INFLUENCE OF STRATEGIC CHANGE ON PERFORMANCE OF TIER TWO COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

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ABSTRACT

The main goal of this study was to determine the Influence of Strategic Change on Performance of Tier Two Commercial Banks in Nairobi County, Kenya .The specific objectives of this study were; To determine the influence of leadership change on the organizational performance of commercial banks in Nairobi County, establish the influence of process change on growth of commercial banks in Nairobi County; To investigate the influence Structure change on the organizational performance of Commercial Banks in Nairobi County and To examine the influence of policy change on the organizational performance of commercial banks in Nairobi County. This study utilized a descriptive research design. The target population was 150 managers in the Tier II Commercial banks in Nairobi County, Kenya. Stratified sampling was used to select a sample of 45 managers for the study. The research used primary data. The primary data was assembled by use of questionnaires which were developed as per the study objectives and distributed to the respondents. The respondents were given a period of two weeks in order to have enough time to answer the questionnaires, before being collected for cleaning and coding. Data analysis was done by use of SPSS software, version 23, where the collected questionnaires were edited, coded and input into the software for analysis. The data was analyzed for inferential and descriptive statistics where measures of central tendency such as mean and standard deviation were deduced. Tables and bar graphs were used to present the findings. It was found out that Leadership change and process change have a positive influence on the performance of Tier II Commercial banks in Nairobi County. This means that positive change in banks leadership and processes results in improved performance in tier II banks. The study also found that structure change and policy change have a positive influence on the performance of Tier II Commercial banks in Nairobi County, Kenya. This means that positive change in Banks structure and policies improves performance of tier II banks. The study therefore recommends leadership change in relation to enhancing the performance and composition of the top management of the Tier II Commercial banks should be embraced and encouraged to be adopted by all organization. This is because from the study, leadership change acted as a facilitator of performance In of Tier II Commercial banks. Secondly, the Commercial banks needs to embrace new technology and embrace innovation in order to develop new products for purposes of enhancing the performance of the institution. this is because from the study, it was determined that Commercial banks were embracing new technology, undertook product development and had a good customer service management system in place which led to enhancement in performance. Thirdly, the Commercial banks needs to undertake restructuring within their organizations and decentralize power in order to enable the commercial bank operate smoothly. This will enable commercial banks expand their operations and have a good structure in place thus leading to improvement of performance Lastly, the Commercial banks needs to train their staff on banking policies and put in place credit regulation policies and ensure that they are conversant with the policies. This is because from the study, it was established that policy change had a major influence on the performance of Tier II Commercial banks.

INTRODUCTION

Background of the study

The study sets out to investigate the influence of strategic change management on organizational performance. To this end, this chapter builds the case by introducing the problem warranting the study. This chapter presents; the background of the study, problem statement, objectives, research questions, importance of the study, the scope of the study and limitations of the study.

Strategic change involves making changes to the overall goals, purpose, strategy or mission of an organization, and is a key disruption to the normal way that the organization is used to conducting its business (Carpenter, Bauer and Erdogan, 2012). Activities alteration is as a result of structural changes in the organization, new product introduction, task transfer, or even change in attitude of process or groups or events within or outside the institution. There are various forms that strategic change occurs such as introduction of new products, new procedures and new technology. Given the public scrutiny under which the state-owned corporations in Kenya have come in the wake of frequent and huge corruption scandals, this research will take a view of organizational change that is continuous - based on work processes and social practices (Weick and Quinn, 2014).

Most of the strategic change implemented in the state-owned corporations purpose to improve the efficiency in public service delivery, service quality improvement, reducing resource usage, revenue collection improvement and streamlining the bureaucratic processes among other things (Carter & Quick, 2013). The aim of such strategic change is to overhaul the administrative systems of the government, so as to be proficient in providing services to both the citizens and government (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece &Winter, 2012). The aim of such strategic change is to overhaul the administrative systems of the government, so as to be proficient in providing services to both the citizens and government (Heffat, et al., 2013). As such, this typology appears to be particularly relevant for state owned corporations such as the Kenya Wildlife Service which operate under public scrutiny, within an environment that generates a lot of pressure for organizations to take up newer technologies as well as advanced management systems that will ensure efficient and effective management of public resources.

In Kenya, the legislature has been attempted open area changes so as to keep pace with the continually evolving innovative, monetary, social, political and different advances (Daily Nation, 2014). This has called for vital changes for different services, organizations and divisions. Being the prime implementers of the open area changes, government employees whom are required to perform well in spite of the extraordinary changes. At the point when the government workers fail to meet expectations in doing their duties, the execution of government approaches and techniques won't just bomb yet in addition the open loses its certainty and honesty in the administration as a whole (Adebabay, 2013). According to Trinh and O'Connor (2013), key change can either be hurtful or accommodating to hierarchical execution. The creator's further fight that effective execution of key change improves the business while disappointment prompts calamitous results including hierarchical decay and in the long run demise.

In this way, it is significant for firms to connect with implementers, who are the workers undertaking vital changes to verify authoritative execution after and during the vital changes, for this situation.

Global Perspective of Strategic change.

Globally, organizations are influenced by factors of change, if the environment changes, then they respond accordingly (Thompson, et al, 2012). These changes evoke a more strategic approach in response by acting proactively or adapting to the environment while at the same time ensuring sustainability of services rendered and products offered. Strategic response is a means of matching the firms' activities to its environment. Enormous number of resources are required for strategic change management as it determines the long term direction of the organization. This will bring about the achievement of advantage in the long run and therefore concerned with the scope of entire organization activities (Pearce, et al, 2012). Organizations have to respond to changes in the external environment because they are environment-dependent and environment-serving. An understanding of environmental forces is needed for appropriate measures to be applied. Trade and market liberalization especially in the India, has resulted into growing presence of businesses from these countries in the global economy.

Indigenous businesses in the emerging economies have to pay greater attention in order to compete with multi nationals. As the competition continues to stiffen, a broader conceptualization of business performance evaluation system including indicators of financial as well as operational is needed. Further, for performance measures to have meaning and provide useful information, it is necessary to make comparisons between and within the organizations. The comparisons may evaluate progress in achieving given goals or targets, assess trends in performance over time, or weigh the performance of one organization against another. Among the emerging economies, India is making its presence felt. Performance evaluation of current scenario of performance will be done to gain insight in the corporate India, a survey will be conducted where more than one hundred organizations will be contacted and the information on various key parameters will be collected (Vaidyaa & Chitnis,2012).

Regional Perspective of Strategic change.

In Tanzania, as far as the cement industry is concerned, the recent decision of a Kenyan firm to invest in local production facilities in Tanga and Dar es Salaam could help limit the emerging trade deficit and possibly also trigger export activities to neighboring countries that lack the required natural resources. In summary, the Tanzanian market offers substantial prospects for both domestic and international manufacturing firms. While importers today are still the key beneficiaries of these developments, the rapidly multiplying market volumes suggest that economies of scale might soon warrant domestic production for a variety of manufactured products (Nilsson, 2010).

The performance of public sector organizations has emerged as a very critical subject throughout the post-1994 era in South Africa. The ability of government to deliver quality service are as a result of different strategic choices, in attempting to find answers to performance related matters in the country (Tait & Niaber, 2010)

However, despite these efforts, one dominant issue has been the manifest inability to identify and apply suitable performance measures, which has resulted in the failure to measure or manage organizational performance within the public sector (Nilsson, 2010). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs, or goals and objectives (Pycraft, et al, 2010). It is influenced by the nature and quality of both inputs and processes used in the organization's transformation process.

When an organization performs below the expected standard, the problem can be traced back to either one or more of the input resources, systems and/or the processes used to transform these resources into outputs. Generally, organizational performance can also be perceived as resulting from and being associated with a long list of contributing factors that include operational alliances, organizational structure, environmental forces and other phenomena (Nilsson, 2010).

The major challenge of the performance measurement system in Nigerian public sector is the inability of the system and the control apparatus it instituted to achieve the desired goals. For example, the various public sector institutions in Nigeria recognized the traditional public administration as a familiar terrain and therefore more fit and suitable for their conventional worldview. Thus, in effect, the absolute acceptance of the new public management and its consequential attributes like performance measurement could lead to seriously and rigorous and intensive exercise that willingly trail the performance or failure down to the originating employee, division or department in the public sector institution (Safianu, 2014).

Although, a number of the public sector institutions in Nigeria have developed a specific and definite performance measures like input measure, through-put measure, process measure, output measure and outcomes measure as the case may be, but all these are functionally operational at a particular time when the government organs responsible beam their searchlight on the system and pick special interest on the proper usage and application of the performance measurement (Inua & Maduabum, 2014). Meanwhile other public sector institutions in Nigeria have developed KPIs relative to their administrative and constitutional mandates; and these indicators are tied to the institutions‟ short-term and medium-term budgets, but yet still the full success of these structures has not been realized (Safianu, 2014).

Local Perspective of Strategic change

Constant changes in the local business environment have forced business entities to develop suitable strategies in order to remain competitive. Otieno (2014), while studying the responses adopted by telecommunication contactors in Kenya concluded that keeping abreast with technological changes, regular training and outsourcing of non-core functions are key in being competitive. Training and development will be also found to be crucial in tackling the issue of political and legal environmental challenges affecting the organization. One of the main areas of environmental challenges is the competitive environment. Firms therefore align their strategies to cope with competition. D'Silva (2012) noted that Safaricom Ltd formulated strategies aimed at tackling competition and will be mainly focused on providing benefits to customers.

The public sectors too are affected by the environmental changes and have to respond. Achola (2016) found out that Kenya Electricity Generating Company (Kengen) come up with strategies as a result of the ever changing customer needs behavior and expectations. Kengen also utilized information technology to develop new services and had to find innovative ways of raising capital. In Kenya today, competition within the banking sector is rising and has prompted banks to adopt mechanisms to help in maximizing profits and compete against each other (Mohamed, 2014) Competitive and growth strategies like product development, market development and diversification are regarded as important engines that help companies to enter new markets, expand, reduce competition, consolidate and grow as well as employ new technology with respect to products, people and processes).

Commercial Banks in Kenya

Khambata (2016) in characterizing business banks as money related organizations that acknowledge stores, make business advances, and offer essential venture items. As indicated by the Central Bank of Kenya, there are right now 44 business banks that are completely enlisted and working in Kenya. These are benefit making monetary organizations that have an urgent job in the nation's budgetary framework. Business banks prove to be useful at bringing budgetary soundness just as income of the nation's private segment. Together with home loan account foundations, business banks are authorized and managed according to the Banking Act and the Regulations and the Prudential Guidelines gave there under. Being key players in the financial segment, such elements must be managed all the more so concerning their prudential position and market lead so as to shield the general adequacy and soundness of the budgetary frameworks.

As per CBK (2017), the Kenyan financial area is comprised of the Central Bank of Kenya (CBK), which is additionally the administrative position, 44 financial organizations (43 business banks and 1 home loan account organization). Out of the 44 financial foundations, 41 were exclusive while the Kenya Government had greater part possession in 3 establishments.

As per banking Act of Kenya Cap 488 a bank is an affiliation that gives or proposes to give banking organizations in the country. Further the importance of the monetary business is given as affirmation of open money from people that can be repaid on enthusiasm, after the expiry of a given period or after a notice is given; the affirmation of cash on current record from people from individuals when all is said in done and the affirmation or portion of checks just as the usage of money held tight present and store record of in another record or in another way reducing the danger and offering duty regarding the record proprietor.

In the past two decades there have been extraordinary and basic changes in the Kenyan monetary division (1990-2010). Misati, Njoroge, Kamau and Ouma (2010) note that the amount of cash related organizations has rose, there has been an improvement in the efficiency in the budgetary structures and financial firms and activities in the business has moreover extended (CBK, 2010). The number of parts of business banks in the country has extended from 530 branches in 1999 to 1,102 branches by June 2011. The number of ATMs has in like manner climbed from 262 to 2,021; the amount of store records has extended from 1 million with 16,673 delegates to 12.8 million with 28,846 specialists in a comparative length.

The Central Bank of Kenya (CBK, 2017) has assembled the banks in Kenya into three levels. The CBK thought of this course of action system as a strategy for perceiving different banks according to their bit of the general business, asset base and number of customer stores. Level 1 contains gigantic deals with a record with a huge number in total assets and an immense number of givers. These banks asset bases are significant to the point that any failure would disastrously influence our economy as a country. In the event that would happen, the governing body would need to intercede to redirect a cash related crisis. The six banks in this level control 49.9% of the market. They are according to the accompanying: Co-employable Bank of Kenya, Kenya Commercial Bank (KCB), Equity Bank, Barclays Bank, Commercial Bank of Africa (CBA), Standard Chartered Bank Tier 2 banks are medium-sized credit experts. They control 41.7% of the bit of the general business. They are: Family Bank, I&M Bank, NIC Bank, Diamond Trust Bank, Bank of Africa, Housing Finance, Ecobank, Prime Bank, Bank of Baroda, CFC Stanbic Bank, Citibank, Guaranty Trust Bank, National Bank, Bank of India.

The last level is Tier 3. They control 8.4% of the market. They are: Jamii Bora Bank, ABC Bank, Credit Bank, Paramount Universal, Consolidated and Development Bank, Fidelity Bank, Equatorial Business Bank, Giro Bank, Guardian Bank, Middle East Bank, Oriental Commercial Bank, Paramount Universal Bank, Trans-National Bank, Victoria Bank, First Community Bank, Habib A.G Zurich Bank, Habib Bank, Gulf Africa, Sidian Bank, UBA Bank, Consolidated Bank, Development Bank.

Concisely, tier 2 banks have posted more grounded results similar to advancement. Most of the banks in this level recorded augmentations in their advantage base similarly as their customer stores. In any case, the level 1 banks experienced the reverse with most of their customer stores dropping scarcely. For level 1 banks, a great deal of industry assets in like manner persevered through an immense drop. So also, level 3 banks moreover experienced drops in customer stores and along these lines basic drops in their favorable position bases. This was credited to the manner in which that various people estimated more banks in level 3 would crash and burn. The Central Bank of Kenya has continued compelling demanding regulatory measures to shield various banks from going under. It was settled that an enormous segment of the reasons that incited the fall of the three banks were a direct result of mess up and phony lead, in this way limiting their circumstance in the request structure

Statement of the Problem

Commercial banks play a crucial role in the development of any economy by providing financial intermediation services (Monday, Akinola, Ologbenla, & Aladeraji, 2017). Tier two commercial banks in Nairobi County, Kenya, have been experiencing a rapidly changing business environment, including increased competition, changing customer needs, technological advancements, and regulatory changes. These changes have necessitated the adoption of strategic changes by banks to improve their performance and maintain a competitive edge (Mahmoud, 2018). However, it is not clear how these strategic changes have impacted the performance of tier two commercial banks in Nairobi County, Kenya.

The performance of tier two commercial banks in Nairobi County, Kenya, has been mixed over the years. For instance, data from the Central Bank of Kenya (CBK) shows that the average ROA for tier two commercial banks in Nairobi County, Kenya, decreased from 2.5% in 2018 to 2.2% in 2019 before increasing to 2.5% in 2020. Similarly, the average ROE for tier two commercial banks in Nairobi County, Kenya, decreased from 23.8% in 2018 to 20.1% in 2019 before increasing to 23.3% in 2020. Furthermore, the NIM for tier two commercial banks in Nairobi County, Kenya, decreased from 8.8% in 2018 to 7.9% in 2019 before increasing to 8.1% in 2020. The NPL ratio for tier two commercial banks in Nairobi County, Kenya, also increased from 8.3% in 2018 to 9.6% in 2019 before decreasing to 9.4% in 2020. These mixed performance indicators suggest that strategic changes in tier two commercial banks in Nairobi County, Kenya, may have varying impacts on performance.

Empirical studies have been conducted in Kenya on various aspects related to the influence of strategic change on the performance of commercial banks. However, these studies have several limitations, as some have only focused on tier one banks, while others have examined the impact of specific strategic changes such as mergers and acquisitions or digital transformation. For instance, Mutai and Korir (2019) only explored the impact of digital transformation on financial performance, while Nyambura (2018) only examined the impact of mergers and acquisitions. Additionally, other studies such as Boroi (2019) have focused on different aspects such as competitive intelligence practices, and Kanethe and Eric (2009) examined the relationship between operational efficiency and growth of commercial banks in Kenya.

Thus, there is still a significant gap in the literature regarding the specific focus on tier two commercial banks and the overall impact of strategic change on their performance. Given the unique characteristics of tier two banks and the challenges they face in a rapidly changing business environment, it is essential to examine the effectiveness of strategic change in enhancing their performance. Therefore, this study aims to assess the influence of strategic change management on the performance of tier two commercial banks in Nairobi County, Kenya.

Objectives of the study

General Objective of the Study

The general objective of the study was to determine the Influence of Strategic Change on Performance of Tier Two Commercial Banks in Nairobi County, Kenya

Specific Objectives

i. To determine the influence of leadership change on performance of tier two commercial banks in Nairobi County, Kenya.
ii. To establish the influence of process, change on performance of tier two commercial banks in Nairobi County, Kenya.
iii. To investigate the influence of Structure change on performance of tier two commercial banks in Nairobi County, Kenya.
iv. To examine the influence of policy change on performance of tier two commercial banks in Nairobi County, Kenya.

Research Questions

These research questions helped the researcher in her quest to collect the relevant information on the research topic:

i. How does Leadership change influence performance of tier two commercial banks in Nairobi County, Kenya?
ii. To what extent does Process change influence performance of tier two commercial banks in Nairobi County, Kenya?
iii. To what extent does Structural change influence performance of tier two commercial banks in Nairobi County, Kenya?
iv. How does Policy change influence performance of tier two commercial banks in Nairobi County, Kenya?

Justification of the Study

Strategic change use is an essential method for verifying upper hand and improving execution. This is so a direct result of the move in worldview regarding rivalry. The challenge that exists today is between systems instead of being between associations (Blanchard, 2010). All things considered, the discoveries could prove to be useful for the accompanying parts; Government of Kenya, strategy producers in government in figuring fitting guidelines to direct the utilization of key change in its tasks. The discovery likewise controls the administration in setting up a benchmark approach through which vital change is actualized. The Management of Banks Human capital in offices inside banks and somewhere else extraordinarily profits by this examination as it features how key change is influenced by different issues. The discoveries may direct the administration of banks in deciding the propriety of different administration systems (Githui, 2012). Partners also, Other Interested Parties Strategic change experts, providers, contractual workers and organizations in the vital change field may profit; the investigation gives helpful, pertinent and state-of-the-art data on key change, constraints and difficulties. It may likewise give proposals which may prove to be useful during usage by the partners (Leeders, 2012). Researchers and Academicians. This study may frame a premise of which future research can be grown, for the most part with practices of banks concerning vital change and furthermore it may assist specialists with recognizing that vital change can be of invaluable to associations as far as complete cost decrease (Dorothy, 2012).

Government of Kenya

The findings may be helpful to the policy makers in government in formulating appropriate regulations to guide the use of strategic change in its operations. The findings may also guide the government in setting up a benchmark policy through which strategic change is implemented.

The Management of Banks

Human capital in departments within banks and elsewhere may greatly benefit from this study as it highlights how strategic change is affected by various issues. The findings may guide the management of banks in determining the appropriateness of various management strategies (Githui, 2012). Also, the study shows organizations that have managed to apply strategic change thus helping interested departments to use them as case studies (McCrudden, 2013).

Stakeholders and Other Interested Parties

Strategic management professionals, suppliers, contractors and institutions in the strategic management field may benefit; the study provides useful, relevant and up to date information on strategic management best practices, limitations and challenges. It also provides recommendations which may come in handy during implementation by the stakeholders (Leeders, 2012).

Researchers and Academicians

This study forms a basis of which future research can be developed, mostly with practices of banks with respect to strategic change and also it helps researchers to recognize that strategic change can be of advantageous to organizations in terms of total cost reduction (Dorothy, 2012).

Scope of the Study

This study sought to establish the influence of strategic change on performance of tier II commercial banks in Nairobi County, Kenya. The study targeted departmental directors in these banks. The study measured strategic change using four measures named leadership change, process change, structure change, and policy change. The study used primary data which was collected using questionnaires. The study was done in a time of 6 months.

Limitation of the Study

The study experienced some level of reluctance from the study respondents when asked to give the information needed for the study because of the fear that it would be used against them and print a negative picture about the corporation. Some of the respondents wanted to refuse to take part in filling of the questionnaires because of the confidentiality policy in the selected corporations. The study handled the issue by having an introduction letter from the institution to assure the respondents that the study is purely academic and therefore confidentiality and anonymity of the information provided was to be observed.

Because of the tight schedule of respondents, they had insufficient time to fill in the questionnaires which might have prolonged the period of collecting data. The study tackled the issue by using drop and pick later technique and therefore the respondents were given one week to fill in and return their questionnaires.

Questionnaires were the main data collection tool; therefore, the researcher had no much control on the respondents in regard to the information that they filled in the questionnaires. In order to dispel the fear of the respondents, the researcher explained to the respondents that the information they provide was to be used solely for academic purposes; this ensured that the data obtained was accurate. Research assistants who were employed by the researcher assisted in collection of data

LITERATURE REVIEW

This chapter involves literature review where a deeper look in the subject matter is done. It comprises of; theoretical review, conceptual framework, empirical review, critique of literature, summary and research gaps.

Theoretical Review

This consists of concepts together with their definitions and reference to relevant scholarly literature (Kothari, 2014), existing theory that is used for a particular study. Here a demonstration of understanding of theories and concepts that are relevant to the topic of the research paper and that relate to the broader areas of knowledge being considered (Patron, 2012). Thus, it is a collection of interrelated statements or principles that explains the major theories in relation to the influence of strategic change on organizational performance.

The Functionalist Theory

The reason of this theory is that individuals have focal course of action of necessities and the continued with nearness of an affiliation and other social things depends upon how much these essential needs are given. Bronislaw Malinowski (2013). Associations or relationship as social systems, all things considered exhibit in their structures, organization, courses of action and techniques, the voyage of individuals to satisfy needs through work and various leveled support. The standards of the Functionalist speculation are two-wrinkle. Regardless, relationship as social systems should combine the necessities of their people in the structures and technique as social foundations to keep up a key good way from dysfunctions and relentless misfortune. Regardless of there being an arrangement of structures that affiliations acknowledge, inevitably most by far of them come to reflect in the goals and frameworks that impact execution, the characteristics and strategies for thinking of either the overall public who built up the affiliation or the key managers running the affiliation. According to Bronislaw Malinowski (2013), a complete inspiration driving functionalism in an affiliation is to serve the prerequisites and interests of the individual people similarly as those of the affiliation.

Open System Theory

The open-system theory alludes to the idea that organizations are firmly affected by their condition (Bentedo, 2006). In that view, organizations are intertwined with their environments to the extent that the organization-environment boundary is indistinct. An open system interfaces with the encompassing condition as far as data sources and yields. This affiliation derives they should probably acclimate to the change that occurs in their condition. Affiliations being open systems are made out of different interconnected sub-frameworks. They join definitive structure destinations and characteristics sub-system, the mechanical sub-structure, the activity sub-structure, process sub-system, and plan sub-structure. The sub-systems get commitments from other sub-structures and change them into yields for use by other sub-structures along these lines influencing a general execution. The open systems approach structures the various components of an affiliation so that doubtlessly describe lines of coordination for the general affiliation's targets and objectives are everything viewed as looked for after (Burned, 2009).

Transformational Leadership Theory

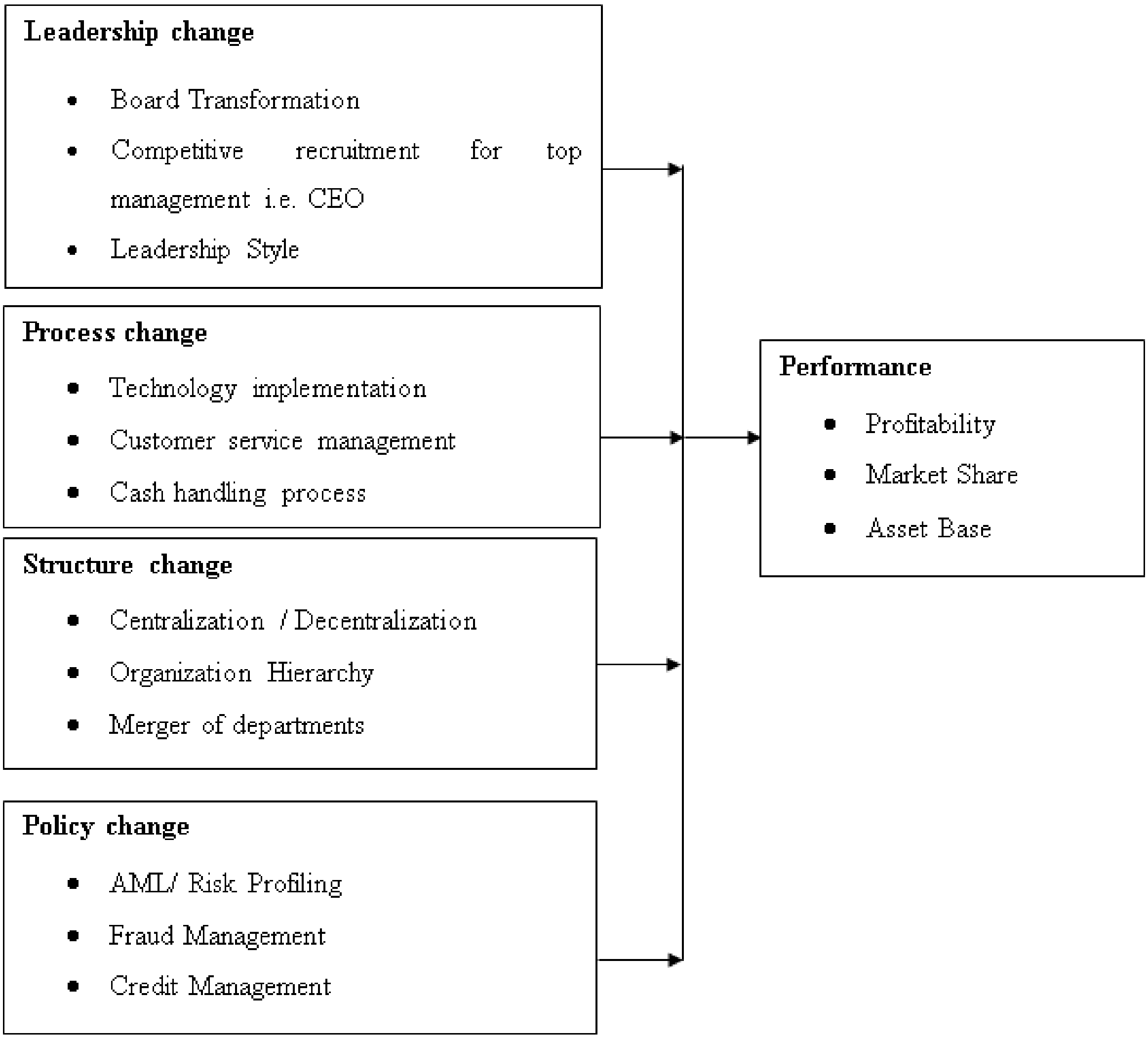
The idea of transformational administration was presented by James Macgregor Burns in 1978 dealt with unmistakable research on political pioneers, yet its utilization has spread into authoritative brain research and the board with further warning by B.M Bass and J.B Avalio (Jung and Sosik, 2002). A transformational pioneer is an individual who animates and motivates (changes) supporters to accomplish exceptional results (Robbins and Coulter, 2013).

Transformational activity improves the motivation, confirmation and execution of supporters through a combination of segments. These fuses interfacing the supporter's inclination of character and self to the endeavor and the total character of the affiliation; being a genuine model for fans that persuade them and makes them captivated; moving followers to take increasingly noticeable ownership for their own work, understanding the characteristics and weaknesses of the disciples, so the pioneers can change aficionados to assignments that improve their introduction.

Warrilow (2012) recognized four pieces of transformational pioneer ship style to be explicit; attraction or romanticized sway, accommodating motivation, academic incitement and individual and individual attention. Charisma or romanticized effect is how a lot of the pioneer carries on in exceptional habits and features emotions and takes stands that reason fans to identify with the pioneer who has an undeniable game plan of characteristics and goes about as a genuine model for the supporters. Accommodating motivation is how a lot of the pioneer communicates a fantasy that interests to and spurs the disciples with positive contemplating future targets and offers significance for the present endeavors close by. Academic impelling is how a lot of the pioneer challenges doubts, strengthens and engages inventiveness in the disciples by giving a structure to supporters to see how they partner with the pioneer, the affiliation, each other and the target and how they can creatively crush any obstructions in the strategy for the mission. Individual and individual thought is how a lot of the pioneer deals with each individual supporter's needs and goes about as a guide or coach and offers respect to and valuation for the individual's promise to the gathering. This fulfills and overhauls each individual partner's necessity for smugness and confidence and in doing so spurs fans to encourage achievement, advancement and furthermore redesign execution at the work place.

Conceptual Framework

A determined framework is a great deal of wide musings and guidelines taken from huge fields of enquiry and used to structure a following presentation (John& Johnson, 2012). Hypothetical frameworks are used to explain how the free factors impact the dependent variable. The examination uses hierarchical execution as reliant variable and key change as free factor.



Independent Variable **Dependent Variable**

Figure 2.1: Conceptual Framework

Leadership change

Leadership is characterized as the procedure of social impact wherein one individual could enroll the guide and backing of others in the achievement of a shared objective. It includes utilizing one's job and capacity to impact others somehow or another, which conveys business results and adds to the association's general achievement. Leaders exist to complete things through individuals, guaranteeing that the assignment is accomplished yet additionally assembling and keeping up useful and strong connections among themselves and colleagues between the individuals inside the gathering (Lussier, 2013). In many financial associations the board structure has changed to meet the gender parity standard to be all the more pleasing of ladies. This vital change has lead the financial enterprises to be aggressive in enrollment for top administration positions in the banks and in this manner enabling more females to go after positions and acquire assorted variety of experience the executives. Human Resource the executives in Banks has guaranteed that in enlistment, they generally factor in the gender balance and along these lines permitting correspondence in the work place. This incorporation has opened ways to various initiative styles that have realized positive change in efficiency of the financial association in accomplishing the set objectives and goal in arrangement to the banks strategic vision.

Process change

Buckley and Casson (1988), set forward that process change empowers an organization to learn and make a superior working relationship and cooperative energy utilizing on Technology usage, Customer service management, cash handling process, creation and justification and better acknowledgment. Innovation is key in banking; this is on the grounds that it may help in separating different items offered by different banks in connection to addressing the client's needs and just as making rivalry in the financial enterprises. Through this the financial enterprises have made the financial process simple and available to the client through stages, for example, organization banking, mobile banking and online banking. Through mechanization of the many financial processes, this has led to less quo's in the financial lobbies along these lines making better client assistance experience for the couple of clients visiting the branches. The clients can get better and quality services. Cash dealing process in banks have additionally changed fundamentally. These progressions incorporate, keen ATM's. The clients can store money and checks in the ATM's 24 hours per day without visiting banking lobbies.

This has acquired safety in the sense that one doesn't need to keep money in the house and trust that the banks shall open so they can store. Checks too can likewise be saved whenever of the day or not and they shall be prepared typically and be cleared with the right worth date. This spares time and lessens lines at counters. The appropriation of this process is viewed as a worldwide.

The making of such processes has been viewed as a reaction comprehensively because of the vulnerability of the business world and it includes sharing of information and aptitude between accomplices just as the decrease of hazard and expenses in regions, for example, associations with providers and the advancement of new items and innovations.

Structure Change

Hierarchical structures are utilized so as to expand adaptability of representatives and to engage workers with the basic leadership carefulness (Kubheka, 2012). Leveling or delayering of hierarchical structures alludes to the end of layers in an association's authoritative progression and the broadening of manager’s span of control. In many associations it is seen that the higher the situation in the pecking order the more the control or power in the association as far as basic leadership and preparing different workers.

Characterized administration has additionally been distinguished as one of the exhibitions rehearses in the financial segments. This includes setting up proper hierarchical structures, jobs, and duties regarding the change and drawing in partners and supports the change exertion. Solid administration and related revealing courses of action should be set up to drive and screen change.

Centralization and Decentralization of intensity in the banks helps in quick basic leadership forms. This is on the grounds that in banking industry turnaround time is of substances so as to meet targets and furthermore a system to pull in and hold clients. The financial business has a chain of basic leadership in exchange observing and different money exchange, a speedy and short line of choice preparing shall abbreviate and revive the procedure.

Centralization and Decentralization of offices can likewise be considered as a vital change in the association. This helps in decrease of redundancies of work and furthermore cut expense in work duplications and make more roads in attaching of the work procedure in the new basic changes.

Policy Change

Organizational approaches are ruling that framework and guide activities inside an association or organization. The careful sorts of arrangements fluctuate contingent upon the idea of the association and can incorporate approaches on AML/Risk profiling/, Fraud the executives, Credit the executives, Reward, Grading and Promotion, Oversight, laws, standards, guidelines or guidelines (Bianca, 2017). Bianca further contends that elegantly composed strategies pass on to workers what is anticipated from them, leaving pioneers to concentrate on other administration needs other than keeping up a level of responsibility according to inward and outer partners.

The AML (Anti Money Laundering) strategy in banking came to fruition as a reminder for the financial business and Kenya all in all to follow in the universal gauges to taxi cash laundry, because of these banks were entrusted to set up necessary part and pre-essential for the financial business to guarantee that legitimate control system with due diligence and prevent the ill-conceived, illegal and unlawful exchanges/exercises.

Rules gave by Central Bank of Kenya under area 33(4) of the financial Act on continues obviously appears and stipulates rules and guidelines that administer the banks on exchange observing and how to rise STR (Suspicious Transaction Monitoring). Such measures are given to guarantee that there is an unmistakable strategy crosswise over board for all banks that ought to be clung to by all gatherings and furthermore to fulfill the global guidelines set by World Bank.

The hierarchical reward approach is cardinal when association execution is being looked into. This is on the grounds that prizes in any framework or association manage the pace and bearing of execution. These announcements are tied down on a few observational investigations, for example, Condly et al. (2013) and other people who have made exceptional examinations on impact of vital change on hierarchical execution of business banks. For instance, Kwenin Daisy (2013) stresses that crucial change enables delegates to stretch out themselves and to outflank others at a workplace. This is because it makes a persuading want among laborers to achieve predefined targets, while Jain and Jabeen (2017) battle that the persuading tendency made by the business goals. All these in this way make high performing units in every affiliation that choose the general accomplishment and advancement of the association (Ali, 2013).

Organizational Performance

According to Arnold (2014), organizational performance evaluates how well an organization achieves its goals and objectives. In essence, this involves an analysis of the accomplishment of a given task measured against certain pre-set standards of efficiency, productivity, accuracy, completeness, cost, and speed. In other words, organizational performance covers or concerns the actual output, results or accomplishments of an organization as measured against its intended outputs which includes its goals and objectives (Bourne,Melnyk, Faull, Franco, Kennerley, Micheli, 2007).

According to Penman and Penman (2007), performance measurement is a critical pillar of performance management and involves collecting, analysing and reporting information regarding the performance of an individual, group, organization, system or component. Aguinis (2009) posit that it is imperative that the choice performance measurement metrics work qualitatively to provide the useful information about the organisational processes, operations, products and services. Therefore, a prudent performance measurement system plays a pivotal role in performance management and business growth.

Aguinis (2009) argues that by allowing the comparison of actual performance levels with the set standards, performance measurement allows key reconciliations to be taken and guides the prescribed corrective action. Therefore, a good performance measurement framework improves not only the performance, but also the productivity of a business entity by reducing costs and other risks. A good performance measurement system can go a long way in aligning the business activities with the organisational strategic plan that assures survival to posterity (Folan & Browne, 2005).

There are many performance metrics relied upon by business entities in evaluating their performance. The metrics are broadly classified into financial and non-financial measures but all aim at the same goal of evaluating the accomplishment of business objectives (Ittner & Larcker, 2003).

According to Berhe and Kaur (2017) some of the key identifiers of performance of any given organization can be through profitability measurement. Other factors to be viewed are the internal or firm specific variables (size of organizations, capital adequacy, leverage ratio, liquidity ratio, and loss ratio) and external or macro variables (market share, growth rate of GDP and inflation rate). According to Momanyi (2014) who did a study on enterprise resource planning system adoption and organizational performance of manufacturing firms in Kenya; firm performance can be measured through the firm's competition from other companies, cost saving and other financial measurements such as total returns. Business innovations, business strategic positioning were viewed to be the major drivers that motivated the organization to improve on their performance over their competitors.

Empirical Review

Empirical research is based on collected observed and measured phenomena, deriving knowledge firm experiences aside from theories or beliefs; it therefore is evidence-based research. It is a way of gaining knowledge by means of direct and indirect observation or experience. The value of empirical research is that its evidence based and can be analyzed both qualitatively and quantitatively.

Leadership Change and Organizational Performance

Soebbing, Wicker and Weimar (2015) researched on the impact of leadership changes on expectations of organizational performance. Previous research had examined the effect of changes in upper management positions on actual organizational performance; however, the influence of leadership changes on performance expectations had been largely neglected. The purpose of the present research was to analyze how coaching changes affect expectations of a sports team's performance. Betting lines are used as performance expectations because they are unbiased forecasts of game outcomes. This study used data from 13 seasons of the German Football Bundesliga. Significant positive time lagged effects on performance expectations are evident when examining underlying expected performance. These positive effects are evident 8 weeks after the leadership change, indicating that new leaders are expected to need some time before significant performance improvements are expected to occur.

Gajenderan and Nawaz (2020) researched on the impact of leadership on organizational performance in service organizations. The present study aimed to know the impact of leadership on organizational performance of service organizations. The study used primary data. The secondary data obtained from the research papers, magazines, articles, and textbooks related to Leadership on organizational performance. The Primary data accumulated from the leader positioned employees from both the Insurance and Banking Sectors in Chennai city. The study used a Stratified Random Sampling technique. Overall, 300 questionnaires distributed to both the banking and insurance sector, out of which 281 questionnaires appropriately filled and returned. The filled questionnaires are valid and utilized for the analysis. The sample size of the study is 281. The study found that there is a significant correlation between the impact of Leadership and Organizational Performance in Service Sectors in Chennai city. Besides, the study also created that leadership significantly influencing the Organizational Performance of Service Sectors in Chennai city.

Arham (2014) examined the effect of leadership practices on the execution of administrations SMEs in Malaysia. One hundred and ninety-three (193) proprietors and top supervisors of administrations SMEs in Malaysia participated in the study. The outcomes uncovered that: leadership behaviors and organizational performance of administrations SMEs; and transformational style contributed more fundamentally to the execution of SMEs than value-based administration conduct. The discoveries involve that authority conduct of leaders of SMEs is one of the fundamental components that impacts SMEs execution in the administrations area.

In their study Achoch, Gakure and Waititu (2014), found a strong positive relationship between leadership style and transformation of public service reforms initiative leading to an effective leadership style which is an important source of competitive advantage to the organization. This study was however carried out among policy makers, senior managers and support staff in the Kenya civil service and further it did not explore other factors influencing public service reforms initiatives but only centered on the role of transformational leadership.

Sifuna (2012), while investigating leadership in Kenyan public universities and the challenges of Autonomy and academic freedom found out that there are numerous challenges facing public universities in Kenya today that require innovation and continuous change in order to cope effectively. Gudo, Olel and Oanda (2011) also in their study on University expansion in Kenya and issues of quality, although focusing on challenges and opportunities, came up with similar findings. Since these changes are inevitable, it is important to study the change process in order to better understand it and determine the extent of influence certain key organizational factors have on its successful implementation within public Universities.

Bennis and Nanus (1985) in the context of transformational leadership, argued that today's leaders must have the capacity to move organizations from current to future states, create visions of potential opportunities for organizations, commitment to change within employees, and to promote new cultures and strategies in organizations that mobilize and focus energy and resources.

Effective leaders are capable of reframing the thinking of those whom they guide, enabling them to see that significant changes are not only imperative but achievable. Yet the challenges facing these leaders go beyond determining what needs to be done differently. They must also address how to execute these decisions in a manner that has the greatest possibility for success (Conner 1993). Kotter (1996) says that the primary function of leadership is to produce change. Leadership produces change by setting a direction, aligning people, and motivating and inspiring them to embrace the change.

Process Change and Organizational Performance

Peronja (2015) researched on performance effects of the business process change in large enterprises: the case of Croatia. The main aim of this paper is forming the model of impact that business process change management has on organizational performance of large companies. Critical Success Factors-CSFs are closely observed in such a model. It was proved that the business process changes, observed through critical success factors, affect organizational performance that are observed through customer satisfaction and financial performance of the company. The direct relationship among the proposed variables, as well as the proposed conceptual research model, are empirically validated.

Guha, Grover, Kettinger and Teng (2007) researched on business process change and organizational performance: exploring an antecedent model. Many organizations have undertaken major business process change (BPC) initiatives over the past ten years. Earlier thinking on this topic indicated a significant role for information technology in these initiatives, while more recently the importance of change management has been emphasized. This paper examines a model that proposes various antecedents to successfiil BPC. Three case studies with varying degrees of BPC project success are described in the context of this model, with the specific goal of determining facilitators and inhibitors to the success of these change efforts. The results indicate that the successful project tended to have facilitators in all dimensions of the framework, including the change environment, process management, and change management. The least successfiil project exhibited inhibitors primarily in the area of cultural readiness and change management.

McCormack and Johnson (2011) have conducted one of the most influential studies in this field and found a correlation between process orientation and business performance improvement, as well as a surprisingly strong relationship between process-oriented companies and the overall performance. Following the previously cited study, Škrinjar et al. (2018) analyzed and empirically tested the impact of business process orientation on the overall organizational performance. Their empirical research was conducted in 2005 on a sample of 203 companies in Slovenia and 202 companies in Croatia, each with more than 50 employees. Before testing the whole model, the exploratory factor analysis confirmed the impact of business processes on the financial and non-financial performance. The financial performance construct was measured by using ROA and added value per employee, while the nonfinancial performance construct was measured by indicators grouped into four scales. The authors statistically confirmed a strong and significant impact of business processes and process organization on financial and non-financial performance. A significant indirect impact of process organization on financial performance through non-financial performance was proved, as well.

Kimani (2019) researched on the influence of business process re-engineering on performance: a case of Kenya Revenue Authority in Kenya. The study was guided by the following objectives; to find out the influence of business strategy, organizational structure, organizational process, business information technology and organizational culture on the performance of Kenya Revenue Authority. The study was based on the systems theory. Descriptive research design was adopted in this study. The study target population was the KRA management. The questionnaires were designed using open and closed ended questions. Primary data was collected using self-administered questionnaires by research assistants who were trained first on interviewing skills. The researcher and the research assistants personally administered the questionnaires. The drop and pick method were preferred for questionnaire administration to give respondents enough time to give well thought out responses. The data was analyzed with the aid of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as measures of central tendency and dispersion were considered the most appropriate for closed-ended questions while content analysis was used for open-ended questions where qualitative data was summarized into homogenous themes. Regression analysis was used to explain the influence of BPR on the performance of KRA.

The study found that operational process has a positive and significant influence on the performance of Kenya Revenue Authority. The study found that the organizational symbols and signs positively influence performance of the organization to a very great extent. The study also found that business information technology has a positive and significant effect on the performance of Kenya Revenue Authority. The study recommends that it is important for an organization to undertake an analysis of the current situation for successful BPR implementation. Further, the study recommends that BPR must not ignore business culture and must emphasize constant communication and feedback. The study found that cost-efficiency is essential to modernization of processes and hence improves business performance to a very great extent. The study established that all the decisions made entirely to disseminate to the rest of the organization and responsibility and authority in the organization being vested in employees drive performance of KRA to a very great extent.

Structure Change and Organizational Performance

In a study among Nakuru County Government employees, Mundia (2013) found that the organizational structure of the County Government instituted support for project implementation, decision on projects were made fast within the County Government, decisions were decentralized in managing projects and their consultations on issues affecting the projects. This study did not link the aspects of organizational structure and decision making to strategic change management within the county.

According to Namoso, (2013) Organizational structure is seen as the location of decision-making responsibilities in the firm, the formal division of the organization into subunits, and the establishment of integrating mechanisms to coordinate the activities of subunits. However, an organization‟s structure can depend on its size, the sector it operates in (public, private, or „third sector‟ i.e. voluntary or charitable), the number of people it employs and its physical resources. Developing a structure that supports a firm‟s change initiatives is difficult because of uncertainty and dynamic environment hence it is a critical component of successful change management process (Namoso, 2013). Further, the configuration of organizational structure impedes or facilitates the capacity of the company to adapt to change, to learn, to innovate or to improve its ability to generate added value for its customers (Martinez-Leon & Martinez-Garcia, 2011).

According to Andersson, Zbirenko, and Medina, (2014) Organizational structure can be seen as a component of centralization, formalization and standardization (Andersson, Zbirenko, and Medina, 2014). Centralization is the concentration of decision making authority and is composed of hierarchy of authority (the concentration of decision making authority in performing tasks and duties) as well as participation in decision making. Formalization on the other hand is the amount of written documentation in the organization which indicates the extent to which job tasks are defined by formal regulations and procedures to standardize operations in organizations. Standardization is the extent to which employees work according to standard procedures and rules in an organization which ensures that employees complete their duties and tasks in the required manner, and therefore, ensures that an employee's actions and behaviors are routine and predictable. Further, organizations can either be characterized as vertically structured or horizontally structured (Darus, Noor, & Abidin, 2014).

In a study among staff of Kakamega Municipal Council, it was concluded that training and lack of incentives was a major factor that affected strategic change management at the municipality (Situma & Kitiabi, 2012). Further the study found that the information technology changes and style of leadership in the municipality and the government as a whole appeared to be politically controlled making it difficult to effect devolution willingly. The study however was only based on qualitative approach.

A study by Khaunya, Wawire, and Chepng"eno (2015) notes significant progress made by the county goverments in the strategy of decentralization. The study established that the Counties have been faced with a myriad of challenges that indeed stand in the way of the realized achievements, namely lack of political goodwill, inadequate funding, „devolved" corruption, nepotism, inability to absorb some devolved functions, mistrust among stakeholders, different implementers of devolution with varied cultures and approaches, devolved bureaucracy, a bloated workforce with duplication of duties and internal political supremacy wars. This study however, was only limited to desktop research in its methodology.

Policy Change and Organizational Performance

Panitee (2021) investigated the effects of government policy on organizational performance through the mediating role of public entrepreneurship of provincial administration organization in the upper northeastern region 2 in Thailand. This research employs a cross-sectional questionnaire study. Data were collected from 216 government officials through five-point Likert scale questionnaires with validity and reliability analyses. Data were analyzed by descriptive statistics and inferential statistics toward path analysis. The research results reveal that government policy has a significant direct influence on organizational performance with a standardized coefficient of 0.655. Government policy has a significant indirect effect on organizational performance through the mediating role of public entrepreneurship with a standardized coefficient of 0.566. The total effects can be described with a standardized coefficient of 0.733 at a 0.05 significance level. The government should therefore establish innovative and competitive public policies to support a rapid change of entrepreneurial orientation, and transform policies into action.

Bakari (2015) researched on the effects of organization policies on employee performance. a case study of Bamburi Cement Company Ltd. The purpose of the study was to identify the effects of organizational polies on employee performance. This research used descriptive research methods to collect data. This research design was preferred because it ensured that the respondents input are documented as practiced and at the same time it is found to be cheap and cost effective. The locale of the study was in Nairobi where the case study headquarter is located. The institution is strategically located for the researcher accessibility. The study concluded that, even when change is positive, it requires modifying entrenched behaviors and ideas. When changes happen in the workplace, these modifications affect a number of people, all of whom may react differently. Until new policies or practices become established, organizational performance may be affected, often negatively, as employees become accustomed to new ways of performing job tasks or different expectations for personal behavior.

Jalagat (2016) researched on the impact of change and change management in achieving corporate goals and objectives: organizational perspective. The main trust of this study was to critically evaluate the impact of change and change management in achieving corporate goals and objectives in the viewpoint of the organization. Specifically, it tackles on factors that caused the change that can either be internal or external factors; determine the types of change and organizational change; examine the positive and negative consequences of change. Moreover, it will shed light on the concepts and application of change management with the aid of the different change models; discuss in details how to implement an effective change management and the potential benefits that change management can offer to the organization. Any effort to change may face resistance so organizations should mechanize ways to minimize the resistance level, hence promotes a smooth transition of change. Leaders and managers have big role to play in instituting the change and they should serve as models to effectively manage the change. In order to implement a successful change initiatives, management and organizations should ensure that any plan for change should be aligned with the corporate goals and objectives as evidenced by different literatures in this study affirming the relationship between change, change management, and the achievement of corporate goals and objectives.

Critique of Reviewed Literature

In order to survive in changing business environment, organizations must adopt new strategies. The strategic change interventions concept is a critical ingredient in the achievement of organization objectives yet there is dearth of adequate research coverage in the area. Despite there being several studies on strategic change, they have focuse on different sectors and organization. There is limited literature on strategic change on performance of commercial banks especially tier two banks. Mbwaya (2012) did a study on strategic change management practices at KRA. He identified the importance of strategic planning, timely planning and stakeholders‟ involvement in reducing resistance to change. The findings were that there is no universal approach to the strategic change management and therefore its practices keep evolving from time to time depending with– the changes in the environment.

Nganga (2014) studied strategic management practices and performance of Dyer & Blair Investment Bank. Mugo (2014) studied strategic management practices and performance of Kenya Revenue Authority. Both studies identified a positive relationship between strategic management practices such as visible leadership, effective customer service, customer awareness to good performance. Strategic planning was found to lead to effective company performance.

Muogbo (2013) carried out research on the force of strategic change management on organizational development and the advancement in manufacturing firms in Anambra state in Nigeria. The conclusion was that strategic change management was a veritable tool for improving the competitiveness, performance standards, and structural expansion of manufacturing firms in Anambra State and Nigeria in general. Gichunge, (2006) did a study on the effect of official strategic change management on the performance of selected middle level manufacturing companies in Nairobi. The findings were that most of MEs have taken in formal strategic change management which has improved their performance.

Kimaita (2010) did research in 2010 on strategic change management practices in the Teachers Service Commission in Kenya. She discovered existence of many changes that cause disputes in various institutions. These are information technological innovations, political, social-cultural and consumer behavior. Due to these aspects, multiple organizations are necessitated to improve their business procedures to endure in the competitive environment. It implies that they have to start strategic changes to make parallel their business strategies to the current environment and matching the resources and doings of the company to those of the environment.

Gachohi (2014) was involved in a study focusing on 54 NIC-Bank management and employees in head office and all the sixteen branches. The main agenda of the research was to establish the problems the commercial banks face, which need strategic change management. The conclusion was that strategic alterations happened in various banks. These strategic alterations were caused by internal aspects, external reasons and the technological factors.

Research Gaps

Laukkanen, (2007) who concentrated on key change in creating nations with explicit reference to verify system for conveyance of superb administrations. Utilizing optional information, the investigation built up that the potential for structure changes in an association is high in nations where there are no adjustments in the structure. The examination inferred that structure changes remain the most key technique for generally organizations.

Despite there being several studies on performance commercial banks, they are yet to bring out the influence on strategic change on organizational performance of tier two banks. Considering that the narrative highlighted most of the studies examining the relation amid strategic change management activities and organizational performance have been done mostly in other public sector agencies and few in the roads sub-sector, the question left unattended to is the effects of strategies change management practices on the firm performance. This can be seen in some studies; Olayo et al. (2018), Kariuki, Iravo and Shale (2018), Koech et al. (2018), Nguru and Gichuhi (2018), Choge et al. (2017), Kioko and Mwangangi (2017) , Goga (2014), Mugambi and Ngugi (2016), Miring'u and Muoria (2011), Sasaka et al. (2016), Komora et al. (2016) and Barua, Gichira and Iravo (2016).
Therefore there exists a gap on area covered which present study sought to fill by seeking to determine the Influence of Strategic Change on Performance of Tier Two Commercial Banks in Nairobi County, Kenya. The study specifically sought to establish the influence of leadership change, process change, structural change and policy change.

Summary of Literature Reviewed

This area features discoveries that have risen because of the observational and hypothetical work on effect of key change on authoritative execution. There are two speculations talked about which incorporate The Functionalist Theory, Framework Theory and Transformational leadership Theory. These speculations concur that leadership change, process change, structure change and policy change have sway on authoritative execution since all the four spotlights on assets and capacities an association has transfer of the association methodology.

RESEARCH METHODOLOGY

This part talks about the means to be pursued to finishing this examination. It includes the accumulation, estimation and examination of information. It is separated to; inquire about plan, target populace, information gathering instruments, and information accumulation systems lastly information examination and introduction.

Research Design

The research was conducted using a descriptive research method. Kothari (2014) explains that descriptive design is used when collecting information about people's attitude, opinion and habit. John and Johnson (2012) put forward the idea that a descriptive research design is the one in which one plans to observe, discover, describe, compare or analyze the characteristics or attributes of a particular problem or situation. This study employed a descriptive research design to investigate the influence of strategic change management on organizational performance. Neuman (2010) observes that descriptive design is appropriate for the study where the objective is to provide comparative description of the population and cases where researcher wishes to discover association among different variables. In addition, a descriptive design is appropriate since it enabled the researcher to collect enough information necessary for generalization (Ngechu, 2009). This study therefore generalized the findings on the influence of strategic change management on organizational performance.

Target Population

According to Patron (2012) a population refers to the entire group of persons or elements that have at least one thing in common. The target population is the total number of subjects targeted by the study (Kasomo, 2011). In Kenya, there are 13 tier two banks (Appendix III). The thirteen commercial banks formed the unit of analysis while the unit of observation was senior managers across various departments. On average, there are 11 key departments in each commercial bank. They are: financial control; risk management; legal and compliance; operations; human resource; information technology; financial markets; wholesale banking; retail banking; customer service department; and Department of Economic Analysis and Policy. The study therefore selected a total of 11 senior management employees in each of the department. Therefore, the population for the study was 143 senior managers from tier two banks.

Sample and Sampling Technique

A sample is a smaller collection of units from a population used to determine truths about that population (Mugenda & Mugenda, 2014). The fundamental principle of sampling of elements within a population is in order to draw conclusions about the entire population (Kothari, 2014). Orodho (2003) states that stratified sampling is applicable if a population from which a sample is to be drawn does not constitute a homogeneous group. From the above population of 143 possible respondents, Kerlinger (2009) indicates that a sample size of not less than 10% of the target population is large enough so long as it allows for reliable data analysis and allows testing for significance of differences between estimates. This study used 30% of this population after randomizing.

Table 3.1: Sample Size

Sections	Target Population	Sample Size	Percentage %
Senior Managers	143	43	30

Data Collection Instruments

The study used primary data that was collected through a semi-structured questionnaire to collect information for quantitative and qualitative analysis. Data was collected mainly through questionnaires. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Patron, 2012). The reason for choosing questionnaire as the data collection instrument is primarily due to its practicability, applicability to the research problem and the size of the population (Kombo & Tromp, 2013). A self-administered questionnaire with both open and closed ended questions was developed (Appendix II) and administered to obtain information from the 43 respondents. The questionnaire designed in this study comprised of two sections. The first part included the demographic characteristics designed to determine fundamental characteristics of the respondents that can help the study to draw meaningful conclusions. The second part was devoted to the influence of strategic change on organizational performance where the variables (leadership change, process change, structural change, policy change, and organization performance) of the study were put into focus.

Data Collection Procedure

The questionnaires were administered using the drop and pick later approach. Follow ups were made to ensure collection of the questionnaires in time as well as assist the respondents on any difficulty they may have been experiencing. This study utilized primary data. Questionnaires will be used to collect primary data which will be distributed to the staff. The questionnaires were accompanied by a brief introduction of the study and purpose of the study for the respondent. According to Dunn (2010), breaching confidentiality, is a matter of concern to all respondents. In view of this, the study withheld the names of the respondents and their respective view with utmost confidentiality.

Pilot Study

Piloting is testing of the instruments by trying them in the field. To enhance validity and reliability of the instruments, a pilot study will be conducted where the questionnaire was administered to a small number of staff equivalents to 10% of the sample size drawn from different departments but with similar characteristics. Oso and Onen (2010) recommend that you plan the number of people who tests the instrument and the plan to incorporate their comments into final instrument revision. The testing is important to establish the content validity and for the improvement of questions format and scales. According to Kothari (2014) the purpose of the pilot study is mainly to pretests the instrument to ensure that the items in the instrument are stated clearly and have the same meaning to all the respondents. The pretest also enables the study to assess the clarity of the instrument and asses the time taken to administer the instrument.

Reliability of Research Instruments

Reliability is the degree to which an assessment tool produces stable and consistent results. To ensure consistency of the questionnaires, pre-testing of the questionnaires was carried out before the main study to ensure reliability. The reliability test helps in improving the items on the questionnaire. The reliability coefficient was calculated and a score of 0.7 was considered high enough for the instrument to be used in the study (Patron, 2012). Likert type questions required Cronbach's Coefficient Alpha to be calculated for each item. A reliability coefficient of 0.7 and above was assumed to reflect the internal reliability and internal consistency of the instruments and can be generalized to reflect opinions of all respondents in the target population (Kasomo, 2011). Kombo and Tromp (2013) argue that research instruments are measurement devices that must possess adequate reliability. He identifies pre-testing as one comprehensive procedure towards enhancing instrument reliability. This underlies the intent of this study to conducting a rigorous instrument validation exercise through pre-testing.

Validity of Research Instruments

Mugenda and Mugenda (2014) define validity as the ability of an instrument to measure what it is supposed to measure. This focuses on the degree to which the study accurately reflects or assesses the specific concepts that the study attempts to measure. Validity of the instrument begins at the design stage. There is construct validity and content validity. Valuable contribution from the supervisors and relevant academic staff will be taken into consideration to determine the construct validity of research instruments (Dunn, 2010). Content validity which was employed by this study is a measure of the degree to which data collected using a particular instrument to represent a specific domain or content of a particular concept. Content validity coefficient index of 0.7 was used to test the validity of the questionnaire (Ngechu, 2011).

Construct validity is a judgment based on the accumulation of evidence from numerous studies using a specific measuring instrument. Evaluation of construct validity requires examining the relationship of the measure being evaluated with variables known to be related or theoretically related to the construct measured by the instrument (Apopa, 2018). In this study, construct validity was achieved through expert judgments of the research supervisors. The research supervisors indicated whether the items are relevant or not.

Data Analysis and Presentation

Data obtained from the field was cleaned, coded and keyed into a computer to be analyzed. Data analysis involves the transformation of data into meaningful information for decision making (Kothari, 2014). The collected data was analyzed quantitatively and qualitatively. In analyzing the qualitative data, the study used descriptive statistics using Statistical Package for Social Sciences version 23. The software package enables the researcher to analyze the data into percentages, means and standard deviations (George & Mallery, 2013). Descriptive statistics were used to meaningfully describe the distribution of results depending on the variables in the study and the scale of measurements used.

To quantify the strength and direction of the relationship between the variables, the study used Karl Pearson's coefficient of correlation. The Pearson correlation coefficient is a correlation coefficient that in this study was used to indicate one on one association between each of the independent variable to the dependent variables which is set out in the objectives of the study. Quantitative data was presented using instruments such as charts, tables and graphs. According to Mugenda and Mugenda (2014) quantitative data analysis involves presenting results in tables with explanations. Multiple regression analysis is used to analyze the relationship between single dependent variable and several independent variables (Kothari, 2014). According to Dunn (2010), the assumptions of linear regression must be met by data to be analyzed, these assumptions state that the coefficients must be linear in nature, the response errors should follow the Gaussian distribution and errors should have a common distribution. The coefficient of determination (R-Square) resulting from the linear regression was used to determine the goodness of fit (Ngechu, 2009).

The research used a multiple regression model.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Y = Performance

β0 = Constant

β1, β2, β3, β4 = Beta Coefficients

X1 = Leadership change

X2 = Process change

X3 = structure change

X4 = policy change

ε = Error Term

Diagnostic Tests

When the assumptions of the linear regression model are correct, ordinary least square (OLS) provides efficient and unbiased estimates of the parameters (Long & Ervin, 2000). Independent variables were subjected to the following tests: linearity, multicollinearity, normality, homoscedasticity before regression analysis was conducted.

Linearity Test

One of the necessary OLS condition to be met is linearity. The linearity of variables can be examined with a scatter diagram or using correlation analysis. For this study, Pearson's Product Moment Correlation Coefficient (r) was employed to check for linearity between the independent variables. This helped the researcher to know whether the OLS condition is met or not.

Multicollinearity Test

Multicollinearity was addressed using the Variance Inflation Factor (VIF) on the variance of the estimators. This is expressed as VIF = $1/(1-R^2)$. The general rule is that values greater than ten suggest presence of multicollinearity (Chatterjee & Hadi, 2006). If multicollinearity is detected, the remedy was to collect more data or drop off some of the correlated variables. The key limitation of multicollinearity is that it can yield to unstable regression co-efficients characterized by large standard errors and high variances, which can then lead to inaccurate statistical inferences (Bergmann & Hohenboken, 2015).

Normality

To test for normality assumptions, the study adopted Shapiro-Wilk test. The Shapiro-Wilk test is a test for normality in regression studies which is normally prefered because of its superb power properties (Mendes & Pala, 2016). The test basically yields a value W which lies between zero and one. A value of one indicates normality whereas weak values indicate a departure of normality (Nornadiah & Yap, 2017). This study in principle stuck to this stated convention of interpreting normality.

Homoscedasticity

Heteroscedasticity in a study usually happens when the variance of the errors varies across observation, (Long & Ervin, 2015). Breusch-Pagan and Koenker test was used to test the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. Breusch-Pagan and Koenker test the null hypothesis that heteroskedasticity not present (homoskedasticity) if sig-value is less than 0.05, reject the null hypothesis. A large chi-square value greater than 9.22 would indicate the presence of heteroscedasticity (Sazali, Hashida, Jegak & Raduan, 2019).

Autocorrelation

No autocorrelation – linear regression analysis requires that there is little or no auto-correlation in the data. Autocorrelation occurs when the residuals are not independent from each other. This study used Durbin-Watson test to check for autocorrelation (Hair *et al.*, 2010).

RESEARCH FINDINGS AND DISCUSSION

The chapter entails analysis of data, presentation and interpretation of the findings and discussion as regards the objective of this study. It starts with the demographic information of study respondents, followed by descriptive analysis and finally inferential statistics. The chapter presents the findings in respect with the research objectives and questions. The research findings were meant to determine the influence of Strategic Change on Performance of Tier Two Commercial Banks in Nairobi County, Kenya**.**

Response rate

The study distributed questionnaires to 45 senior managers from tier two banks. However, 38 of them were filled and returned for further analysis. The returned questionnaires formed a response rate of 88.4%. This high response rate was achieved because the researcher personally issued the questionnaires and also went back to collect them. This ensured that she created a rapport with the respondents hence the high response rate. Mugenda and Mugenda (2012) notes that a response rate of 30% is not viable, 60% is good while a reply percentage of 70% and above is excellent. This assertion by Mugenda and Mugenda (2012) agrees with the discovery of Kothari (2004) who avers that any response rate of less than 50% for a descriptive research design is unviable while a response rate of more than 70% is exceptional.

Table 4.1: Response Rate

Questionnaire	Frequency	Percent
Returned	38	88.4
Non returned	19	11.6
Total	45	100.0

Demographic Information

In this section, the study sought to establish the general information of study respondents. The study specifically sought to establish their department, gender, and length of time they have held their current position.

Respondents Department

The respondents were requested to indicate the department they worked in. The findings are summarized in Table 4.1 and figuratively presented in Figure 4.2.

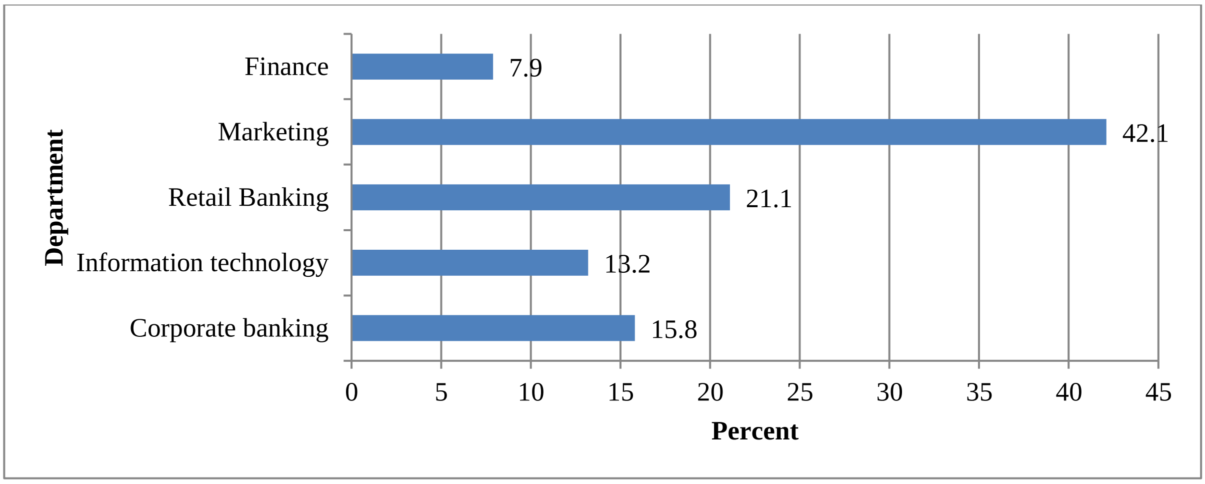


Figure 4.1: Respondents Work Department

The findings in Figure 4.1 shows that majority of the respondents were working on the marketing department represented by 42.1%, followed by those working in retail banking at 21%. Corporate banking was third at 15.8% Information technology was the fourth with 13.2%. Finance department was the least at 7.9 %. These findings show that the sample selected was well representative and therefore the findings can be generalized.

Gender of the Respondents

The study collected data to determine the gender of the respondents and data findings are presented In Figure 4.2.

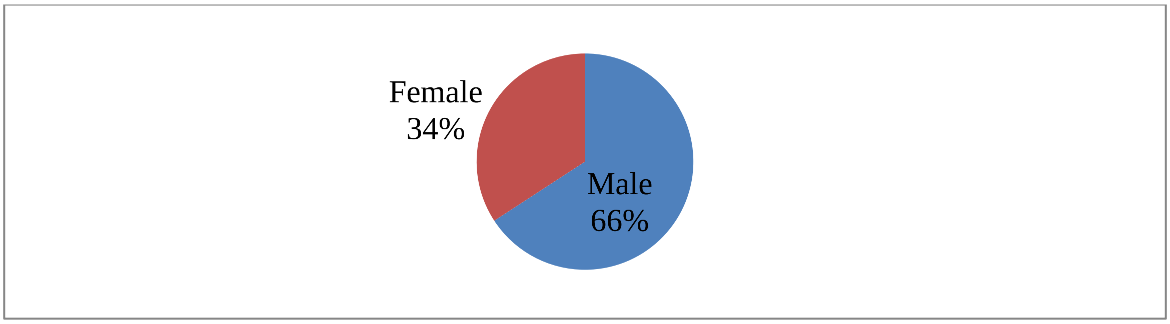


Figure 4.2: Gender of Respondents

From the findings in Figure 4.2, majority of the respondents were male as represented by 65.8% while female respondents were 34.2%. This is an indication that the study was not gender biased in selecting its respondents. It also suggests that tier two commercial banks in Kenya are gender inclusive in selecting tier management level employees.

Length of Time in Operations

The study collected information to ascertain the duration the time the selected respondents have held their current position. Figure 4.3 presents the findings obtained.

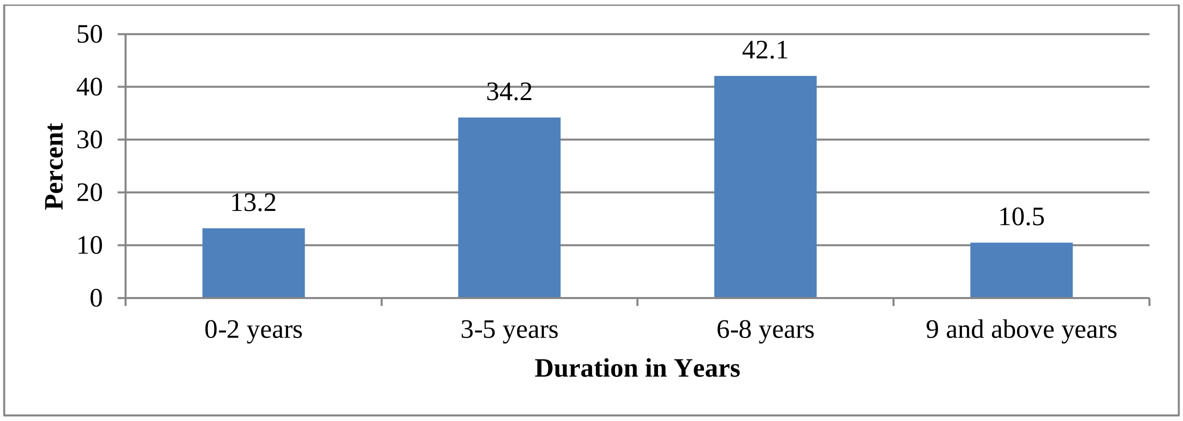


Figure 4.3: Respondents Length of Time in Current Position

From the findings presented in Figure 4.3, majority of the respondents had been in their current work position for between 6-8 years at 42.1% while 34.2% of the respondents had been in their position for between 3-5 years.13.2% of the respondents had been in their current position for between 0-2 years while 10.5% had worked in their position for more than 9 years. These findings show that the respondents had worked in their current positions for quite some time and were therefore in apposition to provide the needed information on the influence of strategic change on performance of their organization. This is because they have witnessed a number of changes made in the organization terms of leadership, process, structure, and policy.

Descriptive Analysis

In this section, the study presents the finding on the specific objectives of the study. On the likert scale questions, the scake was 5 with 1 Strongly Disagree, 2 Disagree, 3 Moderate, 4 Agree and 5 Strongly agree. Means and standard deviations were used to interpret the results with a mean of 0-1.4 implied that the respondents strongly disagreed, a mean of 1.4-2.4 implied they disagreed, 2.5-3.4 suggest that they were neutral, a mean of 3.5-4.4 suggest they agreed, and a mean of 4.5-5 implies the respondents strongly agreed.

Leadership Change

The first objective of the study was to determine the influence of leadership change on performance of tier two commercial banks in Nairobi County, Kenya. Therefore, the study collected information on leadership change and performance of Tier II Commercial banks in Nairobi County, Kenya. Data findings are presented in the Table 4.2 below

Table 4.2: Descriptive Statistics on Leadership Change

Statements on Leadership change	Mean	Std. Dev.
Board Transformation (incoming or outgoing of board members)play a significant role in your Organization	4.50	.507
Does Recruitment of Executives i.e. CEO's plays a significant role	4.37	.489
Leadership Style plays a significant role in the organizational	4.50	.507
Reporting structure play a significant role	4.37	.489
Does board diversity play a significant role in the organization	4.63	.489
Aggregate Score	**4.474**	**0.496**

As shown by an aggregate mean of 4.474 and standard deviation of 0.496, the respondents agreed on average with the statements on the influence of leadership change on performance of tier two commercial banks in Nairobi County, Kenya. The findings specifically show that the respondents agreed that Tier II Commercial banks aims at having board transformation in their institutions whereby incoming and outgoing members of the board plays a key role in transforming the operation and performance of the banks as depicted by a mean of 4.5 with a standard deviation of 0.507. Respondents also agreed that recruitment of executive of Tier II Commercial Banks plays a significant role in determining its performance (M= 4.37, SD= 0.489). Respondents were also in agreement that Leadership style of the heads of the Tier II commercial banks plays a key role in the organizational performance (M= 4.50, SD= 0.507); that reporting structure plays a significant role in determining the performance of Tier II Commercial Banks in Nairobi County, Kenya (M= 4.37, SD= .489); and that the board diversity plays a significant role in the organization (M= 4.63, SD= .489).

This study established that leadership change is an important aspect of strategic change management and that it plays a key role in determining the performance of Tier II Commercial bank in Nairobi County, Kenya. The study recognized that when Tier II Commercial banks embrace leadership change in their management, there is a likelihood of improvement in its performance a new management comes onboard with new knowledge and expertise which may steer the company to profitability. The study findings agree with those of Tufano (2017) who found out that leadership change among financial institutions was highly effective and this led to improved performance. Adoption of leadership change as a strategy in the organization leads to increase in new knowledge and expertise and this leads to the organization improving its operations and in overall improved performance.

Process Change

The second objective of the study was to establish the influence of process change on performance of tier two commercial banks in Nairobi County, Kenya. Therefore, the respondents were asked to indicate their level of agreement or disagreement with various statements on process change. Table 4.3 illustrates the outcomes that were attained after analyzing data.

Table 4.3: Descriptive Statistics on Process Change

Statements on Process Change	Mean	Std. Dev.
Technology implementation in the organization plays a significant role in your Organization	4.24	.431
Risk reduction plays a significant role in your Organization	4.27	.435
Product innovation i.e. mobile banking plays a significant role in your Organization	4.37	.489
Network expansion i.e. opening of many branches plays a significant role in your Organization	4.39	.495
Good customer service management plays a significant role in your Organization	4.63	.489
Aggregate Score	**4.380**	**0.468**

From the findings in Table 4.3, the respondent agreed on average with the statements on influence of process change on performance of tier two commercial banks in Nairobi County, Kenya as shown by an aggregate mean of 4.380 (SD= 0.468). Specifically, respondents agreed that technology implementation in the organization plays a significant role in organization (M= 4.24, SD= .431); that risk reduction plays a significant role in their Organization (M= 4.27, SD= .435); and that product innovation i.e. mobile banking plays a significant role in their Organization (M= 4.37, SD= .489). They further agreed that network expansion i.e. opening of many branches plays a significant role in their Organization (M= 4.39, SD= .495); and that good customer service management plays a significant role in their Organization (M= 4.63, SD= .489).

The study finding of this study agrees with those of Kiplimo (2017), who studied to determine the effect of process change on performance of manufacturing businesses in Kenya and determined that process change played a major role determining the performance of Manufacturing companies in Kenya. In addition, this study findings agrees with those of Chombo (2016) who determined that process change was significant in determining the operation of pharmaceutical businesses in Kenya.

Structure Change

The third objective of the study was to investigate the influence of Structure change on performance of tier two commercial banks in Nairobi County, Kenya. Respondents were therefore asked to give their level of agreement with various statements on structure change. The findings are presented in Table 4.4.

Table 4.4: Descriptive Statistics on Structure Change

Statements on structure change	Mean	Std. Dev.
Re-structuring plays a significant role in improving our Organization	4.10	.974
Centralization of Power plays a significant role our Organization	3.08	.969
Decentralization of Power plays a significant role our Organization	4.87	.343
Leadership styles plays a significant role in our Organization	4.87	.343
Merging or Separation of Departments plays a significant role in our Organization	3.32	1.338
Aggregate Score	**4.048**	**0.793**

From the findings in Table 4.4 above, respondents agreed that restructuring of the organization as a structure change strategy played a key role in enhancing the performance of Tier II Commercial banks as demonstrated (M= 4.10, SD= 0.974). Consequently, respondents agreed that decentralization of power plays a significant role in enhancing the performance of the organization (M= 4.87, SD= 0.343). Respondents also agreed that the leadership style used by the management of the Tier II Commercial banks played a significant role in determining the performance of the organization (M= 4.87, SD= 0.343). Respondents were also neither in agreement or disagreement on whether Centralization of power has any role in enhancing the performance of the organization (M= 3.08, SD= 0.969); and on whether merging or separation of departments played a significant role in the performance of the organization (M= 3.32, SD=1.338).

The findings agree with Owegi, and Aligula (2018) who established that managements in the private sector in Kenya were using structure change strategies such as restructuring, decentralization of power and use of democratic leadership style to enhance their performance. The study established that Tier II Commercial Banks in Many instances undertake re-structuring to stir-up performance.

Based on the findings, Tier II Commercial banks should endeavor to decentralize their powers and operations in order to enable branches in different regions to operate effectively and this may lead to improvement in performance. Also, the findings depicted that centralization of power within an organization does not always work positively towards the performance of the organization.

Policy Change

The fourth objective of the study was to establish the effect of policy change on the performance of Tier II Commercial Banks in Kenya. Respondents were therefore asked to give the level to which they agreed or disagreed with various statements on policy change. The results of this objective are presented in Table 4.5 below.

Table 4.5: Descriptive Statistics on Policy Change

Statements on policy change	Mean	Std. Dev.
AML / Risk policies plays a significant role in your Organization	4.03	.944
CBK regulations plays a significant role in your Organization	4.13	.811
Staff training on bank policy plays a significant role in your Organization	4.34	.938
Does fraud policies plays a significant role in your Organization	4.08	1.024
Credit regulation policy play a significant role	4.26	.685
Aggregate Score	**4.168**	**0.880**

From the findings in Table 4.5, respondents agreed that risk policies within the organization plays a key role in enhancing the performance of the institution (M= 4.03, SD= 0.944). Respondent also agreed that CBK regulations plays a significant role in their Organization (M= 4.13, SD= .811); and that staff training on bank policy plays a significant role in their Organization (M= 4.34, SD= .938). Respondents also agreed that fraud policy are important to the institutions and that they play a role in enhancing their performance (M= 4.08, SD= .024); and that credit regulation policy within the Tier II Commercial banks plays a key role in enhancing their performance (M= 4.26, SD= .685).
The findings in Table 4.5 reveal that risk policies, CBK regulations, staff training on bank policy, fraud policy, and credit regulation policy are all perceived by respondents as playing significant roles in enhancing the performance of their institutions. These findings align with existing literature on the importance of these factors in the banking industry. The role of risk policies in improving bank performance has been widely discussed in the literature. For instance, Halkos and Salamouris (2018) assert that effective risk management policies are critical for maintaining financial stability, while Chen et al. (2012) suggest that banks with robust risk management frameworks tend to outperform their peers. Similarly, Gathaiya and Ondieki (2015) argue that regulatory policies such as interest rate caps can have a significant impact on the profitability and stability of banks in the country. Darmadi et al. (2017) also found that training programs aimed at improving staff knowledge and skills can enhance organizational performance. The study findings further agrees with those of Liu (2011) who studied to determine Relationship between policy change and organizational performance in Born Global and established that policy change had a significant role in enhancing the performance of organizations.

Diagnostic Tests

The underlying assumptions in linear regression include: normality, no autocorrelation, little or no multicollinearity, homoscedasticity and linear relationship. In case of violation of the regression assumptions, the confidence intervals as well as other scientific insights derived from the regression model may be regarded as misleading, biased or inefficient and therefore the inferences derived incapable of being generalizable on other data.

Test of Autocorrelation

This is a measure that seeks to test whether observations of a single variable are similar due to time. This indicates that autocorrelation is a correlation of observations of the same variable due to time lags. The d value ranges from 0 to 4, if the value is found to be less or equal to 2 then it implies absence of autocorrelation. If the d values are; $1.5 < d < 2.5$ it implies absence of autocorrelation in the data. The enquiry used Durbin-Watson test of autocorrelation whose findings are as shown on Table 4.6

Table 4.6: Autocorrelation Test

Model	Durbin-Watson
1	1.620

a. Predictors: (Constant), Policy Change, Leadership Change, Process Change, Structure Change

b. Dependent Variable: Performance

Findings presented in Table 4.6 show that the d-value was 1.620; since the value lies within the range $1.5 < d < 2.5$, then we conclude that there is no autocorrelation in the data and therefore regression analysis can be computed.

MultiCollinearity Test

Multicollinearity can be said to be the existence of correlation among the independent variables. In Ordinary Least Squares the independent variables are not supposed to influence each other. The enquiry embraced Variance Inflation Factor (VIF) in testing for presence of multicollinearity. The results are tabulated on Table 4.7

Table 4.7: Multicollinearity Test

Coefficients[a]		Collinearity Statistics	
Model		Tolerance	VIF
1	Leadership Change	.699	1.431
	Process Change	.881	1.135
	Structure Change	.671	1.490
	Policy Change	.847	1.180

a. Dependent Variable: Performance

The rule of the thumb in interpretation of VIF is that it should be less than 10 to indicate multicollinearity. The tables above show the VIF values were less than 10. Thus, the multicollinearity issue was not found in the variables.

Heteroscedasticity

Breuch-pagan / cook-weisberg test was used to test for Heteroscedasticity. The null hypothesis for this test is that the variances of error terms are equal (Vinod, 2008). If "Prob > Chi-squared" is greater than 0.05 it suggests existence of homoscedasticity (Park, 2018).

Table 4.8: Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

Ho: Constant variance			
Statistics	Df	Stat value	p-value
Chi-squared	4	1.3457	0.3241

The findings presented in Table 4.8 shows $Chi^2 = 1.3457$ has p-value P (0. 3241) greater than 0.05. This therefore suggests insignificance and therefore there is no heteroscedasticity.

4.5.4 Test of Normality

Normality is a measure of whether a given set of data displays a standard feature. This study used the Jarque-Bera Statistics of Skewness and Kurtosis. As shown on table 4.9

Table 4.9: Normality Test

	N	**Skewness**		**Kurtosis**	
	Statistic	**Statistic**	**Std. Error**	**Statistic**	**Std. Error**
Leadership Change	38	.145	.383	-1.851	.750
Process Change	38	.592	.383	-.673	.750
Structure Change	38	-.512	.383	-1.038	.750
Policy Change	38	.385	.383	-.605	.750
Performance	38	-1.467	.383	1.218	.750

The rule of Normality is that a normal distributed data is that that Skewness should be of -3 to +3 whereas Kurtosis should have a range of -10 to +10.From the table above, Leadership change had a Skewness of 0.145 and kurtosis of -1.851, Process change had a Skewness of 0.592 with a kurtosis of -0.673,Structure change had a Skewness of -0.512 and a kurtosis of -1.038,Poliy change had a Skewness of 0.385 with a kurtosis of -0.605 while performance had a Skewness of -1.467 and a kurtosis of 1.218.

Inferential Statistics

The study undertook inferential statistics in order to examine the influence of strategic change on the performance of Tier II Commercial banks in Nairobi County, Kenya. This segment covers the demonstration of the findings in this regard. The study used correlation analysis and regression analysis.

Correlation Analysis

Correlation analysis was used to establish the strength and direction of the relationship between dependent and the independent variables. If the variables are not related, then that would mean that the correlation coefficient is zero. The closer the correlation coefficient is to 1, the greater the relationship, whereas the closer the correlation coefficient is to 0, the weaker the relationship (Hair et al., 2010). The correlation strengths was interpreted using Cohen and Cleveland decision rules where 0.1 to 0.3 indicate weak correlation, 0.3 to 0.5 indicate moderate correlation strength and greater than 0.5 indicate a strong correlation between the variables.

Table 4.10: Correlation Analysis

		Performance	Leadership change	Process change	Structure change	Policy change
Performance	Pearson Correlation	1				
	Sig. (2-Tailed)					
	N	38				
Leadership change	Pearson Correlation	.786**	1			
	Sig. (2-Tailed)	.000				
	N	38	38			
Process change	Pearson Correlation	.872**	.261	1		
	Sig. (2-Tailed)	.000	.147			
	N	38	38	38		
Structure change	Pearson Correlation	.698**	.325	.264	1	
	Sig. (2-Tailed)	.000	.168	.078		
	N	38	38	38	38	
Policy change	Pearson Correlation	.702**	.245	.178	.325	1
	Sig. (2-Tailed)	.047	.356	.091	.147	
	N	38	38	38	38	38

Based on the findings in Table 4.10, leadership change had strong positive relationship with performance of tier two commercial banks in Nairobi County, Kenya (r=0.786). The relationship between the two variables was significant since the p-value obtained (0.000) was less than the selected level of significance (0.05). The finding that leadership change has a strong positive relationship with the performance of tier two commercial banks in Nairobi County, Kenya is consistent with previous studies that highlight the importance of leadership in organizational performance (Sisaye et al., 2018; Mwangi & Muturi, 2016).

The findings also show that process change has positive and significant relationship with performance of commercial state corporations in Kenya (r=0.872, p=0.000). Significant relationship was considered since the p-value was less than selected level of significance (0.05). The finding that process change has a positive and significant relationship with the performance of commercial state corporations in Kenya is consistent with previous research that emphasizes the need for process innovation to improve organizational performance (Tidd & Bessant, 2018; Njihia et al., 2018).

The findings further showed that structure change is seen to have a strong positive and significant relationship with performance of tier two commercial banks in Nairobi County, Kenya (r=0.698, p=0.000). Since p-value was less than 0.05, the relationship between the two variables was consider to be significant. The finding that structure change has a strong positive and significant relationship with the performance of tier two commercial banks in Nairobi County, Kenya is consistent with the resource-based view theory, which posits that the proper alignment of organizational structure and resources can enhance organizational performance (Barney, 1991).

Finally, policy change had strong positive relationship with performance of tier two commercial banks in Nairobi County, Kenya (r=0.702). The relationship between the two variables was significant since the p-value obtained (0.000) was less than the selected level of significance (0.05). The finding that policy change has a strong positive relationship with the performance of tier two commercial banks in Nairobi County, Kenya is consistent with previous research that emphasizes the importance of policy innovation and adaptation to improve organizational performance (Damanpour & Schneider, 2016).

All the four independent variables had strong positive relationship with the dependent variable. This means that an increase in any of the independent variable (leadership change, process change, structural change and policy change) will result to an increase in the independent variable (Performance of Tier Two Commercial Banks in Nairobi County, Kenya**).** To determine the extent to which each of the independent variables influence the dependent variable, regression analysis was computed.

Regression Analysis

Multiple regression analysis was used to determine to determine the influence of strategic change on performance of tier two commercial banks in Nairobi County, Kenya.

Model Summary

Model summary is used to determine the amount of variation in the dependent variable that can be explained by changes in the independent variables. This study used model summary to test the amount of variation in performance of tier two commercial banks in Nairobi County, Kenya as a result of changes in leadership change, process change, structural change and policy change. Table 4.11 presents the findings obtained.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883[a]	.780	.754	.41075

a. Predictors: (Constant), Policy Change, Leadership Change, Process Change, Structure Change

b. Dependent Variable: Performance

The predictive power of the model was determined using coefficient of determination (R^2). The model summary results in Table 4.11 show that the R-squared is 0.780 which suggests that 78% of all variation in performance among Tier II Commercial banks in Nairobi County, Kenya are explained by changes in leadership change, process change, structure change and policy change. The remaining 22% suggests that there are other factors that can be attributed to variation in performance among Tier II Commercial banks in Nairobi County, Kenya that were not discussed in this study. Correlation coefficient (R) shows the relationship strength between the study variables. From the findings the variables were strongly and positively related as indicated r= 0.83.

Analysis of Variance

The significance of the model was ascertained by undertaking an analysis of Variance. This study tested significance at 95% confidence interval which means that a statistics of below 0.05 is significant. The outcomes are presented on Table 4.12

Table 4.12 ANOVA Test

ANOVA[a] Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.775	4	4.944	29.302	.000[b]
	Residual	5.568	33	.169		
	Total	25.343	37			

a. Dependent Variable: Performance

b. Predictors: (Constant), Policy Change, Leadership Change, Process Change, Structure Change

From the analysis of variance (ANOVA), the study found out that the regression model was significant at 0.000 which is less than the selected level of significance (0.05). Therefore, the model was significant, meaning, data was ideal for making a conclusion on the population parameters. The F calculated value from Table 4.12 was greater than the F critical value from the f-disribution tables (29.302 > 2.693), an indication that leadership change, process change, structure change and policy change significantly influences performance of tier two commercial banks in Nairobi County, Kenya. The significance value was less than 0.05 indicating that the model was significant in predicting performance of tier two commercial banks in Nairobi County, Kenya.

Coefficients of the Regression Model

Table 4.13 shows the results for coefficients that show the extent and nature of relationship among the variables.

Table 4.13: Beta Coefficients for the Study Variables

Coefficients[a] Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.058	0.313		3.380	0.001
	Leadership Change	0.237	0.098	0.129	2.418	0.031
	Process Change	0.594	0.216	0.239	2.750	0.010
	Structure Change	1.466	0.174	0.838	8.425	0.000
	Policy Change	1.058	0.313		3.380	0.001

a. Dependent Variable: Performance

Table 4.13 shows the coefficients of the regression model that were obtained. The regression model is specified as follows:

$$\mathbf{Y= 1.058 + 0.237X_1 + 0.594X_2 +1.466X_3 + 0.186X_4 +e}$$

The findings showed that holding leadership change, process change, structure change and policy change to constant at zero, performance of tier two commercial banks in Nairobi County, Kenya would be 1.058. The constant (β= 1.058) was significant at 0.05 significance level (P=0.001).

The findings also show that leadership change is statistically significant in explaining performance of tier two commercial banks in Nairobi County, Kenya (β = 0.237, P = 0.031). This indicates that leadership change positively and significantly relates with performance of tier two commercial banks in Nairobi County, Kenya. The findings also suggest that improvement in leadership change would lead to an increase in performance of tier two commercial banks in Nairobi County, Kenya by 0.237 units. The finding agrees with Alharthi and Alghamdi (2021) that leadership style significantly influenced the performance of Saudi Arabian banks. Similarly, a study by Obasan and Adegbuyi (2018) found that leadership played a significant role in the performance of Nigerian banks. This suggests that effective leadership is critical for the success of banks, and changes in leadership can have significant impacts on organizational performance.

It is also seen that process change is statistically significant in explaining performance of tier two commercial banks in Nairobi County, Kenya (β = 0.594, P = 0.010). This indicates that process change positively and significantly relates with performance of tier two commercial banks in Nairobi County, Kenya. The findings also suggest that improvement in process change would lead to an increase in performance of tier two commercial banks in Nairobi County, Kenya by 0.594 units. The findings agree with Johansson and Olve (2019) that process improvement initiatives led to improved organizational performance in the banking sector. Additionally, a study by Garsa and Abdullahi (2020) found that process improvement had a significant positive impact on the financial performance of Nigerian banks. These studies suggest that improving processes can lead to improved efficiency, productivity, and ultimately, organizational performance.

Regarding structure change, the study found that structure change is statistically significant in explaining performance of tier two commercial banks in Nairobi County, Kenya (β = 1.466, P = 0.000). This indicates that structure change positively and significantly relates with performance of tier two commercial banks in Nairobi County, Kenya. The findings also suggest that improvement in structure change would lead to an increase in performance of tier two commercial banks in Nairobi County, Kenya by 1.466 units. The findings thus agrees with Hooi, Lean, and Lin (2019) that organizational structure had a significant impact on the financial performance of Malaysian banks. Similarly, a study by Alsharari, Al-Aali, and Al-Ajmi (2017) found that organizational structure significantly influenced the performance of Saudi Arabian banks. These studies suggest that organizational structure can play an important role in shaping organizational behavior and performance.

Finally, the study found that policy change is statistically significant in explaining performance of tier two commercial banks in Nairobi County, Kenya (β = 1.058, P = 0.000). This indicates that policy change positively and significantly relates with performance of tier two commercial banks in Nairobi County, Kenya. The findings also suggest that improvement in policy change would lead to an increase in performance of tier two commercial banks in Nairobi County, Kenya by 1.058 units. This agrees with Ayodele, Adetiloye, and Aderibigbe (2019) that regulatory policies had a significant impact on the financial performance of Nigerian banks. Similarly, Odeku, Adeyemo, and Oluwalaiye (2016) found that policies relating to credit risk management had a significant impact on the performance of Nigerian banks. These studies suggest that effective policy implementation can play an important role in enhancing organizational performance.

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter highlights the study's findings in relation to the study's objectives, the study's conclusions and recommendations to various stakeholders, and, at the end, suggested areas for further research.

Summary of Findings

The main goal of this research was to see how strategic change affected the performance of Tier Two Commercial Banks in Nairobi County, Kenya. The study used descriptive and inferential statistics to examine the acquired data in order to achieve this main purpose. Leadership change, process change, structural change, and policy change were the study's four variables. The following is a summary of the findings.

Leadership Change

The first objective of the study was to determine the influence of leadership change on performance of tier two commercial banks in Nairobi County, Kenya. The study found that leadership had positive significant influence on performance of tier two commercial banks in Nairobi County, Kenya. The findings also showed that respondents agreed that Tier II Commercial banks aims at having board transformation in their institutions whereby incoming and outgoing members of the board plays a key role in transforming the operation and performance of the banks. Respondents also agreed that recruitment of executive of Tier II Commercial Banks plays a significant role in determining its performance; that Leadership style of the heads of the Tier II commercial banks plays a key role in the organizational performance; that reporting structure plays a significant role in determining the performance of Tier II Commercial Banks in Nairobi County, Kenya; and that the board diversity plays a significant role in the organization.

Process Change

The second objective of the study was to establish the influence of process change on performance of tier two commercial banks in Nairobi County, Kenya. The study found that process change had positive and significant influence on performance of tier two commercial banks in Nairobi County, Kenya. The descriptive analysis showed that respondents agreed that technology implementation in the organization plays a significant role in organization; that risk reduction plays a significant role in their organization; and that product innovation i.e., mobile banking plays a significant role in their organization. Respondents further agreed that network expansion i.e., opening of many branches plays a significant role in their organization; and that good customer service management plays a significant role in their organization.

Structure Change

The third objective of the study was to investigate the influence of Structure change on performance of tier two commercial banks in Nairobi County, Kenya. From inferential analysis, the study found that structure change had positive and significant influence on performance of tier two commercial banks in Nairobi County, Kenya. The study through descriptive analysis found that the respondents agreed that restructuring of the organization as a structure change strategy played a key role in enhancing the performance of Tier II Commercial banks as demonstrated. Consequently, respondents agreed that decentralization of power plays a significant role in enhancing the performance of the organization; that the leadership style used by the management of the Tier II Commercial banks played a significant role in determining the performance of the organization. In addition, the study established that respondents were neither in agreement or disagreement on whether Centralization of power has any role in enhancing the performance of the organization; and on whether merging or separation of departments played a significant role in the performance of the organization.

Policy Change

The fourth objective of the study was to establish the effect of policy change on the performance of Tier II Commercial Banks in Kenya. The study found that risk policies within the organization play a key role in enhancing the performance of the institution. From descriptive analysis, the study found that respondent agreed that CBK regulations plays a significant role in their Organization; and that staff training on bank policy plays a significant role in their Organization. Respondents also agreed that fraud policy are important to the institutions and that they play a role in enhancing their performance; and that credit regulation policy within the Tier II Commercial banks plays a key role in enhancing their performance. The findings thus revealed that risk policies, CBK regulations, staff training on bank policy, fraud policy, and credit regulation policy are all perceived by respondents as playing significant roles in enhancing the performance of their institutions.

Conclusions

Leadership Change

Based on the findings of the study, leadership change was found to have a strong positive relationship with the performance of tier two commercial banks in Nairobi County, Kenya. The statistically significant relationship between the two variables suggests that leadership change plays an important role in enhancing the performance of commercial banks in the region. Therefore, it was concluded that effective leadership change strategies can positively impact the performance of tier two commercial banks in Nairobi County, Kenya.

Process Change

The study found that process change had a positive and significant relationship with the performance of commercial state corporations in Kenya. This suggests that organizations that implement effective process change strategies can experience improved performance. Therefore, it was concluded that effective process change strategies can positively impact the performance of commercial state corporations in Kenya.

Structure Change

The study found that structure change was strongly and positively related to the performance of tier two commercial banks in Nairobi County, Kenya. The statistically significant relationship between the two variables suggests that effective structural changes can enhance the performance of commercial banks in the region. Therefore, it was concluded that effective structural change strategies can positively impact the performance of tier two commercial banks in Nairobi County, Kenya.

Policy Change

The study found that policy change was strongly and positively related to the performance of tier two commercial banks in Nairobi County, Kenya. The statistically significant relationship between the two variables suggests that effective policy change strategies can enhance the performance of commercial banks in the region. Therefore, it was concluded that effective policy change strategies can positively impact the performance of tier two commercial banks in Nairobi County, Kenya.

Recommendations

In line with the results and conclusions drawn, a number of recommendations towards policy formulations were made.

Leadership change is an essential element for enhancing the performance of tier two commercial banks in Nairobi County, Kenya. Based on the study findings, it is recommended that organizations should invest in leadership development programs that aim to enhance the leadership capabilities of their top management. Organizations should also establish a succession plan to ensure smooth leadership transitions, and ensure that leaders are held accountable for their actions.

Process change is another critical factor that can enhance the performance of commercial state corporations in Kenya. Based on the study findings, it is recommended that organizations should continuously review and evaluate their business processes to identify areas that require improvement. Organizations should also embrace technology to streamline their processes, automate manual tasks, and reduce errors. Finally, organizations should provide adequate training and support to employees to enable them to adapt to new processes effectively.
Structure change is also important for enhancing the performance of tier two commercial banks in Nairobi County, Kenya. Based on the study findings, it is recommended that organizations should review their organizational structure regularly to ensure that it aligns with their strategic goals. Organizations should also ensure that their structure is flexible enough to accommodate changes in the business environment. Finally, organizations should ensure that their structure is designed to facilitate communication and collaboration among employees.

Policy change is also a critical factor that can enhance the performance of tier two commercial banks in Nairobi County, Kenya. Based on the study findings, it is recommended that organizations should continuously review and update their policies to ensure that they align with their strategic goals. Organizations should also ensure that their policies are flexible enough to accommodate changes in the business environment. Finally, organizations should communicate their policies effectively to employees and provide adequate training to ensure that they understand and adhere to them.

Areas for Further studies

The general objective of this study was to determine the Influence of Strategic Change on Performance of Tier Two Commercial Banks in Nairobi County, Kenya. Results of the study determined that leadership change, process change, structure change and policy change had a major influence on the performance of Tier II Commercial banks in Nairobi County, Kenya. Another study can be done on other bank tiers to compare the findings and make generalization. The study can also be replicated in other financial institutions other that commercial bank.

It is equally suggested that another study be undertaken using other sectors such as manufacturing and trading with the same variables to determine how strategic change affects the performance.

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