subject succession with commensurate benefits.

Stewardship Theory

The stewardship theory holds that the Chief Executive Officer being a strategic leader essentially wants to do a good job, to be a good steward of the corporate assets, that they have an inherent motivation, working diligently to achieve good corporate performance, with interests similar to those of the stakeholders (Brennan, 2010). Thus stewardship theory holds that performance variations arise from whether the structural situation in which the executive is located facilitates their effective action (Donaldson & Davis, 1991). The board on the other hand contributes to the stewardship of the of the organization while giving unencumbered authority and responsibility to the management (Brennan, 2010).

Strategic Leadership Theory

Strategic leadership is one of the most critical issues facing organizations. In a fast changing world leaders are faced with a bewildering array of complex and ambiguous information and no two leaders will see things the same way or make the choices.(L.Daft, 2011). Strategic leadership goes about forming great groups of top managers who accept their responsibilities for the organization's outcomes, seek to learn from multiple parties, and embrace information and knowledge acquisition.

Strategic leadership theory contends that top managers' values, cognitions and personalities affect their field of vision, their selective perception of information and their interpretation of information. Therefore, they see strategic leadership as very much a decision-making theory. Other studies dealt with style of leadership which included autocratic, laissez-faire and democratic. These styles are where the decision-making function rests. The autocratic leader makes more decisions for the group, laissez-faire allows people within the group to make all decision and democratic leader guides and encourage the group to make decision(Leslie & L.Byars, 2009).

Transactional and Transformational leader is another approach to analysis of leadership. Transactional leader takes approach that leaders engage in a bargaining relationship with their followers. Under this approach leader tells employees what need to do to obtain rewards and take corrective action only when employees fail to meet performance objectives. Transformational leadership involves cultivation employee acceptance of group mission. The manager employees' relationship is one of mutual stimulation and is characterized by charisma on the part of the leader, inspiration by the leader, consideration by the leader of individual needs and intellectual stimulation between the leader and followers.(Leslie & L.Byars, 2009).

Transformational leadership style brings about continuous learning, innovation, and change. It has been shown to contribute to leader effectiveness, leader and follower satisfaction, follower efforts and overall organizational performance. (Robert N Lussier, 2009). Strong, inspiring visions have been associated with higher organizational performance and greater employee motivation and satisfaction.(L.Daft, 2011). The leaders encourage followers to explore new ways of doing things and new opportunities to learn. Transformational leaders keep the channels of communication open for the followers to feel free to share ideas and so that leaders can offer direct recognition of each follower's unique contribution. Inspirational motivation where transformational leaders have a clear vision that they are able to articulate to followers. The path goal theory of leadership developed by Robert House attempts to define the relationships between a leader's behaviour and the subordinate's performance and work activities. Leader's behaviour influences the motivation of subordinates when it makes the satisfaction of their needs contingent on successful performance. In this theory, leaders behaviour falls into four basic category; Role classification, supportive, participative and autocratic.

Role classification lets subordinate know what is expected of them, give guidance as to what should be done and schedules and coordinates work among the subordinates and maintains definite standards of performance. Supportive leadership has friendly approachable leader who attempts to make the work environment more pleasant for subordinates. Participative leadership involved consulting with subordinates and asking for suggestions in decision making processes. Autocratic leadership comes from leader who give orders that are not to be questioned by subordinate(Leslie & L.Byars, 2009). Responses to the research questions also suggest that a combination of leadership interventions and types are useful and necessary in strategic leadership. While not using these specific terms, participants made it clear that they considered both transformational and transactional leadership styles and tools were essential elements in effective strategic leadership.

Leadership and Management of strategic change

Lewin (1951) produced the first viable model of change in his force field model. In this model, change was characterized as a state of imbalance between driving forces and restraining forces. If these forces were balanced or in equilibrium, no change could take place. Change is inherent in every context and is a relative concept. "Every phenomenon is subject to change, however

apparently stable its nature," Wilson (1992). That change exists is a predictable notion. "In every industry and business, change ebbs and flows in recurring cycles that to at least some extent can be charted and therefore anticipated and managed," Nadler & Nadler (1998).

Change necessitates that organizations realistically move beyond antiquated processes, empower and retrain employees, and incorporate advances in IT into the everyday work setting. The creation and design of change processes within an organization is most often a role of the leaders within it. Change processes which encompass human resources, IT adoption and upgrades, tools and techniques, as well as the basic rules and controls within the organization are the mandate of leaders engaged in the management of change Bainbridge (1996). It is up to the leaders to make these change initiatives tangible rather than abstract and to awaken enthusiasm and ownership of the proposed changes within the corporate milieu.

Leaders are responsible for bridging the gap between strategy decisions and the reality of implementing the changes within the structure and workforce of the organization. A holistic approach to change management encourages the redesign and adaptation to change at all organizational levels. Nadler and Nadler (1998) emphasized the importance of leaders in organizing and maintaining a climate for change within organizations. Although participation of all players is necessary, the role of the leader in the change process is crucial. Adaptive leaders provide direction, protection, orientation, conflict control, and the shaping of norms while overseeing the change process within the corporate structure Conger, Spreitzer and Lawler (1999).

Priorities need to be set which encourage disciplined attention, while keeping a keen eye focused for signs of distress within the company members. Steps to transform an organization were identified by Conger et al (1999). The steps included establishing a sense of urgency, forming a powerful guiding coalition, creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvements and producing still more change, and institutionalizing new approaches. Conger's steps to transform the organisation can only be made possible through the organisation's leaders ability to take the organisation through the steps. According to Noer (1997), the leader as a person, is the most important tool for change.

Organizational success is a process of mutual adaptation between leader values and behaviors, existing people, culture, and organizational design amidst an environment of continual and prolific change. This profiling process requires that leaders are courageous enough to learn about their own assumptions and values about change, leadership and management roles and tasks Conger, Spreitzer & Lawler (1999). "Because resistance is so common, learning to overcome it is crucial to managing change at every level," Nadler & Nadler (1998). The transition stage where the change process is instigated must be handled expertly and with enthusiasm. Leaders must own and align the proposed changes, setting expectations, and modeling and communicating the rationale to all members of the organization

DATA ANALYSIS, RESULTS AND DISCUSSION

According to findings, the interviewees were of the opinion that firms's management acted as successful change agents. They have been at the forefront in during the change management process and showed an active team spirit in the formulation and implementation process of change. The interviewees further emphasised that the leadership styles adopted during the process of change management at firms was very effective, and this ensured a smooth transition for firms.

The firm secretary indicated that the success of any change effort depends heavily on the quality and workability of the relationship between the change agents and the key decision makers within the organisation. In this front, firms as an innovation-driven company has undertaken the training of managers and employees alike in order to develop the needed skills to oversee change. At the same time, she noted that the managers as change agents possessed an understanding of the company's history, operating procedures and personnel thus making them ideal for managing change in the organisation.

The interview with the Director of Human Resources and Customer Experience revealed that firms's leadership contributed largely to the success of the change management process as they have the responsibility of managing the change in such a way that all employees can understand it. He argued that firms's management facilitates and enables change by interpreting, communicating and enabling employees rather than instructing and imposing strategy on them. Leaders influence followers and drive organizational changes by promoting process values such as honesty, loyalty and fairness, while emphasizing the end values of justice, equality, and human rights. They also utilize empowerment strategies coupled with expert and referent power to elicit key changes in follower's core values and beliefs towards the organization and its goals.

The interviewees agreed that Leadership processes reflect the combined influence of social appraisal, problem-solving skills, and expertise. Successful problem solving requires an accurate appraisal of social system requirements and dynamics. In turn, social appraisal depends heavily on social expertise that can be applied to interpret social events. The development of successful solutions contributes to subsequent growth in leader expertise. Thus, at the level of proximal leader attributes, each set of attributes depends on, and contributes to, each other set in its effect on leadership. Understanding leader traits and attributes will require a deeper conceptualization of how such traits, both distal and proximal, operate jointly to influence different leadership outcomes. When asked about the leadership style adopted during the process of change, the interviewees were in agreement that transformational leadership style was greatly adopted during the process of change management at firms. They however noted that various leadership styles were adopted depending on the situation that the organisation was facing at that point.

The interviewees were of the opinion that currently, the change management process at equity bank was in line with the culture as established by firms leadership back in the 1990s. They

argued that different leadership styles suited the organization at different times of change, such that although transformational leadership was key in the organization, it was not the only leadership style adopted at all times and at all levels of management. The interviewees advised that because resistance is so common, learning to overcome it is crucial to managing change at every level of the organisation. They were of the opinion that the transition stage where the change process is instigated must be handled expertly and with enthusiasm, such that all leaders must own and align the proposed changes, setting expectations, and modeling and communicating the rationale to all members of the organization in order to help motivate the employees as well as smooth the transition period.

DISCUSSIONS OF FINDINGS

This study established that an effective change management process cannot be an afterthought. Indeed, it requires a comprehensive effort involving all levels of the organization, driven by top management. It was revealed that in order to succeed and thrive in today's rapid-paced and tumultuous market, the bank realises the need for an agile workforce that can effectively respond to, adapt to and perform under these conditions. This is similar to the findings of Senge (1990) who was of the view that what is needed is a learning organization, meaning an organization that sensitizes its people and processes to ongoing events as well as the possibilities that may come from these events. This view was found to be in line with the organisation's strategy where people are encouraged to continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations are set free and where people are continually learning to see the whole together. The study found that what is needed are the full resources of the people within the organization to help stay abreast of the many events and consequences that will evolve the organization. This view is in tandem with the observation made by Schneider, Parkington and Buxton (1980) who noted that employee morale and satisfaction leads to customer satisfaction which is what organisations with leadership orientation try to attain consistently.

This study found that transformational leadership was the most commonly used leadership style. It revealed that leadership was an important factor in the management of change at the bank. This was consistent with the findings of Mwendwa (2011) in a study of strategic planning practices at the Barclays Bank of Kenya. In her study, she explained the bank's leadership's role in encouraging and motivating staff as well as ensuring the smooth transition of the organisation during the change process. Transformational leaders centre their influence process on changing follower's core attitudes and values so that they are consistent with the vision for the organisation.

On the issue of decision making processes, the study found that subordinates were involved in the decision making process and that there were very few instances that decisions have had to be forced on them. The channels of communications at the bank are kept open at all times and employees are encouraged to communicate freely with the management. The management is also

encouraged to consult with employees and take their opinions and suggestions into account when making decisions thereby encouraging an environment where all the group members are seen as important contributors to the decision. This is seen as a strategy for reducing resistance by employees in organizational change by involving the employees in the change or to empower them to make changes themselves. This finding was found to be in line with the findings of studies conducted by Warwick, (1975) and Denhardt and Denhardt (1999), whose empirical studies have supported the efficacy of this strategy for successful implementation of change. However, employee involvement alone is not sufficient with managers still playing a critical role encouraging and rewarding innovation and expressing support for the change.

This study concurs with this view, advising organisations that the involvement of employees should be widespread and span all phases of the change process, but also emphasizing the importance of a supportive and engaged management team. The study established that the change management process went according to schedule and that resources were well utilized since the bank's management undertook the planning and implementation of the change process. The culmination of this study is that the whole organization needs to be involved in the change process for it to be successful. It is clear that the leaders' role is to own and align the proposed changes, set expectations and communicate the rationale of the change to all members of the organisation as well as engaging them in the change process.

Challenges of strategic leadership on change management practices

It was established that the challenges faced while leading the activities in the change management program include politics within the organization, suspicions and outright resistance for perceived loss of comfort, lack of adequate funds, some staff even left employment. The risks faced in leading the change management program include loss of revenue, retention of good staff, bad politicking, distraction from the mandate, internal fights, regime change especially the CEO and general lack of support. External challenges here being terrorism and travel advisories which cripple their business.

Zigarmi, et al (2008) writes that without effective change leadership, challenges are disruptive at best, and more likely miserable failures. In order to be successful, leaders must understand the reasons why most change efforts fail. These challenges were dealt with through continued engagement, seeking alternative funds, proper communication, developing timelines and targets for staff, use of social media, open forums, non-victimization of employees. Also by reassuring staff that the change is for the better and is meant to get work done in a better way and building confidence and alliances for general change management acceptance. In order to ensure that achieved change goal does not slide back to earlier unwanted practices, it was reported that they create a vibrant M&E, ask for reports on agreed targets as well non acceptability of undesirable activities, constantly reminding staff, audit and inspectorate. Resistance to change was dealt with through sensitization programs, demonstrate to staff on the importance of the changes, assuring them about their jobs, some staff were transferred to the field, some assigned new roles, but

those who were extreme were retired. Revenue investment in treasury bills was reported as a contingency plan.

CONCLUSIONS

From the research findings some conclusions that can be drawn from the study are that organizational change is about making alterations to the organization's purpose, culture, structure and processes in response to seen or anticipated change in the environment. Strategic change needs to be understood and managed in a way that people can cope effectively with it. It is also important to ensure that the people affected by the change agree with or at least understand the need for change and have a chance to decide how the change will be managed and to be involved in the planning and implementation of change. Based on the findings, successful change management can only be possible in organizations that traditionally value each employee and respect their potential contribution. Equity Bank Kenya Limited finds change management easier since they have a norm of frequent, honest communication ensuring that there is a widespread agreement in the organization about the need to change as well as built support for effective change management. Organizations can do this by provide as much information as possible to their employees about the business in the form of financial information, customer feedback, employee satisfaction survey results, industry projections and challenges and other data affecting the organization.

RECOMMENDATIONS

The study found that employees identified themselves with the planned change if they were given an opportunity to participate in coming up with the change strategy for the organization. The study recommends that there is need for the organization to enhance employee engagements in the management of strategic change by revising leader selection and promotion criteria to reflect the candidate's ability to articulate the complexities of change management and develop strategies that balance the needs of the various stakeholders. A leader's social appraisal skills, problem solving competencies, expertise, and tacit knowledge are necessary but not sufficient in isolation to influence the display and quality of particular leadership processes the influence of these proximal traits derives from their joint application. The study found that employees were better empowered to make decisions affecting the organization if they felt equipped with the necessary skills needed to oversee change in the organization. The study recommends that there is need for training and development of employees through on the job training as well as providing them with opportunities to seek higher education. This is because the importance leaders place on the employees' knowledge and capability is reflected in how much they are willing to provide them with opportunities to grow through training and development. Leaders should also provide good working conditions for their subordinates to enable them to perform better on the job. Typically, employees are better at the functions they carry out day in day out and it becomes the responsibility of the manager to provide the right working conditions that facilitate productive work.

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