Determinants of Employee Adaptability to Transformational Change in Commercial in Nairobi, Kenya: Empirical Review

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Abstract
Resistance to transformational change is seen as one of the major impediments to organizational growth and expansion, due to its negative repercussions. Even though change is implemented for positive reasons, its greatest setback is employee resistance. To a great extent, employee resistance arises due to certain risks like, the upsurge of redundancies, uncertainty, frustrations, fear of the unknown and transitional leadership incompetence. This study aims at identifying the Human Resource approaches that may probably minimize employee resistance and assist them to assimilate the benefits of migrating to a new work environment. The immediate goal is to enhance the employee ability to adapt to the change process with ease. Indeed the decline of employee resistance to change will help the commercial banks in Kenya to accomplish the envisioned banks competitive edge, while the ultimate goal is for them to meet the required Global banking standards. This study aims to review literature related to employee adaptability to transformational change with an aim of establishing gaps for further research.

Keywords: Determinants, Employee adaptability to Transformational change, Resistance to Change.

1. Introduction
The banking industry in Kenya has been undertaking vigorous changes to meet the global banking standards. The changes have affected the strategy, structure, technology, work processes and culture in the banks. Many employees have been rendered redundant by the lack of the right skills and knowledge to implement the change (Kirimi 2011) but the greatest setback to transformation change is employee resistance (Ndungu 2011). To a great extent

resistance arises due to human resource risks like, the upsurge of redundancies, increased employee turnover, incompetent transformational leadership and lack of focus on human resource future needs (Wright 2010). This study therefore seeks to discern on what can be done to minimize employee resistance, and provide a multifaceted approach. That may assist employees to adapt to the change process with ease. The main elements of managing the resistance to change may house varied solutions as the determinants to employee adaptability to transformational change.

1.1 Background of the Study

Change occurs when there is a great paradigm shift in technology; according to Charles (2008) organizations operate in an increasingly volatile environment and are in a state of constant change. The pressure to change stems from a variety of internal and external sources such as economic, social, and technological factors. According to Snell and Bateman (2007) many western business organizations were faced by employee resistance in their attempt to implement transformation change in the 1990s. Rapid change in modern organizations was punctuated by a period of rapid change in industry, structures and management styles, which triggered off business competition both locally, regionally and globally. To survive the escalating competition, organizations need to reconfigure their components to increase their efficiency and effectiveness, through transformational change,

In an age of global business competition, technological innovation, turbulence, discontinuity and even chaos, change is inevitable and necessary (Holt 2007). To survive organisations have to build new internal and external synergies. Managers need to encourage the spirit of innovations, experimentation and entrepreneurship, through the creation of strong appropriate organization cultures (Yukl 1998). Currently developing countries are faced by the tide of transformational changes that has been sweeping throughout the Globe, (Purcell 2005). Transformational change has affected the strategy, structure, culture, technology and work processes of the global financial institutions and Kenyan commercial banks are not exempt. The change eventually brings about employee resistance to certain new rules, redundancies, new tasks and responsibilities, frustrations, increased work pressure, stress uncertainty, fear of the unknown and possible loose of jobs, (Wang 2008). Hurvey (2010) stipulates that it is easy to change things, but it is hard to change people and resistance to change is perhaps the biggest threat to progress a business can face.

The determinants that probably may realize Human Resource adaptability to change have been identified in this study as, training and development, leadership, rewarding and retention strategies. These approaches may assist employees to enhance their knowledge and skills in the performance of new tasks, leaders may envision the change process more clearly and prepare and communicate it prior and during the change process. Resourcing may be based on the change needs, to minimize resistance. Nevertheless, a fair and just rewarding system may reduce the degree of resistance, and enhancing individual performance while influencing the retention of the needed employee capabilities.

The change process therefore needs well planned Human Resource approaches, to build stable structures and work processes to serve as anchors for people to hold on to during the uncertainty and turbulence of transition change (Stacy 2002). Dynamic organization leadership is then necessary to propel the change process (Wang 2005), leaders have the responsibility to

encourage employees to enhance their skills and knowledge and motivate them towards adaptation to change. Charles Darwin observed that when the environment is changing rapidly, it is neither the strongest nor the most intelligent who survive but the ones who are more adaptable (Douglas 2013), thus the fittest employees will be those most capable of adapting to change.

This paper aims to review literature related to determinants of employee adaptability to transformational change in commercial banks in Kenya.

2. Theoretical Review

Various theories address to employee needs during the change process to reduce their anxiety and frustrations. The most notable are; Kurt Lewins (1952) Three Step theory, Kotter and Schlesinger (1979) Six change approaches model, and McClelland (1987) Achievement theory.

2.1 Three Step Theory by Kurt Lewin (1951)

According to Kurt Lewin (1951), change occurs in three steps: unfreezing - moving - refreezing. The unfreezing step means doing away with the existing mind set of the employees and creating the motivation to change. Moving is the stage of introducing the new changes to the organization while refreezing is making employees to adapt to the new changes in the organization. The theory is relevant to this study since unfreezing is the process of getting people to accept the change. Moving involves getting people to accept the new, desired state of the organization, while refreezing, is the action of making the new practices and employee behaviours a permanent part of the transformational change process.

Lewin's model is relevant to this study in that for employees to charge there has to be disruption of the status quo which he called unfreezing, it leads to rumours, fear of the unknown, frustrations, uncertainty and generally employee persistence to the change process.

Moving means the change implementation process at this stage leadership is crucial in that it involves integrating the human resource approaches that may assist employees to adapt to the change. According to Ozuinn (1996) it is planning with the people in mind. Managers therefore need to be prepared through training and development to acquire the right knowledge and skills to best prepare employees to adapt the change process. Various studies have identified participation in decision making, motivation communication and trust in some of the factors that influence resistance to change Oberg (2003) stated the participation is a means which employees are given a voice to express themselves. This style of management affords employees the opportunity to gain control over important decisions and promote ownership of plans for change. Employees must believe that their opinions have been heard and given respect and careful consideration.

Motivation generally is defined as a driving force that initiates and directs behaviours Daniel (2009) suggested that motivation depends on the manager, the type of work involves the resources available, the growth opportunity, the compensation and the company culture. He further suggested that when workers are motivated; it might lead to less resistance towards the implementation of organisational change. Refreezing means making the organisation adapt to the new changes by matching the change needs to the employee capabilities and anchoring the change to the organization culture.

Critiques argue that the Lewins 3-step model approach as basically designed to destabilise employees and render them susceptible to change and that the model is unfashionable and that the terminology of freezing and unfreezing are not applicable to human behaviour (Bateman 2007). However Dawson (1994) argues that if you want an ice cone out of a large cube of ice, you must first melt it, shape it and solidify to acquire the desired shape. This theory therefore can guide the study in establishing determinants of employee adaptability to transformational change.

2.2 Kotter and Schelesingor six Change Approach Model 1979
The theory outlines deferent approaches that can be adopted to minimise the rate of employee resistance to change. The first approach suggested by Kotter is enhancing education and communication, second is on enhancing employee's participation and involvement, while the third is facilitating, support. The fourth is on negotiation and agreement. The fifth approach is on fairness; manipulation and co-option, while the sixth approach is explicit and implicit coercion, in the sixth approach Kotter suggested that employees to some extent had actually to be threatened to embrace change.
 Combined effects of education, managerial communication, employee participation and the management openness to organizational change have been credited by different researchers as actually increasing employee participation and their degree of receptiveness to change. Erturk (2008) examined this combined effects, and his findings indicated that there exists a strong positive relationship between employee education, management communication, employee participation and trust on the fairness in motivation to organizational changed.
The major weakness of the theory is the inclination to use implicit coercion, where critics argue that managers are not aware of the emotional turmoil of employees especially during the change process (Daniel 2009)

2.3 Achievement Theory of McClelland (1987)
 The theory is based on three Human needs they are, achievement need, power need and affiliation need. Achievement is the desire to excel and attain a set of prescribed standards .according to McClelland this can only be achieved through learning and training. Power is the desire to control others and this can be achieved through appropriate leadership.
Need achievement is the desire to accomplish something difficult (Hall 2003) people with high need for achievement should   be encouraged to speak the language of   achievement and assisted on how to take macerate risks to maximise the expected pay off (Mullins 1999).
Employees try to embrace the change process in anticipation for future gains. This need makes them more adaptive to change, loyal and makes them easy to retain in the organization, the theory enhance the idea that knowledgeable employee are more adaptive to new work situations, and strive to work hard for personal achievement and self-gratification (Kim 1993). Therefore training and development and the pursuit of achievement may positively influence employee adaptability to change and most likely their retention.
Critics of the theory argue   that   human needs differ in different periods of time, so it is necessary for transformational managers to advance employee needs within the different stratum of the hierarchy of needs, advanced by Maslow (1954) towards greater heights of employee adaptability to change.

3. Determinants of Employee Adaptability to Transformational Change

3.1 Training and Development
Training is considered as a form of human capital investment, whether that investment is made by the individual or by an organisation. Training and development of workers is defined by Kim (1993) as the process of increasing ones capacity to take action in that it covers acquisition of new skills, knowledge and capabilities. Continuous training will assist employees to keep up and adjust to the change process, address emerging issues and keep employees on the change track and motivate them to stick to the change process Leon (1995). Training and development may be of great consideration among the change leaders in that, it assists employees during the change process. According to Purcell (2003) acquisition of knowledge makes employees more innovative and creative hence empowering them to adapt to the change process more effectively.

Development is described as action learning (Reverns 1971) it is a method of assisting managers to develop their talents by exposing them to new problems. Managers should be well equipped with analyzing skills formulating recommendations and taking action. It accords the belief that managers learn best by doing rather than being taught (Mumford 2004), therefore it may be necessary to develop and increase managerial skills of transformation managers to assist them steer the change process. Development programs may assist them to acquire the right knowledge and skills to peddle the change process through the stormy waters of employee resistance with ease.

3.2 Leadership
Leadership is the ability to persuade others to willingly to behave differently according to Armstrong (2009) and Leshoe (1987) postulates that leaders are painters of the vision and architects of the journey. Therefore a transformational leader is the one who motivates the people to transcend their personal interests for the good of the group. According to Bennis (1988) leadership seem to be marshalling of skills possessed by a majority but used by a minority. It is therefore upon the leader to try and assist employees to unleash the potential they poses and further encourage them to develop their skills and acquire knowledge to enable them perform their tasks more effectively during the change process. It is therefore necessary for the leader to pray the crucial role of preparing, communicating. Motivating , and encouraging employees to accommodate change. Research conducted by Waceke (2013) in the banks undergoing transformation change indicated that, managers and departmental heads, and immediate supervisors prayed crucial role in encouraging staff to positively embrace change.

3.3 Rewarding Strategy
The rewarding system that is fair and just may enhance employee motivation, it is a driving force that initiates and directs behaviour Kotter (1996). He further suggested that motivation depended on the type of leadership, the type of work involved, the resources available, the compensation and personal drive as core predictors of job performance. Workers who are fairly motivated might lead to less resistance during the change implementation period. According to McNamara (2010) Reward Management adopts a "total war" which emphasizes the importance

of considering aspects of rewards as coherent and whole that integrates with other Human Resource interventions, designed to achieve the motivation, commitment, engagement and development of employees. Reward management is an integral part in the approach to managing people Armstrong, (2009). Rewarding is further enhanced by the business Research Lab 2006 which recommended that for better employee empowerment both monetary and non monetary rewards should be given.

Effective use of reward and recognition is proven, practical and cost effective means of motivating performance and according to Ndungu (2011) staff have to be motivated to assimilate the benefits of migrating to a new environment. A well designed reward system therefore might be an effective solution to employee performance and may be a remedy in promoting employee adaptability to transformation change.

3.4 Retention Strategy

Retention is defined as the use of an integrated set of activates to ensure their organization attracts and retains motivating employees an develops the skilled and knowledgeable employees that it needs at present and in the future. The aim is to secure the flow, bearing in mind that talent is a major corporate resource retention strategy is aimed at improving the caliber, available and flexible utilization of exceptionally capable employees who can have disproportionate impact or business performance. Different talent of the employees should be developed irrespective of their categories Armstrong (2009). He further emphasized on talent planning and development that include attraction, retentions, motivation development and succession planning as an entire process of talent management. Corporation should therefore use integrated activities to ensure that they attract, motivate, develop and retain talented people for the present needs and even future. According to Smilansky (2005).
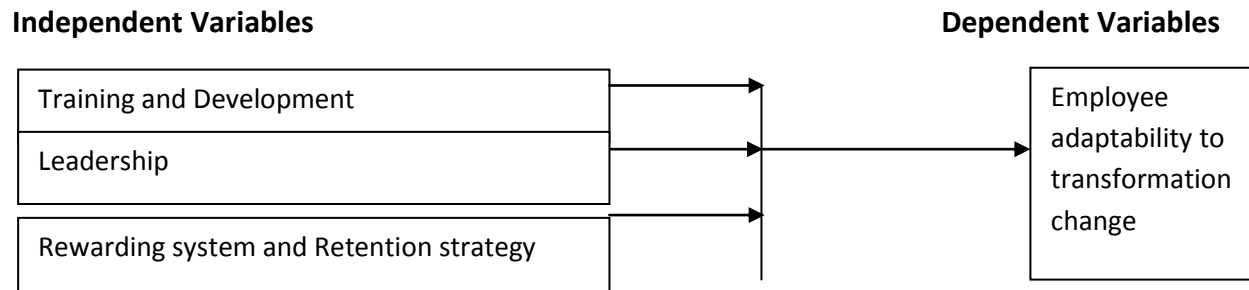
Human resource is an important and non-imitable resource so the different skills and knowledge should be retained in the organization especially at critical times like during the change process. Percell (2003) postulated that, organizations can therefore achieve their retention strategy by nurturing the unique, intellectual capital they poses to effectively implement the transformation change without encountering skill and talent gaps during the change implementation process.

Companies that adapt "talent war" mindset may place too much value on outsiders and downplay the talent already in the company according to Pfeffer (2000) leading to anxiety and dissatisfaction of their long serving employees and even resistance or worse still increased turnover. It is therefore necessary to first consider the talents with the organization and develop them. However it is also necessary to scan for rare talent within the environment and recruit, develop and retain such resources Smilansky (2005).

Corporate should treat individual employees fairly; recognizing their value, giving them voices and provides opportunity for growth. According to Sears (2003) it is better to build and existing relationships rather than try to create new ones when someone leaves. Turnover of key employees can have disproportionate impact on the organization. It happens that without an appropriate retention strategy it is likely that many skills and talents will be lost especially during the change process the people of the organization wish to retain are probably the ones likely to leave Reed (2001) necessary. It is therefore to put in place the necessary HR

interventions to retain the rare skills and talents within the organization especially by preparing them adequate to adapt to the change process.

Figure 1 CONCEPTUAL FRAMEWORK
Independent Variables   **Dependent Variables**

Training and Development	Employee adaptability to transformation change
Leadership	
Rewarding system and Retention strategy	

4. Empirical Review

Employee adaptability to change is of interest to employers because of its implications to high employee resistance to change, which has been a major obstacle to the change implementation process. Markus (2011) Argued that banks need to implement change programs but outlines employee resistance as an obstacle to the process. He suggests that adequate preparations of employees through training and prior communication about the change will enable employees to embrace change with minimal resistance.

Studies have identified different determinants of employee adaptability to change. A study by Kotter (2008) on transformational leadership emphasises on the leadership potential and how to expose their employees to career expectances designed to develop potential while improving their ability to lead. However he suggested that strong leadership and weak management is no better. The challenge according to him is to balance the two. Locally a study Waceke (2013) on change management observed that employees needed training, motivation, and effective transformation leadership, to enable them to transcend their fear, frustrations and generally resistance to change. She further cites gender programs as prerequisite to the change management in commercial institutions in Kenya. This study reflects the importance of determinants of employee adaptability to change, that may ultimately minimise employee resistance, which has been widely cited in many studies as the greatest obstacle to change.

5. Conclusion

From the foregoing literature review, it has been observed that many of the studies done on employee resistance to change, many researchers restrict their studies on the, need for change, business change process, and economic consequences of employee resistance to change implementation process, however gaps exist in addressing the determinants of employee adaptability to transformational change. This study therefore seeks to address the determinants that may influence employee adaptability to change prior or during the change process especially within the financial institutions, and especially the banks in Nairobi Kenya.

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