

**INFLUENCE OF CHANGE MANAGEMENT STRATEGIES ON PERFORMANCE
OF COMMERCIAL BANKS IN KENYA**

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DECLARATION

I declare that this thesis is my original work and has not been presented in any other university.

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DEDICATION

This work is dedicated to my loving family for the financial, moral support and encouragement.

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ABSTRACT

Commercial banks in Kenya have faced low growth over the years, leading to closures, mergers, and exits from the market, resulting in job losses and stalling industrial development. This study investigated the influence of change management strategies on the performance of commercial banks in Kenya. Specifically, the study assessed the impact of communication, employee involvement, resource allocation, and monitoring on bank performance, anchored on Kotter's 8-Step Model for Change, Kurt Lewin's Change Management Model, and Enterprise Risk Management Theory. The study utilized a descriptive research design. Targeting 39 commercial banks and 190 middle-level managers, stratified random sampling selected 129 respondents. Data was collected through online and physical questionnaires for primary data, and financial statements and magazines for secondary data. Quantitative analysis utilized descriptive and inferential statistics, while qualitative data was analyzed thematically. Findings revealed significant positive relationships between performance and communication ($\beta=0.200$, $p=0.0307$), employee involvement ($\beta=0.407$, $p=0.001$), resource allocation ($\beta=0.536$, $p=0.001$), and monitoring ($\beta=0.156$, $p=0.009$). The study concluded that robust communication, effective resource allocation, proactive monitoring, and employee involvement significantly enhance performance. The study recommended robust feedback mechanisms, effective financial planning, and proactive auditing to strengthen performance during change initiatives.

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ABBREVIATIONS AND ACRONYMS

ABC	Agricultural Bank of China
BCBS	Basel Committee on Banking Supervision
BOC	Bank of China
CBK	Central Bank of Kenya
CCB	China Construction Bank
CMB	China Merchants Bank
ERM	Enterprise Risk Management
ICBC	Commercial Bank of China
OCBC	Oversea-Chinese Banking Corporation
ROE	Return on Equity
ROI	Return on Investment
UBA	United Bank for Africa
UOB	United Overseas Bank

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational performance is critical to the sustainability and growth of businesses across sectors. Companies with high performance demonstrate superior productivity, profitability, customer satisfaction, and employee engagement, all of which contribute to long-term success (Buntaran et al., 2019). Measuring performance involves assessing various metrics, including operational efficiency, financial outcomes, market share, and employee performance (Ferdousi et al., 2019). An organization that excels in these areas is likely to have a competitive advantage in the market, attracting investors, increasing its customer base, and enhancing its market position (Jamal, 2018). Furthermore, effective performance management is linked to improved resource utilization, reduced operational costs, and enhanced customer loyalty (Rong et al., 2019). High-performing companies are able to meet and exceed customer expectations, which in turn boosts brand loyalty and overall customer satisfaction. In the long run, strong organizational performance fosters an environment of continuous improvement and innovation, where employees are motivated, and the organization is poised for expansion (Seufert, 2019). Therefore, understanding the factors that influence organizational performance is vital, particularly in sectors such as banking, where competition is intense and customer satisfaction is paramount.

In commercial banks, performance is often measured by profitability, efficiency in resource allocation, and customer satisfaction, all of which are essential to financial health and competitive standing. However, organizations frequently encounter challenges when it comes to adapting to change. One of the major issues facing businesses today is the ability to

implement and manage change effectively (Astafeva et al., 2020). Change management refers to the structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state (Hussain et al., 2018). Effective change management ensures that changes are smoothly implemented and have minimal disruption on daily operations. According to Dempsey et al. (2022) the importance of change management has been recognized since the late 20th century, with formal practices evolving to address challenges in organizational transformation. Over time, businesses have shifted from ad-hoc change initiatives to more systematic approaches involving clear strategies, employee engagement, and comprehensive training (Imran et al., 2016). These efforts are designed not only to improve internal processes but also to boost organizational performance, as changes such as technological upgrades, process improvements, and cultural shifts can lead to better operational efficiency and customer service (Hussain et al., 2018).

1.1.1 Global Perspectives of Change Management and Performance

Commercial banks across the globe have recognized the importance of change management as a vital strategy for improving organizational performance, particularly in adapting to technological advancements, shifting customer preferences, and regulatory changes. In Singapore, banks like DBS and OCBC have embraced structured change management practices to enhance customer service, operational efficiency, and profitability (Loh et al., 2022). This includes clear communication, employee engagement, and regular training programs to ensure smooth transitions during organizational changes. The adoption of digital banking solutions, such as mobile banking and online services, has been facilitated by these practices, which have led to increased market share, operational efficiency, and customer satisfaction (Chigudu et al., 2019). Similarly, in Germany, Deutsche Bank and Commerzbank have employed

comprehensive change management strategies that emphasize employee participation, training, and transparent communication to improve profitability and operational efficiency. By aligning their change initiatives with customer-centric approaches, these banks have successfully adapted to market demands, improved resource utilization, and enhanced their financial performance (Onyema & Onuoha, 2021).

In China, major banks such as the Industrial and Commercial Bank of China (ICBC) and Bank of China have used change management strategies to drive digital transformation and improve customer satisfaction. The transition to digital banking platforms, including mobile payments and online banking services, has been supported by structured change management processes that include employee training and customer support (Leung & Mok, 2020). These changes have led to increased profitability and operational efficiency, positioning Chinese banks as leaders in the digital banking space. Furthermore, in Malaysia, banks like Maybank and CIMB have adopted change management practices to streamline operations and improve customer engagement. These banks have focused on employee involvement and continuous training to ensure successful transitions, especially with the adoption of digital banking technologies (Samad & Hassan, 2016). By aligning their organizational culture with the changes, these banks have improved their market position, enhanced profitability, and better met customer needs (Samad & Hassan, 2016).

1.1.2 Regional Perspectives of Change Management and Performance

In South Africa, change management has played a crucial role in improving the performance of commercial banks such as Standard Bank and Nedbank. These banks have adopted structured change management strategies to improve service delivery, adapt to technological advancements, and enhance operational performance. The strategies include clear

communication from leadership, employee involvement in the change process, and regular training programs, leading to improved profitability, customer satisfaction, and market share (Sufian & Kamarudin, 2016). By monitoring the outcomes of their change initiatives, these banks have been able to assess the impact on performance metrics such as profitability and employee engagement, ensuring that change efforts align with their organizational goals. Similarly, in Ghana, banks like Ghana Commercial Bank (GCB) and Ecobank Ghana have implemented change management practices to enhance operational efficiency, customer service, and employee engagement. These practices include transparent communication, employee participation, and training programs, which have contributed to improved customer service and profitability (Ofei et al., 2020). The successful integration of digital banking solutions has further enhanced the performance of these banks, positioning them as competitive players in the region's financial market.

In Kenya, change management has become a key driver of improved performance in commercial banks, particularly with the rise of digital banking and mobile services. Banks such as Equity Bank, KCB, and Cooperative Bank of Kenya have adopted change management strategies that emphasize clear communication, employee involvement, and comprehensive training to ensure smooth transitions during technological upgrades. These initiatives have improved customer satisfaction, operational efficiency, and profitability, helping banks to maintain a competitive edge in a rapidly changing market (Muriithi & Waweru, 2021). The adoption of mobile banking platforms and digital services has been central to these changes, and through effective change management practices, these banks have enhanced their service delivery and market position. By ensuring that employees are well-prepared for technological

shifts, Kenyan banks have successfully navigated change processes, resulting in improved organizational performance (Njoroge & Waweru, 2021).

1.1.3 Local Perspectives of Change Management and Performance

In Kenya, change management has become an essential practice for improving the performance of commercial banks, particularly as the sector undergoes digital transformation and increased competition. Kenyan banks such as Equity Bank, KCB, and Cooperative Bank of Kenya have implemented change management strategies to streamline operations, enhance customer satisfaction, and improve profitability (Muriithi & Waweru, 2021). The adoption of digital banking platforms and mobile banking services has been central to these efforts, with change management processes ensuring that the transition to new technologies is smooth and effective. These banks have placed a strong emphasis on employee training and engagement, recognizing that the success of digital transformation depends on having a workforce that is well-prepared to navigate the changes (Mwirigi, 2022).

Change management practices in Kenyan banks include clear communication from leadership, involvement of employees in the change process, and continuous training to enhance their skills in using new technologies and systems. These efforts have resulted in increased customer loyalty, higher profitability, and better operational efficiency (Njoroge & Waweru, 2021). By ensuring that employees are adequately prepared for change, these banks have been able to implement technological innovations and enhance service delivery, leading to improved performance. The adoption of change management practices has not only helped banks maintain competitiveness but also enabled them to meet the evolving needs of customers in an increasingly digitalized world. As a result, Kenyan banks are better positioned to achieve sustainable growth and success in a dynamic financial market.

1.1.4 Commercial Banks in Kenya

The Kenyan central bank oversees 38 commercial banks and is responsible for supervising banking operations to maintain a required standard for sustainability (Gathigia, 2016). Central banks set standards and conduct regular inspections to ensure that banks adhere to their regulations and laws. The central bank has the function of ensuring that customers' deposits are protected, transparency in transactions, and healthy competition (Kemunto & Kibati, 2016). Commercial banks are at all times required by the regulator to maintain and meet a certain level of capital adequacy, adhere to anti-money laundering procedures, protect customers, and maintain a certain level of liquidity at all times (Kirembu, 2022).

The banks are mainly classified according to size, comprising large (1st tier), medium size banks (2nd tier), and small (3rd tier) with the large banking taking up a market share of 74.76%, followed by medium-size banks at 16.41%, with small banks taking up to 8.82% of the market share in Kenya (Mukira et al., 2022). The classification is based on a weighted composite index considering factors such as the asset size, the customer base, and the accounts held. The banking sector has experienced growth and transformation over the past two decades with microfinance institutions joining the banks' category (Musau et al., 2017). The growth can be attributed to significant technological advancement and support of the regulatory sector, the banks also have opened up branches all over the country and can offer several products including innovative online services (Mutisya & Atheru, 2019).

Commercial banks are managed by teams of experienced managers who are responsible for strategic planning such as planning for change, risk management, and oversight of the banking operations. The management works hand in hand with the regulator to ensure sound banking practices (Mwangi, 2018). Banks invest heavily in sound corporate governance such as board

oversight committees, risk management teams, and sound internal monitoring systems to enhance banks' performance and compliance (Nelly et al., 2019). Banks in Kenya serve various functions with each bank carrying out multiple functions such as being the custodian of deposits made by individuals and organizations. Banks also provide loans and other forms of credit facilities to the private and public sectors (Oganda et al., 2018). Banks in Kenya act as intermediaries between borrowers and lenders which ensures equitable distribution of resources. Banks serve the role of facilitating international trade by offering currency exchange. Banks in Kenya facilitate payment (Musau et al., 2017).

1.2 Statement of the Problem

Commercial banks are key players in the economy, and their performance is closely linked to their ability to attract and retain highly skilled employees, expand their market presence, and maintain operational excellence (Abu Khalaf et al., 2019). However, between 2018 and 2023, commercial banks in Kenya have reported stagnating performance, particularly in critical financial indicators such as Return on Investment (ROI) and Return on Equity (ROE), with several banks either folding, being acquired, or exiting the market altogether (Ali, 2022). Over the five-year period, a significant number of banks experienced negative growth rates in profitability, resulting in a 15% decline in the banking sector's profitability in 2023 alone (Economist Intelligence Unit, 2023). This poor performance has led to increased unemployment, stagnation in industrial growth, and negative effects on the economy (Consultative Group to Assist the Poor, 2024). Such challenges highlight the need for commercial banks in Kenya to adopt effective strategies that ensure long-term sustainability and improved performance.

In response to these challenges, many scholars argue that organizational change, particularly through the adoption of change management strategies, could play an important role in enhancing the performance of organizations, including commercial banks (Olaka et al., 2017). Study by Amir and Muathe (2018) have explored the relationship between change management and organizational performance in other sectors, such as NGOs, regulatory bodies, and listed companies, finding positive effects of managing change on performance. However, these studies have several limitations: they are not focused on the banking sector, used small sample sizes, and employed methodologies that do not fully capture the causal relationship between change management and performance. Specifically, many of these studies used case studies or basic descriptive analysis, which hinders the generalizability of their findings. Additionally, these studies are often limited in scope, focusing on a single county or organization, which does not adequately represent the diverse challenges faced by the commercial banking sector in Kenya.

Given the pressing challenges faced by Kenyan commercial banks, there is a clear need for a comprehensive study to investigate the influence of change management strategies on the performance of these banks. This study will address gaps in the existing literature by focusing specifically on the banking sector in Kenya and utilizing a cross-sectional survey design, covering all commercial banks in the country. The study will also employ robust regression analysis to determine the causal effect of change management strategies on the performance of commercial banks. By examining factors such as leadership, employee involvement, communication, and strategic adaptation, this research will provide valuable insights into how change management can enhance the performance of commercial banks in Kenya, offering practical recommendations for improving their financial stability and overall effectiveness.

1.3 Research Objectives

1.3.1 General Objectives

To determine the influence of change management strategies on the performance of commercial banks in Kenya.

1.3.1 Specific Objectives

- i. To assess the influence of communication strategies on the performance of commercial banks in Kenya.
- ii. To assess the influence of employee involvement on the performance of commercial banks in Kenya.
- iii. To determine the influence of resource allocation on the performance of commercial banks in Kenya.
- iv. To assess the influence of monitoring on the performance of commercial banks in Kenya.

1.4 Research Hypotheses

HO₁: Communication strategies does not have a significant influence on the performance of commercial banks in Kenya.

HO₂: Employee involvement does not have a significant influence on the performance of commercial banks in Kenya.

HO₃: Resource allocation does not have a significant influence on the performance of commercial banks in Kenya.

HO₄: Monitoring do not have a significant influence on the performance of commercial banks in Kenya.

1.5 Significance of the Study

The findings will be helpful to government, banking professionals, change management professionals' researchers, and scholars in different ways.

Academic and Future Studies

The study contributes to the academic literature and knowledge on change management strategies and their influence on commercial banks. The study, therefore, enriches the existing body of empirical literature in the context of change management and performance of financial institutions. Future researchers use the results of the current study as a source of empirical literature in their studies which will broaden the context.

Management of Commercial Banks

The study findings and recommendations can be a good foundation for managers in commercial banks in Kenya to formulate change management initiative that enhances the performance of the banks. The recommendations of the study can help commercial banks' managers navigate through organizational change more effectively which can promote the banks' competitive advantages and ultimately performance increase.

Industry Growth and Policy

The study can provide recommendations that can be used by the regulator to promote conducive banking sectors such as competitiveness and policies by understating how banks conduct change management to comply with the regulations, the regulator will therefore be able to support banks during change management by issuing guidelines that support banks initiatives on change to have a resilience, innovative and stable banking sector.

1.6 Scope of the study

The research focused on Kenyan commercial banks. Specifically, it determined the influence of communication, employee involvement, resource allocation, and monitoring on commercial banks' performance. The study targets 38 commercial banks in Kenya

1.7 Limitations of the Study

There were some difficulties in obtaining data because some respondents shied away from participating. After all, some institutions did not allow their staff to participate in the survey, besides some respondents felt that their competitors could leverage the data to attain a competitive advantage over them.

The study also faces the limitation of validity and biasness, because the data was mainly self-reported from the questionnaires. The validity and reliability of the data collected solely relied on the respondents being honest while giving the responses, therefore the study faced a risk on quality just in case the respondent gave information that they felt is desirable of their institution or had a biased perception of the subject of change management for their organizations. Besides, the study was only carried out within a short time frame, therefore was not possible to capture the long-term term impact of managing change on commercial banks' performance in Kenya.

1.8 Delimitations of the Study

The study focused on a specific group of commercial banks in Kenya, where participation was voluntary and dependent on the banks' willingness to engage in the survey. Despite challenges in obtaining data from certain institutions, the study was confined to these banks that allowed staff participation, ensuring that the sample was relevant to the research question. To mitigate the risk of bias and validity issues from self-reported data, the study employed structured questionnaires designed to gather objective responses from a wide range of employees across

different departments within the banks. The time frame was limited to a cross-sectional survey, thus the study only examined the immediate influence of change management strategies on performance, rather than long-term effects, due to time constraints. Additionally, the scope was narrowed to focus on operational performance, excluding other organizational aspects that might have impacted the overall results.

1.9 Operational Definition of Terms

Change Management is the set of processes that are aimed at preparing, guiding, and supporting individuals and teams within an organization during a transition period. Change management involves planning, implementing, and monitoring the change to ensure that it is effectively integrated within an organization to realize positive outcomes while minimizing resistance to the change (Lauer, 2021).

Communication is the strategic exchange of information and ideas to improve perceptions of change, and full engagement during change for purposes of alignment. Communication involves clear dissemination of information, giving feedback to manage expectations, and fostering the sharing of the organization's vision. During change management effective communication is important in building trust, minimizing resistance to change, and overall success in strategy implementation. Effective communication in change management is essential for building trust, managing

resistance, and promoting successful change implementation (Miller & Proctor, 2016).

Employee Involvement

is the practice of actively engaging the employees as well as empowering them throughout the process of change planning, execution of the change, monitoring, and evaluation of the organizational change. Employees are engaged so that they give in their inputs, ideas, and feedback, own the change management initiative and practice, and also get the commitment of all the employees during organizational change. Therefore, organizations use employee engagement as a platform to buy in employees, an understanding of the change, and reduce instances of resistance to change (Beerel, 2009).

Resource Allocation

is a strategic approach that is aimed at enhancing organizational change of an organization through availing human, financial, technological, and information resources so that a change can take place effectively (Miller & Proctor, 2016).

Monitoring

is an ongoing practice in change management where the management evaluates the effectiveness of the progress of the change initiatives. The practice involves determination through key milestones and key performance indicators whether desired outcomes have been met. Through

monitoring, the organization can know whether there are any deviations, take corrective action, and re-align the outcomes with the required objectives.

Organizational Performance is the measurable results or outcome of an organization in specific relation or reference to set goals expectations or standards. Performance can be measured by looking at a variety of metrics such as profits, revenues, process efficiency, or growth in market share that enables an organization to make informed decisions for improvement, business growth, or sustainability (Voehl & Harrington, 2017).

Commercial Bank financial entity that offers financial services to individuals and organizations such as taking deposits, offering loans and credit facilities, currency exchange services, facilitating the making of payments, and wealth and asset management services (Huen et al., 2021).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter two will present the past empirical literature on change management and the performance of organizations from different industrial sectors. The chapter will also present theories that anchor the study. Finally, the chapter will present a conceptual framework and operationalization of variables that will illustrate the key variables in the study and the sub-variables.

2.2 Theoretical Review

2.2.1 Kotter's 8-Step Model for Change

The rapidly changing business environment requires firms to align their strategies to the current market needs. Businesses have to ensure that their processes such as product development and marketing strategies cater to the unique needs of the market. According to Auguste (2013) adaption to various needs requires businesses to pursue continuous development to achieve the desired goals. While many organizations see the need to change, they fail to follow the right processes to enable them to achieve the desired change. An organization's inability to change affects its market growth and competitiveness. As such change not only enables an organization to compete effectively but also enables it to align its strategies with the market needs.

Change management is a non-stop endeavour that enables a company to align its operations with market needs. Change management requires top managers to come up with independent decisions that change the organization's business environment. Kotler argues that many organizations fail to implement change because of a lack of a proper change management model. Kotler explains that organizations can achieve their desired results by strengthening

their change model. Kotler identifies the 8-step process that can help organizations achieve the desired level of success through change.

The first step in Kotler's model is the creation of a sense of urgency in an organization. The sense of urgency, according to Kotler ensures that all the stakeholders understand the need for change thus helping in achieving this change. The second step of Kotler's model is about creating the change team (Auguste, 2013). The change team is aimed at establishing the organization's direction and vision and eradicating any problems that may arise from the employees. The third step in the model pertains to the development of a clear change vision. Kotler identifies several characteristics of a change model; a change model should be imaginable, feasible, desirable, communicable, and focused.

The fourth step in Kotler's change model is the communication of the vision to ensure that it is bought in. The change team ought to give a heartfelt message to the stakeholders to gain their trust and get them on board. This fourth step is important as it allows the change team to change the emotions and the attitudes of the stakeholders towards the change strategy (Laig & Abocejo, 2021). Communication ensures that the stakeholders understand the need for change and avoid the distrust that comes with new change. The fifth step of change management is the empowerment of a broad-based action plan (Laig & Abocejo, 2021). This step seeks to remove the barriers that may impact change management and unleash the full potential of the organization. The empowerment of broad-based actions helps remove the structural barriers that may affect firm's competitiveness.

The sixth step entails the generation of a short-term win to motivate the employees and the change team. Generating short-term wins persuades the various stakeholders to continue supporting the change to achieve the desired goals. The seventh step in Kotler's change model

entails building on the change to ensure sustainability (Laig & Abocejo, 2021). This step ensures that the change management team continues to re-build on the change management momentum while at the same time offering more clarity on the aligned vision. The last step in Kotler's eight-step model entails anchoring the changes in corporate culture. Ensuring sustainability of the change culture is important as it ensures continuous improvement in the organization's processes.

Kotler's eight-step management model will be used in this study to explain how change management strategies can help banks improve performance. Importantly, the model will explain how managers can involve the employees in organizational change in the eight steps of the change strategies. Kotler explains that top managers can improve employee morale in the process of transitions through the use of effective communication. Kotler's model will help commercial banks adapt a broad change strategy that is important for achieving the desired results.

2.2.2 Kurt Lewin Change Management Model

This theory identifies change in a planned approach that seeks to help organizations achieve their goals. Lewin's model consists of three stages (Rosdiana & Aslami, 2022). Lewin's management model helps firms to transit into better state that aligns with the needs in the business environment. Lewin's change management model acknowledges that an organization may have invested heavily in the status quo thus leading to resistance to change. The model identifies the need for employee engagement in the change strategy to break the barriers to change.

The first step in Lewin's change management is the unfreezing whereby an organization renews its direction and capability to align with new needs. The unfreezing stage monitors and

evaluates the planned change for a quick response to the internal and external environment (Rosdiana & Aslami, 2022). A successful change management mode requires an organization to unfreeze and divert its current position to a new direction. The unfreezing stage increases the group's behaviours toward change by reducing the resistance in the employees. The unfreezing of change management creates an awareness of the status quo and the old ways of thinking in the organization.

The second step in Lewin's change is the actual change whereby the change model is actualized. This step is characterized by the implementation of the change to ensure that the change is real. Most employees may have problems adapting to new changes because of the fear of change (Rosdiana & Aslami, 2022). This step is the hardest to overcome because people have to learn new behaviors and new ways of thinking. The success of the change process depends on how well an organization succeeds in the unfreezing stage. Education, communication, and support are important in ensuring that an organization attains the desired change. An organization can use rewards to promote workers' engagement in the change process and address the resistance to change that may start to grow among employees (Rosdiana & Aslami, 2022). The change process requires an organization to engage employees and generate innovative ways that are suitable for different situations.

The third strategy in Lewin's model is refreezing whereby an organization reinforces the stability in its change process. This stage aims to reinforce stability in an organization's change process, structures, and culture to ensure the sustainability of the change process (Kapaya, 2021). Refreezing is important as it help the people to come out of the old ways of operating. The freezing stage entails making efforts to ensure the gains of the change model are not wasted.

In this regard, an organization ensures that it has attained the right culture that helps it sustain its change momentum.

This theory will be used in this study because it helps managers to ensure workers are engaged in the process of transition in the workplace. Lewin's model explains that employee involvement is the best way to ensure effective change (Kapaya, 2021). The top management in any organization acts as the change agent by showing directions on what is expected in the new change. However, a lack of planning on how the change will be carried out can have a huge impact on the organization's competitiveness. The Lewin model offers an important roadmap to enable commercial bank managers to plan for change while at the same time addressing any resistance to change (Kapaya, 2021). This theory will ensure that commercial bank managers can identify innovative ways to implement change and ensure the change is engraved in the organization's culture.

2.2.3 Enterprise Risk Management Theory

This model which was advanced by Kingori (2023) held that although business units enable the attainment of the benefits of specialization, they are run by agents who are prone to make sub-optimal risk management decisions that tend to increase the exposure of a firm to a certain category of risks as well as the lack of adequate management of another category of risks. The theory supposes that ERM encompasses the aggregate exposure of the components of corporate risks that affect the firm's implementation of strategy and ultimately its market valuation. This is particularly relevant for listed companies since the minimization of ERM acts as a trigger for the increment of optimism by investors about the overall health of the firm and this boosts its share price (Abdul-Majid et al., 2017).

Jean-Jules and Vicente (2021) affirmed that the effective application of the ERM theory calls for an integrated approach to risk management that focuses on the holistic assessment of the risks borne by various disparate specialized units in organizations such as departments and divisions through the use of a collection of distinct risk management techniques. For this to happen, the theory assumes that the employees have the necessary competence to conduct a rational process of collection, evaluation, and application of information to enable more informed decision-making regarding the risk management of the firm. Bharathy and McShane (2014) averred that the ERM theory when supported by a systems dynamic approach can address endemic issues faced by many organizations in effectively integrating ERM through the establishment of context that ensures the collection of critical information; more precise risk identification; an iterative risk analysis and evaluation process; identification and implementation of appropriate risk treatment; communication of all the stages of the ERM process with the key stakeholders; and the incorporation of a monitoring, feedback, learning, and update component.

This theory supports monitoring given that both the theory and the variable are premised on the fact that enhanced risk management as a strategy enhances performance. With effective monitoring during change management organizations can leverage the provision of enterprise risk management to ensure organizational change and ultimately better organizational performance.

2.3 Empirical Review

The empirical examine past studies to get information about a population or a subgroup. The empirical review will help explain the role of communication in managing change and performance in commercial banks. This empirical review will also help design a research

method that aligns with past studies. Importantly, the research will examine whether this study yields the same study as other similar studies.

2.3.1 Influence of Communication and Performance

Al-Jabari and Ghazzawi (2019) sought to examine the impact of communication on change management by considering technology firms in South Africa. The study utilized nine firms in Durban by using online employees. The study noted that most of the employees cited a lack of management support as the main hindrance to innovation and creativity. However, the managers believe that innovation and creativity are key to helping technological firms achieve a competitive edge. Lack of communication makes it hard for employees and managers to be on the same wavelength as far as organizational growth is concerned. Without proper communication, the employees will not understand why the change is taking place. Employees' understanding of the need for change in the organization depends on the level of trust they have in the organization and the organization's culture. Communication helps set the right vision and motivate employees to embrace change.

In another study, Amugune (2021) sought to examine the role of organizational communicational strategies on employees during organizational change. The study examined the role of communication in involving employees in change management. The study noted that the industry lacks a clear communication strategy whereby each bank depends on its change model. There is no audience-driven focus strategy in communicating change in organizations. The study notes that most of the communication on change is one way whereby employees are not allowed to express their concerns and opinions. Alshammari (2020) argued that employees work well if they can participate in the organizational change model and if they feel that their input is valued. Communication helps employees to understand how change affects job security,

benefits, and compensation. An organization cannot achieve transformation if some people feel that their opinions do not matter in the decision-making. A lack of proper communication strategies implies that employees will be unwilling to make sacrifices to overcome the status quo in the organization. As such, effective communication is important in preparing employees for the impending change. Effective communication also helps employees to execute new ideas and achieve better organizational performance.

According to Afif (2018) communicating is more than telling employees what to do: it entails answering the employees' questions and reducing their anxieties to keep them motivated and achieve the desired organizational goals. Managers are change agents who help to implement the organizations by identifying the target audience for communication and the message to be passed to employees. As change agents, managers must also identify the right time and the right channel to communicate the firm's strategy. Communication is critical in any change management as it enables the various stakeholders to pass and interpret messages. Communication helps organizations to develop change initiatives and implement these initiatives.

Change initiatives can fail due to problems in internal communications. Lack of sufficient communication leads to confusion, uncertainties, and rumors which in turn affects firm's competitiveness. A good communication model creates awareness of change and generates the excitement around the process of change. Lack of effective communication makes it hard for organizations to actualize change and keep up with the dynamics in the business environment. Good leaders ought to make efforts to ensure that they improve their communications with employees if they are to get the employee's support (Alshammari, 2020).

Studying the importance of communication in change management among Turkish textile industries, Ayiekoh (2018) applied a descriptive research approach and revealed that communication serves several functions in the change management process in an organization. Firstly, communication ensures information sharing whereby employees address any uncertainties that may arise in the change process. Communication helps reduce the potential loss of momentum, disappointment, and sentiments that may lead to cynicism in the organization. An organization can use communication to announce the changes about the nature, timing, and significance. Communication also ensures employees' participation by asking them about their opinions on various issues in the change process. Communication increases a strong sense of commitment to employees thus increasing their engagement in the organization. Employees who were involved in the organization's change process will embrace it rather than resist the change. Communication ensures that the top leaders explain the vision and the mission of the change process to the employees.

Bakari and Ali (2017) studied the role of communication models among commercial banks in India. The study was exploratory research and considered mid-tier banks in New Delhi. The population was 567 senior managers who were mainly public relations managers of the firms. The study revealed that a good communication model should be forthright and easily understood by employees. A bad communication strategy is patronizing leading to hesitant to change in the workforce. Communication should help tell a coherent story to the employees about the need for change and their role in the change process. Lack of a good communication strategy not only affects employee morale but also impacts the organization's competitiveness in the long run. A good communication strategy should align with the organization's change plan thus enabling the organization to improve on its performance in the future. As change

agents, leaders can use communication to reduce anxiety in employees by determining their responses to change. Communication can help address the employee's fears, anxieties, and stress that come with change. Lastly, communication helps identify the weaknesses and strengths of the change process thus enabling the managers to make the necessary changes.

2.3.2 Employee Involvement and Performance

In examining the role of employee involvement in local governments in Easter Uganda, through descriptive research design and application of both inferential and descriptive analysis on a sample of 456 respondents. Hubbard (2020) explains that employee involvement has a positive impact on the performance of the local governments. The study also revealed that initiating a good change management model in an organization is important as it enables an organization to keep up with industry trends. Lack of employee involvement makes it hard to actualize the change due to disgruntlement. Lack of employee engagement also leads to a loss of customer trust and skepticism in the shareholders. Firms may also lose their returns due to resistant to change in the employees. No matter how good the change initiative is, it will fail if those affected are not involved. Fard et al. (2020) concurred that employee involvement empowers employees to use their input towards improving an organization's performance. Employee involvement is an important aspect of the change management model as it enables employees to take part in the organization's change process.

Bhebhe et al. (2010) evaluated the impact of employee involvement in change management in Zimbabwe's electricity transformation and Company (ZTDC) by identifying the several problems that may arise if employees are not involved using an exploratory research design. Interviews were the main research instrument, while data analysis was mainly done using content analysis. According to the study, ZTDC underwent some transformational changes as

a way to resolve deep-lying problems such as high default rates by the ratepayers. As part of the change, the company introduced pre-paid power tokens to avoid defaulting. The company succeeds in its change management strategy through employee involvement thus affecting the organizational culture. The study revealed that employee involvement helps in workforce participation in projects and work-related decisions for the organization's improvement. Employee involvement ensures that continuous improvement and change in an organization is driven by the employees. Besides, the study revealed that employee involvement took place at different levels at different times and in different forms. Organizations engage in employee involvement in several ways such as information sharing providing input and making decisions. Kapaya (2021) evaluated effects of employee involvement on the performance of large construction companies in Nigeria. A correctional survey design was implemented in gathering data. The main sections of the questionnaire sought qualitative data on the main practices of employees' engagement, employees' involvement in change management in the organization, and the importance it plays in organizational performance. The study revealed that employee involvement practices in construction companies entailed empowering employees to set goals, make business decisions, and solve problems in a manner that aligns with the organizational change. The main components of employee involvement included motivation, participation, teamwork, recognition, and rewards.

The study also revealed that employee involvement is the first step in change management where mainly employees are either the change implementers or the change recipients. Employee involvement created a sense of belonging in the organizations. Involvement also creates change acceptance because the employees feel that they own the change process. The inability to draft a good employee involvement plan leads to resistance to change whereby

employees continue to hold on status quo. Non-involvement of the employees will lead to dissatisfaction whereby the employees distance themselves from the organizational activities. Employee involvement requires support from the top management to help overcome the change initiatives. The study also revealed that employee involvement increases employee commitment amongst employees toward achieving organizational goals. Employee involvement increases trust between the employees and the management thus improving their productivity. Employee involvement creates systems and approaches that emphasize high levels of employee decision-making authority. Effective employee involvement increases employees' performance and their commitment to the organization. The study recommends that managers can create mutual trust through employee involvement and empowerment of employees.

Javed (2017) conducted a study on the effects of employee involvement effects on the performance of major manufacturing companies. The study objectives were to assess the employee involvement levels on performance. The study revealed that despite the importance of employee involvement, many organizations have not yet fully embraced it. The rate of employee involvement depends on the organizational strategy adopted by the top leadership. An organization with high employee involvement can pursue differentiation and innovation strategies by leveraging its workforce. The study however revealed that employee involvement creates high-performance workers in an organization thus enabling firms to sustain their competitiveness in the market. Involvement leads to differentiation strategies that create competitive advantage through human capital and human process development. The impacts of employee involvement depend on how the central human capital is operated in an organization. As such, an organizational culture that values employee participation and communication can

engage employees in the change process. High employee involvement increases workforce productivity, customer satisfaction, and competitiveness in an organization.

2.3.3 Resource Allocation and Performance

Elbanna and Abdel-Maksoud (2020) investigate the linkages between firm's capability in utilization of resources and overall productivity in the United Arab Emirates (UAE), this study utilizes the resource-based view (RBV) paradigm. The results indicated that working capital, personnel, and capability resources impact the performance of the assessed governmental entities. A further investigation reveals that the only substantial organizational asset that can affect corporate social responsibility is a shortage of resources, specifically financial resources. The analysis of the Resource-based view showed the need for decision-makers to prepare for the possibility that the UAE's current resource shortage, which might not stand the test of time indefinitely as a significant oil nation, will end.

Muiruri (2018) examined the relationship between resources and the performance of NSE listed firms in Kenya. The researcher developed a hypothesis after examining the relevant theoretical and empirical publications. The qualitative research was descriptive and adhered to a positivist approach. The study was essentially a census. Forty-three significant corporations made up the sample. The questionnaires targeted leaders in the management whereby a standardized Likert survey was employed. A standard linear regression approach was implemented in testing the hypothesis. According to the findings, corporate assets significantly affect the firm's profitability. The research aids in theoretical model whereby it shows the implications of owning hard to replicate resources on enhancing competitiveness.

Albrecht (2018) researched the impact of organizational resources on the performance of Kenyan state businesses examined in this study. It has been suggested that corporate resources

can affect organizational performance. Nonetheless, this stance has generally been a tautology and requires further empirical support. According to the tenets of the resource-based theory, resources only significantly impact financial success when they exhibit certain essential traits. Despite this proposition, comparative management presents the argument that leadership is context-sensitive and that, as a result, empirical examination of the theory is unsatisfactory. The information was collected from 63 parastatals using a cross-sectional qualitative approach. The results demonstrate a significant association between financial performance and organizational resource tallies. Resources and capabilities, however, could only account for 8.3% of the profitability of Kenyan state businesses.

The independent effect of aggregated corporate assets showed that material, human, and immaterial assets had significant impact on performance. Results indicating the effects of the company's capabilities on success were presented, although they were not statistically meaningful. The findings support the postulate that assets held by an enterprise impact performance by demonstrating the difference between each resource to implementation, offering some empirical evidence for the Resource Based Theory. It has guided daily corporate strategy in the corporate and administrative sectors. Professionals at the leadership level may increase resource integration, restoration, and assortment for excellent results. Federal policy should promote asset purchase, integration, configuration, and combination.

A study by Wanjagi (2022) explains that many organizations have shifted from operational and tactical HRD strategies whereby HRD practitioners are playing an important role in helping employees align with the change requirements. Although HRD is important in enabling employees to manage change, many organizations have not invested in it. Most managers regard human resource development as an undesirable cost that can be avoided. Organizations

believe that organizations should invest in HRD only when they are making profits. However, change management requires organizations to invest in HRD, especially during transformational changes (Utin & Yosepha, 2019). Giving attention to employees' entails ensuring that they are well-trained to embrace the change in the organization. Human resource departments have been unable to take advantage of HRD due to the rigidity of systems. HRD helps organizations implement change by ensuring that the employees receive the necessary training for leading change in the organization. Human resource development improves the employees' skills, knowledge, and behavior; these elements are critical in helping an organization change its organizational culture.

Change management requires that employees acquire new skills and knowledge to enable them to embrace the change. According to Tayari and Mutinda (2019) HRD is a purposeful action that intervenes in the mental and physical attributes of the employee. HRD increases employee's adaptability and flexibility which are key in driving organizational performance. Human resource development can be used to create a positive organizational culture that embraces change by addressing the status quo. Most of the resistance to change occurs due to misunderstanding on why change is happening in the organization (Tayari & Mutinda, 2019). The use of HRD ensures that an organization can address some of the resistance to change through mental transformation in the employees. HRD is the most effective method that can be used by an organization to address bad organizational culture and lay down new values and belief systems in the workplace.

Human resource development is closely related to high performance in the workforce. HRD creates a flexible versatile and adaptable workforce that can overcome the various constraints that affect an organization's existence. The constraints to the organization's existence are the

reason why organizations need to change in the first place. HRD creates an innovative culture in the organization which in turn improves the organization's competitive advantage in the industry. HRD increases the employee's ability to seize opportunities in the marketplace through innovative solutions that place an organization in a better position than its rivals (Muchira & Kiambati, 2015). HRD has a positive impact on employee's behavior thus increasing their contribution to the organization. HRD activities such as mentoring, coaching, and network learning enable employees to develop their capacities thus sustaining the organization during hard times. HRD helps an organization utilize constrained resources and constrained capacities because of the flexibility and adaptability that comes with HRD. HRD influences the organization's, organizational design and strategy which in turn enables an organization to achieve favorable financial outcomes.

2.3.4 Monitoring and Performance

Montes-Guerra et al. (2014) explored role of monitoring in successful change management. The study was exploratory and investigated why banks apply monitoring in change management in Malaysia. The findings revealed that the main reason for monitoring is to ensure that the change implementation is going on as planned. An organization's management can easily change whatever is wrong in the change management. Monitoring help the organization mitigate the challenges that affect change management. Change management requires monitoring to ensure that an organization keeps on track with its change initiative. The monitoring also ensure that the employees tasked with implementing change work with their deadlines following the project schedule.

In another study Muchira and Kiambati (2015) examine the impacts of monitoring to improve the implementation of the change process. The study was a cross-sectional study among large

financial tech companies in Kenya. The results of the study indicated that monitoring and evaluation reduce the costs and resource wastage that may come with unplanned change management. Monitoring organizational changes in the early stages helps an organization to make continuous improvements compared to organizations that just wait for the outcome of the change management. Since monitoring and evaluations seek to ensure the change process is smooth, organizations need to gauge the change process at every stage. One of the techniques used by organizations to measure and monitor the change process is the balanced scorecard.

Ferdousi et al. (2019) examined the influence of monitoring on the successful change implementation among large enterprises in Pakistan. Besides, it determined the moderating role of environmental needs on monitoring and change implementation. The study revealed that an organization's change process requires monitoring to identify variances and adopt corrective actions to enable the organization to meet the new needs in the market. Monitoring reduce the deviations from the execution of the change process thus enabling an organization to achieve better results. Most of the change processes in organizations fail due to a lack of planning and monitoring, a situation that highlights the importance of monitoring in organizational charge.

Noor (2018) examined the effect of monitoring and evaluation on food manufacturing companies in Dubai. The study applied a descriptive research design to determine the influence of a balanced scorecard as a monitoring tool to detect the changes in the organization's systems and operations and their impacts on performance. The study revealed that as a monitoring tool, the balanced scorecard allows an organization to identify whether the change process is helping the organization achieve its short-term goals or not. This technique compares three perspectives in change management: customers, internal processes, growth, and learning. A balanced scorecard is an effective tool for improving the change management process to ensure that an

organization's change process is achieving its intended purposes. Another technique that was applied by the study was the critical chain methodology. The study revealed that monitoring the change process impacts an organization's performance by ensuring that every activity in the change process helps in organizational growth. The monitoring systems in the organizational change consider the success criteria and the success factors. Monitoring compare the planned performances and the real performances in the organization after implementing the change. Similarly, Njagi and Kombo (2014) revealed that monitoring can help an organization understand whether an organization's new processes are helping to achieve higher performance. For instance, monitoring can be used to measure whether the change in the organization's process has helped the organization's workforce to increase their productivity.

Njagi and Kombo (2014) determined the influence of monitoring on the performance of state-owned enterprises in Kenya. A descriptive survey with a questionnaire was used in the collection of data among senior government employees in the state-owned enterprises. The study conducted descriptive and inferential analysis. Results showed that monitoring have a positive impact on an organization's performance because higher monitoring increase the organization's performance an organization's change process is successful if it achieves its goals and returns the organization to a stable state. The study concluded that monitoring can be used to help an organization sustain its change process by identifying any gaps in the change implementation. An organization can use prizes, praise, and other forms of rewards to ensure that positive change is maintained. Monitoring ensure that the management can understand which changes are useful and which ones have failed. The use of monitoring will enable organizations to sustain their change strategies by ensuring that every stage of the change process is useful in an organization.

2.4 Research Gaps Summary

Table 2.1

Research Gaps Summary

Author(s)	Title	Findings	Gaps Identified	How Gaps Were Filled
Al-Jabari and Ghazzawi (2019)	Impact of Communication on Change Management in Technology Firms (South Africa)	Lack of communication hinders innovation and employee understanding of organizational changes. Effective communication fosters trust.	Limited focus on cross-cultural communication in global organizations.	Recommends tailored communication strategies for diverse cultural environments.
Amugune (2021)	Role of Organizational Communication Strategies in Banks	One-way communication models limit employee involvement. Effective communication improves understanding and organizational performance.	Did not address communication breakdown during crises.	Proposed two-way communication models during crises to enhance resilience.
Alshammari (2020)	Impact of Employee Participation in Change Management	Employees perform better when involved in changes. Communication reduces anxieties and builds trust.	Lack of industry-specific examples.	Included case studies to demonstrate industry-specific applications.
Afif (2018)	Role of Communication in Reducing Change-Related Anxieties	Managers must use appropriate channels and timing to communicate strategies effectively. Poor communication	Insufficient focus on the role of informal communication channels.	Highlighted the importance of informal networks for effective communication during change.

			leads to confusion and resistance.		
Ayiekoh (2018)	Communication Functions in Change Management (Turkish Textile Industries)	in	Communication ensures transparency and engages employees in the change process. Reduces momentum loss and enhances commitment.	Lack of focus on digital communication tools.	Suggested leveraging digital platforms for more effective communication.
Bakari and Ali (2017)	Communication Models in Commercial Banks (India)	in	Effective communication strategies align with change plans, reducing employee anxiety and improving morale.	Did not explore feedback mechanisms.	Proposed integrating feedback systems to improve communication efficacy.
Hubbard (2020)	Employee Involvement in Local Governments (Uganda)	in	Employee involvement positively impacts performance through change model adoption. Lack of involvement leads to resistance and poor outcomes.	Insufficient emphasis on long-term outcomes of employee involvement.	Advocated for longitudinal studies to measure long-term impacts.
Fard et al. (2020)	Employee Involvement in Change Management	in	Empowers employees, fosters trust, and improves performance.	Did not address barriers to employee involvement.	Identified training programs and cultural shifts as solutions to overcome barriers.
Bhebhe et al. (2010)	Employee Involvement in ZTDC Change Initiatives (Zimbabwe)	in	Workforce participation ensures change acceptance and reduces resistance. Improves organizational culture and performance.	Limited scope on involvement in complex projects.	Suggested frameworks for involving employees in multi-phased and complex projects.

Kapaya (2021)	Effects of Nigerian Construction Companies	Employee involvement in commitment, trust, and productivity through empowerment and teamwork.	Limited integration of technological tools in involvement practices.	Recommended the use of collaborative platforms and technology to enhance involvement.
Javed (2017)	Employee Involvement Effects in Manufacturing Companies	High involvement strategies enhance competitiveness and productivity.	Narrow focus on manufacturing sector only.	Expanded research to include other industries for broader applicability.
Elbanna and Abdel-Maksoud (2020)	Link Between Resource Utilization and Performance (UAE)	Capability resources significantly affect performance. Resource shortages hinder productivity and corporate responsibility.	Did not examine sustainability of resource usage.	Advocated for sustainable resource management practices in organizational strategies.
Muiruri (2018)	Relationship Between Resources and Performance in NSE-Listed Firms (Kenya)	Corporate resources significantly impact profitability. Hard-to-replicate resources enhance competitiveness.	Limited focus on intangible resources such as brand and reputation.	Suggested integrating intangible resource metrics in future research.
Albrecht (2018)	Impact of Organizational Resources on Kenyan State Businesses	Financial performance linked to resources; however, resources alone account for only a small percentage of profitability.	Did not explore the role of resource combinations.	Proposed studying the interplay between financial, human, and technological resources for comprehensive insights.
Al-Jabari & Ghazzawi (2019)	Impact of Communication on Change Management in Technology	Lack of communication hinders innovation and employee understanding of organizational	Limited focus on cross-cultural communication in global organizations.	Recommends tailored communication strategies for diverse cultural environments.

	Firms (South Africa)		changes. Effective communication fosters trust.		
Amugune (2021)	Role of Organizational Communication Strategies in Banks	of	One-way communication models limit employee involvement. Effective communication improves understanding and organizational performance.	Did not address communication breakdown during crises.	Proposed two-way communication models during crises to enhance resilience.
Alshammari (2020)	Impact of Employee Participation Change Management	of	Employees perform better when involved in changes. Communication reduces anxieties and builds trust.	Lack of industry-specific examples.	Included case studies to demonstrate industry-specific applications.

Source: Author (2024)

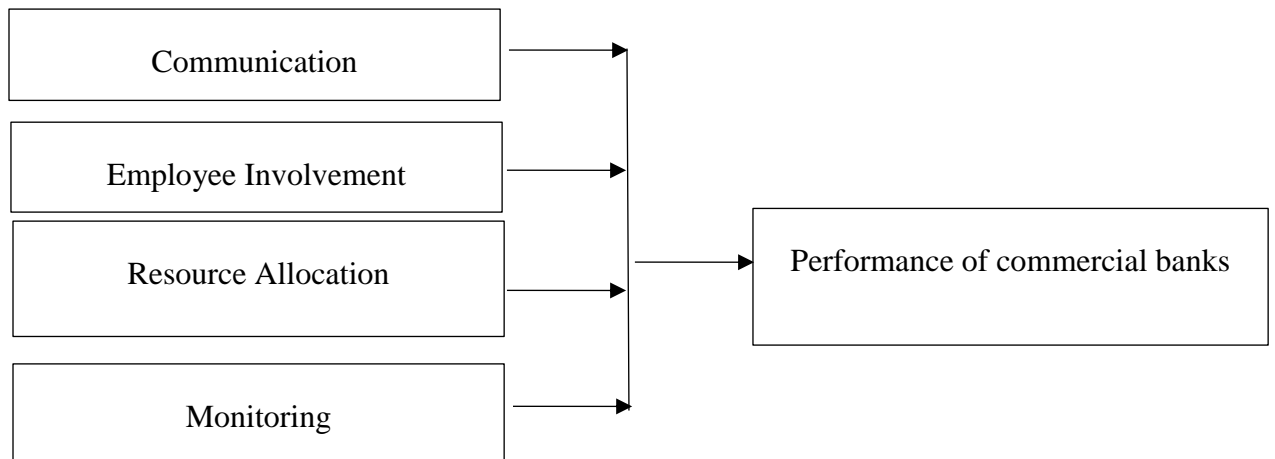
2.5 Conceptual Framework

Independent variables

Dependent variable

Figure 2.1

Conceptual Framework



Source: Author (2024)

Communication strategies include tools such as board meetings, publications on change, seminars, and communication channels. These mechanisms are essential for disseminating information on the change process, enhancing transparency, and aligning all stakeholders with organizational goals. Properly executed communication fosters understanding and reduces resistance to change.

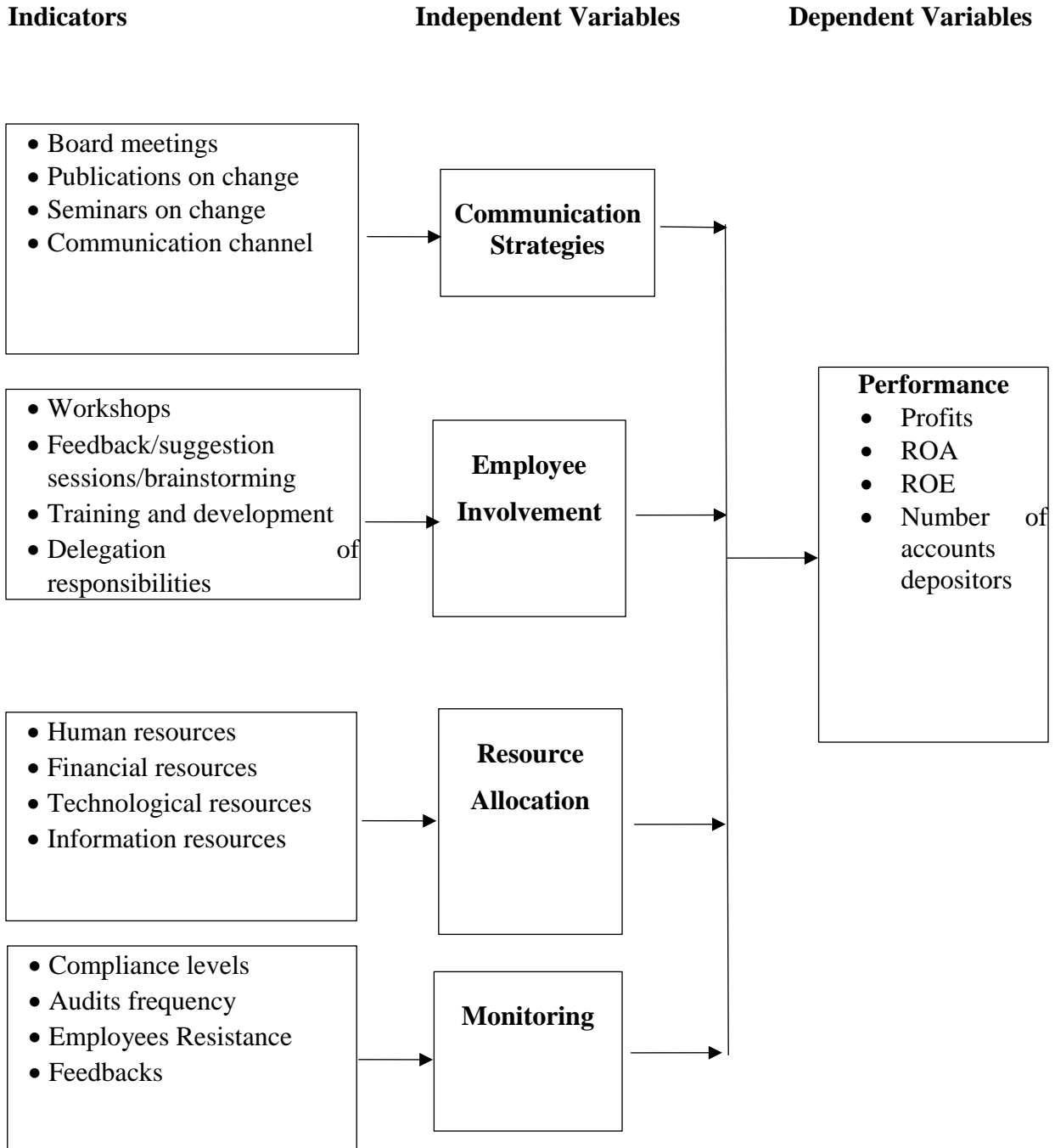
Employee involvement involves engaging employees through workshops, feedback sessions, training and development, and delegation of responsibilities. These activities encourage active participation, enhance their skills, and create ownership of the change process. This empowerment contributes to smoother implementation and better alignment with organizational objectives. Resource allocation focuses on the effective utilization of human, financial, technological, and informational resources. Proper allocation ensures that the organization is well-equipped to implement changes efficiently, supporting long-term sustainability and performance improvements.

Monitoring emphasizes the importance of compliance levels, audit frequency, addressing employee resistance, and gathering feedback. Regular monitoring helps identify potential issues, measure the success of implemented changes, and make adjustments where necessary, ensuring continuous progress toward desired outcomes. The performance of commercial banks, measured by profitability, asset and equity returns, and customer growth, is closely tied to these change management strategies. The framework highlights how systematic and strategic implementation of these strategies can lead to improved operational efficiency and organizational success.

2.6 Operationalization of Variables

Figure 2.2

Operationalization Framework



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Chapter three presented the various techniques used in the data collection and the instruments employed. Besides, the chapter presents the piloting procedure for the data instrument through tests on reliability and validity. Finally, the chapter presented the data analysis, data presentation, and ethical considerations for the research.

3.2 Research Philosophy

Research philosophy is focused on how knowledge is developed as well as the nature of the knowledge itself, it explains the way evidence about a phenomenon should be gathered, analysed, and ultimately used (Saunders & Thornhill, 2019). Epistemology and ontology are two ways through which research philosophy can be expressed, they both have different implications for the research process and guide the choice of the strategy to apply. Epistemology is focused on the reality of research in terms of constructionism, objectivism, and subjectivism. On the other hand, ontology is focused on how conventional knowledge is derived, epistemology looks at mainly four areas: interpretivism, positivism and realism, and pragmatism.

Positivism is premised on the assumption that there exist indicators that are measurable for a given phenomenon. Positivism is mainly used in descriptive as well as cross-sectional research designs where the objectivity of research design is key, positivism of research is also mainly used to develop theories to improve their predictability of a phenomenon in question. A cause-effect relationship is possible through the positivism approach where the researcher develops quantifiable measures and tests the relationship between variables with quantifiable data from a large sample, both correlational and regression analysis are also possible in the positivism

approach, to draw inferences of a particular population through the sample given. Through the positivist approach, a researcher can use an existing theory to come up with hypotheses that are intern used in the development of a theory. The positivism approach enabled a researcher to quantify data to come up with an inferential analysis that tests the hypothesis. The researcher was able to investigate the relationship between change management strategies and performance of commercial banks in Kenya.

3.3 Research Design

A Research design is an overall plan that a researcher develops to answer questions in a study or achieve certain research objectives (Bloomfield & Fisher, 2019). It offers a framework for organizing and conducting a study by guiding how the data will be collected and analyzed to meet the objectives. Several research designs can be used to meet the research objectives and may include descriptive and explorative designs (Asenahabi, 2019). A descriptive design was used because it has the advantage of describing and documenting phenomena and behaviors as they occur naturally without manipulation.

The research design was used to portray the situation without manipulating the variables and establish the cause-and-effect relationships of the variables. The descriptive design was applied because it also gives a comprehensive description of the current situation or behaviors of a particular group (Stock et al., 2019). A descriptive research design applies a natural setting, which means that the study is conducted under a natural setting/real-world context where variables are not manipulated which enhances the validity of the study findings. The study also applied this research design because it focuses on answering questions about “when?” “How?” “Why” and “What?” about a study. Thus, this research design was also applied because it causes little disruption to participants and therefore minimizes harm (Bloomfield & Fisher, 2019).

3.4 Target Population

Target population refers to individuals or elements that will be studied (Stock et al., 2019). A target population, therefore, comprises the elements or individuals who share similar characteristics such as behaviors, ethnicity, or class (Bull et al., 2019). For this study, the unit of analysis comprised all commercial banks in Kenya, totaling 38 as per the (see Appendix V), with their headquarters located in Nairobi City. To gather relevant data, the study identified middle-level managers as the unit of observation, selected for their direct involvement in key aspects of change management within the banks. A total of 190 respondents were targeted, comprising five middle-level managers from each bank ($38 \times 5 = 190$), representing corporate management, human resources, public relations/marketing, finance/accounting, and retail management. While the managers provided valuable insights into their functional areas, respondents were not a substitute for the institutional unit of analysis but were instead used to gather data to evaluate the performance of the banks collectively. This diverse selection ensured comprehensive data collection relevant to the study objectives.

3.5 Sample Size and Sampling Procedure

A sample is the number of individuals who share similar characteristics with the rest of the population and are included in the study as participants (Abd Gani et al., 2020). The sample size should reflect the population for purposes of generalizability and avoiding biasness which reporting findings. Sample size depends on several factors including the population size, resources at hand, and, the desired level of precision/sampling error or time. While a larger sample size increases the level of precision of the findings it might be resource and time-consuming, therefore the two should be balanced (Sürücü & Maslakci, 2020). The study's sample size consisted of 117 respondents. Several sampling techniques can be applied in a study

to determine a sample size that is broadly classified as probabilistic versus non-probabilistic sampling design. The current study applied a stratified random sampling design, which falls under the category of probabilistic sampling because it gives every individual in a study equal chances of being selected therefore avoiding the risk of the sample size being biased. The study applied Taro Yamane Formula to arrive at sample size statistics, the formula is given as follows:

$$n = N / (1 + Ne^2) \dots \dots \dots \text{equation (i)}$$

Where (n) is sample size obtained, capital (N), is population, and e is the level of precision (margin error of sampling). With a sampling error of 5%, the following sample size will be obtained.

$n = 190 / (1 + 190(0.05)^2) = n \approx 128.81$, which is 129 to the nearest whole number. The population was distributed proportionately through the different designations of the middle level of management.

Table 3.1

Sample Distribution

Category	Size	Ration	Sample Size
corporate managers	38	0.2	26
Finance/Accounting And	38	0.2	26
human resources managers	38	0.2	26
Public relations/marketing managers	38	0.2	26
Retail Managers	38	0.2	26
Total	190	1	129

Source: Author (2024)

3.6 Data Instrument and Collection Procedure

Data collection is a tool that is used in the collection of data from participants (Bloomfield & Fisher, 2019). Through a research instrument, researchers can gather consistent and standardized information from the respondents. The type of research instrument depends on the nature of the study and the objectives. There are different instruments including interview

guides, observation checklists, secondary data collection schedules, and questionnaires. The present study collected data using questionnaires and a secondary data collection schedule (Song et al., 2019). Questionnaires collected primary data whereas a secondary data collection schedule collected secondary data. The questionnaire had both closed and factual questions. The closed questionnaire had Likert-type questions for the main variables and multiple-choice questions. The Likert questions were on a five-point questionnaire where 5= “strongly agree”, 4= “agree”, 3= “neutral” 2= “disagree” and 1= “strongly disagree”. The first section of the questionnaire collected data on demographic information, the subsequent section collected data on the “communication variable”, the next part collected data on the “employee engagement variable”, next part collected data on the “Training and development variable” the fifth section collected data on “Monitoring” and lastly, data on “performance” was gathered. Besides the study also collected secondary data using a secondary data collection schedule on performance-related metrics.

Data collection procedures are the specific processes and steps that are applied by a researcher in gathering data for the study. The procedure chosen should be in such a way that they can collect reliable and accurate data that is aligned with the study objectives. The choice of a data collection procedure depends on the resources available, the time available, ethical considerations, and the nature of the questions. There are various data collection procedures, which include online surveys, observations, interviews, administration of physical questionnaires, use of focused group discussions, and conducting experiments (Harrison et al., 2023). The present study applied both physical questionnaires and online questionnaires to collect data. Physical administration of the questionnaires involved physically visiting and presenting the questionnaires to the respondents.

The researcher first obtained consent through an official introduction with accompanying letters from the school and NACOSTI. Upon being granted consent the researcher left the questionnaire and picked them later within two weeks when filled, a practice called “drop and pick method”. On the other hand, the online approach, through Google Forms, was used as an alternative in instances where the respondents preferred or were not physically present to receive the questionnaires. The researcher consistently reminded the respondents to fill out the questionnaire as well as allowed respondents to call back once they had filled the questionnaire or had hurdles responding to the questions. The researcher collected secondary data from statements of commercial banks to obtain data on performance metrics such as profits, revenues, and customer base between 2017 and 2022.

3.7 Piloting the Research Instrument

Piloting is the process of testing and evaluating a research instrument on a small sample before administering the instrument to a larger sample. The primary purpose of conducting a pilot is to ascertain that the questionnaire is flawless, and achieves validity and reliability thresholds to improve it before doing actual data collection (Bloomfield & Fisher, 2019). The pilot for the study was tested on a 10% sample size (129) which is 13 respondents, obtained from three commercial banks in Nairobi County, KCB Bank Kenya Limited, Equity Bank Kenya Limited, and NCBA Bank Kenya PLC. The purpose was to test for reliability and validity. The findings of the pilot were only used to improve the questionnaire but the findings are not in the study.

3.7.1 Reliability of Research Instrument

Reliability is the internal consistency or stability of the methods employed. Reliability is therefore a metric showing ability of research methods to yield consistent findings when repeated under similar conditions. Reliability is important because it is an assurance that the

data collected is dependable and can therefore yield a finding that is accurate and can be trusted in concluding a study. There are several procedures of testing for reliability such as the test-retest method whereby the researcher administers the research instrument on two occasions, within reasonable time intervals to the same group of respondents. The findings from the two findings are then compared through correlation coefficients to establish if there are significant variations in responses. The other method is the determination of internal reliability where the internal consistency within a research instrument is determined. The procedure involves determining whether the sub-variables under a construct are related (Bull et al., 2019). The study determined reliability through internal consistency where the researcher applied the Cronbach alpha test score, the scale runs between 0 and 1, and values close to 1 reveal better internal consistency or reliability. The current study considered 0.7 as the minimum limit.

3.7.2 Validity of Research Instruments

Validity is the instrument's ability to capture data that is intended for the study. Validity is an important aspect of research because it determines the accuracy and appropriateness of the collected data. Content validity in the study was ascertained through two processes, content validity and construct validity. Content validity assesses whether a research instrument covers all the aspects of the research topic (Abd Gani et al., 2020). The procedure involves checking the type of questions asked, or determining whether the question belongs to the particular construct or not. The tests also check the words used in the questionnaire whether they are easy to understand as well as avoid the use of jargon and ambiguous questions. The content validity was addressed by research experts in the areas of change management and university lectures with knowledge about the area of change management.

To ascertain construct validity, the study applied Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity. The KMO test is applied to determine the sample adequacy for factor analysis. The KMO score varies between 0 and 1 with scores that are closer to 1 indicating better suitability for factor analysis. A score above 0.8 shows good sampling adequacy while values between 0.6 and 0.8 show moderate sampling adequacy, which means the data can go to the next phase of factor analysis but with some caution. Scores below 0.6 is an indication of poor sampling adequacy which means that the factor analysis is not appropriate. The study's chosen level of KMO will be 0.7.

The Bartlett's test of sphericity was also employed to check construct validity. The Bartlett test applies a null hypothesis that the correlation matrix of sub-variables in a construct is an identity matrix, which implies that the indicators in a variable are not related and therefore not suitable for factor analysis. Therefore, the test is about testing the significance of the correlation matrix between indicator sets of a particular variable. The test was conducted through chi-square statistics with a degree of freedom for the variables in the data set. If the chi-square statistic value is below the chosen significance level, then variables were considered suitable for further analysis.

3.8 Data Analysis and Presentation

Analysis is the process of cleaning data and changing it through statistics, interpreting the output to discover patterns, and concluding the output to make informed decisions (Song et al., 2019). Data analysis primarily involves the application of statistical methods. Data collected from the field was cleaned by checking for questionnaires with missing data and removing them before actual data analysis. Descriptive analysis, content analysis, and inferential analysis were used in this study. Descriptive analysis included mean, frequency, mode, and standard

deviation. The content analysis involved the classification of the responses from open questions in thematic areas through the narration of the participants. The study also conducted inferential analysis including, hypothesis testing, regression analysis, and analysis of variance to enable the researcher to make conclusions from the sample data. The multi-linear regression model below was used:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

Y = Performance of commercial banks in Kenya

β_0 = the constant term

X_1 = Communication

X_2 = Employee Involvement

X_3 = Resource Allocation

X_4 = Monitoring

ε = the error term

β_1, β_4 = coefficients for independent variables.

3.8.1 Diagnostic Tests for Multi-Linear Model

The study tested the assumptions of a multi-linear regression model. Among the tests include multi-collinearity, normality tests, autocorrelation tests, linearity tests, and homoscedasticity tests.

3.8.1.1 Test for Multi-collinearity

Multi-collinearity occurs when the independent variables are highly correlated, therefore compromising the independence of the independent variable. A situation of multi-collinearity makes it hard to estimate the coefficients of the independent variables and interpret their

individual effects. The applicable test for multi-clarity is the value inflation score (VIF) score, with a score above 5 indicating the presence of multi-collinearity (Song et al., 2019). The scale runs between 1 and 10 therefore, values that are below 5 are more suitable. Conducting multi-collinearity tests is important as it helps in the detection of whether the predictors are independent so that a study applies a model that is more stable and easier to interpret. In the instances where variables have a VIF score of more than 5, one of the independent variables was dropped.

3.8.1.2 Normality Test

The assumption for normality holds that the residuals in the regression model should neither be skewed positively nor negatively but should instead be normally distributed. Two tests were conducted to ascertain whether the residuals achieved normal distribution, the Shapiro-Wilk test, the Kolmogorov-Smirnov test, and the visual observation/inspection of a normal Q-Q plot (Busetto et al., 2020). The study applied a chosen significance level of 0.05 for the Shapiro-Wilk test, with a p-value score that is above 0.05 indicating that the normality assumption hasn't been violated, otherwise, lower values indicated a departure from the normality of residuals. The tests were carried out because violation of the assumption significantly affects the accuracy of statistical inference and therefore it becomes hard to generalize such findings from the sample to the entire population.

3.8.1.3 Autocorrelation Test

Tests on auto-correlation examine whether the model suffers serial auto-correlation or the existence of a pattern of the dependence of the residuals in the model (Hendren et al., 2023). Auto-correlation is tested through a Durbin-Watson score which runs between 0 and 4. Values around 2 indicate that there is no problem with auto-correlation. Testing for auto-correlation is

important because it helps in the determination of whether the residuals are independent and therefore maintains the reliability of the model's parameters estimates and the hypothesis tests being conducted.

3.8.1.4 Linearity Test

A linearity test is conducted to check for linear relationship between the variables (Pandey & Pandey, 2021). Partial regression plots or scatter plots can be used in the determination of whether there is a linear relationship. A deviation from linearity shows nonlinear relationship and therefore a non-linear regression model should be applied instead or use transformations. The study applied a scatter plot matrix to fit all the independent variables versus dependent variables in plots.

3.8.1.5 Homoscedasticity Test

The test on homoscedasticity test is applied to test whether the independent variables and the residuals have a significant relationship (Mikalef et al., 2019). The residuals should not vary as the independent variables change otherwise there is a problem with heteroscedasticity which affects the reliability and accuracy of the regression model output. To test for the problem of heteroscedasticity, the study applied the Breusch-Pagan test, where a significant relationship between the observed significance level is compared with the chosen significance levels. Where observed p-values are greater than the chosen significance level it is an indication that there is no problem of heteroscedasticity and therefore residuals do not vary significantly with the changes of the residuals.

3.9 Ethical Considerations

Ethical considerations protect the rights, welfare, and dignity of the participants and also maintain the integrity of the research process (Ellis-Barton, 2016). There are several ethical

considerations in research including, informed consent, confidentiality and privacy, minimizing risks and harm, and protecting intellectual property throughout the research (Adams et al., 2017).

Informed consent is important in research because the respondents should be made aware of the possible risks, the purpose of the research, the procedures, and their rights before voluntarily participating in the study. The researcher had written consent that the participants where participants signed indicating that they were aware of the research procedure and purpose of the study and that they had voluntarily participated (Clark-Kazak, 2017). Maintaining confidentiality and privacy throughout the research is important so that the information obtained from the study is securely kept and only authorized persons can access that data (Harriss et al., 2017). The researchers had anonymously identified respondents so that the identities of the respondents are not revealed to boost trust and increase participation

The researcher also put all necessary efforts to ensure that at all times during the study physiological or social harm was minimized to enhance the well-being of the respondent, the researcher used language that was polite and professional to avoid causing any harm during the data collection stage. The researchers also submitted the research to research authorization bodies such as NACOSTI for an evaluation of the ethical practice to promote responsible research where participants are protected and compliance with ethical guidelines is upheld.

CHAPTER FOUR
RESULTS AND DISCUSSIONS

4.1 Introduction

This section presents findings and the discussion to identify areas where new knowledge was delivered. The chapter presents the demographic statistics, descriptive statistics, and inferential statistics on the four variables; the influence of communication on performance, the influence of employee involvement on performance, the influence of resource allocation on performance, and the influence of monitoring and evaluation on performance.

4.2 Response Rate

129 respondents were targeted whereby data was obtained from 118 respondents which represented a response rate of 91.47%, and only 8.53% of the respondents did not manage to return their questionnaires. Fowler (2019), argued that a response of 50% is adequate, whereas a response above 70% is ideal for further data analysis. Table 4.1 shows the findings.

Table 4.1

Response Rate

Response	Frequency	Percentage (%)
Responded	118	91.47
No-response	11	8.53
Total	129	100

Source: Author (2024)

4.2.1 Reliability Statistics

The study also sought to conduct a reliability analysis to establish the internal consistency of the questionnaire through Cronbach alpha tests. Table 4.2, revealed a Cronbach alpha of 0.783 which was associated with five items for communication, the table also revealed a Cronbach

alpha of 0.801, associated with four items on Employee Involvement. Further, the table revealed a Cronbach alpha score of 0.763 which was associated with four items on Resource Allocation. Besides, the table revealed a Cronbach alpha score of 0.769, which linked to four items on monitoring. Finally, the study revealed a Cronbach alpha score of 0.796, which was linked with four items on the performance. All the Cronbach alpha scores were greater than 0.7, which implied that the variables were reliable for further analysis.

Table 4.2

Reliability Statistics

Variable Name	Cronbach's Alpha	N of Items	Decision
Communication	0.783	5	Reliable
Employee Involvement	0.801	4	Reliable
Resource Allocation	0.763	4	Reliable
Monitoring	0.769	4	Reliable
Performance	0.796	4	Reliable

Source: Author (2024)

4.2.2 Validity Statistics

The study conducted Validity statistics to determine the sampling adequacy and correlation between the different sets of indicators of the study variables. Table 4.3 reveals a KMO of 0.704 that was associated with communication, A further KMO of 0.765 that was associated with employee involvement, and a KMO of 0.765 that was associated with resource allocation. The table also revealed a KMO of 0.781 denoting monitoring and evaluation and finally a KMO score of 0.762 which was associated with performance. All the KMO scores of the variables were greater than 0.7, therefore the sample was adequate for further analysis. All the p-values associated with Communication (p-value=0.001< 0.05), employee involvement (p-value=0.001<0.05), Resources allocation (p-value=0.001<0.05), Monitoring and evaluation (p-

value=0.001<0.05) and performance (p-value=0.01< 0.05), which implied that the constructs for all the respective variables were valid.

Table 4.3

KMO and Bartlett's Test

	Communicatio n	Employee involvement	Resources allocation	Monitoring and evaluation	Performanc e
Kaiser-Meyer- Olkin Measure of Sampling Adequacy.	.704	.765	.765	.781	.762
Bartlett's Approx. Test of Chi- Sphericity Square df	147.500 6	115.110 6	78.129 6	91.899 10	148.577 6
Sig.	.000	.000	.000	.000	.000

Source: Author (2024)

4.3 Demographic Statistics

Demographic statistics were considered to provide a comprehensive understanding of the respondents' profiles and ensure the relevance of their perspectives to the study on the Influence of Change Management Strategies on the Performance of Commercial Banks in Kenya. Gender analysis was conducted to capture diversity and represent the inclusivity of perspectives, revealing that males constituted the majority (71.2%), while females accounted for 28.8%. This gender distribution is critical, as it reflects the current leadership and managerial representation in the banking sector, which may influence the implementation and perception of change management strategies. Furthermore, the respondents' experience in their positions was analysed, showing that 49.2% had over 10 years of experience, which ensures that the data collected is informed by seasoned insights. Respondents with 8–10 years (22.0%) and those

with less than 3 years (16.0%) added varied perspectives, highlighting the adaptability of strategies across different career stages.

Age distribution was also examined to assess generational influences on change management practices. Most respondents were aged between 31–40 years (32.2%), followed by those aged 41–50 years (26.3%) and 51–60 years (17.8%). This indicates a workforce predominantly in their prime working years, likely contributing dynamic yet experienced views on change implementation. Education levels were considered to evaluate respondents’ qualifications, with 49.2% holding postgraduate degrees and 29.7% having bachelor's degrees. This reflects a highly educated managerial workforce capable of critically assessing and implementing complex change management strategies.

Table 4.4

Demographic Statistics

Gender	Frequency	Percent
Male	84	71.2
Female	34	28.8
Experience	Frequency	Percent
below 3 years	19	16.1
between 4 and 7 years	15	12.7
8-10 years	26	22.0
Over 10 years	58	49.2
Age bracket	Frequency	Percent
less than 30 years	16	13.6
between 31-40	38	32.2
between 41-50	31	26.3
between 51-60	21	17.8
Above 60	12	10.2
Academic qualification	Frequency	Percent
Tertiary Certificate	8	6.8
Diploma	17	14.4
Bachelors	35	29.7
Postgraduate	58	49.2

Source: Author (2024)

4.4 Descriptive Statistics

The study conducted descriptive statistics to determine measures of central tendencies as well as measures of dispersion for the study variables, communication, employee involvement, resource allocation, monitoring and evaluation, and performance metrics.

4.4.1 Descriptive Statistics on Communication

Table 4.5 show that a mean of 3.75 for the statement, “Our bank organizes board meetings on change management”, implying agreement. Respondents also agreed that, “Our bank comes up with magazines and publications on change management”, denoted by a mean score of 4.08. They also agreed that, “Our bank organizes seminars on change management”, denoted by a mean of 3.97. A mean score 4.02, associated with, “Our bank frequently communicates about change initiatives”, which implying agreement. Finally, they agreed that, “Our bank uses different communication channels for change”, as shown by a mean score of 4.02. Afif (2018) concurred with the findings that communicating is more than telling employees what to do, it entails answering the employees’ questions and reducing their anxieties to keep them motivated and achieve the desired organizational goals.

Table 4.5***Descriptive Statistics on Communication***

Indicators for communication	SD	D	N	A	SA	Mean	Std. Dev
Our bank organizes board meetings on change management	4 (3.4%)	16 (13.6%)	6 (5.1%)	71 (60.2%)	21 (17.8%)	3.75	1.012
Our bank comes up with magazines and publications on change management	2 (1.7%)	7 (5.9%)	6 (5.1%)	68 (57.6%)	35 (29.7%)	4.08	0.859
Our bank organizes seminars on change management	4 (3.4%)	7 (5.9%)	6 (5.1%)	73 (61.9%)	28 (23.7%)	3.97	0.915
Our bank frequently communicates about change initiatives	3 (2.5%)	4 (3.4%)	13 (11.0%)	66 (55.9%)	32 (27.1%)	4.02	0.867
Our bank uses different communication channels for change management	1 (0.8%)	10 (8.5%)	11 (9.3%)	60 (50.8%)	36 (30.5%)	4.02	0.906

Source: Author (2024)

Respondents were asked to indicate ways through which their banks communicated change initiatives, respondents revealed that their organizations used emails and memos to communicate change initiatives.

Respondents also noted that they applied intranet to share videos and documents relating to change initiatives among employees. Further respondents revealed that their leaders used boardroom meetings and conference hall meetings to communicate proposed change, finally, employees were trained through workshops on change initiatives.

Respondents were also asked to reveal the situation of communication as the facilitator of change management in their banks and also give an example where effective communication has enabled organizational change and ultimately performance.

Respondents revealed that there has been technology implementation that required effective communication so that employees could understand the need for the new technology implementation, and participate effectively in the training to enable them to use the technological skills in serving customers better. Communication also helped in the minimization of resistance among staff.

Afif (2018) concurred that as change agents, managers must also identify the right time and the right channel to communicate the organization's strategy. Communication is important for the success of any change management as it enables the various stakeholders to pass and interpret messages. A good communication model creates awareness of change and motivates the employees to engage in the change.

4.4.2 Descriptive Statistics on Employee Involvement

Table 4.6, show a mean of 4.04, associated with, "Our bank conducts workshops to enhance employee awareness", which suggested that respondents agreed with the statement. The table also revealed that the respondents agreed to this proposition, "Our bank provides feedback sessions on change proposals", denoted by mean score of 4.03. A mean of 4.09 was also obtained, associated with, "Our organization trains employees for change initiatives", which suggested agreement to this proposition. They also agreed that their top management delegates for change initiative ownership, denoted by mean of 4.05. Bhebhe et al. (2010) established the impact of employee involvement in change management in Zimbabwe. The study revealed that employee involvement took place at different levels at different times and in different forms. Organizations engage in employee involvement in several ways such as information sharing providing input and making decisions.

Table 4.6***Descriptive Statistics on Employee Involvement***

Indicators for employees' involvement	SD	D	N	A	SA	Mean	Std. Dev
Our bank conducts workshops to enhance employee awareness	4 (3.4%)	4 (3.4%)	6 (5.1%)	73 (61.9%)	31 (26.3%)	4.04	0.871
Our bank provides feedback sessions on change proposals	4 (3.4%)	4 (3.4%)	11 (9.3%)	64 (54.2%)	35 (29.7%)	4.03	0.915
Our organization trains employees for change initiatives	1 (0.8%)	5 (4.2%)	15 (12.7%)	58 (49.2%)	39 (33.1%)	4.09	0.837
Top management delegates for change initiative ownership	3 (2.5%)	6 (5.1%)	7 (5.9%)	68 (57.6%)	34 (28.8%)	4.05	0.885

Source: Author (2024)

Respondents were asked to mention the initiatives by their banks that enhance their involvement of employees in organizational change.

Respondents revealed that they organized seminars where the employees were able to engage with their seniors through dialogues that enhanced the exchange of ideas about the proposed or ongoing change initiatives. The seminars and conferences provided employees with the opportunity to ask questions, share their concerns, and also give their suggestions. Respondents also revealed that the organization had suggestion boxes and digital platforms through which employees could give their feedback thereby voicing their suggestions about the ongoing changes, therefore enabling the management to get an insight on the way the change is perceived on the ground.

Respondents were also asked to give an instance where the engagement of employees in organizational change led to the fulfillment of change and ultimately performance. They were also asked to state how the performance metric improved.

Respondents revealed that their organization had introduced different systems such as ERP and CRM, to enable them to serve their stakeholders better such as streamlining customer interactions. Respondents revealed that they were involved in training, feedback sessions, and workshops which enabled the employees to pinpoint system limitations during the implementation phase. The engagement led to an improvement in customer service with an improvement in response time from 48 hours to 24 hours.

Kapaya (2021) evaluated the effects of employee involvement on the performance of large construction companies in Nigeria. The study revealed that employee involvement practices in construction companies entailed empowering employees to set goals, make business decisions, and solve problems in a manner that aligns with the organizational change. The main components of employee involvement included motivation, participation, teamwork, recognition, and rewards.

4.4.3 Descriptive Statistics on Resources Allocation

Table 4.7 showed a mean of 3.99, associated with proposition, “Our bank allocates competent employees for change”, implying agreement to this proposition. The table also revealed that respondents agreed with the statement, “Our bank takes a proactive role in financial resource allocation” shown by a mean score of 3.92. They also agreed with the proposition, “Our bank allocates technological resources for change”, as shown by an of 3.91. Finally, respondents agreed with the statement, “Our bank allocates information resources for decision-making”, as denoted by a mean of 3.97.

Table 4.7***Descriptive Statistics on Resources Allocation***

Indicators for Resources Allocation	SD	D	N	A	SA	Mean	Std. Dev
Our bank allocates competent employees for change	2 (1.7%)	6 (5.1%)	12 (10.2%)	69 (58.5%)	29 (24.6%)	3.99	0.842
Our bank takes a proactive role in financial resource allocation	3 (2.5%)	6 (5.1%)	13 (11.0%)	71 (60.2%)	25 (21.2%)	3.92	0.869
Our bank allocates technological resources for change	4 (3.4%)	10 (8.5%)	13 (11.0%)	57 (48.3%)	34 (28.8%)	3.91	1.021
Our bank allocates information resources for decision-making	4 (3.4%)	5 (4.2%)	13 (11.0%)	65 (55.1%)	31 (26.3%)	3.97	0.924

Source: Author (2024)

The study sought respondents to identify ways through which change initiative has enabled strategy implementation as well as instances where resource allocation led to a successful change initiative.

The respondents revealed that resource allocation was crucial in strategy implementation, for instance, some respondents noted that the implementation of a system such as a customer relationship management software called for the allocation of resources such as the hiring of qualified software engineers to develop the system, resources were also allocated to enable the customer service employees to better serve their customers.

The study also sought from the respondents on the determinants of resource allocation in their organizations.

The study revealed that the allocation of resources among commercial banks depends on several factors including alignment with the strategies, stakeholders' opinions on resource allocation, and risk management, where organizations conduct risk evaluation on risk potential and the

uncertainties associated with the risk therefore enabling the commercial banks to make informed decisions when allocating risks.

4.4.4 Descriptive Statistics on Monitoring

Table 4.8, showed a mean of 4.14, for the proposition, “Our bank monitors compliance levels on regulations and practices”, which suggested agreement to this proposition. They also agreed with the proposition, “Our bank conducts frequent audits on organizational change”, with a mean of 3.73, Further they agreed that, “Our bank handles employee complaints for resistance”, denoted by a mean of 4.13. Finally, they agreed that “Our bank has a feedback platform for stakeholder opinions” as shown by a mean of 3.96. Similar results were shown by Montes-Guerra et al. (2014) who conducted a study on monitoring of successful change management. The study revealed that monitoring help the organization mitigate the challenges that affect change management. Monitoring also ensure that the employees tasked with implementing change work with their deadlines following the project schedule.

Noor (2018) agreed with the study findings when evaluating the effect of monitoring and evaluation, mainly balanced scorecards on the performance of food companies in Dubai. The study showed that monitoring the change process impacts an organization’s performance by ensuring that every activity in the change process helps in organizational growth.

Table 4.8

Descriptive Statistics on Monitoring

Indicators for Monitoring	SD	D	N	A	SA	Mea n	Std. Dev
Our bank monitors compliance levels on regulations and practices	4 (3.4%)	6 (5.1%)	7 (5.9%)	54 (45.8%)	47 (39.8%)	4.14	0.978
Our bank conducts frequent audits on organizational change	10 (8.5%)	10 (8.5%)	7 (5.9%)	66 (55.9%)	25 (21.2%)	3.73	1.145
Our bank handles employee complaints for resistance	1 (0.8%)	7 (5.9%)	7 (5.9%)	64 (54.2%)	39 (33.1%)	4.13	0.833
Our bank has a feedback platform for stakeholder opinions	3 (2.5%)	8 (6.8%)	13 (11.0%)	61 (51.7%)	33 (28.0%)	3.96	0.946

Source: Author (2024)

Respondents were asked to give their opinion on whether the available monitoring initiatives on change management are effective and also to mention how the available mechanism has enabled successful organizational change.

The study revealed that the available mechanisms have been very effective in ensuring smooth change management, through the provision of timely updates on tracking the change initiative process, the process of monitoring has also enabled the strategies to be corrected or adjusted to enable adaptability.

The respondents were also asked to state a few of the changes that have been encountered in the monitoring phase.

Respondents revealed that there have been several setbacks including, data collection challenges, with some employees resisting measurements for fear of negative consequences which results in data gaps and inaccuracy in the monitoring of change initiatives. There are also challenges with the inadequacy of the resources to pay staff involved in monitoring which might compromise the accuracy of the monitoring practices. There is also a problem with the

employees or participants of the monitoring practice giving inaccurate data for fear of repercussion.

4.4.5 Descriptive Statistics on Performance of Commercial Banks in Kenya

Table 4.9 showed a mean of 4.12, for the proposition that “Our bank's profits have increased in the past five years”, implying agreement to this proposition. Further, they agreed to the proposition, “Our bank's Total assets have increased in the past five years” denoted by a mean of 4.10, they also agreed that, “Our bank's Shareholders funds has increased in the past five years”, as denoted by a mean of 3.89. Finally, they agreed to the proposition that, “Our bank's number of depositors have increased in the past five years”, with a mean of 4.03.

Table 4.9

Descriptive Statistics on Performance of Commercial Banks in Kenya

Indicators for Performance	SD	D	N	A	SA	Mean	Std. Dev
Our bank's profits have increased in the past five years	2 (1.7%)	7 (5.9%)	8 (6.8%)	59 (50.0%)	42 (35.6%)	4.12	0.898
Our bank's Total assets have increased in the past five years	0 (0.0%)	6 (5.1%)	11 (9.3%)	66 (55.9%)	35 (29.7%)	4.10	0.767
Our bank's Shareholders funds have increased in the past five years	3 (2.5%)	11 (9.3%)	18 (15.3%)	50 (42.4%)	36 (30.5%)	3.89	1.028
Our bank's Number of depositors have increased in the past five years	2 (1.7%)	9 (7.6%)	16 (13.6%)	48 (40.7%)	43 (36.4%)	4.03	0.982

Source: Author (2024)

4.4.6 Analysis of Secondary Data on Performance of Commercial Banks in Kenya

Table 4.10, revealed that the commercial banks with the highest average profits reported Kshs 44,707.0 M, whereas the one which reported the lowest profit had -1,116.5 M, and the mean profits for the commercial banks was 5,613.731M. The table also revealed that banks with the

highest total assets reported kshs 898,874.0 M, whereas the one with the lowest registered kshs 3,368.5M, the mean total assets for the commercial banks was kshs 161,691.81M. Results revealed that commercial banks with the highest Return of assets (ROA) had 5.75%, the bank with the lowest ROA had -33.60% whereas the average ROA for all the commercial banks was 0.6192%.

Results also revealed that the commercial bank with the highest Total shareholders' fund was kshs 123608.5M, whereas the commercial bank with the lowest Total shareholders' fund was Khs -212.5M, the average or mean of Total shareholders' fund for the commercial banks was 23222.167M. Results shown that the commercial bank with the highest ROE had 40.85% while the one with the lowest had -92.95%, the average ROE for commercial banks was 7.3308%. Results finally shown that commercial banks with the highest Number of accounts on depositors 33,556,831 whereas the commercial bank with the lowest accounts for deposit had 1824, on average commercial banks had 1,711,285 deposit accounts.

Table 4.10

Descriptive Statistics on Performance II of Commercial Banks in Kenya

	Profits (Mns)	Total assets (Mns)	ROA (%)	Total shareholders fund (Mns)	ROE (%)	Number of depositors (N)
N	39	39	39	39	39	39
Mean	5,613.731	161,691.808	.6192	23222.167	7.3308	1711284.846
Std. Deviation	10779.1731	231910.6626	6.1231 2	32160.5057	26.3144 1	5785270.228 7
Minimum	-1116.5	3368.5	-33.60	-212.5	-92.95	1824.0
Maximum	44707.0	898874.0	5.75	123608.5	40.85	33556831.0

Source: Secondary Data

4.5 Diagnostic Tests

Before conducting linear regression analysis, the study conducted diagnostic tests to ascertain that there were no violations of the assumptions of multi-linear regression. The tests conducted included tests for auto-correlation, normality tests, tests for homoscedasticity, tests for multi-collinearity, and linearity tests.

4.5.1 Test for Auto-Correlation

The Durbin Watson tests was used to test autocorrelation, Durbin Watson scale runs between 0 and 4, a score of 2 is considered to indicate a lack of auto-correlation, whereas a score of above 2 is considered to indicate negative auto-correlation, and a score below 2 is considered to indicate positive auto-correlation. Challenges with auto-correlation affect the accuracy of the regression output due to auto-accumulation errors from the previous measurement. Usually with a one-time data measurement autocorrelation problem is not there. Table 4.11 shows a Durbin-Watson score of 2.111 which suggests that the auto-correlation problem is not there.

Table 4.11

Auto-Correlation

Model	Durbin-Watson
1	2.111

Source: Author (2024)

4.5.2 Tests of Normality

The study also conducted tests for Normality to ascertain whether the study sample size was obtained from a population whose data was normally distributed, the tests for normality were conducted by Kolmogorov-Smirnov and Shapiro-Wilk tests, p-values that are higher than 0.05 indicate the population was normally distributed, table 4.12 revealed that communication had a p-value of $0.083 > 0.05$, Employee involvement revealed a p-value of $0.653 > 0.05$, resource

allocation, revealed a p-value of $0.770 > 0.05$, finally monitoring and evaluation revealed a p-value of $0.140 > 0.05$ since all the p-values were greater than 0.05, the study confirmed that the sample data was obtained from a population with normally distributed data.

Table 4.12

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Communication	.217	118	0.086	.856	118	0.083
Employee involvement	.282	118	0.657	.794	118	0.653
Resource allocation	.234	118	0.071	.859	118	0.770
Monitoring	.228	118	0.114	.832	118	0.140

a. Lilliefors Significance Correction

Source: Author (2024)

4.5.3 Tests for Multi-Collinearity Statistics

Test for multi-Collinearity Statistics was conducted by value inflation factor (VIF) and Tolerance level, of which each is the inverse of the other. A multi-collinearity test is conducted to ascertain independence among the independent variables. Lack of independence has a negative effect on the accuracy of the model I predicting the dependent variable, VIF score runs between 0 and 10, with values that are lower than 5 indicating a lack of multi-Collinearity, whereas scores above 5 indicate the presence of multi-collinearity. Table 4.13 revealed that communication revealed A VIF value of $2.261 < 5.0$, which suggested that there is no multi-collinearity problem. In addition, resource allocation revealed a VIF score of 2.984 which suggested that there was no problem of multi-collinearity. Finally, Monitoring revealed a VIF score of $2.867 < 5.0$, which suggested that there was no problem of multi-collinearity with the variables.

Table 4.13***Multi-Collinearity Statistics***

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Communication	.442	2.261
Employee involvement	.411	2.432
Resource allocation	.335	2.984
Monitoring	.349	2.867

Source: Author (2024)

Another test conducted to ascertain the independence of the independent variables was the correlation analysis. The correlation coefficient and the observed significance level were compared with the pre-determined or chosen significance levels to ascertain whether the variables were highly correlated or not. A correlation coefficient (r) value above 0.7 implies that there is a problem of multi-collinearity if it is significant. Table 4.14, revealed that communication and employee involvement revealed an $r = 0.687 < 0.7$, with a p -value of $0.001 < 0.05$, which suggested the two variables had a significant correlation, though there was no multi-collinearity problem. Communication and resource allocation revealed an $r = 0.662 < 0.7$, with a p -value of $0.001 < 0.05$, implying that the two variables had a significant and positive relationship although there was no problem with multi-collinearity. Communication and Monitoring revealed an $r = 0.655 < 0.7$, with a p -value of $0.001 < 0.05$, which suggested that the two variables had a positive and significant relationship although they were not highly correlated, therefore no problem with multi-collinearity.

Employee involvement and resource allocation, revealed an $r = 0.690 < 0.7$ and a p -value of $0.001 < 0.05$. The findings suggested the two variables had a positive and significant relationship which was not highly correlated there was, therefore, no problem of multi-collinearity.

Employee involvement and Monitoring revealed an $r = 0.674 < 0.7$ with a p -value of $0.01 < 0.05$,

which suggested that the two variables had a positive and significant relationship although not highly correlated, therefore there was no problem of multi-collinearity. Finally, resource allocation and monitoring revealed an $r=.674 < 0.7$, with a p-value of $0.001 < 0.005$, which suggested that the two variables had a positive and significant relationship although not highly correlated therefore there was no problem of multi-collinearity.

Table 4.14

Correlations Analysis

		Communication	Employee involvement	Resource allocation	Monitoring
Communication	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	118			
Employee involvement	Pearson Correlation	.687**	1		
	Sig. (2-tailed)	.000			
	N	118	118		
Resource allocation	Pearson Correlation	.662**	.690**	1	
	Sig. (2-tailed)	.000	.000		
	N	118	118	118	
Monitoring	Pearson Correlation	.655**	.674**	.674**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	118	118	118	118

** . Correlation is significant at the 0.01 level (2-tailed).

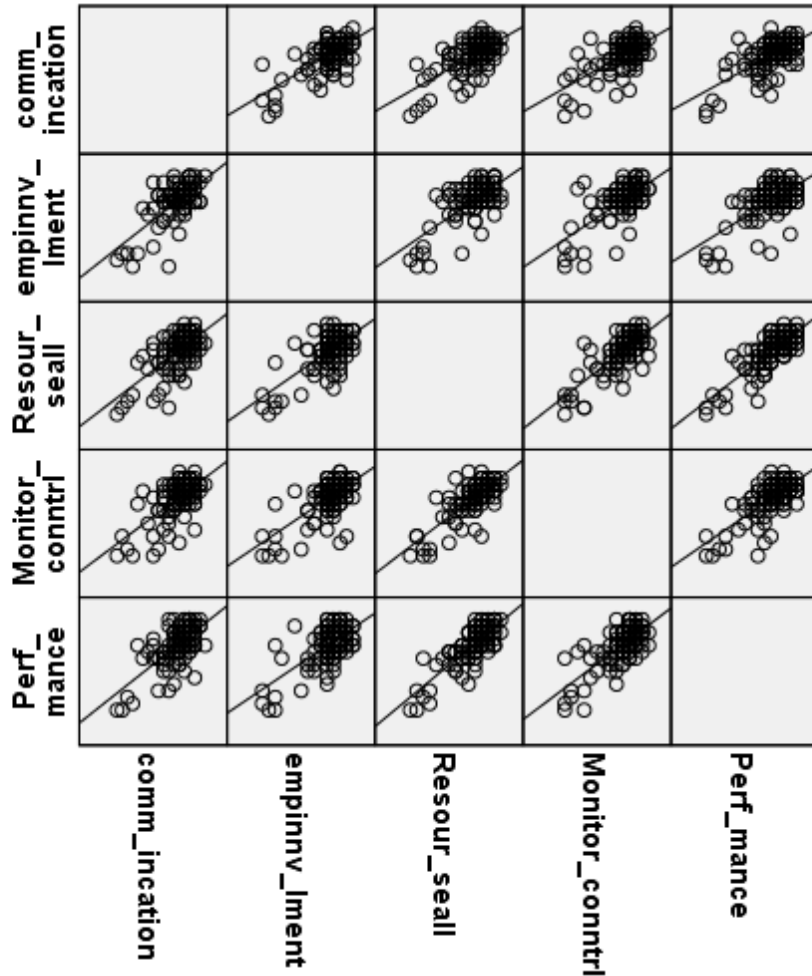
Source: Author (2024)

4.5.4 Linearity Tests

A scatter plot matrix was used to test for linearity to observe the direction of the line of best fit, Figure 4.1, show a positive relationship between different variables which confirms the findings of the correlation analysis, where r was positive between different variable sets.

Figure 4.1

Linearity Tests



Source: Author (2024)

4.5.5 Homoscedasticity Tests

The study conducted homoscedasticity tests, to ascertain whether the residuals were varying with the changes of the independent variables, resulting in a problem referred to as heteroscedasticity. To conduct the tests independent variables were regressed against the squared residuals. Table 4.15 revealed a p-value of 0.336 which was associated with communication and residuals, which implied that the residuals did not vary significantly with

the changes in communication. Also, the table revealed a p-value of $0.850 > 0.05$ between Employee involvement and residuals which implied that there were no significant variations between the two variables. Besides, the table revealed a p-value of $0.417 > 0.05$, between resource allocation and residuals which implied that the two did not have a significant relationship, as a result, residuals did not vary significantly when resource allocation variables changed. Finally, a p-value of 0.479 was revealed between residuals and Monitoring which implied that residuals did not significantly change when the monitoring and evaluation changed.

Table 4.15

Homoscedasticity Tests

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.408	.169		2.410	.018
Communication	.058	.060	.131	.966	.336
Employee involvement	.010	.054	-.027	.189	.850
Resource allocation	.049	.060	.127	.814	.417
Monitoring	.061	.086	.058	.710	.479

a. Dependent Variable: Residual squared

Source: Author (2024)

4.6 Inferential Analysis

The study conducted a multi-linear regression analysis between the study variables to check whether the association was statistically significant, and identify the direction of the relationship and finally the size of association.

4.6.1 Simple Linear Regression Analysis

4.6.1.1 Influence of Communication on Performance of Commercial Banks in Kenya

A simple regression analysis between communication and the performance of the banks was conducted. Table 4.16 indicate an R square of 0.433, which implies that communication could explain 43.3% of the variations in the commercial bank's performance in Kenya. The F-statistics ratio revealed an F of 90.323, with a p-value of $0.001 < 0.05$, implying the statistically significance of the model in predicting the performance of commercial banks in Kenya. Besides, results in the table revealed a β of 0.794, with a p-value of $0.001 < 0.05$, which suggested that communication had a positive and significant effect on commercial bank's performance in Kenya. Bakari and Ali (2017) agreed with the study findings when they studied the role of communication models among commercial banks in India. The study showed that a good communication strategy should align with the organization's change plan thus enabling the organization to improve its performance in the future.

Table 4.16***Communication and Performance***

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.662 ^a	.438	.433	.54813		
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.137	1	27.137	90.323	.000 ^b
	Residual	34.852	116	.300		
	Total	61.989	117			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.886	.335		2.643	.009
	communication	.794	.084	.662	9.504	.000

a. Dependent Variable: Performance

b. Predictors: (Constant), communication

Source: Author (2024)

4.6.1.2 Influence of Employee Involvement on Performance of Commercial Banks in Kenya

The study also conducted a simple regression analysis between Employee involvement and commercial bank's performance in Kenya. Table 4.17, show an R square of 0.416, which implied that 41.6% of changes in the performance of commercial banks in Kenya, could be explained by the employees' engagement, the table also revealed an F-ratio of 82.783, with a p-value of $0.001 < 0.05$, implying the model's statistical significance in predicting the performance of commercial banks. Lastly, the table revealed a β of .677, with a p-value of $0.001 < 0.005$ implying that employee involvement had a positive and significant impact on the performance of commercial banks in Kenya. Hubbard (2020) agreed that employee involvement has a positive impact on the performance of the local governments in India. The

study also revealed that initiating a good change management model in an organization is important as it enables an organization to keep up with industry trends.

Table 4.17

Employee Involvement and Performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.645 ^a	.416	.411	.55843		
ANOVA^a						
Model	Sum of Squares		Df	Mean Square	F	Sig.
1	Regression	25.815	1	25.815	82.783	.000 ^b
	Residual	36.174	116	.312		
	Total	61.989	117			
Coefficients						
Model	Unstandardized Coefficients			Standardized Coefficients		
	B	Std. Error		Beta	t	Sig.
1	(Constant)	1.290	.306		4.218	.000
	Employee involvement	.677	.074	.645	9.098	.000

a. Dependent Variable: Performance

b. Predictors: (Constant), Employee involvement

Source: Author (2024)

4.6.1.3 Influence of Resource Allocation on Performance of Commercial Banks in Kenya

The influence of Resource allocation on the commercial banks' performance was also studied through simple linear regression analysis. Table 4.18, showed an R-square of 0.641, implying that 64.1% of the changes in commercial bank's performance in Kenya can be explained by the resource allocation. Besides, an F-ratio of 206.704 was obtained, with a p-value of 0.001<0.05, implying that the model was statistically significant in predicting the performance of commercial banks. Lastly, a β of 0.831 with a p-value of 0.001< 0.05, which implies that resource allocation had a positive and significant influence on the performance of commercial banks in Kenya. Albrecht (2018) concurred with the study findings when they researched the impact of organizational resources on the financial performance of Kenyan state businesses

examined in this study. The study revealed that corporate resources can affect organizational performance. The results demonstrate a statistically significant correlation between financial performance and organizational resource tallies. Resources and capabilities, however, could only account for 8.3% of the profitability of Kenyan state businesses.

Table 4.18

Resource Allocation and Performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.800 ^a	.641	.637	.43828		
ANOVA^a						
Model	Sum of Squares		df	Mean Square	F	Sig.
1	Regression	39.707	1	39.707	206.704	.000 ^b
	Residual	22.283	116	.192		
	Total	61.989	117			
Coefficients						
Unstandardized Coefficients						
Model	B	Std. Error		Standardized Coefficients		
		Beta	t	Sig.		
1	(Constant)	.753	.232		3.252	.002
	Resource Allocation	.831	.058	.800	14.377	.000

a. Dependent Variable: Performance

b. Predictors: (Constant), Resource Allocation

Source: Author (2024)

4.6.1.4 Influence of Monitoring on Performance of Commercial Banks in Kenya

The study also conducted a simple linear regression analysis between the monitoring and the performance of commercial banks in Kenya, table 4.19. shows an R-square of 0.515, suggesting that performance of commercial banks could be explained by monitoring and evaluation, an F-ratio of 125.175, with a p-valuation of $0.001 < 0.05$ implying the statistically fitness of the model in predicting performance. Lastly, a β of 0.754, with a p-value of 0.001 revealed that monitoring and evaluation had a significant and positive impact on the performance of commercial banks in Kenya. Elbanna, and Abdel-Maksoud (2020) concurred with the study that the linkages

between the resources of parastatals and overall productivity in the United Arab Emirates, this study utilizes the RBV paradigm. The study's findings indicate that working capital, personnel, and capability resources impact the performance of the assessed governmental entities.

Table 4.19

Monitoring and Performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.720 ^a	.519		.515	.50698	
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.174	1	32.174	125.175	.000 ^b
	Residual	29.816	116	.257		
	Total	61.989	117			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.028	.273		3.769	.000
	Monitoring	.754	.067	.720	11.188	.000

a. Dependent Variable: Performance

b. Predictors: (Constant), Monitoring

Source: Author (2024)

4.6.2 Multi-linear Regression Analysis

A multi-linear regression analysis was done where all the independent variables were together analysed against the commercial bank's performance in Kenya, Table 22 showed an R-square of 0.861 implying that all four independent variables (monitoring, communication, employee involvement, resource allocation), explained 86.1% of the changes in the commercial banks performance in Kenya.

Table 20

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.928 ^a	.861	.854	.41551

a. Predictors: (Constant), Monitoring, communication, employee involvement, Resource allocation

b. Dependent Variable: Performance

Source: Author (2024)

The study also analyzed variance to determine model fitness in predicting performance with the given independent variables. Table 23, revealed an F-ratio of 61.513, with a p-value of $0.001 < 0.05$, implying that the model was statistically significant overall in the prediction of the commercial banks' performance.

Table 21

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.480	4	10.620	61.513	.000 ^b
	Residual	19.509	113	.173		
	Total	61.989	117			

a. Predictors: (Constant), Monitoring, communication, employee involvement, Resource allocation

b. Dependent Variable: Performance

Source: Author (2024)

The study also determines the magnitude of the relationship, the direction of the relationship, and the statistical significance of the associations of the variables. The table 24 below shows the results.

Table 22***Coefficients***

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.157	.269		.585	.560
Communication	.200	.095	.167	2.106	.037
Employee involvement	.407	.063	.512	6.417	.000
Resource allocation	.536	.095	.517	5.665	.000
Monitoring	.156	.059	.406	2.650	.009

a. Dependent Variable: Performance

Source: Author (2024)

4.6.2.1 Influence of Communication on the Performance of Commercial Banks in Kenya

Table 24 revealed a β of 0.200, with a p-value of $0.0307 < 0.05$, between communication and performance which implied that communication had a positive and significant impact on commercial banks' performance in Kenya. Bakari and Ali (2017) agreed with the study findings when they studied the role of communication models among Indian banks. The study showed that a good communication strategy should align with the organization's change plan thus enabling the organization to improve its performance in the future. The findings of the study support Kotter's 8-step model which emphasizes the importance of communication in creating awareness of the need to change as well as communicating change development throughout the change process.

4.6.2.2 Influence of Employee Involvement on the Performance of Commercial Banks in Kenya

The table also revealed a β of 0.407 and a p-value of $0.001 < 0.05$, between employee involvement and performance, which suggested that employee involvement had a positive and significant impact on commercial banks' performance in Kenya. Hubbard (2020) agreed that

employee involvement has a positive impact on local governments' performance in India. The study also revealed that initiating a good change management model in an organization is important as it enables an organization to keep up with industry trends. The findings that employee involvement has a positive impact on commercial banks' performance in Kenya which support Kotter's 8-step model, which emphasizes the need to engage employees in the process. Engaging employees during change management involves both informing employees and seeking to involve them from one step to the other.

4.6.2.3 Influence of Resource Allocation on the Performance of Commercial Banks in Kenya

Also, the table revealed a β of 0.536 and a p-value of 0.001, between Resource allocation and performance, which implied that resource allocation had a significant and positive influence on the performance of commercial banks in Kenya. Albrecht (2018) concurred with the study findings when they researched the impact of organizational resources on the financial performance of Kenyan state businesses examined in this study. The study revealed that corporate resources can affect organizational performance. The results demonstrate a statistically significant correlation between financial performance and organizational resource tallies. Resources and capabilities, however, could only account for 8.3% of the profitability of Kenyan state businesses. The findings of the study support Kotter's 8-step model, with the 3rd step emphasizing on development of strategies which include resource allocation strategies to accomplish set targets.

4.6.2.4 Influence of Monitoring on the Performance of Commercial Banks in Kenya

Lastly, a β of 0.156 and a p-value of 0.009, were revealed between monitoring and evaluation and commercial banks' performance in Kenya, which implies that monitoring and evaluation

had a positive and significant influence on the banks' performance. Elbanna, and Abdel-Maksoud (2020) concurred with the study that the linkages between the resources of parastatals and overall productivity in the United Arab Emirates (UAE), this study utilizes the Resource-Based View (RBV) paradigm. The study's findings indicate that working capital, personnel, and capability resources impact the performance of the assessed governmental entities. The findings of the study support the enterprise risk management theory which postulates that organizations need to put up a monitoring mechanisms to ensure that the outcomes are not far from the set goals and objectives.

Overall the study revealed that resource allocation had the greatest influence on commercial banks' performance in Kenya with the lowest p-value of 0.001 and a beta of 0.536. The overall model for the study became.

$$Y = 0.2X_1 + 0.407X_2 + 0.536X_3 + 0.156X_4 + \epsilon.$$

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATION

5.1 Summary of the Findings

5.1.1 Communication

Results showed that respondents agreed that the commercial banks in Kenya organize board meetings on change management (Mean of 3.75), respondents believe that Kenyan commercial banks provide magazines and publications on change management (Mean score of 4.08), they also agreed commercial banks in Kenya organize change management seminars (Mean score of 3.97), In addition, respondents agreed that commercial banks in Kenya frequently communicate about change initiatives (mean score of 4.02). Lastly, the study revealed, a β of 0.200, with a p-value of $0.0307 < 0.05$, between communication and performance.

5.1.2 Employee Involvement

Results revealed that respondents agreed that, commercial banks in Kenya, conduct workshops to enhance employee awareness (a mean of 4.04), they also agreed that commercial banks, provide feedback sessions on change proposals, (mean of 4.03), respondents also agreed that their top management delegates responsibilities to their junior staff for change management initiatives (mean of 4.05), Further, respondents agreed that their organizations' organization trains employees for change initiatives (mean of 4.05). Finally, the study revealed, a β of 0.407 and a p-value of $0.001 < 0.05$, between employee involvement and performance.

5.1.3 Resources Allocation

Results showed that respondents agreed that, the Kenyan commercial banks allocate competent employees for change (mean of 3.99). They also admitted that the banks in Kenya bank take a proactive role in financial resource allocation (mean score 3.92). In addition, respondents

further revealed that our bank allocates technological resources for change (a mean of 3.91). Further, respondents agreed that our bank allocates information resources for decision-making (a mean score of 3.97). Besides, the study revealed a β of 0.536 and a p-value of 0.001, between resource allocation and performance.

5.1.4 Monitoring

The study revealed that respondents agree that commercial banks in Kenya monitor compliance levels on regulations and practices (a mean score of 4.14). In addition, respondents also agreed that commercial banks in Kenya, conduct frequent audits on organizational change (mean of 3.73). The respondents further agreed that banks in Kenya, handle employee complaints for resistance (mean score of 4.13). Besides, respondents agreed that banks in Kenya, have a feedback platform for stakeholder opinions (mean of 3.96). Finally, the study revealed a β of 0.156 and a p-value of 0.009, between the monitoring and evaluation and commercial banks' performance in Kenya

5.2 Conclusions of the Study

The study concluded that communication had a positive and significant impact on commercial banks' performance in Kenya. The null hypothesis that communication does not have a significant influence on the performance of commercial banks in Kenya was thus rejected.

The study also concluded that employee involvement had a positive and significant influence on the performance of commercial banks in Kenya. The null hypothesis that employee involvement does not have a Significant Influence on The Performance of Commercial Banks in Kenya was also rejected.

Besides, the study concluded that resource allocation had a significant positive impact on the performance of commercial banks in Kenya. The null hypothesis that resource allocation does not have a significant influence on commercial banks' performance in Kenya was thus rejected.

Finally, the study concluded that monitoring and evaluation had a positive significant and impact on the performance of commercial banks in Kenya. The study, therefore, rejected the null hypothesis that Monitoring does not have a significant influence on the performance of commercial banks in Kenya.

5.3 Recommendations of the Study

The study recommends that commercial banks in Kenya leverage communication for purposes of improving performance, Communication should be tailored in such a way that it does not only inform but should also motivate and align the employee towards the organizational goals. Organizations should continuously evaluate the impact of communication strategies on performance metrics. Commercial banks should optimize communication channels by structuring communication plans in such a way that they include several mediums such as emails, magazine publications, intranet updates, and frequent meetings and seminars to keep employees posted on the change process.

Commercial banks in Kenya should expand the engagement avenues through regular and continuous training, to enhance employees' necessary skills as well as equip them with necessary competencies so that they can adapt to the change initiatives. The top management should also delegate responsibilities to the junior managers so that they can develop communication skills and prepare them for successful management.

The commercial banks should also promote avenues for robust feedback so that the employees' inputs and feedback can be integrated into the change initiative as well as foster transparency

within the organization. Finally, all the employees need to be made aware of any change initiatives at all times through workshops so that the commercial banks can promote a more receptive culture to change initiatives.

Commercial banks should enhance their resource allocation strategies by optimizing financial planning, and processes, ensuring effective technological integration during change processes, and involving employees by effectively training them. In addition, commercial banks should align resources such as competent employees, financial assets, and technology, to enhance the performance of commercial banks while regularly reviewing and adjusting resource allocation strategies.

Commercial banks should enhance their audit practices to ensure that they not only meet the regulatory requirements but should also be proactive in identifying possible weaknesses that require improvement. Commercial banks should foster a culture of collaboration between themselves and the stakeholders so that the employees and the customers can freely give feedback on the change processes to ensure that change outcomes serve the interests of not only the organization's goals but also the interests of other stakeholders.

5.4 Suggestions for Future Studies

A study should also be conducted with more variables, probably through the use of monitoring variables such as firm characteristics or an intervening variable like risk management. The current model with the four independent variables could only explain, 86.1% of the commercial banks' performance in Kenya.

Another study in the same area of study can also be conducted in another country outside Kenya to establish if the findings of the current study are only applicable in Kenya or can also be applied outside Kenya.

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APPENDICES

Appendix I: Letter of Introduction

RE: Request to Collect Data

I am a graduate student at the Kenya Methodist University pursuing a Master of Business Administration degree. To enable me to fulfil all the requirements for the award of a master's degree in strategic management am required to pursue research on the title “**Influence of Change Management Strategies On Performance of Commercial Banks in Kenya**”.

You have been chosen to participate in the study by filling out the attached questionnaire. There are no wrong or correct answers, just give your honest opinion. You are free to participate in the study. You can therefore choose to participate or not, besides you can withdraw from participating at any time without any repercussions. The information you are to provide will be treated with confidentiality, which no third party or unauthorized person will be able to access.

Consent given

Consent not given (Give reason).....

Yours Sincerely,

Janet Chepngetich Sitonik

Appendix II: Questionnaire

Section A: Demographic Information

1. Gender Male Female
2. How long have you been employed by your organization?
 Less than 3 years 4-5 years 6-7 years Over 7 years
3. What is your age in Years?
 less than 30 between 31-40 between 41-50 between 51-60 Above 60
4. What is your highest level of education?
Tertiary certificate Diploma Undergraduate Postgraduate

Section B: Influence of Communication on Performance

Using a five-point Likert scale of between 1 and 5, where 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA) indicate the extent to which you agree or disagree with the following statements on communication.

Statement on Communication	S D	D	N	A	S A
Our bank organizes board meetings on change management					
Our bank comes up with magazines handbook publications and articles on change management					
Our bank organizes seminars on change management					
Our bank frequently communicates about change initiatives and progress					
Our bank uses different communication channels to communicate change including memos, and social media emails.					

How does your bank communicate change initiatives?

.....
....
.....
.....

In your opinion, what is the situation of communication as the facilitator of change management for your bank? If possible, provide scenarios on instances where effective communication has enabled organizational change and ultimately performance

.....

Section C: Influence of Employee Involvement on Performance

Using a five-point Likert scale of between 1 and 5, where 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA) indicate the extent to which you agree or disagree with the following statements on Employee Involvement.

Statement on Employee Involvement	SD	D	N	A	S A
Our bank conducts workshops to enhance awareness among employees of the need for change					
Our bank provides feedback/suggestion sessions/brainstorming on the change proposals					
Our organization carries out training and development of employees to equip them with the necessary skills to transition the company through change initiatives.					
Our top management delegates responsibilities to their assistants so that they feel own the change initiative.					

What are some of the initiatives by your banks that enhance the involvement of employees in organizational change?

.....

Can you provide examples of instances where the engagement of employees in organizational change led to the fulfillment of change and ultimately performance, mention a performance indicator that improved as well?

.....

SECTION D: Influence of Resource Allocation on Performance

Using a five-point Likert scale of between 1 and 5, where 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA) indicate the extent to which you agree or disagree with the following statements on Resource Allocation.

Statement	S D	D	N	A	S A
Our bank allocates competent employees to handle the change					
Our bank takes up a proactive role in financial resource allocation through budgeting					
Our bank allocates necessary technological resources such as software, computers, and other ICT equipment and infrastructure in organizational change.					
Our bank allocates information and knowledge resources such as information systems, and databases to enable decision-making and change management					

How has resource allocation enabled the implementation of change initiatives in your bank? If possible, provide instances you have witnessed where resource allocation led to successful change initiatives.

.....

In your own opinion, what are the determinants of resource allocation in your organization during organizational change? What is the effect of the drivers of resource allocation on the performance of the banks?

.....

SECTION E: Influence of Monitoring on Performance

Using a five-point Likert scale of between 1 and 5, where 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA) indicate the extent to which you agree or disagree with the following statements on Monitoring.

Statement	SD	D	N	A	S A
Our bank conducts monitoring of bank compliance levels on regulations, procedures, and practices					
Our bank conducts frequent audits on organizational change					
Our bank has a mechanism for handling employees' complaints to minimize resistance					
Our bank has a feedback platform where stakeholders provide opinions on the effect of organizational change on banking practices, policies, and performance.					

In your opinion do you think the available monitoring initiatives on change management are effective? If so, mention how the available mechanism has enabled successful organizational change.

.....

Are there some challenges your bank has encountered in monitoring initiatives during bank management?

.....

SECTION F: Performance of the Bank

Using a five-point Likert scale of between 1 and 5, where 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA) indicate the extent to which you agree or disagree with the following statements on Performance of Bank.

Statement	SD	D	N	A	SA
Our bank profits have increased in the past five years					
Our bank sales revenues have increased past five years					
Our bank customer base has increased past five years					
Our bank employees' number has increased past five years					

SECTION G: Performance Schedule

Statement	2017	2018	2019	2020	2021	2022
Profits						
total assets						
ROA						
total shareholders fund						
ROE						
Number of accounts depositors/customers						

Thanks for your participation

Appendix III: List of Commercial Banks in Kenya

- 1) Access Bank (Kenya) PLC
- 2) African Banking Corporation Ltd
- 3) Bank of Africa Ltd
- 4) Bank of Baroda (Kenya) Limited
- 5) Bank of India
- 6) Citibank N.A. Kenya
- 7) Consolidated Bank of Kenya Limited
- 8) Co-operative Bank of Kenya Ltd
- 9) Credit Bank Ltd
- 10) Development Bank of Kenya Ltd
- 11) Diamond Trust Bank Kenya Limited
- 12) DIB Bank Kenya Ltd
- 13) Ecobank Kenya Ltd
- 14) Equity Bank Kenya Ltd
- 15) Family Bank Ltd.
- 16) First Community Bank Ltd
- 17) Guaranty Trust Bank
- 18) Guardian Bank Limited
- 19) Gulf African Bank
- 20) Habib Bank AG Zurich
- 21) HFC Ltd
- 22) I M Bank Limited
- 23) KCB Bank Kenya Ltd
- 24) Kingdom Bank Limited
- 25) Mayfair CIB Bank Limited
- 26) Middle East Bank (K) Ltd
- 27) Habib Bank Ltd.
- 28) Bank of Baroda (K) Ltd.
- 29) ABSA Bank of Kenya Ltd.
- 30) Diamond Trust Bank Kenya Ltd.

- 31) K-Rep Bank Ltd.
- 32) Standard Chartered Bank (K) Ltd.
- 33) Ecobank Ltd
- 34) Gulf Africa Bank (K) Ltd
- 35) First Community Bank
- 36) Bank of Africa (K) Ltd.
- 37) UBA Kenya Bank Limited
- 38) Consolidated Bank of Kenya Ltd.

Appendix IV: Research Authorization Letter



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya
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DIRECTORATE OF POSTGRADUATE STUDIES

June 27, 2023

Commission Secretary
National Commission for Science, Technology and Innovations
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: JANET CHEPNGETICH SITONIK (REG. NO. BUS-3-5909-3/2008)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's Degree in Business Administration. She is conducting research on: "The Influence of Change Management Strategies on Performance of Selected Commercial Banks in Kenya".

We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.

Yours sincerely,



Dr. John M. Muchiri (PhD)
Dean, Postgraduate Studies

Cc: Dean SBUE
CoD, Business Administration
Postgraduate Coordinator
Supervisors

Appendix V: NACOSTI Letter

 **REPUBLIC OF KENYA**

 **NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **497851** Date of Issue: **23/August/2023**

RESEARCH LICENSE



This is to Certify that Ms. Janet Chepngetich Sitoni of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: **The Influence of change management strategies on performance of commercial banks in Kenya for the period ending : 23/August/2024.**

License No: **NACOSTI/P/23/28659**

497851
Applicant Identification Number


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INNOVATION

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See overleaf for conditions

Appendix VI: Secondary Data

	Profits (Mns)	Total assets (Mns)	ROA (%)	Total shareholders fund (Mns)	ROE (%)	Number of depositors (N)
N	39	39	39	39	39	39
Mean	5,613.731	161,691.808	.6192	23222.167	7.3308	1711284.846
Std. Deviation	10779.1731	231910.6626	6.1231 2	32160.5057	26.3144 1	5785270.228 7
Minimum	-1116.5	3368.5	-33.60	-212.5	-92.95	1824.0
Maximum	44707.0	898874.0	5.75	123608.5	40.85	33556831.0