The Crucial Role of Leadership on Employee Adaptability to Transformational Change: A Case of Commercial Banks in Anirobi, Kenya

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Abstract

This paper examines the crucial role of leadership in enhancing employee adaptability to transformational, change. Specifically on the influence of transformational leadership, training development and rewarding system in enhancing employee adaptability to transformational change. The study further identifies Resistance to change as the major obstacle to change and the greatest setback to the implementation of change process. The study adopted a descriptive survey research design and questionnaires were used to collect data. The data was analyzed using SPSS (version 10) and Microsoft excel. The study findings reveled that leadership was crucial to the transformational process in enhancing employee adaptability to change since lenders (managers) had the responsibility of envisioning the change, communicating it prior and during the change process; leaders maintained the change momentum by ensuring employees acquired the reacquired skills and knowledge to keep abreast with the change demands, motivated employees through a just and fairs rewarding system and involves them to participated actively in the change process. The study recommended that the commercial bank management should improve on communication processes especially in disseminating information on change which should be timely; they should incorporate multifaceted Human resource interventions such as reviewing the compensation system and aligning it total performance. They should intensify the different method of motivation retain special talents; involve employee participation and co-option within the change process. The ultimate goal is to assist employees to adapt to the change and consequently shield them experimenting brutality scars of change especially on the "human face" of transformational change.

Keywords: *Transformational Change: Resistance to change.*

I. INTRODUCTION

The growth and survival of any organization relief on its human capital which is regarded as an imitable asset(Smilansky, 2005) Human resources are regarded as the must important asset for the survival and growth of any organization (Armstrong, 2009) Therefore every organization should value their human resources due to their input(Charles, 2009). According to Kim (2011). Human resources are the decision makers they are creative ,innovative and talented. Their full potential can only be realizes through competent leadership which focuses on unleashing their co-compentices.

The study therefore seeks to discern on what leaders (managers) should do to minimize employee resistance to change and goes on to provide a multifaceted approach in an attempt to assist employees to adapt to the transformational change process wit/h ease. The main elements of managing resistance to change are houses in varied Human resources interventions that heading should adapt in an attempt to encourage employee adaptability to transformation change will ease (Rosemond, 2012).

II. BACKGROUND OF THE STUDY

In an age of global business competition, technological innovation, turbulence, discontinuity and even chaos change is inevitable and necessary (Holt, 2007) ,to survive organizations have to build new internal synergies(Snell and Bateman, 2007). Leaders need to encourage the spirit of innovation , experimentation and entrepreneurship, through the creation of strong appropriate organization cultures (Yakul, 2008). Currently developing countries are faced by the tide of transformational changes that have affected the strategy , structures, culture, technology and work processes of the global financial institution and Kenyan commercial eventually brings about employee resistance to certain new rules, redundancies , new tasks responsibilities, increased work pressure,

uncertainty, fear of the unknown and possible loose of jobs (Kirimi, 2011)

But the greatest set back to transformational change is employee resistance (Ndungu 2011)

Leaders during the change process therefore need to develop well planned Human Resource interventions that may assist in building stable structure and work processes to serve as anchors for people to hold on to during the period of uncertainty and turbulence of transition period (Stacy, 2011) Dynamic organizational leadership is necessary to shape and propel the change process (Wang, 2005). Leaders have a responsibility to identify the Human Resource approaches that may realize adaptability to charge. This study has identified the approaches as transformational leadership, training and development and the rewarding system as the interventions that may minimize employees' resistance and assist them to adapt to change with ease. Leaders should therefore communicate change effectively enhance acquisition of knowledge and skills motivation and involve employees towards adaptation to change. Charles Darwin observed that when the environment is changing rapidly, if is neither the strongest nor the most intelligent who survive but the ones who are more adaptable (Douglas, 2013). Therefore the fittest employees are those capable of adapting to change. This then calls for the crucial role of leadership in enhancing employees' adaptability to the change process.

III. THEORETICAL REVIEWS

In an attempt to establish the crucial role of leadership the study focused on three theories. The Kotter and Schlesinger six step change approach model (1979), The achievement Theory by McClelland (1987) and Prosci flight and risk model, on leadership (2004).

The Kotter & Schlesinger theory, outlines six different approaches that can assist leaders to help employees to adapt to transformation change. The first step is enhancing education and communication, second step is on enhancing employee's participation and involvement, while the third is facilitating support. The fourth is negotiation and agreement, fifth step is on fairness; manipulation and co-option, while the six steps is explicit and implicit coercion. According to Kotter leaders who follow this six steps many possibly assist employees to be receipts to the change process. Different researchers have actually agree that enhancing education, prompt communication and enhancing employee participation, actually increases their degree of receptiveness to change (Ertuk. 2008). The only weakness of the theory as far as leadership is concerned is the sixth step on implicit coercion which

critics argue that managers should be aware of employees emotional turmoil especially during the change process and use if sparingly (Daniel, 2009)

The achievement theory by McClelland (1987) is based on three Human needs, they include, achievement need, power need and affiliation need. Achievement is the desire to excel. This according to the theory can be achieved through learning and training which actually helps employees to be approved and promotion. Power is the desire to control others (Judge, 2010). Affiliation need is the high need for achievement, where employees are encouraged, to speak the language of achievement and take macerate risks to maximize the expected pay off (Mullins, 1999). Employees strive to work hard for personal achievement and self-gratification (Kim 2011). Hence the achievement theory may positively influence employees to adapt to change and likely hood to be retained in their organizations (Rosemond, 2012). Therefore transformational leaders should attend to different employee needs within the stratum of the hierarchy of need as advanced by Maslow (1954). Attending to their needs will assist them to achieve greater heights of employee adoptability to change (Judge, 2010).

Prosci flight risk model (2004), emphasizes on the need for transformational leaders to communicate change in a timely manner to ward off rumors. Managers according to the model should envision the perceived future state of individual employees and identify their training needs. The model stresses on the development of managers to assist them to house the right knowledge on how to deal with employee resistance to change and especially human psychology on change. Employee motivation, performance and satisfaction can be influence by the leader (Charles, 2008). The supportive behavior by the leader increases employee satisfaction particularly in stressful situations (Daniel, 2009). Therefore leaders should implement change through empathy, openness of communication, identify training needs for all categories of employees and motivate employees (Guest, 2009)

Conceptual Framework

The researchers developed a graphical representation of the theorized relationship of the variable captured in this study. The independent variable include transformational leadership strategy, training and development and the rewarding system while, employee adaptability to transformation change was the dependent variable.

Conceptual Framework

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┌─────────────────────────────┐
│ Transformational leadership │
│                             │
└─────────────────────────────┘

┌─────────────────────────────┐        ┌─────────────────────────────┐
│ Training and development    │        │ Employee adaptability to    │
│                             │        │ transformational change     │
└─────────────────────────────┘        └─────────────────────────────┘
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Independent variables   **Dependent variable**

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┌─────────────────────────────┐
│ Rewarding system            │
│                             │
└─────────────────────────────┘
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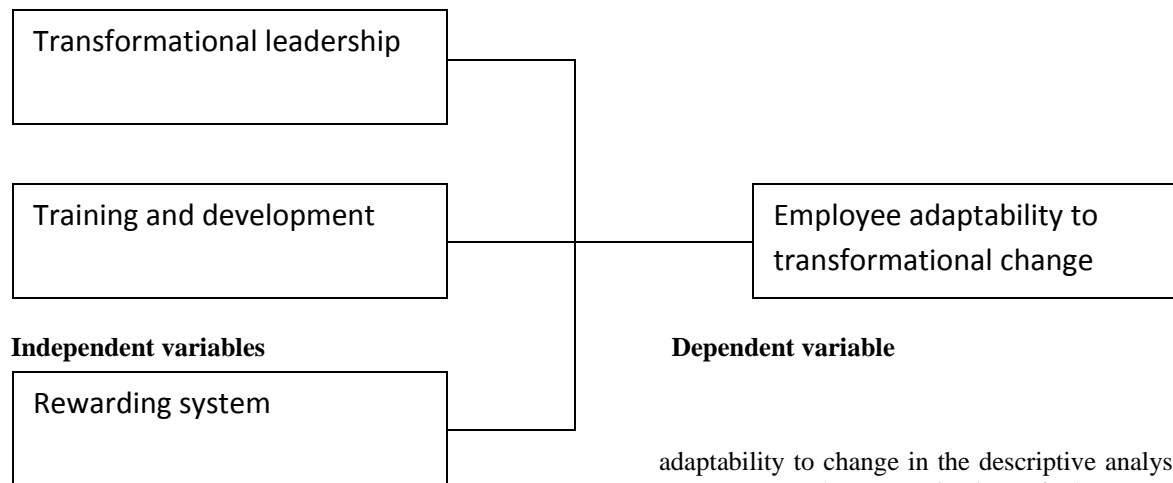
Methodology

The study combined both quantitative and qualitative research approaches and adopted a descriptive survey research design. The study population consisted of all employees in the 43 commercial banks in Nairobi which are the headquarters of other Banking branches located elsewhere in Kenya, according to the report of central bank 2014. To ensure proportional representation of all the workers in the Banks the study used the representation sample size that was developed by Conchrane (1963) to yield a representative sample size of 302 respondents. The study stratum was based on departmentalization and categorized into employee respective work ranks (managers, supervisors, Bank Tellers and Customers care) to ensure proportional representation of all the different ranks of workers in Banks. Stratification was used since it ensures that the sample is representative of the characters used to form the strata, it produces a lower standard error or variability. It also gives a higher precision with the same sample size and this simplifies data collection (Sauders, 2007).

The researchers used a structured questionnaire and a five point likert scale was used to measure the strength of responses and in addition open ended questions were used to allow dissemination of more information (Gay, 1992). Data was analyzed by SPSU (Version 10) and Microsoft excel.

IV. RESEARCH FINDINGS

The findings of the study indicated that a majority (91.9%) of the respondents supported the significance of transformational leadership to employee adaptability to change in the descriptive analysis while 55% supported communication of change especially prior to the change process. However 61% of the respondents were dissatisfied with the ways in which leaders communicated impending change 55% were dissatisfied with the Timeliness of the change communication. 43.2% were dissatisfied with the promotion processes used by the leaders while 38% were dissatisfied with the methods leaders used to motivate change.

98.7% of the employees were of the opinion that training and development would increase adaptability to change only 4.3% felt satisfied with their competences to embrace the change with ease. This is in agreement with Anyamele (2007), who found in his research that appropriate staff training and development strategies are essential needs approaches to task performance especially during the change process.71.6% of the respondents supported the influence of the rewarding system on employee adaptability to change, while 65% of the respondents supporter the opinion that retention strategy to some extent assisted employees to adapt to change. The findings were in agreement with Nyangari (2009) who in her study found out that the reward system was in precursor towards employee commitment to increased work pressure during the change process of institution.

V. CONCLUSIONS

Based on the findings the study concluded that leadership was crucial in influencing adaptability to transformational change. Leadership prayed a crucial role in communicating the change, motivating and involving all categories of employees to participate in the change process in different ways. Employee involvement assists in taping their potential creativity

and innovativeness towards increased output in task performance and hence adaptability to change. Leaders should realize that the employees' capabilities and competences are necessary if change has to be realized.

However the study established that leaders only involved certain categories of employees to the change processes, resulting to increased levels of anxiety, fear of the unknown, and passive resistance. From the qualitative findings the main setback of leadership was cited as lack of effective communication, selective communication with only certain categories of employees while ignoring others. Furthermore the study established that leaders used unfair methods of motivation and that they did not really involve employees in the change formulation processes.

Based on the findings training and development were established to be predictors so employee adaptability to change and that employees who had acquired the needed knowledge and skills were more receptive and positive about change as opposed to a great majority who lacked needed skills and knowledge to transcend the changes.

Further findings established that reward managers in banks did not reward according to performance but on years of experience. The reward system was not just and fair since it was based on seniority rather than performance and discouraged younger employees leading to their high turnover rates.

Therefore commercial banks need to redefine their reward system and do away with complexities and old legacies. The managers should design new reward systems that a compliant to global banking standards. The study further established that the commercial banks had high turnover and that is why the majority of the employees were young and un-experienced. The study concludes that leaders should assist in nurturing the unique human resource knowledge and capabilities by encouraging the retention of the rare skills and talents. Leaders are crucial in assisting banks to attain a competitive edge and shield them from encountering skills and talent gaps during the change process. Retention of employee's unique capabilities is crucial in fostering the competitive edge among the various Kenyan commercial banks especially in assisting them to meet their ultimate goal of meeting global banking standards. Kenyan commercial banks should aspire to assist employee adaptability to transformational change.

VI. RECOMMENDATIONS

The study revealed that many of the banks Management staff did not have higher managerial education like Masters Degrees and PHD's and therefore they needed more managerial knowledge. Enhancing learning of the management team would hence assist them to learn on the emerging global management approaches. Knowledge on Human psychology and behavior patterns would assist the managers to tap employee's full potential, gain employee royalty, assist them to identify employee training needs in anticipation of impending changes, and ultimately maximize employee task performance , and persuade them to migrate to the change environment with ease.

Leaders should make the communication in banks well spelt out, clear, timely and prompt to make it more effective. Prompt communication of the change prior to the change process and giving clear information about the rationale for change will assist leaders to regain credibility from employees. Managers should encourage employees to share their concerns without fear of victimization. They should give appropriate details about the change and how it influence employees both directly and indirectly and hence enhance their readiness for change. The Banks management should encourage constructive criticism, the return of variable feedback will assist the management in identifying certain gaps left out or assumed during the initial stage of the change initiative.

The management should strive to reduce the dissatisfaction levels caused by salary constrains and salary disparities. Enhancing the rewarding system policies such as harmonizing the reward system, rewarding performance and making the entire reward system just and fair will ensure employees commitment to the change implementation process. Furthermore being up the reward incentives wood boost the employees morale, increase their task performance and ultimately embrace change.

The commercial Banks management should aspire to return its "Best" employees to assist the various Banks to compete favorably with other players within the local, regional and global labour markets. The management should motivate the employees through different motivation interventions to with their royalty, reduce employee turnover and persuade them to assimilate the benefits of migrating to the new work environment with ease.

The Banks management should generate management designs for change since authoritarianism cannot enforce compliance. Therefore the leaders should identify opinion leaders and encourage them to support the change at all levels. This would have a positive impact on implementation of the change since employee participation and decision making will let them have direct ownership of the change process.

Finally leaders must embark on a multi-faceted change approach to assist employees to adapt to transformation change. Leaders in commercial banks should therefore consider using different Human resource interventions identified by this study as, training and development, communication, motivation a fair and just rewarding system, a well rehearsed retention strategy, employee involvement, while manipulation and co-optation should be considered only when it is very necessary.

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