

**INFLUENCE OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON
PERFORMANCE OF TIER ONE COMMERCIAL BANKS IN NAIROBI
COUNTY, KENYA**

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DECLARATION AND APPROVAL

Declaration by student

This thesis is my original work and has not been presented for a degree in any other University or for any other award.

Signature



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Recommendation by the supervisor

I confirm that the work reported in this thesis was carried out by the candidate under my supervision

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DEDICATION

This thesis is dedicated to my family, who have been my greatest source of strength due to their everlasting support, encouragement, and sacrifices. My sincere appreciation also goes out to my friends and mentors, who encouraged and helped me during this academic endeavor.



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Firstly, I wish to convey my sincere gratitude to my supervisors, whose exceptional guidance, patience, and expertise have been pivotal in the successful completion of this thesis. Their insightful feedback and constant encouragement have not only shaped my research but also enhanced my academic growth. I truly appreciate the time and effort they dedicated to ensuring this work meets the required standards, and for their unwavering support throughout this academic journey.

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ABSTRACT

The banking industry has experienced substantial transformations, including regulatory reforms, technological innovations, and heightened competition, which have driven banks to adopt strategic change management practices. Kenya's banking industry continues to grapple with hurdles like diminishing profitability, lower returns on assets and equity, and the collapse of institutions such as Chase Bank, Imperial Bank Kenya, and Dubai Bank due to financial instability. Notably, limited research has holistically analyzed the combined effects of key strategic change management practices on commercial banks' performance in Nairobi. This study sought to assess how communication, leadership, employee training, and organizational culture affect the performance of tier-one commercial banks within Nairobi County. The main anchoring theory in this study was Kotter's Change Model. Adopting a descriptive research design, the study focused on a target population of 463 bank managers at various levels—senior, middle, and lower tiers. The sample size was calculated using the Yamane (1947) formula and selected through both stratified and purposive sampling. Data collection involved structured questionnaires using a five-point Likert scale. Analytical methods included both descriptive and inferential statistics, with results displayed in tables, graphs, and pie charts. The study highlighted that communication, leadership, staff development, and organizational culture significantly impact the performance of tier-one banks, offering essential insights for managers and policymakers. It also recommended further investigation to enrich the strategic management literature. While communication channels exist, their effectiveness is not fully realized by all employees, necessitating improved transparency and feedback mechanisms. Leadership significantly impacts change management, goal-setting, and innovation, but inconsistencies in engagement highlight the need for more inclusive leadership strategies. Additionally, staff training enhances employee performance and adaptability, while a strong organizational culture fosters teamwork, transparency, and customer satisfaction, all of which are critical for sustained bank performance. Correlation results showed that communication had a strong positive relationship with tier-one commercial banks' performance ($r = 0.815$, $p = 0.000$). Leadership also showed a significant positive correlation ($r = 0.824$, $p = 0.000$), while staff training exhibited a strong positive association ($r = 0.781$, $p = 0.000$). Organizational culture further demonstrated a positive link ($r = 0.809$, $p = 0.000$). Regression analysis confirmed that communication, leadership, staff training, and organizational culture jointly enhanced bank performance, with each variable significantly contributing to operational success. The study recommended enhancing communication effectiveness, strengthening leadership involvement in change processes, improving staff training relevance, and fostering an inclusive, performance-driven organizational culture to address identified gaps and improve overall bank performance outcomes.

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| CBK | Central Bank of Kenya |
| KES | Kenya Shillings |
| NACOSTI | National Council of Science and Technology |
| PU | Perceived Utility |
| PEU | Perceived Ease of Use |
| STM | Strategic Change Management |
| SPSS | Statistical Package for Social Sciences |
| TAM | Technology Acceptance Model |
| BI | Business Intelligence |
| RBV | Resource Based View Theory |
| OECD | Organisation for Economic Co-operation and Development |
| VIF | Variance Inflation Factor |

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter summarizes the study's background, objectives, key variables, significance, and scope, emphasizing strategic change management's influence on commercial banks' performance in Kenya.

1.1 Background of the Study

The global banking sector has evolved through enormous transformation over the recent few decades, which has been attributed by rapid technological advancements, increased competition, regulatory changes, and shifting consumer preferences. The International Monetary Fund (2020) reported that worldwide, banks are increasingly adopting digital banking technologies, which resulted in a 61% rise in mobile banking use from 2014 to 2019. These changes compel banks to engage in strategic management practices to sustain competitiveness and relevance in the evolving marketplace. Moreover, the need for efficient change management practices is underscored by the fact that approximately 70% of organizational change initiatives fail, leading to massive economic losses (Kotter & Cohen, 2021). As such, effective management of change is vital for maintaining performance and profitability in an era inundated with disruption. High performing organizations recognize the need for a coherent strategic change management framework, which encompasses a variety of components that can ultimately enhance performance across different sectors, including banking.

According to Bhatti et al. (2021), effective change management, which includes communication, leadership, staff training, and organizational culture, determines how well organizations adapt to dynamic environments. For instance, in 2008 the United States

banking sector experienced notable structural shifts following the global financial crisis, leading to the adoption of new leadership frameworks and communication strategies to restore profitability and performance (Johnson, 2021). Similarly, in Europe, countries like Germany and the United Kingdom have embraced digital transformation and robust training programs to address evolving customer needs and improve operational efficiency (Smith & Brown, 2020). These examples underscore the importance of strategic change management practices in enhancing bank performance globally.

The banking sector in Africa, especially in East Africa, offers a unique combination of opportunities and challenges. The African Development Bank (2021) reports that Sub-Saharan Africa's banking industry has grown quickly, with assets quadrupling between 2000 and 2018. However, just 43% of individuals have access to formal financial services, indicating that financial inclusion is still a major problem despite this rise (World Bank, 2021).

The African banking industry has not been immune to the dynamic changes shaping the global financial landscape. Countries like South Africa, Nigeria, and Egypt have witnessed the adoption of strategic change management practices to improve banking performance amid economic uncertainties. For instance, South Africa's banking sector has embraced communication and leadership strategies to foster innovation and improve customer satisfaction, contributing to its consistent growth (Moyo & Sibanda, 2021). Similarly, Nigerian banks have integrated staff training and organizational culture change to address operational inefficiencies and enhance competitiveness in the region's financial markets (Okeke et al., 2021). In spite of these efforts, the performance of African banks remains uneven, with profitability and return on assets varying significantly across countries. These trends stress the necessity for effective change

management strategies to tackle contextual challenges and improve performance in the region's banking industry.

Countries like Rwanda, Uganda, and Tanzania have implemented strategic change management practices to improve bank performance and customer service delivery. For example, Rwanda's financial sector has prioritized staff training and leadership development to align with national economic growth goals (Munyaneza, 2021). In Uganda, communication strategies and organizational culture reforms have played a significant role in enhancing operational efficiency and market competitiveness among commercial banks (Namutebi et al., 2022). Despite these efforts, the region still faces challenges, including regulatory compliance, financial sustainability, and shifting customer expectations. These dynamics demonstrate the critical role of change management practices in addressing sectoral challenges and improving bank performance within East Africa.

In this context, Nairobi County's top-tier commercial banks have been gradually investigating ways to enhance their performance and operations by implementing strategic change management techniques. Nairobi's designation as the political, economic, and technical center of East Africa makes it an especially pertinent option for the target area. Nairobi is a great place to research how strategic management techniques affect performance since it is home to several tier one banks, such as Equity Bank, Kenya Commercial Bank, and Standard Chartered Bank.

Nairobi's banking sector is characterized by intense competition, with multiple domestic and international banks vying for market share. As reported by the Central Bank of Kenya (2022), the total number of licensed banks in Kenya stood at 39, creating a competitive environment that necessitates the adaptation of innovative change management practices.

Furthermore, customer expectations are rapidly evolving in response to technological advancements, leading to an urgent need for banks to align their strategies accordingly. In this context, banks need to gauge the impact of communication, leadership, staff training, and organizational culture on their performance. A 2022 survey by Deloitte found that banks that focus on implementing strong change management practices generally achieve higher customer satisfaction and greater market share growth compared to their competitors.

The significance of communication in change management has been emphasized in various studies, which indicate that effective communication strategies enhance employees' understanding of change initiatives, thereby leading to improved organizational performance (Buchanan et al., 2020). Leadership also plays a pivotal role in guiding organizations through transitional phases. A study by Blanchard et al. (2020) highlighted that transformational leaders who actively engage employees during change processes can significantly boost performance outcomes. This situational dependence suggests that strategic change management is not only influenced by topdown processes but fundamentally relies on the involvement and commitment of team members throughout the organization.

Furthermore, the importance of staff training in equipping employees with the essential capabilities to adapt to change cannot be overstated. Research shows that organizations that invest in employee development report a 24% increase in productivity and a 19% increase in revenue per employee (Lazari, 2021). In the context of Nairobi's tier one banks, developing a workforce that can navigate change adeptly positions firms for long-term success. Finally, the organizational culture can either facilitate or hinder strategic change; a culture that embraces

flexibility, innovation, and collaboration is generally more conducive to sustaining high performance during transitions (Kotter, 2020).

1.1.1 Strategic change Management practices and Commercial Banks performance

This includes significant financial breakthroughs, globalization, technology developments, especially in mobile and internet banking, legislative reforms, and greater rivalry from many stakeholders. Over the last five years, there have been significant changes in the banking industry. While some banks have demonstrated robust performance during this period, most commercial banks have faced a decline in their performance.

Strategic change management ensures that organizational changes, technological changes, and organizational processes are implemented smoothly by employers, departmental managers, and all the stake holders (Bhatti et al., 2021). Karambu, (2021) defines organizational transformation as the process of improving efficiency, effectiveness, and profitability across the enterprise. It is also crucial to maintain a competitive advantage. The market is always evolving. Organizational transitions can result to favorable and unfavorable outcomes. Organizational transformation is often considered as essential for guaranteeing the sustainability of strategy.

If business managers want their company to survive the current business transformations, they must be ready to adapt their operations to better suit developments in the market. Significant changes in system operations and the production of products and services are driven by a number of reasons, including information networks, the global economy, market circumstances, political

sustainability in the business environment, and technical improvements (Mostafiz, Md Imtiaz, 2020).

Global managers concur that evolutions in technology, the surrounding market environment, the global economy, information systems, working conditions, and political stability all have a significant impact on how goods and services are produced and provided. Organizations that are sluggish to adapt to these changes are faced with an extrinsic environment that is highly volatile, dynamic, strenuous, and frustrating due to the changes in the business environment. It asserts that adjustments to management practices ought to be in step with the ever-evolving nature of markets, evolving workplace moral dilemmas, and management control frameworks (Mostafiz, Md Imtiaz, 2020).

The way financial markets are changing is one obvious environmental shift. This can be explained by the banking industry's explosive growth, which has spurred the development of innovative approaches to the provision of financial services. As a result, banks have improved their competitiveness and taken charge of the financial markets. Through designs, reorganized bank operations, cost-cutting measures, and improved financial performance, these strategic management reforms have been accomplished (Stanley & Meyer, 2016). This study aims to examine how organizational culture transformation affects tier one commercial banks' performance in Nairobi County, Kenya, in terms of leadership, management, training, and communication tactics.

1.1.2 Communication and performance

When information is appropriately communicated to the intended consumers, it is considered effective communication. It is critical that workers are aware of the

changes taking place in their roles. They ought to be inspired to be more devoted to the transformation (Nwachukwu et al., 2020). Employee involvement gives staff members the chance to have a greater say in the change management process, which improves organizational performance. Workers in more contemporary management styles are dynamic and firmly believe that, even though directors and their staff members have different points of view, they have a significant advantage when working together to achieve corporate objectives.

1.1.3 Leadership and performance

Imam and Zaheer (2021) emphasizes the importance of leadership in shaping an organization's strategic orientation. Change initiatives represent an organization's future orientation, whereas change the board represents change cycles. Without effective leadership, change efforts may fail due to a lack of understanding of the vision and how to achieve it. Munala (2023) conducted a study indicating a significant correlation between leadership and performance.

1.1.4 Training and performance

Training is vital for improving organizational performance because it equips workers with the skills, information, and abilities they need to accomplish organizational objectives. In the banking industry, ongoing employee training has been found to be a major factor in increased creativity, client happiness, and productivity. Commercial banks' training initiatives improve staff competencies, allowing them to adjust to changing market demands and technology breakthroughs (Muriuki and Wangui, 2022). For instance, in countries such as the United States and Germany, investment in regular training programs has

significantly improved employee efficiency and service delivery, contributing to increased competitiveness in the banking industry.

In Africa, staff training has become increasingly important as banks strive to compete in a fast-changing financial environment. For example, Nigerian commercial banks have implemented targeted training programs to develop employees' technological and customer service skills, resulting in improved operational efficiency and profitability (Okeke et al., 2021). Similarly, South African banks have embraced leadership development and digital training initiatives to meet the demands of a competitive and technology-driven market (Moyo & Sibanda, 2021). These training efforts are critical in enabling employees to handle complex tasks, meet customer expectations, and contribute to the overall performance of their respective organizations. Despite these strides, training gaps remain, particularly in areas such as digital transformation and risk management.

In Kenya, the dynamic banking sector has recognized the importance of training in driving performance among commercial banks. With the rise of digital banking and increased competition, training programs have become essential in equipping employees with technical and soft skills needed to meet evolving market needs. For instance, Nyakio and Hassan (2023) highlight that tier-one banks in Kenya, such as Equity Bank and Kenya Commercial Bank (KCB), have adopted regular employee training initiatives to improve service delivery, enhance employee productivity, and foster innovation. Furthermore, training enables employees to adapt to technological changes, such as the implementation of mobile banking and automated systems, ensuring operational efficiency and customer satisfaction.

1.1.5 Organizational culture and performance

Organizational culture includes beliefs, ideas, techniques, expectations, opinions, standards, and values. The set of assumptions that employees have made during the problem-solving learning process forms the basis of organizational culture (Schein E.,

1995). Organizations create criteria and measure employees' performance against them. According to Kenney et al. (1992), good performance means accomplishing assigned tasks in line with established standards. Employee performance pertains to their efforts in reaching organizational goals at work (CASICO, 2006).

According to Morgan and Zeffane (2013), change management affects both organizational culture and individual performance. Some organizations possess a culture that encourages people to explore, be curious, and diversify ideas for effective change management. Palmer (2016) suggests that organizational culture-based reforms can lead to positive outcomes. Employees come to create a more robust life and become deeply engaged to performance. Strategic change management can effectively respond to new changes by observing organizational culture at the banking industry.

1.1.6 Commercial Banks in Kenya

Kenya's banking industry, the most developed in the East African region, has faced significant disruptions in recent years due to increased competition, regulatory changes, and shifting market demands. Tier-one commercial banks, which include large banks such as Kenya Commercial Bank (KCB), Equity Bank, and Co-operative Bank, dominate the sector by controlling over 70% of the market share (CBK, 2021). However, these banks have experienced declining profitability, with

the sector's profit before tax decreasing from KES 140 billion in 2019 to KES 107.3 billion in 2020 (CBK, 2021). This decline has been attributed to leadership gaps, poor communication, limited staff training, and organizational culture misalignments, particularly in the face of technological disruption and changing consumer behaviors. To address these challenges, tier-one banks have increasingly adopted strategic change management practices to improve their performance and maintain competitiveness.

Since the headquarters of all tier-one commercial banks are located in Nairobi County, Kenya's financial center, it serves as a central location for analyzing how strategic change management techniques affect bank performance. In order to create organizational success, the county's commercial banks must embrace strong leadership, communication, training, and cultural practices in their fiercely competitive and dynamic operating environment. According to Nyakio and Hassan (2023), effective communication strategies within banks improve employee alignment with organizational goals, resulting in enhanced operational efficiency and customer satisfaction. In the same way, effective leadership frameworks are known to encourage innovation and flexibility in adapting to market shifts, while well-rounded employee training programs enhance productivity and skill growth (Muriuki & Wangui, 2022). Organizational culture, on the other hand, influences the values, behaviors, and attitudes that drive bank performance, particularly in competitive environments.

This study focuses on tier-one commercial banks in Nairobi County to determine the effect of strategic change management practices on their performance. The study will examine communication, leadership, staff training, and organizational

culture as key variables that influence bank performance. Given the significance of Nairobi's banking sector to Kenya's economy, understanding how these practices contribute to performance is critical for addressing existing challenges and improving the sector's resilience. The results of this study will offer important insights for bank managers, policymakers, and stakeholders on the implementation of effective change management strategies to enhance organizational performance.

1.2 Statement of the Problem.

The banking industry has seen numerous changes within the last five years. This includes changes to regulations, advancements in technology, particularly in the areas of online and mobile banking, increased financial innovation, internalization, and increased competition from other firms. To keep up to the dynamic changes, banks have implemented strategic change management practices to ensure that organizational changes, technological changes, and organizational processes are implemented smoothly by employers, departmental managers, and all the stake holders. Despite the integration of the strategic change management practices, Kenya's banking industry saw a sharp decline in profitability in 2020. Profit before taxes in 2020 amounted to KES 107.3 billion, marking the lowest figure recorded since 2012 (CBK, 2021). In 2020, it was KES 140 billion. From 4.7% in 2013 to 3.86% in 2015 to 3.33% in 2016, return on assets has declined. Furthermore, according to the Bank Supervision Annual Report, return on equity dropped from 29.2% in 2013 to 24.4% in 2015 to 20.68% in 2017. Given the intense competition in the banking industry, some banks that were unable to implement competitive strategic changes that would have allowed

them to stay competitive have collapsed and entered receivership (Ngugi et al., 2021). For example, Chase Bank encountered financial issues, which resulted in its receivership. Two more banks, Imperial Bank Kenya and Dubai Bank of Kenya, were placed into receivership by the CBK This situation demonstrates the practice issue with regard to Kenya's commercial banks' financial performance.

Available literature on studies (see literature review matrix) for instance Muriuki and Wangui, (2022), Nyakio Hassan (2023) (2020), Gitong'a (2020), Karambu, (2021), Munala (2023), James (2022), Wang'ombe (2021) have indicated that no known scholar has done a study combining all the four independent variables and the independent variable in commercial banks in Nairobi, Kenya as explained in this study. The study examined how change management practices affected tier-one bank performance in Nairobi and offered recommendations and future research directions to fill existing gaps.

1.3 Purpose of the study

The purpose of the study was to investigate influence of strategic change management practices on performance of tier one commercial banks in Nairobi County, Kenya.

1.3.1 Specific Objectives

The specific objectives of the current study were derived from the study variables and include:

- i. To assess how communication affects the performance of tier-one commercial banks in Nairobi County, Kenya.
- ii. To assess how leadership influences the performance of tier-one commercial banks in Nairobi County, Kenya.

- iii. To determine the influence of staff training on the performance of tier-one commercial banks in Nairobi County, Kenya.
- iv. To analyze the role of organizational culture in shaping the performance of tier-one commercial banks in Nairobi County, Kenya.

1.5 Research Hypotheses

The study sought to test the following hypotheses derived from the specific objectives;

H₀₁: Communication does not have a statistically significant influence on performance of tier one commercial banks in Nairobi County in Kenya.

H₀₂: Leadership does not have a statistically significant influence on performance of tier one commercial banks in Nairobi County in Kenya.

H₀₃: Staff training does not have a statistically significant influence on performance of tier one commercial banks in Nairobi County

H₀₄: Organizational culture does not have a statistically significant influence on performance of tier one commercial banks in Nairobi County

1.6 Significance of the Study

The findings of this study are of significant benefit to commercial banks in Nairobi County, particularly tier-one banks. By understanding the effect of strategic change management practices—such as communication, leadership, staff training, and organizational culture, banks can implement more effective strategies to improve performance. Bank managers and executives can gain valuable insights into how to align their change management practices with organizational goals to enhance operational efficiency, customer satisfaction, and profitability. This enables commercial banks to remain competitive in a dynamic financial

environment, ensuring sustainable growth and resilience amidst economic and market challenges.

Policymakers and regulatory bodies, such as the Central Bank of Kenya (CBK), can also benefit from the study. The research provides evidence-based insights into the factors affecting bank performance, which informed the development of policies and regulations aimed at strengthening the banking sector. By understanding how strategic change management influenced organizational performance, policymakers formulated frameworks that encouraged innovation, effective leadership, and staff capacity building within the banking industry. This fostered a robust financial sector that contributed to Kenya's economic stability and development.

Scholars and researchers wishing to investigate the connection between organizational performance and strategic change management found the study to be beneficial as well. By filling in the gaps in earlier study, the discoveries add to the body of information already in existence and lay the groundwork for future investigations. The study can serve as a benchmark for future researchers looking to investigate comparable links in different industries or geographical areas, furthering the scholarly conversation on organizational performance and change management techniques. Additionally, the study inspired scholars to combine new variables or adopt different methodologies to build on the findings.

The study benefits employees and other stakeholders within the banking industry. Employees can gain from improved communication, leadership practices, training programs, and positive organizational cultures that resulted from the study's recommendations. These improvements can enhance job satisfaction, motivation,

and productivity, ultimately contributing to the achievement of organizational goals. Other stakeholders, including shareholders and customers, benefited from better-performing banks that delivered quality services, ensured financial stability, and fostered trust within the sector. This can create a ripple effect, positively impacting Kenya's broader economic and social development.

1.7 Scope of the Study

The impact of strategic change management techniques on the operations of tier-one commercial banks in Nairobi County, Kenya, was the main focus of this study. It specifically looked at the effects of four important strategic change management factors on bank performance: organizational culture, staff training, leadership, and communication. Tier-one banks, which are categorized according to their substantial market shares, substantial asset bases, and influence in Kenya's financial system, were the focus of the study. The study's concentration on Nairobi County's tier-one banks guaranteed a targeted examination of organizations essential to the nation's banking sector, which increased the relevance and actionability of the results.

Geographically, the study was limited to Nairobi County, which is the financial hub of Kenya and hosts the headquarters of all tier-one commercial banks. Nairobi provided a suitable context for this research due to its dynamic banking environment characterized by intense competition, technological advancement, and regulatory pressures. This environment made it essential for banks to adopt strategic change management practices to remain competitive. The choice of Nairobi County ensured accessibility to respondents, including bank managers,

employees, and other relevant stakeholders, who are instrumental in implementing and experiencing change management practices.

The study focused exclusively on tier-one commercial banks in Nairobi due to their significant market influence and ability to implement large-scale strategic changes. Using both qualitative and quantitative methods, it offered insights into change management's impact on performance, though findings may not apply to lower-tier banks or institutions outside Nairobi due to operational and structural differences. This study was conducted between December 2024 and May 2025.

1.8 Limitations of the Study

A key limitation of the study was respondents' hesitance to share confidential details about bank performance and strategic practices. This may have affected data accuracy. To address this, the researcher ensured anonymity, emphasized academic use, and provided consent forms to encourage honest participation.

Another limitation was the busy schedules of bank managers and employees, which delayed data collection. Tier-one commercial banks operate in a fast-paced environment, making it challenging for targeted respondents to allocate time for interviews or filling out questionnaires. To address this, the researcher adopted flexible data collection methods, such as scheduling appointments at the convenience of respondents, using online surveys where applicable, and sending follow-up reminders to ensure timely participation without disrupting their work schedules.

Lastly, the study faced the risk of respondent bias, where some participants provided socially desirable responses rather than honest opinions, especially on sensitive organizational issues like leadership and culture. To minimize this, the

researcher designed clear, neutral, and non-leading questions in the questionnaire and assured respondents that there were no right or wrong answers, emphasizing the need for honest and accurate information to support academic research objectives.

1.9 Delimitations of the Study

This study was limited to examining how internal strategic change management practices—specifically communication, leadership, staff training, and organizational culture—affected the performance of tier-one commercial banks in Nairobi County. It excluded external factors like market forces or technological shifts, focusing solely on internal operations. Nairobi was chosen due to its role as Kenya’s financial hub, ensuring contextual relevance.

Additionally, the study was limited to tier-one commercial banks, which are defined by their large market share, asset base, and critical role in Kenya’s banking sector. Tier two and tier-three banks were excluded to ensure that the study remained focused on institutions with sufficient capacity to implement and sustain large-scale strategic changes. By concentrating on these banks, the study provided a deeper understanding of strategic change management practices within highly influential financial institutions in Kenya.

1.10 Assumptions of the Study

The study assumed that respondents, including managers and employees of tier-one commercial banks in Nairobi County, offered truthful and informed responses, understanding the study’s purpose and reflecting on their actual experiences. It also presumed that communication, leadership, staff training, and organizational culture

significantly influenced bank performance, based on existing literature highlighting these as essential drivers of effective strategic change.

Lastly, the study assumed that tier-one commercial banks in Nairobi County operated under similar market conditions and regulatory frameworks, making the findings applicable across these institutions. This assumption enabled the researcher to generalize the results to the targeted population of tier-one banks while acknowledging the unique aspects of individual banks that may have introduced slight variations.

1.11 Operational Definition of Key Terms

Strategies: refer to deliberate action plans guiding decision-making in banks.

Strategic change management: involves structured approaches to transitioning organizational processes.

Bank performance: denotes the measurable outcomes of a bank's operational efficiency, profitability, market share growth, and customer satisfaction resulting from effective management practices.

Communication: refers to the structured and timely exchange of information across all hierarchical levels in a bank, facilitating coordination, decision-making, and smooth implementation of strategic changes.

Leadership: refers to the ability of senior management and supervisors to influence, guide, and motivate staff toward achieving institutional goals, while effectively managing organizational changes and fostering innovation.

Staff training: refers to continuous professional development programs and capacity-building initiatives designed to equip bank employees with updated knowledge, technical skills, and competencies necessary for enhancing service delivery and adapting to organizational changes.

Organizational culture represents the shared values, beliefs, attitudes, and behavioral norms within a banking institution that shape employee conduct, customer service standards, teamwork, and adaptability to change.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a comprehensive review of associated literature, covering the theoretical framework, conceptual framework, discussion of independent and dependent variables, critique, and a summary of the literature review.

2.1 Empirical Literature Review

2.1.1 Communication and Performance of Commercial Banks

When information is appropriately communicated to the intended consumers, it is considered effective communication. It is critical that workers are aware of the changes taking place in their roles. They ought to be inspired to be more devoted to the transformation. Nwachukwu et al., (2020). Employee involvement gives staff members the chance to have a greater say in the change management process, which improves organizational performance. Workers in more contemporary management styles are dynamic and firmly believe that, even though directors and their staff members have different points of view, they have a significant advantage when working together to achieve corporate objectives.

Research on the performance of the organization and change management tactics of Kenyan family bank branches in Nairobi County was carried out by Muriuki and Wangui in 2022. Finding out how employee participation impacts organizational performance, how effective communication impacts organizational performance, how staff training impacts organizational performance in Family Bank Limited, and how effective leadership impacts organizational performance in Family Bank Limited were

the specific goals of the research study. This study was grounded in the concepts of resource-based theory, profit maximization, Mintzberg theory, and Quinn's theory of change. The main research design used in this study was descriptive surveys.

Limited Ongwesa (2014) conducted a study to ascertain the correlation between the performance of Kenyan telecommunications businesses and their change management techniques. The study's conclusions showed how crucial it is for the change agent and the staff members executing the change process to communicate with one another. Elving (2005) also conducted study to ascertain the function of communication in the process of change management. In a similar vein, this study found that communication is a fundamental component of change management since it is necessary to share the objectives of the change plan with the pertinent parties and to report both the progress and the outcomes.

Nyakio (2020) conducted a study on the performance of commercial banks in Nyeri County, Kenya, with a focus on change management strategies. The main goal of the study was to determine the effects of communication, leadership, organizational learning, and stakeholder involvement on the financial performance of commercial banks in Nyeri County, Kenya. The study employed a descriptive survey research approach. The study sample consisted of 60 participants who worked as branch managers, accountants, credit managers, and marketing managers for 15 commercial banks in Nyeri County, Kenya. A census approach was used to perform the investigation.

2.1.2 Training and Performance of Commercial Banks

Nwachukwu et al. (2020) emphasized the importance of internal change management practices, particularly employee training, in equipping employees with necessary skills, knowledge, and understanding of institutional goals. They highlighted how training enhances employee effectiveness by modifying their knowledge, skills, and attitudes, thereby improving institutional performance and stability.

Hassan (2023) studied how the operational efficiency of Kenya's Kakamega County Referral Hospital was affected by internal change management practices. Using descriptive research, the study examined the influence of organizational culture, structure, staff training, and technology adoption. 551 employees from five hospital departments participated in the study, which used simple random sample and stratified sampling. The hospital's performance was shown to be considerably and favorably impacted by information technology, organizational culture, structure, and staff training.

Gitong'a (2020) examined the impact of staff training on the operational efficiency of three-star hotels in Kenya's Nakuru County using a descriptive research methodology. The study's sample of 357 county government employees was determined using Krejcie & Morgan's table. The data was analyzed using descriptive and inferential statistics, demonstrating that staff training greatly enhanced company performance.

Samwel (2018) studied the impact of employee training on organizational performance in drilling businesses across Geita, Shinyanga, and Mara regions of Tanzania. The study, using purposive and simple random sampling, involved 219 respondents who completed a questionnaire. Descriptive statistics showed that

employee training significantly enhances drilling company performance, though ineffective training and development policies were identified.

Sackett and Mullen (2015) examined the role of internal training during transformation processes in commercial banks in Vienna, Austria. The study, involving 124 managers and assistant managers, used structured questionnaires for data collection. It found that change management training improves workforce skills, enabling employees to achieve organizational goals effectively. The study recommended regular training for employees, both on and off the job, in an advanced economy with less competition than Kenya.

2.1.3 Leadership and Performance of Commercial Banks

The significance of leadership in determining an organization's strategic orientation is emphasized by Imam and Zaheer (2021). Change initiatives may fail if there is insufficient leadership because people may not comprehend the vision or how to make it a reality. The majority of corporations think that encouraging hierarchical presentation and change requires strong leadership. In change management, leadership is essential. For this reason, poor leadership jeopardizes an organization's capacity to successfully execute change.

Karambu (2021) conducted study to ascertain the impact of strategic change management on the efficacy of county development efforts in Meru County, Kenya. The primary goal of the study was to evaluate the effects of organizational policies, worker commitment, and funding on the effectiveness of these activities. Targeting 139 participants from nine Meru County subcounties, the study used descriptive research methodologies. Participants included county chief officials, members of county assembly, department heads, and members of project management committees.

Questionnaires were filled out by 103 randomly selected individuals, yielding numerical data that was examined using SPSS's descriptive and inferential statistics. The results showed that leadership and the effectiveness of county government development programs in Meru County were significantly positively correlated.

Munala (2023) studied the Kenya Medical Training College's organizational efficiency and plan execution. The study, which took a descriptive research technique, used a census method to enroll all 84 of the college's senior management personnel. A Likert scale questionnaire was used to gather the data, and SPSS version 26 was used for analysis. Descriptive statistics were used to describe the study's findings, which showed that organizational performance, strategic leadership, and effective communication at the Kenya Medical Training College were positively correlated.

2.1.4 Organizational culture and Performance of Commercial Banks

Organizational culture encompasses beliefs, ideas, techniques, expectations, opinions, standards, and values. The set of assumptions that employees have made during the problem-solving learning process forms the basis of organizational culture (Schein E., 1995). Organizations create criteria and measure employees' performance against them. According to Kenney et al. (1992), good performance refers to completing assigned tasks in accordance with standards. Employee performance refers to their efforts in achieving organizational objectives at work. (CASICO, 2006)

According to Morgan and Zeffane (2013), change management affects both organizational culture and individual performance. Some organizations possess a culture that encourages people to explore, be curious, and diversify ideas for effective change management. Palmer (2016) suggests that organizational culture-based

reforms can lead to positive outcomes. Employees come to create a more robust life and become deeply engaged to performance. Strategic change management can effectively respond to new changes by observing organizational culture at the banking industry.

In Nairobi City County, Kenya, Wang'ombe (2021) looked into how organizational change impacts coffee commercial marketing agents' performance. The survey, which targeted 33 top managers from 11 marketing businesses, concentrated on leadership, technical advancements, structure, and culture. Semi-structured questionnaires were employed to gather data for the descriptive design, and SPSS version 20 was used for analysis. Regression analysis, means, and percentages were among the descriptive and inferential statistics used. Although complete implementation of changes had not yet been accomplished, the results showed a favorable association between organizational culture and structure and these agents' performance, suggesting that change adoption may still be improved.

James (2022) evaluated the moderating influence of business intelligence (BI) and investigated the effects of corporate strategy, structure, culture, and operational procedures on the profitability of Saccos in Nairobi County, Kenya. All 38 Saccos were the focus of the study, which used a descriptive research methodology and proportional random sampling to pick participants. Self-administered questionnaires were used to gather the data, and both descriptive and inferential statistics were used for analysis. The findings, presented in tables and pie charts, revealed that corporate strategy, culture, and business processes significantly impact performance. Regression analysis confirmed a strong positive correlation, highlighting the strategic value of BI in enhancing organizational planning and decision-making.

Poku and Owusu (2013) used a quantitative technique to investigate the connection between cultures and banking performance, concentrating on Ghana's banking Sacco sector. According to the study, there is a favorable correlation between organizational culture in banks and IT engagement, regulatory involvement, and emotional participation. In order to increase employee engagement and enhance overall organizational performance in the global banking industry, these findings highlighted the need of cultivating a supportive culture.

2.2 Theoretical Framework

The theoretical review of this work will be grounded on hypotheses that link strategic change management practices to commercial bank performance. The theories covered encompasses: Resource based view theory, Kotters Change Model, Schein's Theory of Organizational Culture and Technology Acceptance model.

2.2.1 Resource Based View Theory (RBV)

According to Penrose (1959), he argues that a firm's success hinges largely on its unique resources, which can confer a sustained competitive advantage. Barney (2001) extends this notion, defining firm resources as encompassing all assets, both internal and external capabilities, information, organizational attributes, and knowledge controlled by the firm. These resources enable firms to develop and execute strategic initiatives that enhance efficiency and appropriateness (Afuha, 2010). Such resources represent core competencies that are specific to the firm, difficult for competitors to replicate, and crucial for achieving superior organizational performance, provided they possess distinct attributes such as utility, scarcity, efficiency, and irreplaceability.

Barney (2001) further emphasizes that strategic focus should be placed on leveraging both internal capabilities and external opportunities through effective organizational change practices. According to Afuah (2010), internal competencies like change management are pivotal for establishing sustainable competitive advantages over the long term.

The Resource-Based View (RBV) theory emphasizes that a bank's sustainable competitive advantage and performance stem from its unique internal resources and capabilities, such as skilled staff, effective leadership, strong organizational culture, and efficient communication systems (Barney, 1991). In the banking sector, RBV underscores the strategic importance of leveraging intangible assets like staff competencies and organizational routines to drive performance and adaptability during change processes (Wernerfelt, 1984). This theoretical lens is crucial for understanding how internal factors like training and leadership foster organizational resilience and competitive positioning. However, the RBV has notable shortcomings, particularly its inward focus, which often overlooks external environmental factors such as market competition, regulatory changes, and customer dynamics that critically affect bank performance (Priem & Butler, 2001).

The Resource Based View theory remains relevant for guiding strategic implementations aimed at enhancing organizational performance and achieving objectives. Successful performance enhancement initiatives require leveraging both tangible and intangible resources. This theory facilitates identifying and utilizing the bank's resources, including human capital and organizational values. Training plays a crucial role in improving the efficiency and effectiveness of human resources within

the bank, underscoring the significance of this variable in the study of organizational performance.

2.2.2 Kotters Change Model

In 1996, the Kotters Change Model was created. Using an eight-step approach, Kotters defined the steps that executives would take to successfully implement change in their organizations. Kotter claims that fundamental mistakes that cause power disruptions at the beginning of a company's transition are connected to all eight stages. This included some very important advice for leaders seeking to break through socially entrenched cultures and bureaucratically crippling bureaucracy. He advised the leaders of an institution to implement some significant changes, including defining the methods that need to be altered and initiating analytical success aspects; establishing strategic goals for workforce transformation and assessing the extent to which they support the firm's approach by assessing all aspects of the mission.

Kotter's change model's first step is centered on generating urgency. According to Kotters, the notion that a change is required for the organization to succeed can have significant impact. Leaders who can establish a setting where people understand the issue at hand and are able to envision a potential resolution are likely to see a boost in support for the change. Creating a dialogue regarding current events and potential future directions for the organization will assist in doing this. In step two, Kotters emphasizes the formation of a strong coalition. Since it will be difficult for one person to spearhead the entire change process, it is critical to create a coalition that can guide others. For optimal effectiveness, the team should encompass a range of skills, experiences, and perspectives from different areas of the organization. This diverse

coalition aids leaders in effectively communicating messages, delegating tasks, and garnering broad support for the change initiatives.

With a focus on creating urgency, forming guiding coalitions, creating a vision, communicating change, empowering employees, producing short-term wins, consolidating gains, and anchoring new approaches, Kotter's Change Model outlines an eight-step process for successful organizational transformation. Kotter (1996). In the banking sector, this model is important for guiding tier-one commercial banks through complex change processes like restructuring, technology adoption, and cultural shifts by providing a clear, phased roadmap that enhances employee engagement and minimizes resistance (Appelbaum et al., 2012). However, the model has shortcomings, including its linear and rigid structure, which limits flexibility in addressing unforeseen challenges common in dynamic banking environments (Pollack & Pollack, 2015). Moreover, critics argue that Kotter's model places excessive emphasis on leadership-driven change, often neglecting employee-driven innovation and feedback mechanisms crucial for sustainable transformation (Hornstein, 2015).

Kotter's change model is particularly relevant to this study as it elucidates how leaders can create urgency, communicate effectively, align stakeholders, and foster organizational change. It provides a framework for understanding leadership and communication dynamics critical to the study's objectives.

2.2.3 The Technology Acceptance Model (TAM)

Davis developed the Technology adoption Model (TAM) in 1989, which posits a connection between user adoption and the perceived utility (PU) and ease of use (PEU) of new technologies. This theory states that two important factors that are used to

ascertain customers' behavioral intentions about the use of a certain technology are PU and PEU. According to Davis, PU and PEU are essential elements for comprehending and predicting the uptake and acceptability of particular technologies. The TAM paradigm also recognizes that most consumers are rational people who wish to perform as well as possible. This indicates that when users perceive a technological innovation as beneficial for improving performance and user-friendly, they are more inclined to adopt and utilize it.

The Technology Acceptance Model (TAM) explains user acceptance of new technologies based on two key factors: perceived usefulness and perceived ease of use (Davis, 1989). In the banking sector, TAM is valuable for understanding how employees adopt technological tools essential for enhancing communication, staff training, and customer service during organizational change (Venkatesh & Davis, 2000). By focusing on user attitudes, the model helps banks predict and improve technology adoption rates, thus supporting performance improvements. However, TAM has notable limitations, such as its narrow focus on technology-specific factors while ignoring broader organizational, cultural, and contextual influences that affect adoption in large banking institutions (Bagozzi, 2007). Additionally, the model lacks emphasis on social and managerial interventions like leadership support and organizational readiness, which are critical in banking environments undergoing strategic change (Legris, Ingham & Collette, 2003).

This insinuate that when developing and promoting financial systems, user performance and ease of use should be taken into account. Wang et al. (2018) claim that TAM's extensive use promotes more individuals to use it, highlighting its importance for online banking. Mobile money transfers and online banking are two of

the most important technology developments in the sector. The Technology Acceptance Model, which emphasizes how quickly technology is developing in the banking sector and replacing outdated manual procedures, underpins the Dependent (performance) variable in the study.

2.2.4 Schein's Theory of Organizational Culture

Schein's organizational culture theory from 1984, categorized into fundamental underlying assumptions, stated ideals, and artifacts, will provide the framework for this study. The visible and palpable aspects of an organization's culture, such as its products, physical surroundings, language, technology, apparel, published ideals, rituals, and ceremonies, are known as artifacts. According to James and Jones (2015), strategies, objectives, shared perspectives, beliefs, customs, and principles set forth by founders and leaders constitute avowed beliefs and values. The fundamental underlying assumptions, which are deeply ingrained, widely accepted, unconscious, and unquestioned, form the bedrock of organizational culture. Challenging these assumptions can evoke defensiveness and anxiety among members of the organization.

Schein (1984) presented an organizational culture model in which fundamental assumptions give rise to values. These Values, thereby define practices and behaviors, which are the observable facets of culture. Schein's model provides valuable frameworks for facilitating cultural transformation within organizations. Schein (1984) also demonstrates why it makes sense to speak with as many workers as you can in order to learn about the underlying causes and characteristics of the company culture. These might form the foundation for a cultural shift. People need to understand that cultural change is a process of transformation; before new behavior can be

acquired to replace old behavior, old behavior must be unlearned. From this theory, it becomes apparent that aligning basic underlying assumptions, values, and artifacts within organizational culture is crucial for fostering organizational performance.

In the banking sector, this theory is important as it helps explain how deeply rooted cultural elements influence employee attitudes, leadership styles, communication patterns, and readiness for change, all of which affect performance outcomes (Hogan & Coote, 2014). By understanding these cultural layers, banks can design targeted interventions to align organizational culture with strategic objectives. However, the theory has shortcomings, notably its abstract nature, making it difficult for managers to measure or modify deep-seated cultural assumptions practically (Janićijević, 2011). Moreover, critics argue that Schein's model lacks clear guidelines for operationalizing culture change in dynamic and highly regulated banking environments (Alvesson, 2013).

2.3 Conceptual Framework

A conceptual framework outlines key concepts and shows relationships between independent and dependent variables guiding the study's focus and analysis.

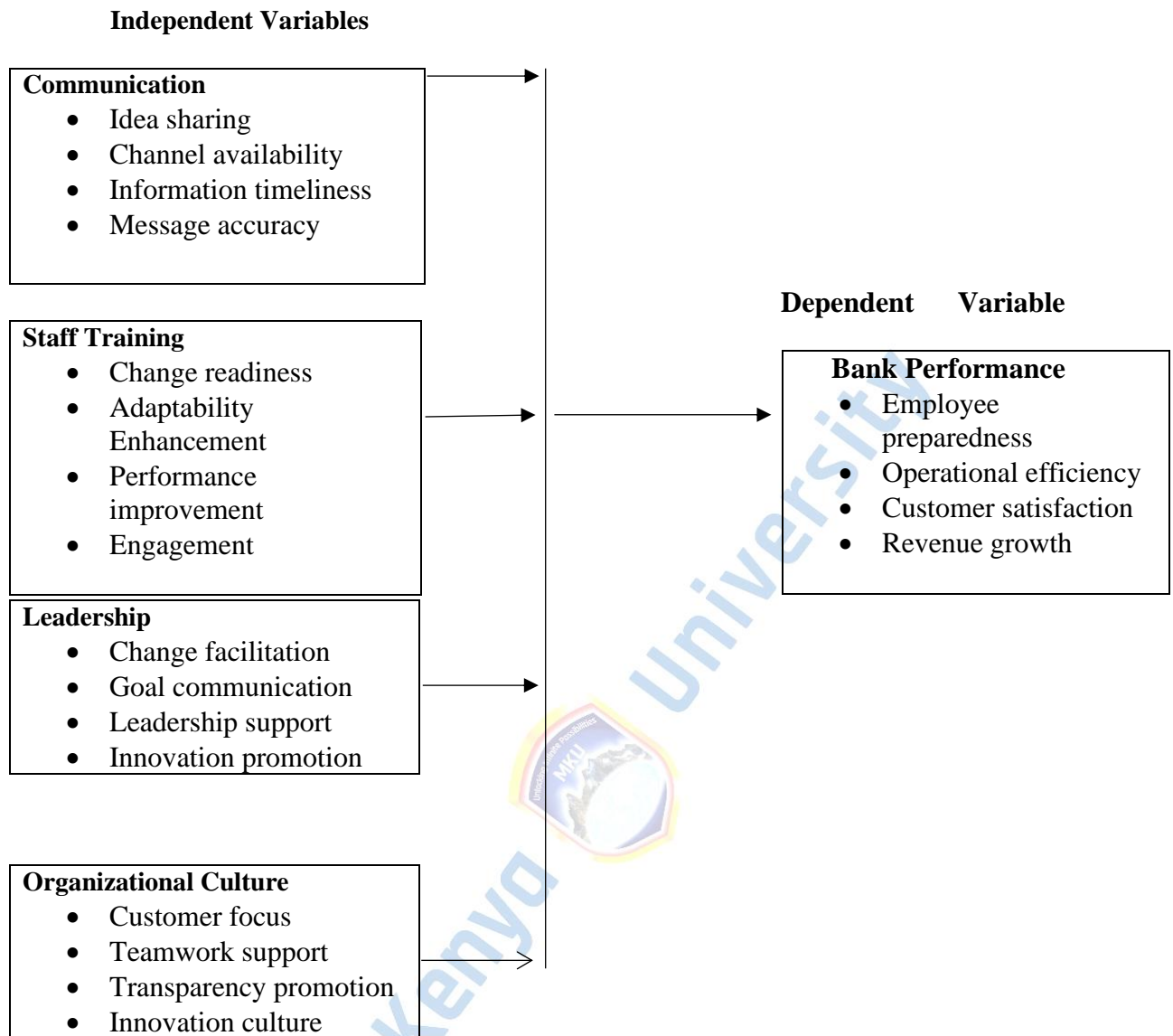


Figure 2. 1: Conceptual Framework

Source: Researcher (2024)

2.4 Recap of literature review and Research Gaps

Existing literature, as outlined in the literature review matrix, highlights studies by Muriuki and Wangui (2022), Nyakio Hassan (2023, 2020), Gitong'a (2020), Karambu (2021), Munala (2023), James (2022), and Wang'ombe (2021). To date, no researcher has, however, combined the four independent factors and examined how they relate to the

dependent variable in Nairobi, Kenya's commercial banks. In order to fill in contextual, methodological, and conceptual research gaps, this study intends to investigate how change management strategies affect the performance of commercial banks in Nairobi County, Kenya.

Table 2.1 Literature review matrix

| Author(s) | Title | Finding | Research gap |
|----------------------------|--|---|---|
| Muriuki and Wangui, (2022) | organizational performance and change management strategies of Kenyan family bank branches in Nairobi | The study discovered a substantial positive association, indicating that Family Bank Limited's performance was greatly affected by leadership, staff training, employee engagement, and communication.. | 1. Did not use a combination of current study's variables (Effective communication, leadership, staff training and organizational culture. Hence a conceptual gap 2.Study done within Family bank context while current study is in Nairobi county thus contextual gap |
| Nyakio (2020) | To ascertain how stakeholder participation, leadership, learning within the organization, and communication affect the financial results | Leadership and organizational success are significantly and favorably correlated. | 1.Did not use a combination of current study's variables. Effective communication, leadership, staff training and organizational culture. 2.Study was done in Nyeri County, current study will be done in Nairobi County |

| | | | |
|-----------------|---|--|---|
| | of commercial banks in Nyeri County, Kenya. | | |
| Hassan (2023) | The effects of technology adoption, corporate culture, organizational structure, and staff training on the success of an organization | information technology, organizational culture, organizational structure, and staff training all significantly and favorably impacted Kakamega County Referral Hospital's institutional performance. | <ol style="list-style-type: none"> 1. Study was done in referral hospitals while the current study will be in banks 2. Did not use a combination of current study's variables Effective communication leadership, staff training, and organizational culture. |
| Gitong'a (2020) | Employee training's effect on organizational performance in three-star hotels in Kenya's Nakuru County | Employee training significantly improves company performance | <ol style="list-style-type: none"> 1. Done in Nakuru County, current study in Nairobi County 2. Done in three-star hotels |
| Karambu, (2021) | to determine the impact of strategic change management on county development programs' performance in Kenya's Meru County. | The study discovered a positive and substantial correlation between leadership and the effectiveness of the County Government Development Project in Meru County, Kenya ($r = 0.339, p < 0.05$). | <ol style="list-style-type: none"> 1. Study done in Meru county, current study in Nairobi county thus contextual gap 2. focused on performance of the County Government Development Project, current focus is on performance in banks |

| | | | |
|------------------|--|---|--|
| Munala (2023) | conducted research on Kenya Medical Training College's organizational performance and strategy implementation procedures | organizational performance at the Kenya Medical Training College was favorably correlated with both strategic leadership and effective communication. | Kenya Medical Training College while current study will be within banking sector context |
| James (2022) | The study examined strategy, structure, culture, processes, and intelligence impact. | The findings demonstrated that Saccos' performance in Nairobi County, Kenya, is positively and significantly impacted by corporate strategy, organizational culture, and business procedures. | Study done in Saccos while current is in banks Applied multiple linear regression for inferential analysis, whereas the current study employed logistic regression. |
| Wang'ombe (2021) | to determine the impact of organizational change on the performance of commercial marketing agents for coffee in Nairobi City County, Kenya. | Despite not being fully implemented, organizational culture and structure have a high positive link and a significant impact on the performance of coffee marketing agents | Focused on performance of commercial marketing agents for coffee while current study is on performance in banks |

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research method involved philosophy, design, and population, tools, and data analysis for reliable, valid hypothesis testing.

3.1 Research Design

This study employed a descriptive research design, which, according to Creswell (2014), involves collecting, analyzing, and presenting data to describe and understand phenomena as they exist without manipulating the variables. A descriptive research design is particularly suited for studies that seek to establish relationships between variables and provide detailed insights into their interactions. It allowed the researcher to collect factual and systematic data, which was then analyzed and presented incorporating visual representations like graphs and tables to enhance comprehension of the findings.

This design was selected based on the study's objective to examine the effect of strategic change management practices—specifically communication, leadership, training, and organizational culture (independent variables)—on the performance of tier-one commercial banks in Nairobi County (dependent variable). Since the study aimed to understand existing relationships without influencing the variables, a descriptive approach was appropriate for providing an accurate representation of these interactions in a real-world context (Kothari, 2012).

3.2 Location of the Study

The study was conducted in Nairobi County, Kenya, recognized as the nation's financial hub and home to the headquarters of all tier-one commercial banks. Nairobi's highly competitive banking sector, shaped by technological advancements, regulatory pressures, and evolving customer needs, made it suitable for examining strategic change management practices. The county's dominance, with tier-one banks controlling over 70% of Kenya's financial market (Central Bank of Kenya, 2021), provided a relevant setting to capture industry-specific complexities. Furthermore, Nairobi's accessibility to key stakeholders such as bank managers and employees facilitated efficient data collection and ensured that the research findings would reflect the realities of Kenya's financial landscape.

3.3 Target Population

The target population for this study comprised the eight tier-one commercial banks operating in Nairobi County, as identified by the Kenya Bankers Association (2021). According to Sekaran (2014), the target population encompasses all individuals, events, or objects pertinent to a study. This research focused on management personnel across three levels: senior, middle, and lower-level managers within these banks.

This stratified approach ensured comprehensive representation of perspectives from all managerial levels, providing a well-rounded understanding of how strategic change management practices influence bank performance. Limiting the scope to tier-one banks in

Nairobi was justified by their dominant role in Kenya’s financial sector, their control of over 70% of the market share, and their accessibility for data collection. The inclusion of managers across different levels ensured an adequate representation of commercial banks, contributing to a robust analysis of strategic change implementation methods and their influence on bank performance.

Table 3. 1: Target population

| Category | Population | Percentage |
|-------------------|------------|------------|
| Senior management | 41 | 8.86 |
| Middle management | 124 | 26.78 |
| Lower management | 298 | 64.36 |
| Total | 463 | 100 |

Source: Researcher, (2024)

3.4 Sampling Procedures and Techniques

Sampling refers to the process of identifying and selecting items in a sample (OECD, 2020).

This study employed stratified sampling, also known as proportionate sampling, to categorize respondents based on their management levels. Kothari (2021) states that stratified sampling ensures representation of all elements within a research population, ensuring a balanced representation of different groups. The study were chosen from three hierarchical management levels: senior, middle, and lower management, ensuring that perspectives from all levels of leadership within tier-one commercial banks were captured.

3.5 Sample Population

Cooper and Schindler (2018) describe a sample size as a subset of a broader population. In this study, the Yamane (1947) formula was applied to determine an appropriate sample size from the total population. This formula was selected due to its effectiveness in ensuring an accurate and representative sample. By considering the total population and an acceptable margin of error, it guarantees that the chosen sample is adequate for reliable data analysis. The final sample was proportionally drawn from senior, middle, and lower management levels to maintain representation across various organizational tiers:

$N / (1 + Ne^2) = n$ where number of samples= n , Total population= N , Error of tolerance= e , Confidence level= 95% at 0.05 level of significance population

(N)= 463 in the study $n = N / (1 + Ne^2)$

$$N=463$$

$$= \underline{463}$$

$$1 + (463 \times 0.05^2) = 463 / 2.16 \quad n = 214.35 = 214 \quad n = 214 \text{ (research sample size)}$$

Stratified random sampling was used by dividing respondents into management levels and proportionally selecting samples using the formula $(n/N) \times K$ to ensure unbiased representation across all strata.

Table 3. 2: Sample Population

| Category | Population (n/N) *K | Percentage | Sample |
|-------------------|------------------------|------------|--------|
| Senior management | 41 | 8.86 | 19 |
| Middle management | 124 | 26.78 | 57 |
| Lower management | 298 | 64.36 | 138 |
| Total | 463 | 100 | 214 |

Source: Kenya Bankers Association Report (2022)

3.6 Construction of research instruments

The study used a structured questionnaire with a 5-point Likert scale to systematically collect quantifiable data on strategic change management practices. The scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree), enabling clear measurement of respondents' attitudes and perceptions for statistical analysis.

3.7 Testing for Validity and Reliability

3.7.1 Validity of the Instruments

Validity refers to the extent to which the research instrument accurately measures the phenomenon under investigation. To ensure content validity, the questionnaire was reviewed by the research supervisor, who provided recommendations to confirm that the questions effectively measured the intended variables. Face validity was ensured by using an appropriate font size, logical item layout, and clear instructions for respondents. Construct validity was achieved by grounding

the study's constructs in established theoretical frameworks, ensuring that the measurement scale accurately captured the concepts being studied (Hair et al., 2007).

3.7.2 Reliability of the Research Instrument

Oson and Onen (2005) define a reliable research instrument as one that produces consistent results when used by the same or different researchers under similar conditions. The sample population was carefully defined in order to guarantee dependability in this investigation. The reliability of the data gathered and the internal consistency of the questionnaire were evaluated using Cronbach's alpha. Kipkebut (2010) states that data dependability is assessed using a Cronbach's alpha coefficient between 0 and 1, with Kothari (2010) indicating that a value of 0.70 or greater is generally considered satisfactory.

3.8 Data Collection Methods and Procedures

3.8.1 Data Collection Methods

Participants filled out standardized questionnaires to provide primary data for this study. A well-designed questionnaire should specify the study problem and aims in detail, claim Mugenda & Mugenda (2003). Respondents could indicate how much they agreed or disagreed with the assertions in the questionnaire, which included five-point Likert scale items. According to Kothari (2004), employing questionnaires is a productive way to ensure systematic data gathering while saving time, effort, and resources.

3.8.2 Data Collection Procedure

Before distributing the questionnaires, participants were assured of the confidentiality and anonymity of their responses. The management surveys were self-administered using a drop-and-pick-later method, allowing respondents sufficient time to complete the questionnaire, thus improving accuracy and response rate. The researcher made appointments with responders to collect data in order to increase involvement even more. Additionally, a letter outlining the study's goal was obtained and distributed to participants by NACOSTI and Mount Kenya University. Additionally, respondents received assurances that their involvement was entirely voluntary, guaranteeing ethical adherence to the data gathering procedure.

3.8.2 Pilot Study

A pilot test was conducted with 21 respondents, constituting 10% of the 214-sample size, drawn from tier-one commercial banks in Kiambu County. Following Mugenda and Mugenda (2003) recommendations, convenient sampling was used, and pilot respondents were excluded from the main study to prevent bias. The pilot assessed the clarity, relevance, and comprehensibility of the questionnaire. Feedback highlighted ambiguities and formatting issues, prompting necessary revisions and improvements. Reliability analysis using Cronbach's Alpha indicated that all variables exceeded the 0.7 threshold, confirming internal consistency. These modifications enhanced the questionnaire's validity and reliability, ensuring its suitability for the main study.

3.9 Proposed data analysis techniques and procedures

3.9.1 Data Analysis

Data analysis, according to Meta (2014), is the process of looking at, cleaning, modifying, and modeling data in order to find pertinent information, make inferences, and aid in decision-making. Sekaran and Bougie (2016) advised that the gathered data be transformed for additional analysis using IBM SPSS following consistency and completeness tests. Because of its dependability when handling both descriptive and inferential statistical analysis, this program was chosen.

The study employed descriptive statistics to gather and examine the data, including means, frequencies, and percentages. Inferential statistics such as regression analysis and Pearson correlation were also employed to determine the significance and strength of the relationships between the variables. Specifically, the relationship between the independent variables—communication, leadership, employee training, and organizational culture—and the dependent variable, bank performance, was evaluated using regression analysis.

According to Abd Elsalam (2015), regression models are essential in data analysis for describing the relationship between a dependent variable and independent variables. In this study, logistic regression was used due to its simpler mathematical structure and its ability to provide a more insightful interpretation of the odds ratio, which measures the likelihood of specific outcomes based on changes in predictor variables. This approach ensured a comprehensive

understanding of how strategic change management practices influence the performance of tier-one commercial banks.

The binary logistic regression model was therefore specified as follows:

$$L_i = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Where

$P_i / (1 - P_i)$ is defined as the odds ratio

Y_i or L_i log of odds for “performance of banks”

β_0 Constant

X_1 Communication

X_2 Leadership

X_3 Staff training

X_4 Organizational culture μ

Stochastic term (error)

P probability that the bank performs $\beta_1, \beta_2, \beta_3,$ and β_4 denote the change in the log odds ratio resulting from a one-unit change in their respective independent variables, representing the proportional positive effect.

3.9.2 Diagnostic tests

Before hypothesis testing, regression analysis assumptions—normality, homoscedasticity, multicollinearity, and correlation—were checked to ensure data suitability. For normality, the Shapiro-Wilk test was conducted, given its sensitivity to deviations from normal distribution patterns. The decision rule was based on p-values: if $p > 0.05$, the study failed to reject the null hypothesis (H_0), indicating that the data followed a normal distribution. Conversely, if $p \leq 0.05$, H_0 was rejected, suggesting non-normality. The specific hypotheses tested were: H_0 : The data follows a normal distribution, and H_1 : The data does not follow a normal distribution.

3.9.3 Multicollinearity Test

Multicollinearity arises when independent variables in a regression model are highly correlated, causing unstable coefficient estimates and reduced model reliability (Claver-Cortés, 2012). The study tested for multicollinearity using Tolerance and Variance Inflation Factor (VIF), with VIF values above 10 and tolerance below 0.1 indicating serious multicollinearity.

Homoscedasticity Test

The study also tested for homoscedasticity, which refers to the consistency of residual variances across different levels of independent variables. Homoscedasticity ensures that the variance of predicted observed values remains constant, allowing for reliable statistical inferences. If heteroscedasticity (unequal variance) was detected, it would suggest potential issues in the model's predictive accuracy. The test helped determine whether the variance of errors remained stable across various independent variable values, ensuring the robustness of the regression model.

3.10 Ethical Considerations

Throughout the study, ethical integrity was maintained to guarantee adherence to research guidelines and participant safety. According to Kerridge et al. (2005), ethics is the capacity to discern between morally correct and wrong behavior as well as the rules that govern human behavior (Minja, 2009). Confidentiality was prioritized due to the strategic relevance of the study, and respondents' identities were kept anonymous to protect their privacy. Additionally, information obtained

from participants across different banks was coded, ensuring that individual responses remained entirely discreet.

The researcher ensured that no demeaning or inappropriate questions were included in the questionnaire (Mugenda & Mugenda, 2003). Informed consent was obtained from both the participating banks and individual respondents before data collection commenced. The provision of a NACOSTI research permit further enhanced respondents' willingness to participate by demonstrating the study's legitimacy. This ensured that all ethical guidelines were followed, fostering trust and objectivity in the research process.



Mount Kenya University

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This chapter presents findings from tier-one commercial banks in Nairobi, covering data analysis, interpretation, and discussion. It includes response rates, demographics, and statistical results on strategic change management's impact on performance.

4.1.1 Response Rate

The response rate is an important metric for assessing the representativeness of the study sample and the quality of the data. The response rate for various bank management staff types is displayed in Table 4.1, along with the number of targeted respondents, actual responses received, and related response rates.

Table 4. 1: Response Rate

| Category | Target | Actual | Response Rate |
|-------------------|--------|--------|---------------|
| Senior management | 19 | 18 | 94.74% |
| Middle management | 57 | 57 | 100.00% |
| Lower management | 138 | 110 | 79.71% |
| Total / Average | 214 | 185 | 91.48% |

The results indicate that the study recorded an overall response rate of 91.48%, which is considered sufficient for data analysis and generalization of findings. The highest response rate was recorded among middle management staff, with a 100% participation rate, followed by senior management at 94.74%. The lower management category had the lowest response rate at 79.71%, though this is still an acceptable level for survey research.

The high response rate suggests strong engagement and interest in the study among bank managers, which enhances the reliability of the findings.

For social scientific research, a response rate of more than 70% is usually considered adequate, guaranteeing the data's validity and representativeness (Mugenda & Mugenda, 2003). Senior and middle management's high response rates indicate that they were very interested in the subject of strategic change management and how it affected bank performance. Workload limitations or restricted availability during the data collecting period could be the cause of the somewhat lower response rate from lower management. Overall, the study's response rate satisfies the requirements for a solid and trustworthy analysis, bolstering the validity of its findings.

4.2 Demographic Characteristics

Table 4.2 provides the demographic characteristics of respondents. These provide insights into the composition of the study participants, allowing for a deeper understanding of their background and experiences. This information is crucial in ensuring that findings are representative and free from potential biases that may arise due to demographic imbalances.

Table 4. 2: Demographic Characteristics of Respondents

| Characteristic | Category | Frequency (F) | Percentage (%) |
|---------------------------------|----------------------|---------------|----------------|
| Gender | Male | 105 | 56.8% |
| | Female | 80 | 43.2% |
| Functional Position in the Bank | Top Level Manager | 18 | 9.7% |
| | Middle Level Manager | 57 | 30.8% |
| | Lower-Level Manager | 110 | 59.5% |
| Education | Secondary Level | 0 | 0.0% |

| | | | |
|--------------------------------------|-------------------|-----|-------|
| | Diploma | 79 | 42.7% |
| | Bachelor's Degree | 98 | 53.0% |
| | Master's Degree | 8 | 4.3% |
| | Doctoral Degree | 0 | 0.0% |
| Age in Years | Below 24 Years | 29 | 15.7% |
| | 26-35 Years | 14 | 7.6% |
| | 36-45 Years | 124 | 67.0% |
| | Above 45 Years | 18 | 9.7% |
| Duration in Current Operational Area | Below 10 Years | 91 | 49.2% |
| | Above 10 Years | 94 | 50.8% |

4.2.1 Gender of the Respondents

The results showed a fairly balanced gender distribution, with males constituting 56.8% and females 43.2%, reflecting typical gender composition in the banking sector and minimizing gender-related bias.

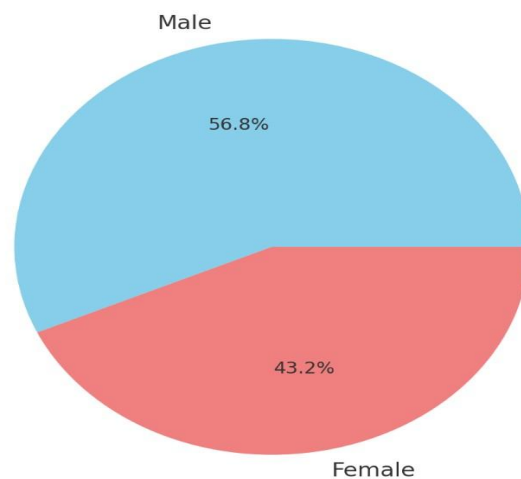


Figure 4. 1: Gender of the Respondents

4.2.2 Respondents' Functional Positions

Regarding the respondents' functional positions, most participants were lower-level managers at 59.5% (F=110), followed by middle-level managers at 30.8% (F=57), and top level managers at 9.7% (F=18). This distribution ensures that perspectives from different managerial levels are captured, eliminating bias associated with overrepresentation of a single category. The presence of respondents from all levels enhances the reliability of the findings, aligning with studies emphasizing the importance of varied managerial input in organizational research.

4.2.3 Respondents' Highest Level of Education

Regarding education, a substantial number of respondents possessed a bachelor's degree at 53.0% (F=98), followed by those with diplomas at 42.7% (F=79), and master's degrees at 4.3% (F=8). No respondents had a secondary or doctoral degree. This distribution indicates that most employees possess at least a diploma or higher education qualification, which is common in banking institutions where academic qualifications are a prerequisite. The educational diversity among respondents ensures that the study captures informed opinions, reducing biases linked to knowledge disparities.

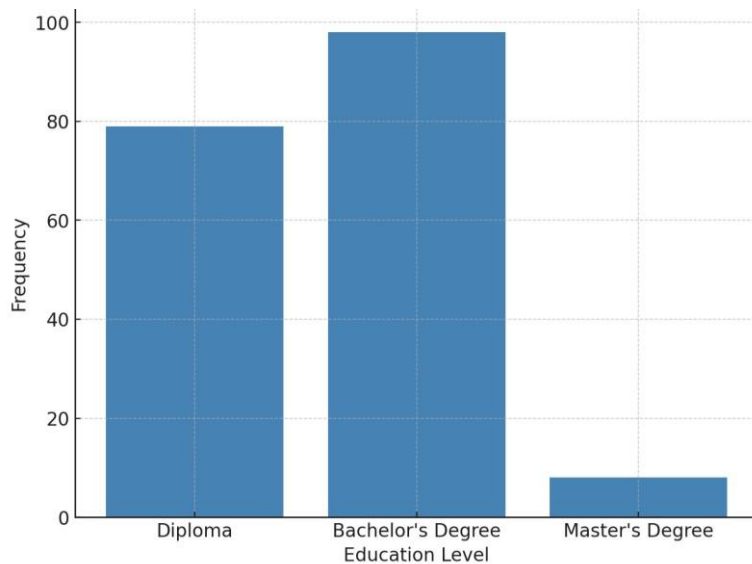


Figure 4. 2: Respondents' Highest Level of Education

4.2.4 Respondents' Age

Most respondents belonged to the age bracket of 36-45 years, comprising 67.0% (F=124), followed by those below 24 years at 15.7% (F=29), those above 45 years at 9.7% (F=18), and the 26-35 years' group at 7.6% (F=14). The dominance of the 36-45 years' age group suggests that most managers in the banking sector are in their mid-career stage, an observation supported by past research. The inclusion of various age groups ensures the findings are representative and not skewed by the perspectives of a single age category.

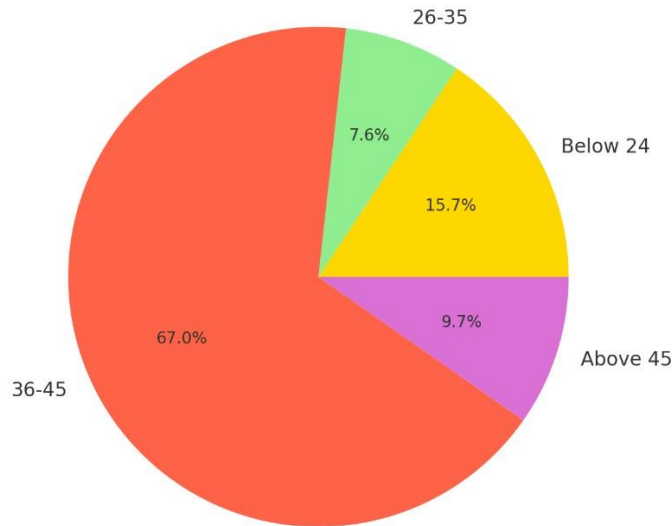


Figure 4. 3: Respondents' Age

4.2.5 Respondents' Experience in the Current Operational Area

Finally, regarding experience in the current operational area, respondents were almost evenly split, with 50.8% (F=94) having worked for over 10 years and 49.2% (F=91) having served for less than 10 years. This balance in tenure ensures that insights from both experienced and relatively new employees are considered, reducing biases that may stem from overrepresentation of either group. Prior research emphasizes the significance of maintaining such balance in organizational studies, as it provides a comprehensive understanding of workplace dynamics.

4.3 Descriptive Statistics

4.3.1 Descriptive Statistics for Communication

Effective communication plays a vital role in strategic change management, especially within commercial banks. Table 4.3 presents descriptive statistics highlighting

employees' perceptions of communication effectiveness, the availability of communication channels, and the quality of information dissemination across tier-one commercial banks in Nairobi County, Kenya.

Table 4. 1: Descriptive Statistics for Communication

| Statement | SD F (%) | D F (%) | N F (%) | A F (%) | SA F (%) | Mean | Std Dev. |
|---|---------------------|--------------------|--------------------|--------------------|---------------------|-------------|---------------------|
| I'm comfortable sharing my thoughts with upper management directly. | 9 (4.9%) | 30 (16.2%) | 44 (23.8%) | 64 (34.6%) | 38 (20.5%) | 3.50 | 1.13 |
| To make organizational changes, our bank has created a number of communication channels. | 3 (1.6%) | 29 (15.7%) | 65 (35.1%) | 47 (25.4%) | 41 (22.2%) | 3.51 | 1.05 |
| Methods for putting organizational reforms into practice | 2 (1.1%) | 30 (16.2%) | 57 (30.8%) | 48 (25.9%) | 48 (25.9%) | 3.59 | 1.07 |
| Senior management at my place of employment has open lines of contact, guaranteeing prompt and thorough information distribution. | 7 (3.8%) | 32 (17.3%) | 61 (33.0%) | 33 (17.8%) | 52 (28.1%) | 3.49 | 1.18 |
| My supervisor's information is always accurate and comprehensive. | 10 (5.4%) | 15 (8.1%) | 52 (28.1%) | 63 (34.1%) | 45 (24.3%) | 3.64 | 1.10 |

These were the outcomes. I feel comfortable sharing my thoughts with high management directly because of the statement. Of those surveyed, 64 (34.6%) agreed and 38 (20.5%) strongly agreed that they feel comfortable sharing their

thoughts with senior management. Nonetheless, 30 (16.2%) disagreed, 9 (4.9%) strongly disagreed, and 44 (23.8%) stayed indifferent. This statement had an average score of 3.50 with a standard deviation of 1.13, indicating moderate agreement and some response variation. These results indicate that while a significant portion of employees feel at ease communicating with senior management, a notable percentage still face challenges. This aligns with findings by Muriuki and Wangui (2022), who emphasized that open communication with management enhances employee engagement and overall performance.

To make organizational changes, our bank has created a number of communication channels. Of those surveyed, 47 (25.4%) agreed and 41 (22.2%) strongly agreed that communication channels should be established in order to make organizational reforms. While 3 (1.6%) strongly disagreed and 29 (15.7%) disagreed, a sizable portion, 65 (35.1%), stayed neutral. This item's recorded mean score was 3.51, and its reported standard deviation was 1.05. The findings indicate that although communication channels exist, a significant proportion of employees remain uncertain about their effectiveness. This outcome resonates with findings from Nyakio (2020), who noted that while banks establish communication frameworks, their effectiveness depends on employee awareness and engagement in the communication process.

Channels for implementing organizational changes are effective. In terms of the effectiveness of communication channels, 48 (25.9%) agreed, while another 48 (25.9%) strongly agreed. A moderate percentage, 57 (30.8%), were neutral, whereas 30 (16.2%) disagreed, and 2 (1.1%) strongly disagreed. The mean score stood at 3.59, with a standard deviation of 1.07.

These findings suggest that although most of employees perceive the channels as effective, the neutrality expressed by a considerable proportion indicates potential gaps in their perceived impact. According to Elving (2005), communication effectiveness in change management is achieved when employees clearly understand the objectives, progress, and expected outcomes of organizational transformations.

The study found that 28.1% of respondents strongly agreed and 17.8% agreed that communication channels at their workplace are open to senior management, facilitating timely and thorough information sharing. However, 33.0% remained neutral, 17.3% disagreed, and 3.8% strongly disagreed, resulting in a mean score of 3.49 and a standard deviation of 1.18. These results suggest that while many employees perceive communication as open, a considerable number remain uncertain about its effectiveness. This finding supports Buchanan et al. (2020), who emphasized that transparency in communication is essential for building trust and ensuring alignment with organizational goals during change management processes.

The study revealed that 34.1% of respondents agreed and 24.3% strongly agreed that their supervisors consistently provide detailed and precise information. However, 28.1% remained neutral, 8.1% disagreed, and 5.4% strongly disagreed, resulting in a mean score of 3.64 and a standard deviation of 1.10. These findings suggest that most employees perceive their supervisors' communication as clear and informative. This aligns with Nwachukwu et al. (2020), who reported that effective supervisor communication enhances employees' role clarity and contributes positively to organizational performance.

Overall, the findings suggest that communication within the banking sector is relatively effective, though areas for improvement remain, particularly in ensuring clarity and openness at all levels. These insights support existing literature emphasizing the significance of structured and transparent communication in achieving organizational success.

4.3.2 Descriptive Statistics for Leadership

Effective leadership is crucial during strategic change. Table 4.4 summarizes descriptive statistics on leadership roles in facilitating change, goal communication, employee support, and innovation within tier-one commercial banks.

Table 4. 2: Descriptive Statistics for Leadership

| Statement | SD F | D F | N F | A F | SA F | Mean | Std Dev. |
|---|-------------|---------------|---------------|---------------|---------------|-------------|-----------------|
| | (%) | (%) | (%) | (%) | (%) | | |
| Effective leadership is crucial during periods of change management process. | 4 (2.2%) | 21 (11.4%) | 53 (28.6%) | 59 (31.9%) | 48 (25.9%) | 3.68 | 1.05 |
| Leadership plays a crucial role in facilitating change within the bank. | 9 (4.9%) | 18 (9.7%) | 70 (37.8%) | 46 (24.9%) | 42 (22.7%) | 3.51 | 1.09 |
| Leadership assists in clearly communicating the goals and effects of the change to employees. | 7 (3.8%) | 22 (11.9%) | 55 (29.7%) | 45 (24.3%) | 56 (30.3%) | 3.65 | 1.14 |
| I typically receive adequate leadership support when starting a new project or initiative. | 6 (3.2%) | 28 (15.1%) | 44 (23.8%) | 62 (33.5%) | 45 (24.3%) | 3.61 | 1.11 |
| Leadership promotes initiative, innovation, and invention. | 6 (3.2%) | 16 (8.6%) | 56 (30.3%) | 52 (28.1%) | 55 (29.7%) | 3.72 | 1.08 |

For the statement, Effective leadership is crucial during periods of change management process, a majority of respondents, 59 (31.9%), agreed that effective leadership is crucial during the change management process, while 48 (25.9%) strongly agreed. However, 53 respondents (28.6%) remained neutral, while 21 (11.4%) disagreed, and 4 (2.2%) strongly disagreed. The average score for this statement was 3.68, with a standard deviation of 1.05, reflecting overall agreement with some variation in responses. These results indicate that while leadership is acknowledged as a critical factor in change management, a notable proportion of employees remain neutral, possibly due to inconsistent leadership experiences. This aligns with research by Imam and Zaheer (2021), which emphasized that strong leadership is essential for successful organizational transitions.

Leadership serves as a critical factor in facilitating transformations within the bank. Regarding leadership's role in facilitating change, 46 (24.9%) of respondents agreed, while 42 (22.7%) strongly agreed. A significant proportion, 70 (37.8%), remained neutral, whereas 18 (9.7%) disagreed, and 9 (4.9%) strongly disagreed. The recorded mean score for this item was 3.51, with a standard deviation of 1.09. These findings indicate that while leadership is perceived as important, the high neutrality suggests that some employees may not have directly experienced effective leadership in facilitating change. According to Karambu (2021), leadership effectiveness depends on communication, engagement, and support structures during change implementation.

Leadership assists in clearly communicating the goals and effects of the change to employees. In terms of leadership's role in communicating change, 45 (24.3%) agreed, while 56 (30.3%) strongly agreed. A moderate percentage, 55 (29.7%),

were neutral, whereas 22 (11.9%) disagreed, and 7 (3.8%) strongly disagreed. The mean score stood at 3.65, with a standard deviation of 1.14. These results suggest that while a majority of employees recognize leadership's role in communicating change, the neutrality expressed by a considerable proportion indicates potential gaps in clarity or consistency. Munala (2023) found that effective leadership communication enhances employee adaptability and reduces resistance to organizational changes.

According to the statement, when I begin a new project or effort, I usually have enough leadership backing. 45 (24.3%) strongly agreed, and 62 (33.5%) agreed that leadership backing is necessary for innovative projects. In contrast, 6 (3.2%) strongly disagreed, 28 (15.1%) disagreed, and 44 (23.8%) were neutral. 3.61 was the average score, and 1.11 was the standard deviation. These results imply that although most employees believe that leadership assistance is sufficient, some may receive erratic direction. This result is in line with research by Muriuki and Wangui (2022), which discovered that project success and innovation are greatly aided by leadership support.

Initiative, creativity, and inventiveness are encouraged by leadership. Of the respondents, 55 (29.7%) highly agreed and 52 (28.1%) agreed that leadership encourages initiative, innovation, and invention. Six (3.2%) strongly disagreed, 16 (8.6%) disagreed, and 56 (30.3%) were neutral. The standard deviation was 1.08 and the mean score was 3.72. These findings show that although a large number of workers appreciate the importance of leadership in promoting innovation, the high degree of neutrality raises the possibility that some workers are unaware of or do not personally encounter these initiatives. According to

James (2022), leadership that encourages innovation leads to higher organizational performance and competitive advantage.

Overall, the findings suggest that leadership within the banking sector is generally effective but has areas for improvement, particularly in fostering employee engagement and reducing neutrality in perceptions. These findings correspond with literature underscoring the significance of strong leadership in achieving successful organizational change and innovation.

4.3.3 Descriptive Statistics for Staff Training

Table 4.5 presents descriptive statistics on staff training in tier-one commercial banks, focusing on employees' perceptions of its influence on change readiness, performance, engagement, and future challenge identification, summarized using frequencies, means, and standard deviations.

Table 4. 3: Descriptive Statistics for Staff Training

| Statement | SD F(%) | D F(%) | N F(%) | A F(%) | SA F(%) | Mean | Std Dev. |
|--|-------------|---------------|---------------|---------------|---------------|------|-------------|
| On-the-job training enhances employees' readiness to embrace change within our organization. | 5 (2.7%) | 25 (13.5%) | 45 (24.3%) | 72 (38.9%) | 38 (20.5%) | 3.61 | 1.04 |
| Regular training sessions have empowered me to consistently deliver my best effort at work. | 2 (1.1%) | 16 (8.6%) | 73 (39.5%) | 45 (24.3%) | 49 (26.5%) | 3.66 | 1.00 |

| | | | | | | | |
|---|-------------|---------------|---------------|---------------|---------------|------|------|
| Participating in staff trainings has made me feel fully engaged in my work. | 5 (2.7%) | 31 (16.8%) | 51 (27.6%) | 62 (33.5%) | 36 (19.5%) | 3.50 | 1.07 |
| Staff training sessions empower workers to actively participate in identifying future challenges and opportunities. | 6 (3.2%) | 25 (13.5%) | 64 (34.6%) | 44 (23.8%) | 46 (24.9%) | 3.54 | 1.10 |

The statement that read "On-the-job training enhances employees' readiness to embrace change within our organization" received varied responses. A majority of respondents, 72 (38.9%), agreed, while 38 (20.5%) strongly agreed, indicating that most employees recognize the value of on-the-job training in facilitating organizational change. However, 45 (24.3%) remained neutral, and a minority of 30 (16.2%) either disagreed or strongly disagreed. The mean score of 3.61 and a standard deviation of 1.04 suggest that while employees generally view on-the-job training positively, opinions vary. This finding aligns with Muriuki and Wangui (2022), who found that staff training enhances adaptability and performance in Kenya's banking sector.

The majority of responders (45, or 24.3%), agreed with the statement "Regular training sessions have empowered me to consistently deliver my best effort at work," while 49, or 26.5%, strongly agreed. 18 (9.7%) disagreed or strongly disagreed, while 73 (39.5%) were neutral. A mean score of 3.66 with a standard deviation of 1.00 suggests that training effectiveness is usually viewed favorably. This corroborates research of Gitonga (2020), who showed that regular training

programs greatly increase worker productivity and motivation in the banking sector.

Of the respondents, 62 (33.5%) agreed with the statement "Participating in staff trainings has made me feel fully engaged in my work," and 36 (19.5%) highly agreed. But a sizable portion—51, or 27.6%—remained neutral, and 36, or 19.5%, disapproved or strongly disagreed. A considerable degree of agreement with this statement is shown by the mean score of 3.50 and the standard deviation of 1.07. This suggests that while training fosters employee engagement, other factors may also influence engagement levels. Hassan (2023) similarly found that participation in staff training enhances commitment and engagement within organizations.

The statement that read "Staff training sessions empower workers to actively participate in identifying future challenges and opportunities" was agreed upon by 44 (23.8%) of the respondents, while 46 (24.9%) strongly agreed. Meanwhile, 64 (34.6%) were neutral, and 31 (16.7%) either disagreed or strongly disagreed. The mean score of 3.54 and a standard deviation of 1.10 suggest that most employees perceive training as a tool for future-oriented thinking, although some remain unsure of its effectiveness. This finding is consistent with Wang'ombe (2021), who indicated that training enhances employees' capacity to anticipate and address future business challenges.

Overall, the findings indicate that staff training is generally viewed as beneficial in enhancing readiness for change, improving performance, fostering engagement, and preparing employees for future challenges. However, the relatively high percentage of neutral responses suggests that additional measures may be needed to fully engage

all employees in training initiatives. The findings reinforce literature demonstrating that well-structured training programs are critical for employee development and overall organizational performance.

4.3.4 Descriptive Statistics for Organization Culture

Organizational culture significantly influences bank performance and adaptability. This section presents and discusses results on key cultural aspects, including change management, teamwork, transparency, belonging, and innovation. Findings are summarized using frequency distributions (F%), means, and standard deviations, followed by detailed interpretations of each statement.

Table 4. 6: Descriptive Statistics for Organization Culture

| Statement | SD F (%) | D F (%) | N F (%) | A F (%) | SA F (%) | Mean | Std Dev. |
|---|---------------------|--------------------|--------------------|--------------------|---------------------|-------------|---------------------|
| Our bank's culture prioritizes customer satisfaction, resulting in improved performance and loyalty. | 5 (2.7%) | 13 (7.0%) | 68 (36.8%) | 43 (23.2%) | 56 (30.3%) | 3.71 | 1.06 |
| The organizational culture in our bank encourages collaboration and teamwork, contributing to better change management. | 8 (4.3%) | 25 (13.5%) | 54 (29.2%) | 59 (31.9%) | 39 (21.1%) | 3.52 | 1.10 |
| Our bank's culture values transparency and open communication, which enhances our overall change management. | 3 (1.6%) | 29 (15.7%) | 61 (33.0%) | 45 (24.3%) | 47 (25.4%) | 3.56 | 1.08 |
| Employees in our bank feel a strong sense of belonging. | 5 (2.7%) | 29 (15.7%) | 51 (27.6%) | 60 (32.4%) | 40 (21.6%) | 3.55 | 1.08 |
| The organizational culture in our bank promotes innovation and creativity, leading to better change management. | 5 (2.7%) | 22 (11.9%) | 58 (31.4%) | 53 (28.6%) | 47 (25.4%) | 3.62 | 1.07 |

For the statement "Our bank's culture prioritizes customer satisfaction, resulting in improved performance and loyalty," 2.7% (5) of respondents strongly disagreed, 7.0% (13) disagreed, 36.8% (68) were neutral, 23.2% (43) agreed, and 30.3% (56) strongly agreed, yielding a mean score of 3.71. These findings indicate that a majority of employees recognize customer satisfaction as a key component of their bank's organizational culture, contributing positively to performance and loyalty levels. This supports Wang'ombe (2021), who observed that a customer-focused culture in banks enhances service quality, client satisfaction, and long-term customer retention.

The statement that read "The organizational culture in our bank encourages collaboration and teamwork, contributing to better change management" was rated as follows: 4.3% (8) strongly disagreed, 13.5% (25) disagreed, 29.2% (54) were neutral, 31.9% (59) agreed, and 21.1% (39) strongly agreed, with a mean of 3.52 and a standard deviation of 1.10. These findings indicate that while teamwork is recognized in some banks, a notable proportion of respondents were neutral or disagreed, suggesting that teamwork and collaboration require further reinforcement. This is consistent with Palmer (2016), who emphasized that an organizational culture fostering teamwork enhances adaptability and efficiency during change management processes.

The statement that read "Our bank's culture values transparency and open communication, which enhances our overall change management" had responses where 1.6% (3) strongly disagreed, 15.7% (29) disagreed, 33.0% (61) were neutral, 24.3% (45) agreed, and 25.4% (47) strongly agreed. The mean score was 3.56, with a standard deviation of 1.08. The results suggest that transparency and

open communication are valued in the organization, though a considerable percentage of employees remained neutral. James (2022) found that organizations that emphasize transparency and communication tend to manage change more effectively, as employees are more informed and engaged in the process.

The statement that read "Employees in our bank feel a strong sense of belonging" yielded results where 2.7% (5) strongly disagreed, 15.7% (29) disagreed, 27.6% (51) were neutral, 32.4% (60) agreed, and 21.6% (40) strongly agreed, with a mean of 3.55 and a standard deviation of 1.08. The findings indicate that while many employees experience a sense of belonging, a considerable number remain indifferent. According to Morgan and Zeffane (2013), a strong sense of belonging fosters commitment and enhances employee motivation, leading to improved organizational performance. Organizations with inclusive cultures tend to retain their employees longer and experience higher levels of productivity.

The statement that read "The organizational culture in our bank promotes innovation and creativity, leading to better change management" was assessed as follows: 2.7% (5) strongly disagreed, 11.9% (22) disagreed, 31.4% (58) were neutral, 28.6% (53) agreed, and 25.4% (47) strongly agreed. The mean score was 3.62, with a standard deviation of 1.07. These results suggest that innovation is encouraged in the organization, though a notable proportion of employees remained neutral. According to Schein (1984), an organizational culture that values creativity fosters adaptability, helping institutions respond effectively to industry changes and market demands. This implies that banks that embrace innovative cultural practices are more likely to navigate changes successfully and maintain a competitive edge.

4.3.5 Descriptive Statistics for Performance of Tier One Commercial Banks

This section presents the descriptive statistics regarding the performance of tier-one commercial banks. The results provide insights into various aspects of financial performance, including profitability, customer base expansion, industry benchmark comparisons, the effectiveness of strategies, and the accuracy of performance metrics. The discussion interprets these findings and links them to related studies from the literature reviewed.

Table 4. 7: Descriptive Statistics for Performance of Tier One Commercial Banks

| Statement | SD F (%) | D F (%) | N F (%) | A F (%) | SA F (%) | Mean | Std Dev. |
|---|----------|------------|------------|------------|------------|------|----------|
| We have seen a steady growth in profitability over the past year. | 3 (1.6%) | 28 (15.1%) | 52 (28.1%) | 67 (36.2%) | 35 (18.9%) | 3.56 | 1.02 |
| Our customer base has expanded significantly in recent years. | 5 (2.7%) | 20 (10.8%) | 53 (28.6%) | 61 (33.0%) | 46 (24.9%) | 3.66 | 1.05 |
| The bank's financial performance meets or exceeds industry benchmarks. | 4 (2.2%) | 29 (15.7%) | 42 (22.7%) | 66 (35.7%) | 44 (23.8%) | 3.63 | 1.08 |
| Effective strategies have led to noticeable improvements in our bank's performance. | 6 (3.2%) | 30 (16.2%) | 44 (23.8%) | 55 (29.7%) | 50 (27.0%) | 3.61 | 1.14 |
| The performance metrics accurately reflect our bank's operational success. | 5 (2.7%) | 20 (10.8%) | 49 (26.5%) | 66 (35.7%) | 45 (24.3%) | 3.68 | 1.04 |

The statement that read, "We have seen a steady growth in profitability over the past year," had a mean score of 3.56 and a standard deviation of 1.02. A majority of respondents, 67 (36.2%), agreed, while 35 (18.9%) strongly agreed, indicating that profitability has improved. However, 28 (15.1%) disagreed, and 3 (1.6%)

strongly disagreed, showing some concerns about growth consistency. The results imply that while most tier-one banks have experienced profitability growth, some institutions still struggle with financial performance. These findings align with Muriuki and Wangui (2022), who established that communication and leadership are crucial in driving profitability in commercial banks. Their study emphasized that effective strategic change management significantly enhances financial outcomes in the banking sector.

The statement that read, "Our customer base has expanded significantly in recent years," recorded a mean of 3.66 and a standard deviation of 1.05. Most respondents, 61 (33.0%), agreed, while 46 (24.9%) strongly agreed, suggesting that customer expansion has been notable. However, 20 (10.8%) disagreed, and 5 (2.7%) strongly disagreed, indicating that some banks have not experienced substantial customer growth. These results suggest that while digital banking and customer-centric strategies have led to an expanded customer base, variations exist across banks. The findings are consistent with Nyakio (2020), who found that communication and stakeholder engagement significantly influence customer growth and retention in commercial banks.

The statement that read, "The bank's financial performance meets or exceeds industry benchmarks," had a mean of 3.63 and a standard deviation of 1.08. A total of 66 (35.7%) respondents agreed, while 44 (23.8%) strongly agreed. However, 29 (15.7%) disagreed, and 4 (2.2%) strongly disagreed. This suggests that while most banks perceive their performance as competitive within industry benchmarks, some institutions lag behind. The findings align with Karambu

(2021), who established that financial performance in commercial banks is highly influenced by leadership effectiveness and strategic financial decision-making.

The statement that read, "Effective strategies have led to noticeable improvements in our bank's performance," recorded a mean of 3.61 and a standard deviation of 1.14. A significant proportion, 55 (29.7%), agreed, while 50 (27.0%) strongly agreed, suggesting that strategic initiatives have positively impacted performance. However, 30 (16.2%) disagreed, and 6 (3.2%) strongly disagreed, implying that some banks may not have fully implemented effective strategies. These results reinforce the findings of Munala (2023), who noted that strategy implementation enhances organizational performance in financial institutions.

The statement that read, "The performance metrics accurately reflect our bank's operational success," had a mean of 3.68 and a standard deviation of 1.04. A total of 66 (35.7%) respondents agreed, while 45 (24.3%) strongly agreed, suggesting that most banks rely on accurate performance tracking mechanisms. However, 20 (10.8%) disagreed, and 5 (2.7%) strongly disagreed, indicating that some banks may need to improve their performance evaluation frameworks. This finding is consistent with James (2022), who highlighted the role of organizational culture in shaping performance measurement and operational success in financial institutions. These findings collectively indicate that while most tier-one commercial banks in Nairobi County demonstrate positive financial performance, there are variations across institutions. Effective strategic change management, including communication, leadership, and organizational culture, plays a vital role in shaping these performance trends.

4.4 Correlations

This section presents Pearson correlation results showing the strength and direction of relationships between strategic change management practices—communication, leadership, staff training, organizational culture—and bank performance, with findings linked to existing literature.

4.4.1 Correlation between Communication and Performance of Tier One

Commercial Banks

Table 4.4 shows the Pearson correlation between communication and tier-one commercial bank performance, indicating the strength, direction, and significance of their relationship, and assessing communication's impact on overall bank performance.

Table 4. 4: Correlation Findings

| | | Communication | Performance of Tier One Commercial Banks |
|--|---------------------|---------------|--|
| Communication | Pearson Correlation | 1 | .815** |
| | Sig. (2-tailed) | | .000 |
| | N | 185 | 185 |
| Performance of Tier One Commercial Banks | Pearson Correlation | .815** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 185 | 185 |

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

The findings show a significant positive relationship between tier-one commercial banks' performance and communication ($r = 0.815$, $p = 0.000$). This implies that bank performance rises dramatically when internal communication improves. There is very little likelihood that this link is the result of chance because the correlation is statistically significant at the 0.01 level. According to these results, tier-one banks' performance is greatly influenced by efficient communication tactics, such as transparent leadership, staff engagement, and the clear distribution of information. This is in line with a study by Nyakio (2020), which discovered that communication is essential to bringing staff members into line with company objectives and boosting productivity and efficiency in commercial banks.

According to the significant association ($r = 0.815$), ineffective communication inside banks may result in decreased performance overall, inefficiencies, and a misalignment of strategic goals. In order to improve cooperation, customer service, and decision-making processes, tier-one banks must invest in strong communication frameworks, as this relationship is crucial. The results also concur with those of Muriuki and Wangui (2022), who found that companies that use organized communication techniques are more satisfied with their customers and perform better financially. This supports the claim that successful communication is a major factor in the banking industry.

4.4.2 Correlation between Leadership and Performance of Tier One Commercial Banks

This section presents the correlation results between leadership and tier-one commercial bank performance. Using Pearson's coefficient, the study found a strong, statistically significant positive relationship at the 0.01 level, highlighting leadership's influence on financial and operational outcomes.

Table 4. 9: Correlation Results

| | | Leadership | Performance Of Tier One Commercial Banks |
|--|---------------------|------------|--|
| Leadership | Pearson Correlation | 1 | .824** |
| | Sig. (2-tailed) | | .000 |
| | N | 185 | 185 |
| Performance Of Tier One Commercial Banks | Pearson Correlation | .824** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 185 | 185 |

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

The correlation results indicate that leadership has a strong and positive relationship with the performance of tier-one commercial banks ($r = .824$, $p = .000$). This suggests that as leadership effectiveness improves, the performance of the banks also increases significantly. The significance value ($p = .000$) is below the 0.01 threshold, confirming that the relationship is statistically significant. The high correlation coefficient implies that strong leadership practices, such as strategic decision-making, effective communication, and employee motivation, are critical in enhancing bank performance. These results align with the findings of Imam and Zaheer (2021), who emphasized that leadership plays a crucial role in shaping an organization's strategic direction and overall success. Their study highlighted that transformational leadership fosters a positive organizational culture, leading to improved financial and operational outcomes.

The findings suggest that leadership is a key determinant of performance in tier-one commercial banks, reinforcing the need for strong management practices. Effective leadership ensures that employees are well-guided, motivated, and

aligned with the organization's goals, which ultimately enhances productivity and financial sustainability. The strong correlation observed in this study supports the conclusions of Munala (2023), who found that leadership effectiveness positively impacts organizational performance, particularly in strategic decision-making and change management. Furthermore, the study by Karambu (2021) on county development projects similarly demonstrated that leadership plays a significant role in driving success through efficient resource allocation and policy implementation. These findings underscore the importance of leadership training and development programs to sustain high performance in tier-one commercial banks.

4.4.3 Correlation between Staff Training and Performance of Tier One Commercial Banks

This section presents the correlation results between staff training and tier-one commercial bank performance. Pearson's coefficient revealed a strong, statistically significant positive relationship at the 0.01 level, indicating that enhanced staff training is linked to improved bank performance.

| | | Staff Training | Performance Of Tier One Commercial Banks |
|----------------|---------------------|-----------------------|---|
| Staff Training | Pearson Correlation | 1 | .781** |

| | | | |
|--|---------------------|--------|------|
| | Sig. (2-tailed) | | .000 |
| | N | 185 | 185 |
| Performance Of Tier One Commercial Banks | Pearson Correlation | .781** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 185 | 185 |

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

Staff training and the performance of tier-one commercial banks are strongly and favorably correlated, according to the correlation data ($r = 0.781$, $p = .000$). According to the high correlation coefficient, banks' overall performance improves noticeably when they increase their staff training expenditures. The statistical significance of this link is confirmed by the p-value of .000, which is less than the 0.01 cutoff. This suggests that training initiatives give staff members the abilities and information they need to better customer service, adjust to shifting market needs, and boost operational effectiveness. These results are consistent with the research conducted by Muriuki and Wangui (2022), which found that employee training is a major factor in commercial banks' increased productivity and inventiveness. Their research emphasized that continuous professional development enhances employees' capabilities, leading to better financial outcomes for banks.

The findings suggest that prioritizing staff training is essential for sustaining high performance in tier-one commercial banks. Training initiatives not only improve employee competency but also foster adaptability to technological advancements and regulatory changes in the banking sector. The strong correlation observed in this study supports the conclusions of Gitong'a (2020), who found that employee

training significantly enhances organizational performance by increasing efficiency and service delivery. Similarly, Hassan (2023) established that continuous staff training positively influences institutional success by equipping employees with critical skills for managing change. These results underscore the need for tier-one banks to develop structured training programs that align with evolving industry trends to maintain competitive advantage and long-term profitability.

4.3.4 Correlation between Organizational Culture and Performance of Tier One Commercial Banks

This section presents the correlation results between organizational culture and tier-one commercial bank performance. Pearson’s coefficient revealed a strong, statistically significant positive relationship, indicating that a strong organizational culture greatly improves bank performance.

| | Organizational Culture | Performance of Tier One Commercial Banks |
|---------------------|------------------------|--|
| Pearson Correlation | 1 | .809** |

| | | | |
|--|---------------------|--------|------|
| Organizational Culture | Sig. (2-tailed) | | .000 |
| Performance Of Tier One Commercial Banks | N | 185 | 185 |
| | Pearson Correlation | .809** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 185 | 185 |

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

The correlation results reveal a strong and positive relationship between organizational culture and the performance of tier-one commercial banks ($r = .809$, $p = .000$). The high correlation coefficient suggests that a strong organizational culture—characterized by shared values, effective communication, and employee engagement—leads to improved bank performance. The significance value ($p = .000$) confirms that this relationship is statistically significant. These results imply that fostering a positive organizational culture enhances teamwork, operational efficiency, and customer service, ultimately contributing to financial growth. The findings align with those of Wang’ombe (2021), who found that organizational culture plays a crucial role in shaping employee behavior, decision-making processes, and overall institutional success.

The findings suggest that tier-one commercial banks should focus on strengthening their organizational culture to sustain high performance. A well-defined culture promotes employee commitment, innovation, and alignment with corporate goals, which enhances service delivery and profitability. The strong correlation observed in this study supports the conclusions of James (2022), who established that corporate culture significantly influences the performance of financial institutions by fostering consistency in operations and decision-making.

Similarly, Poku and Owusu (2013) found that a strong cultural foundation enhances adaptability and competitiveness in the banking sector. These findings underscore the importance of cultivating an adaptive and customer-centric organizational culture to ensure long-term success in the dynamic banking environment.

4.5 Linear Regression (hierarchical)

4.5.1 Model Summary for the Predictors of Performance of Tier One Commercial Banks

This section presents the regression model summary, highlighting the contribution of communication, leadership, staff training, and organizational culture to the performance of tier-one commercial banks. The analysis examines the R-squared and adjusted R-squared values across four models to determine the predictive strength of these variables. The findings indicate a progressive improvement in model accuracy as more independent variables are included. The Durbin-Watson statistic is also reported to assess the presence of autocorrelation in the regression model. The discussion interprets the results and links them to existing literature.

Table 4. 12: Model Summary for the Predictors of Performance of Tier One Commercial Banks

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .842 ^a | .710 | .708 | .45987 | |
| 2 | .896 ^b | .803 | .801 | .37971 | |
| 3 | .901 ^c | .812 | .809 | .37181 | |
| 4 | .922 ^d | .849 | .846 | .33404 | 1.049 |

- a. Predictors: (Constant), Communication
- b. Predictors: (Constant), Communication, Leadership
- c. Predictors: (Constant), Communication, Leadership, Staff Training
- d. Predictors: (Constant), Communication, Leadership, Staff Training, Organizational Culture
- e. Dependent Variable: Performance Of Tier One Commercial Banks

The results indicate that communication alone explains 71.0% ($R^2 = .710$) of the variation in bank performance, suggesting that effective communication significantly influences operational success. When leadership is added to the model, the R^2 value increases to .803, meaning that communication and leadership together explain 80.3% of the variance in bank performance. This finding implies that strong leadership, alongside effective communication, enhances strategic decision-making and operational efficiency. These results align with Imam and Zaheer (2021), who emphasized the role of leadership in shaping an organization's strategic direction and success. Their study found that transformational leadership improves communication processes, fostering a more engaged and productive workforce.

When staff training is incorporated into the model, the R^2 value increases to .812, meaning that communication, leadership, and staff training collectively explain 81.2% of the variation in bank performance. This indicates that training programs significantly enhance employee competence, leading to better financial and operational outcomes. The inclusion of organizational culture further improves the model's predictive power, raising the R^2 value to .849, suggesting that these four variables together explain 84.9% of the variance in bank performance. The Durbin-Watson statistic of 1.049 indicates no significant autocorrelation, confirming the reliability of the model.

4.5.2 ANOVA Results for the Predictors of Performance of Tier One Commercial Banks

This section presents ANOVA results for regression models predicting tier-one commercial bank performance. The analysis, based on F-statistics and p-values, shows all models are statistically significant at the 0.01 level, confirming that communication, leadership, staff training, and organizational culture collectively influence performance variations.

Table 4. 13: ANOVA Results for the Predictors of Performance of Tier One Commercial Banks

| Model | Variables Regressed | Sum of Squares | df | Mean Square | F | Sig. |
|-------|---|----------------|----|-------------|---------|-------|
| 1 | Communication | 94.601 | 1 | 94.601 | 447.317 | .000b |
| 2 | Communication, Leadership | 107.062 | 2 | 53.531 | 371.290 | .000c |
| 3 | Communication, Leadership, Staff Training | 108.280 | 3 | 36.093 | 261.082 | .000d |
| 4 | Communication, Leadership, Staff Training, Organizational Culture | 113.217 | 4 | 28.304 | 253.661 | .000e |

Each subsequent model considerably enhanced its ability to explain the variance in the performance of Nairobi County's tier-one commercial banks, as shown by the ANOVA findings in the table. With an F-statistic of 447.317 at a significance level of $p < 0.001$, Model 1, which regressed communication alone, showed that communication had a statistically significant impact on bank performance. With an F-value of 371.290 ($p < 0.001$), Model 2, which combined leadership and communication, demonstrated even greater improvement, indicating that leadership had more explanatory power than communication alone.

Model 3, which included staff training alongside communication and leadership, yielded an F-statistic of 261.082 ($p < 0.001$), showing a further significant

contribution of staff training to performance. Finally, Model 4, which integrated all four independent variables (communication, leadership, staff training, and organizational culture), recorded the highest explanatory power with an F-value of 253.661 ($p < 0.001$). The progressive increase in the regression sum of squares and the reduction in residual error across models suggest that all the variables together significantly enhanced the model's ability to predict performance outcomes among tier-one commercial banks.

4.5.3 Regression Coefficients for the Predictors of Performance of Tier One Commercial Banks

This section presents the regression coefficients for the predictors of performance in tier-one commercial banks. The table provides insights into the relative contribution of communication, leadership, staff training, and organizational culture to bank performance. The standardized beta values indicate the strength and direction of the relationship between each predictor and performance, while the p-values determine statistical significance.

Table 4. 14: Regression Coefficients for the Predictors of Performance of Tier One Commercial Banks

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | .914 | .137 | | 6.672 | .000 |
| Communication | .785 | .037 | .842 | 21.15 | .000 |
| 2 (Constant) | .502 | .121 | | 4.136 | .000 |
| Communication | .339 | .057 | .363 | 5.942 | .000 |
| Leadership | .553 | .060 | .568 | 9.297 | .000 |

| | | | | | |
|------------------------|------|------|------|-------|------|
| 3 (Constant) | .460 | .120 | | 3.845 | .000 |
| Communication | .220 | .069 | .236 | 3.215 | .002 |
| Leadership | .486 | .062 | .500 | 7.787 | .000 |
| Staff Training | .196 | .066 | .211 | 2.968 | .003 |
| 4 (Constant) | .273 | .111 | | 2.453 | .015 |
| Communication | .137 | .063 | .147 | 2.182 | .030 |
| Leadership | .194 | .071 | .199 | 2.722 | .007 |
| Staff Training | .183 | .059 | .197 | 3.087 | .002 |
| Organizational Culture | .433 | .065 | .436 | 6.652 | .000 |

The binary logistic regression model can be specified by substituting the coefficients from Model 4 into the equation:

$$L_i = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 +$$

Where:

P is the probability of improved bank performance.

β_0 is the constant (intercept). $\beta_1, \beta_2, \beta_3, \beta_4$ are the regression coefficients for the independent variables.

X_1, X_2, X_3, X_4 represent communication, leadership, staff training, and organizational culture, respectively. μ is the error term.

Substituting the values from Model 4:

$$(P/1-P) = 0.273 + 0.137X_1 + 0.194X_2 + 0.183X_3 + 0.433X_4 + \mu$$

Thus, the final model is:

$$(P1-P)=0.273+0.137(\text{Communication})+0.194(\text{Leadership})+0.183(\text{Staff Training})+0.433(\text{Organizational Culture})+\mu$$

This equation shows that all four predictors have a positive influence on the probability of improved performance in tier-one commercial banks, with organizational culture ($\beta_4=0.433$) having the strongest effect.

The regression results show that communication significantly influences bank performance in all models, but its effect reduces when other variables are introduced. In Model 1, communication has the highest standardized beta coefficient ($\beta = .842$, $p = .000$), confirming its strong influence on performance. However, as leadership, staff training, and organizational culture are added, its influence declines to $\beta = .147$ ($p = .030$) in Model 4. This suggests that while communication is essential, it works best when combined with other strategic factors. These findings align with Muriuki and Wangui (2022), who found that effective communication enhances organizational efficiency but must be complemented by leadership and staff development for optimal results. Leadership emerges as a significant predictor in Model 2 ($\beta = .568$, $p = .000$) and remains influential in Model 4 ($\beta = .199$, $p = .007$), reinforcing Imam and Zaheer's (2021) assertion that leadership plays a crucial role in shaping organizational strategy and driving performance. Staff training and organizational culture also have a significant impact on bank performance.

In Model 3, staff training contributes positively ($\beta = .211$, $p = .003$), and its effect remains strong in Model 4 ($\beta = .197$, $p = .002$), indicating its importance in equipping employees with skills necessary for improved efficiency and service delivery. This supports Gitong'a (2020), who found that staff training enhances

productivity in financial institutions. Organizational culture emerges as the strongest predictor in the final model ($\beta = .436, p = .000$), suggesting that a well-defined and adaptive organizational culture is critical for sustained performance. These findings align with Wang'ombe (2021), who emphasized that a strong corporate culture fosters employee commitment and innovation, leading to superior performance outcomes. Based on the hypothesis testing rule ($p < 0.05$), all four null hypotheses are rejected, confirming that communication, leadership, staff training, and organizational culture have statistically significant effects on bank performance. These results underscore the need for tier-one banks to adopt an integrated approach, incorporating all four strategic factors to achieve long-term success.

4.5.4 Binary Logic Regression

Model Summary

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|------|---------------------|----------------------|---------------------|
| 1 | 69.308 ^a | .552 | .798 |

a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

The model summary results show that the Nagelkerke R² value is 0.798, indicating that the independent variables explain approximately 79.8% of the variation in bank performance. The -2 Log likelihood value of 69.308 suggests a good model fit, as lower values indicate better predictive accuracy. The classification table demonstrates an overall prediction accuracy of 92.4%, meaning the model correctly classified 92.4% of cases. The accuracy for predicting improved performance (1.00) was 94.0%, while for no improvement (0.00), it was 88.2%, confirming the model's reliability.

Classification Table

| Observed | | Predicted | | Percentage Correct |
|--------------------|---|---|-------|--------------------|
| | | BI Performance of Tier One Commercial Banks | | |
| | | .00 | 1.00 | |
| Step 1 | BI Performance of Tier One Commercial Banks | .00 | 45.8 | 88.2 |
| | | 1.00 | 6.126 | 94.0 |
| Overall Percentage | | | | 92.4 |

a. The cut value is .500

| | | Variables in the Equation | | | | | |
|---------------------|------------------------|---------------------------|-------|--------|----|------|--------|
| | | B | S.E. | Wald | df | Sig. | Exp(B) |
| Step 1 ^a | Communication | .855 | .627 | 1.860 | 1 | .173 | 2.351 |
| | Leadership | .875 | .797 | 1.206 | 1 | .272 | 2.398 |
| | Staff Training | .938 | .575 | 2.661 | 1 | .103 | 2.554 |
| | Organizational Culture | 2.575 | .793 | 10.546 | 1 | .001 | 13.135 |
| | Constant | -16.175 | 2.844 | 32.355 | 1 | .000 | .000 |

a. Variable(s) entered on step 1: Communication, Leadership, Staff Training, Organizational Culture.

The variables in the equation table indicate that organizational culture is the strongest and most significant predictor (B=2.575, p=.001, Exp(B)=13.135), meaning that banks with a strong culture are 13.1 times more likely to experience improved performance. However, communication (p=.173), leadership (p=.272), and staff training (p=.103) are not statistically significant at the 0.05 level, suggesting that while these factors contribute to performance, their effects are less direct or interact with other organizational elements. These findings align with James (2022), who established that corporate culture significantly influences financial stability and operational success in commercial banks. Given that organizational culture plays the most crucial role in driving performance, tier-one

banks should prioritize fostering a strong, adaptive, and innovative work culture to ensure long-term success. The final logistic regression model is specified as follows:

$$\ln(P/1-P) = -16.175 + 0.855X_1 + 0.875X_2 + 0.938X_3 + 2.575X_4 + \mu$$

where:

X₁ = Communication

X₂ = Leadership

X₃ = Staff Training

X₄ = Organizational Culture

The model predicts the log-odds ($\ln(P/1-P)$) of achieving improved performance in tier-one commercial banks in Nairobi County based on four key predictors: communication (X₁), leadership (X₂), staff training (X₃), and organizational culture (X₄). The constant term (-16.175) represents the baseline log-odds of performance when all independent variables are zero. The positive coefficients for each variable indicate that improvements in communication (0.855), leadership (0.875), staff training (0.938), and organizational culture (2.575) are associated with an increase in the log-odds of better bank performance.

Among the variables, organizational culture (X₄) has the strongest effect, with a coefficient of 2.575, suggesting it plays the most significant role in enhancing performance when compared to the other factors. The positive coefficients across all variables imply that strengthening each of these strategic change management

practices increases the likelihood of improved performance in the banks under study.

These results emphasize the dominant role of organizational culture in shaping bank performance while highlighting the need for further integration of leadership, communication, and training to maximize efficiency and competitiveness.

4.5.5 Hypothesis Testing for the Predictors of Performance of Tier One Commercial Banks

The study sought to test four hypotheses regarding the influence of communication, leadership, staff training, and organizational culture on the performance of tier-one commercial banks. The decision rule states that a hypothesis is rejected if the p-value (Sig.) is less than 0.05 ($p < 0.05$). The regression results provide p-values for each predictor, which will be used to determine whether the null hypotheses should be accepted or rejected.

Table 4. 15: Hypothesis Testing for the Predictors of Performance of Tier One Commercial Banks

| Model | | Unstandardized | | Standardized | t | Sig. |
|-------|------------------------|----------------|------------|--------------|-------|------|
| | | Coefficients | | Coefficients | | |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .273 | .111 | | 2.453 | .015 |
| | Communication | .137 | .063 | .147 | 2.182 | .030 |
| | Leadership | .194 | .071 | .199 | 2.722 | .007 |
| | Staff Training | .183 | .059 | .197 | 3.087 | .002 |
| | Organizational Culture | .433 | .065 | .436 | 6.652 | .000 |

a) Hypothesis One Testing

The results indicate that communication has a statistically significant influence on the performance of tier-one commercial banks, as evidenced by a p-value of 0.030, which is below the 0.05 threshold for significance. This means that effective communication contributes positively to bank performance by enhancing clarity, coordination, and decision-making across different levels of management. Effective communication ensures that employees understand strategic objectives, reducing misunderstandings and improving operational efficiency. These findings align with Muriuki and Wangui (2022), who found that clear and consistent communication enhances employee engagement and overall organizational productivity in the banking sector. Therefore, tier-one commercial banks should invest in communication strategies that facilitate transparency, collaboration, and alignment with institutional goals.

b) Hypothesis Two Testing

H₀₂: Leadership does not have a statistically significant influence on the performance of tier one commercial banks.

A p-value of 0.007 indicates that leadership also has a statistically significant impact on bank performance, which results in the null hypothesis (H₀₂) being rejected. This implies that effective leadership encourages innovation, improves strategic decision-making, and inspires workers to meet performance targets. Setting the vision, directing organizational transformation, and fostering an atmosphere that promotes productivity and profitability are all critical tasks for

leaders. The results align with those of Imam and Zaheer (2021), who emphasized how transformational leadership shapes organizational success by encouraging flexibility and employee dedication. Given these results, tier-one commercial banks should prioritize leadership development programs to enhance managerial effectiveness and drive long-term performance improvements.

c) Hypothesis Three Testing

Additionally, a p-value of 0.002 indicated that staff training had a statistically significant impact on tier-one commercial banks' performance. This confirms that continuous employee training enhances skill development, efficiency, and adaptability to changing industry trends. Training ensures that employees remain competent in handling technological advancements, regulatory requirements, and customer service expectations. These findings align with Gitong'a (2020), who established that investment in employee training leads to improved productivity and organizational performance in financial institutions. To maintain competitiveness, banks should implement structured training programs that equip employees with technical and managerial skills necessary for optimal performance.

d) Hypothesis Four Testing

Organizational culture was found to have the strongest influence on bank performance, with a p-value of 0.000, leading to the rejection of the null hypothesis (H_{04}). This finding suggests that a well-defined and adaptive organizational culture enhances teamwork, innovation, and overall efficiency in banking institutions. A strong culture fosters employee engagement, aligns organizational values with

strategic objectives, and creates a positive work environment that drives performance. These results align with Wang’ombe (2021), who emphasized that corporate culture significantly influences financial stability and operational success in commercial banks. Therefore, tier-one commercial banks should focus on cultivating a positive organizational culture that supports change, promotes ethical practices, and enhances overall institutional effectiveness.

Table 4. 16: Summary of Hypothesis Testing Results

| Hypothesis | Predictor | p-value | Decision | Conclusion |
|-----------------------|------------------------|----------------|-----------------|-----------------------|
| H₀₁ | Communication | 0.030 | Reject | Significant Influence |
| H₀₂ | Leadership | 0.007 | Reject | Significant Influence |
| H₀₃ | Staff Training | 0.002 | Reject | Significant Influence |
| H₀₄ | Organizational Culture | 0.000 | Reject | Significant Influence |

Since all four hypotheses were rejected, the results confirm that communication, leadership, staff training, and organizational culture significantly influence the performance of tier-one commercial banks. These findings align with studies such as Imam and Zaheer (2021) and Wang’ombe (2021), which highlight the importance of leadership and organizational culture in enhancing institutional performance. The study recommends that tier-one banks integrate these four strategic factors to optimize their operational success and competitiveness.

4.6 Diagnostic Tests

This section presents diagnostic tests conducted to assess the validity and reliability of the regression model for predicting the performance of tier-one

commercial banks. The diagnostic checks include collinearity statistics, collinearity diagnostics, and residual statistics to ensure the model does not suffer from multicollinearity, poor fit, or violations of regression assumptions. Variance Inflation Factor (VIF) and tolerance values were used to test multicollinearity, while eigenvalues and condition indices assessed collinearity severity. Additionally, residual statistics examined the distribution of errors in the model. The results indicate that while multicollinearity is present, it is within acceptable limits, and residuals show a normal distribution, suggesting the model is robust.

Table 4. 17: Collinearity Statistics

| Model | Collinearity Statistics | |
|------------------------|-------------------------|-------|
| | Tolerance | VIF |
| Communication | .184 | 5.431 |
| Leadership | .156 | 6.408 |
| Staff Training | .205 | 4.887 |
| Organizational Culture | .195 | 5.122 |

a. Dependent Variable: Performance of Tier One Commercial Banks

The collinearity statistics show that all independent variables have VIF values between 4.887 and 6.408, indicating moderate multicollinearity. The tolerance values, ranging from 0.156 to 0.205, confirm some collinearity, but not at a level that would require variable exclusion. Generally, VIF values above 10 or tolerance values below 0.1 indicate severe multicollinearity, which is not the case in this model. The collinearity diagnostics table further supports this, with the highest condition index of 29.788, suggesting some multicollinearity but not at a problematic level.

Table 4. 18: Collinearity Diagnostics

| Model | Dimension | Eigenvalue | Condition | | Variance Proportions | | | | |
|-------|-----------|------------|-----------|------------|----------------------|------------|----------------|----------------|--|
| | | | Index | (Constant) | Comm | Leadership | Staff Training | Organl Culture | |
| 1 | 1 | 4.932 | 1.000 | .00 | .00 | .00 | .00 | .00 | |
| | 2 | .041 | 10.978 | .94 | .02 | .01 | .02 | .00 | |
| | 3 | .014 | 18.769 | .04 | .10 | .10 | .27 | .27 | |
| | 4 | .008 | 25.541 | .00 | .87 | .05 | .61 | .00 | |
| | 5 | .006 | 29.788 | .01 | .01 | .84 | .09 | .72 | |

a. Dependent Variable: Performance Of Tier One Commercial Banks

The residuals statistics confirm that the model meets normality and homoscedasticity assumptions. The predicted values range from 1.9078 to 5.0064, with a mean of 3.7216 and a standard deviation of 0.78442, suggesting a well-distributed prediction range. The residuals in Table 4.19 range from -0.75335 to 1.26234, with a mean of 0.000 and a standard deviation of 0.33039, indicating minimal error in predictions. The standardized residuals range from -2.255 to 3.779, which is within the acceptable range of -3 to +3, confirming that no extreme outliers distort the model.

Table 4. 19: Residuals Statistics

| | Minimum | Maximum | Mean | Std. Deviation | N |
|----------------------|---------|---------|--------|----------------|-----|
| Predicted Value | 1.9078 | 5.0064 | 3.7216 | .78442 | 185 |
| Residual | -.75335 | 1.26234 | .00000 | .33039 | 185 |
| Std. Predicted Value | -2.312 | 1.638 | .000 | 1.000 | 185 |
| Std. Residual | -2.255 | 3.779 | .000 | .989 | 185 |

a. Dependent Variable: Performance of Tier One Commercial Banks

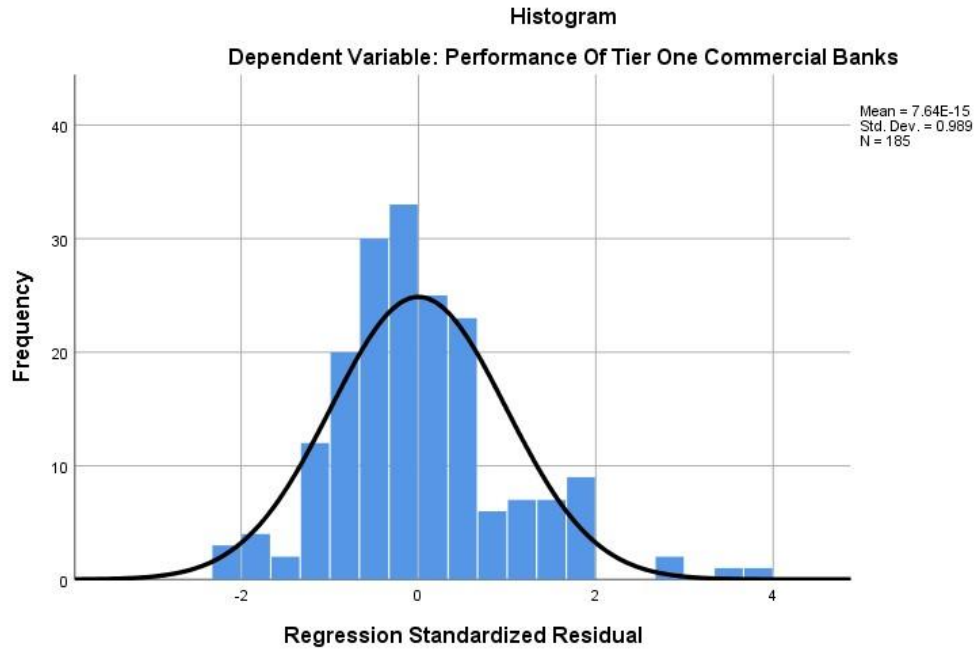


Figure 4. 4: Regression Histogram

The outcome of tier-one commercial banks' regression-standardized residuals histogram has a nearly normal distribution, suggesting that the residuals are almost symmetrically distributed around zero. The bell-shaped curve indicates that the model complies with the assumption of normalcy since it closely resembles the residuals distribution. A well-fitted model is further supported by the residuals' mean of around zero ($7.64E-15$) and standard deviation of 0.989, which is near 1. The presence of a few residuals beyond ± 2 suggests minor deviations from normality but not at a level that would significantly affect model reliability. The sample size of $N = 185$ is adequate for drawing meaningful conclusions. These findings confirm that the regression model is robust and suitable for predicting the performance of tier-one commercial banks.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a comprehensive summary of the research findings, conclusions drawn from the analysis, and recommendations, along with suggested areas for future research.

5.2 Summary of the Findings

The findings of the study revealed that the performance of Tier One commercial banks in Nairobi County, Kenya, is influenced by strategic change management practices, specifically communication, leadership, staff training, and organizational culture. The following discussion provides a detailed summary of these key study variables

5.2.1 Communication and Performance of Tier One Commercial Banks

The findings indicate that communication within tier-one commercial banks in Nairobi County is generally effective, but some areas require improvement. Employees feel moderately comfortable expressing their ideas to senior management, though a notable proportion still experiences barriers. While banks have established various communication channels for implementing organizational changes, their effectiveness remains uncertain for many employees. The perceived effectiveness of these channels is generally positive, yet a significant number remain neutral, highlighting potential gaps in awareness and impact. Open communication channels with senior management exist, but transparency issues persist, affecting timely and comprehensive information

dissemination. Supervisors are generally regarded as providing clear and detailed information, which enhances employees' understanding of their roles. Overall, the results suggest a strong positive correlation between communication and the performance of tier-one commercial banks ($r = 0.815$, $p = 0.000$), reinforcing the critical role of structured and transparent communication in driving organizational success.

5.2.2 Leadership and Performance of Tier One Commercial Banks

The findings indicate that leadership plays a crucial role in change management, goal communication, employee support, and innovation within the banking sector. While the majority of respondents recognize the importance of leadership in these areas, a significant proportion remain neutral, suggesting inconsistencies in leadership experiences. Employees generally agree that leadership facilitates change and provides adequate support, but gaps exist in communication clarity and engagement. Leadership's role in promoting innovation is acknowledged, yet some employees do not directly experience these efforts. The correlation analysis shows a strong positive relationship between leadership and the performance of tier-one commercial banks ($r = .824$, $p = .000$), reinforcing the critical role of effective leadership in organizational success.

5.2.3 Staff Training and Performance of Tier One Commercial Banks

The findings indicate that staff training plays a crucial role in enhancing employees' readiness for change, improving performance, fostering engagement, and preparing employees for future challenges. Most respondents acknowledged the benefits of on-the-job training, regular training sessions, and participation in staff training programs. However, a notable proportion remained neutral,

suggesting that while training is generally perceived as valuable, its impact may not be fully realized by all employees. The results align with existing literature emphasizing the importance of well-structured training programs in driving employee development and organizational success. Additionally, the strong positive correlation ($r = .781, p = .000$) between staff training and the performance of tier-one commercial banks underscores the significance of training in enhancing employee productivity and overall institutional effectiveness.

5.2.4 Organizational Culture and Performance of Tier One Commercial Banks

The findings indicate that organizational culture significantly influences various aspects of bank operations, including customer satisfaction, teamwork, transparency, employee sense of belonging, and innovation. Most employees perceive customer satisfaction as a key cultural priority, which enhances performance and customer loyalty. While collaboration and teamwork are recognized, a notable proportion of employees remain neutral or disagree, suggesting room for improvement. Transparency and open communication are valued but not fully embedded, as indicated by neutral responses. A strong sense of belonging exists, though some employees feel indifferent, highlighting the need for a more inclusive culture. Innovation is encouraged, but a considerable proportion of employees remain neutral, suggesting that creative initiatives could be further reinforced. Overall, the correlation analysis reveals a strong and positive relationship between organizational culture and the performance of tier-one commercial banks ($r = .809, p = .000$), reinforcing the critical role of culture in driving success and adaptability in the banking sector.

5.3 Conclusions

The study findings highlight the critical role of communication in the performance of tier one commercial banks in Nairobi County. While banks have established various communication channels, their effectiveness is not fully realized by all employees. Open communication and transparency remain areas requiring improvement, as some employees feel disconnected from senior management's decision-making processes. The strong positive correlation between communication and bank performance ($r = 0.815$) underscores the need for banks to enhance transparency, encourage employee feedback, and ensure timely dissemination of information to boost overall effectiveness and adaptability.

Leadership emerged as a crucial factor influencing the performance of tier-one commercial banks, particularly in areas such as change management, goal-setting, employee support, and fostering innovation. While leadership is generally regarded as effective, inconsistencies in communication and engagement persist, with some employees perceiving a lack of clarity in decision-making processes. The strong correlation between leadership and performance ($r = 0.824$) highlights the importance of effective leadership strategies that actively engage employees, promote innovation, and facilitate smooth organizational transitions. Strengthening leadership development programs can further enhance institutional performance.

Staff training was identified as a key driver of employee performance, engagement, and adaptability to change. Most employees acknowledged the benefits of structured training programs, yet some remained neutral, indicating that the perceived impact of training may not be uniform across all staff. The

positive correlation between staff training and bank performance ($r = 0.781$) reinforces the necessity of continuous professional development to equip employees with relevant skills, improve service delivery, and enhance overall efficiency. Banks should invest in targeted training initiatives to ensure employees are well prepared for evolving industry demands.

Organizational culture plays a significant role in shaping employee attitudes and overall bank performance. The findings suggest that while customer satisfaction, teamwork, transparency, and innovation are emphasized, some employees remain indifferent, indicating gaps in the full adoption of cultural values. The strong correlation between organizational culture and performance ($r = 0.809$) highlights the need for banks to foster a more inclusive, transparent, and innovation-driven culture. Strengthening these cultural aspects can improve employee morale, enhance customer satisfaction, and ensure long-term competitiveness in the banking sector.

5.4 Recommendations

Enhance Communication Effectiveness: Tier-one commercial banks should prioritize improving communication channels by ensuring that information related to organizational changes is disseminated clearly and promptly across all employee levels. Given that some employees expressed neutrality or uncertainty about communication effectiveness, banks should invest in communication training for managers, adopt digital platforms for faster updates, and encourage regular feedback forums to address employee concerns and clarify organizational goals.

Strengthen Leadership Involvement in Change Processes: The study revealed gaps in leadership engagement and communication clarity despite leadership showing a strong influence on performance. Therefore, banks should conduct leadership development programs focusing on transformational leadership, employee engagement, and strategic communication. Managers should be encouraged to hold regular team briefings, offer individual support, and visibly champion innovation and change initiatives to foster trust and motivation among employees.

Enhance Staff Training Relevance and Coverage: Although staff training had a significant positive impact, the neutrality in some responses indicates inconsistency in training effectiveness. Banks should conduct regular training needs assessments to tailor programs to emerging industry needs. Expanding on-the-job training, offering refresher courses, and creating mentorship programs will help bridge existing knowledge gaps and ensure all employees perceive training as relevant and impactful toward their performance and career development.

Promote an Inclusive and Performance-Driven Organizational Culture: The findings highlighted areas needing improvement in teamwork, transparency, and employee sense of belonging. Banks should develop culture-strengthening initiatives such as interdepartmental collaboration projects, recognition programs, and open forums for employee feedback. Management should also reinforce organizational values that promote innovation, customer satisfaction, and inclusivity. Embedding these practices will help reduce neutrality in employee perceptions and cultivate a more engaged, motivated, and high-performing workforce.

5.5 Suggestions for Further Studies

Future research could explore the impact of digital communication tools on employee engagement and performance in commercial banks. Given that a significant proportion of employees in this study remained neutral on the effectiveness of current communication channels, further studies could assess how digital platforms such as intranet systems, mobile applications, and AI-driven communication tools influence information flow, transparency, and decision-making within banking institutions.

Another potential area for research is the influence of transformational leadership on employee motivation and innovation in the banking sector. While this study established a strong positive correlation between leadership and bank performance, further research could investigate specific leadership styles that drive innovation, employee satisfaction, and adaptability in an increasingly competitive and technology-driven banking environment.

Further studies could also examine the long-term impact of staff training on employee retention and career progression in tier-one commercial banks. Since some employees in this study remained neutral on the effectiveness of training programs, future research could explore how structured training initiatives influence career development, job satisfaction, and employee loyalty, providing insights into best practices for sustainable professional development.

Lastly, researchers could investigate the role of organizational culture in fostering resilience and adaptability during economic downturns or financial crises. Given the importance of culture in shaping employee morale and customer satisfaction, further studies could analyze how cultural factors influence crisis management, risk-taking behavior, and strategic decision-making within the banking sector,

particularly in response to external shocks such as global recessions or regulatory changes.



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APPENDICES

Appendices I: Consent Form Title.

of the Study:

Influence Strategic Change Management Practices on the Performance of Tier-One Commercial Banks in Nairobi County, Kenya.

Purpose of the Study:

The purpose of this study is to explore the impact of strategic change management practices specifically communication, leadership, staff training, and organizational culture on the performance of tier-one commercial banks in Nairobi County.

Voluntary Participation:

Your participation in this study is entirely voluntary. You may choose to withdraw at any point without any consequences.

Confidentiality:

All information provided will be kept strictly confidential and used solely for academic purposes. Data will be anonymized, and no personally identifiable information will be shared.

Duration:

The questionnaire/interview is expected to take approximately [insert time, e.g., 15– 20 minutes].

Consent Statement:

I, the undersigned, have read and understood the purpose of this study, my rights as a participant, and the assurances of confidentiality. By signing below, I agree to voluntarily participate in the study.

Participant's Name: _____

Participant's Signature: _____

Date: _____

Thank you for your participation! If you have any questions or concerns, feel free to contact the researcher Peris Wambui Mwangi.

APPENDICES II: QUESTIONNAIRE

I am Peris Wambui Mwangi from Mount Kenya University I seek to conduct a study on the influence of strategic change management practices on the performance of tier one commercial banks in Nairobi, Kenya. I kindly request you to complete this questionnaire. Your responses will remain confidential and will be used solely for this study's purposes.

1. The Bank Name

2. Your Gender Male Female

1. Tick your functional position in the bank Top

level manager

Middle level manager

Lower level manager

3. Please select your highest level of education?

Secondary level () College

Diploma () Undergraduate

degree () Postgraduate degree

() Please specify your age

bracket? 25 and below () 26-

35 () 36-45 () Above 45 ()

4. How long have you been employed at this bank?

Below 10 years () Over

11 years ()

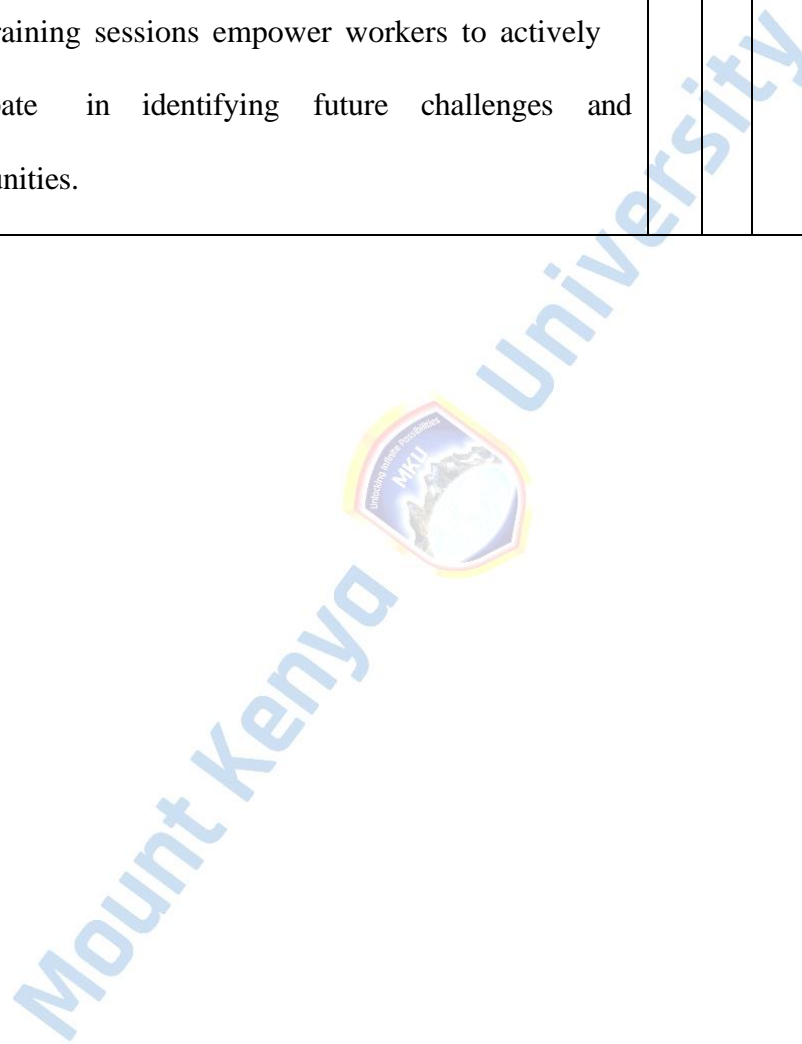
Communication

| | Statement | | | | | | |
|---|--|--|--|--|--|--|--|
| 1 | I'm comfortable sharing my thoughts with seniors directly. | | | | | | |
| 2 | To make organizational changes, our bank has created a number of communication channels. | | | | | | |
| 3 | Senior management at my place of employment has open lines of contact, guaranteeing prompt and thorough information distribution.. | | | | | | |
| 4 | The data that my supervisor gave me is constantly accurate and thorough. | | | | | | |
| 5 | The routes of communication are quite efficient in making organizational adjustments. | | | | | | |

Staff training

| | Statement | | | | | | |
|---|--|--|--|--|--|--|--|
| 1 | On-the-job training enhances employees' readiness to embrace change within our organization. | | | | | | |
| 2 | Team building activities enhance workers' ability to adapt quickly, particularly in challenging situations, due to staff training. | | | | | | |

| | | | | | | |
|---|---|--|--|--|--|--|
| 3 | Regular training sessions have empowered me to consistently deliver my best effort at work. | | | | | |
| 4 | Participating in staff trainings has made me feel fully engaged in my work. | | | | | |
| 5 | Staff training sessions empower workers to actively participate in identifying future challenges and opportunities. | | | | | |



Effective Leadership

| S/No | Statement | | | | | |
|------|---|--|--|--|--|--|
| 1 | Effective leadership is crucial during periods of change management process. | | | | | |
| 2 | Leadership plays a crucial role in facilitating change within the bank. | | | | | |
| 3 | Leadership assists in clearly communicating the goals and effects of the change to employees. | | | | | |
| 4 | I typically receive adequate leadership support when starting a new project or initiative. | | | | | |
| 5 | Leadership promotes initiative, innovation, and invention. | | | | | |

Organizational culture

| S/No. | Statement | | | | | |
|-------|---|--|--|--|--|--|
| 1 | Our bank's culture prioritizes customer satisfaction, resulting in improved performance and loyalty. | | | | | |
| 2 | The organizational culture in our bank encourages collaboration and teamwork, contributing to better change management. | | | | | |
| 3 | Our bank's culture values transparency and open communication, which enhances our overall change management | | | | | |
| 4 | Employees in our bank feel a strong sense of belonging and commitment, positively impacting our performance. | | | | | |
| 5 | The organizational culture in our bank promotes innovation and creativity, leading to better change management | | | | | |

Bank performance

| S/No. | Statement | | | | | |
|-------|---|--|--|--|--|--|
| 1 | Employees in our bank are adequately trained and prepared for changes, leading to smoother transitions to more profitable services | | | | | |
| 2 | Change management initiatives in our bank have resulted in improved efficiency and productivity leading to bigger market shares | | | | | |
| 3 | Clear communication channels are established during change initiatives, facilitating understanding for better customer service thus customer satisfaction | | | | | |
| 4 | The change management practices implemented in our bank effectively align with organizational goals of achieving more revenue streams | | | | | |
| 5 | Due to effective change management practices, our bank has had a higher customer retention rate in the last four years | | | | | |

**APPENDIX III: LIST OF TIER ONE COMMERCIAL BANKS IN
NAIROBI COUNTY, KENYA**

| S/No. | Bank Name |
|-------|-------------------------------|
| 1 | Equity bank group |
| 2 | Kenya commercial bank (KCB) |
| 3 | The cooperative bank of Kenya |
| 4 | NCBA |
| 5 | Absa bank Kenya |
| 6 | Stanbic bank Kenya |
| 7 | Standard chartered bank |
| 8 | Bank of Baroda |

APPENDIX IV: ETHICAL REVIEW COMMITTEE LETTER



REF: MKU/ISERC/4806
TO: PERIS WAMBUI MWANGI

Date: 24 February 2025.

REG: MBA/2022/30455

Dear Sir/Madam,

RE: INFLUENCE OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE OF TIER ONE COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3528**. The approval period is **24/02/2025 - 23/02/2026**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**


Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,


Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC



APPENDIX V: RESEARCH PERMISSION LETTER




REPUBLIC OF KENYA



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

Date of Issue: 11/March/2025


RESEARCH LICENSE



This is to Certify that Ms. Peris Wambui Mwangi of Mount Kenya 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: INFLUENCE OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE OF TIER ONE COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA for the period ending : 11/March/2026.

License No: NACOSTI/P/25/416565


Applicant Identification Number: 690258



Director General

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

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See overleaf for conditions

APPENDIX VI: RESEARCH ACKNOWLEDGEMENT LETTER



Kenya Commercial Bank (KCB) Group
KCB Bank Kenya Ltd
P.O. Box 48400-00100
Nairobi, Kenya
Phone: +254 711 087000
Email: info@kcbgroup.com
Date: 17th April 2025.

The Registrar
Mount Kenya University
P.O. Box 342-01000
Thika, Kenya

Dear Sir/Madam,

Re: Acknowledgment of Research Conducted by Ms. Peris Wambui Mwangi

This is to confirm that Ms. Peris Wambui Mwangi, MBA student at Mount Kenya University (Reg. No. MBA/2022/30455), conducted her approved research titled "Influence of Strategic Change Management Practices on Performance of Tier One Commercial Banks in Nairobi County, Kenya" at KCB Bank Kenya Ltd, Nairobi.

She engaged nine staff members—three senior, two middle-level, and four junior—for data collection in line with her study objectives. All procedures complied with our ethical and institutional guidelines.

Ms. Mwangi conducted herself with professionalism and integrity, and we wish her continued success.

Yours faithfully,

Signature

Rhodah W. Noles

Head of Human Resources

KCB Bank Kenya Ltd

Impressed True Copy of the Original
For: KCB BANK KENYA LTD -
Customer Service

APPENDIX VII: PLAGIARISM REPORT



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