Influence of Organizational Change Management on the Organizational Performance of Financial Firms Listed at the Nairobi Stock Exchange

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ABSTRACT

Organizational performance is crucial for financial firms as it directly impacts their profitability, market valuation, and investor confidence. High performance ensures these firms can effectively compete, attract investments, and sustain growth in a dynamic financial market. Despite the importance of high performance, achieving and maintaining optimal levels has been a problem for financial firms at Nairobi Stock Exchange (NSE). This paper sought to examine the influence of organizational change management on organizational performance of financial firms listed at the Nairobi Stock Exchange (NSE). The study applied a descriptive research design on 23 financial firms listed at NSE as the unit of analysis in the study. The target respondents were 138 top managers of the financial firms. Stratified random sampling technique was applied to sample 102 participants in the study. The study gathered data through questionnaires which were administered both physically and online. Data collected was analyzed through both descriptive and inferential analyses. Results revealed a β of 0.802 and a p-value of 0.001, between organizational change management and organizational performance of firms listed at the NSE. The study concluded that organizational change management had a positive and significant influence on the organizational performance of firms listed at the NSE. The study recommends that financial firms in the NSE should continue to actively involve stakeholders in all steps of change management to maintain a high level of engagement and support. Besides, the study recommends that financial firms listed at the NSE should enhance readiness for change, and regularly conduct comprehensive assessments of readiness and resilience. Moreover, the study recommends that firms listed at the NSE should strengthen stakeholder support mechanisms, ensuring that this involvement remains a core component of change management processes. Finally, the study recommends that financial firms listed at the NSE should implement robust monitoring systems to ensure effective change implementation, allowing for continuous improvement and adaptation.

Key Terms: Organizational Change Management, Organizational Performance, Financial Firms, Nairobi Stock Exchange.

INTRODUCTION

Organizational change management (OCM) entails a structured framework for ensuring that changes in any organization happen extensively, smoothly, efficiently, and effectively. OCM allows firms to implement these changes in a way that ensures the realization of long-lasting benefits (Errida & Lotfi, 2021). OCM. Change management involves the array of processes, tools, and techniques that assist in managing people, staff, and employees in pursuit of the desired business outcome. Change management integrates various organizational tools essential for helping human capital realize successful individual transactions, enabling them to adopt and attain change (Williams et al., 2023). Organizations best achieve change through optimal position alignment, effective accountabilities, and task deliverables assignment to the entire workforce (Williams et al., 2023). Despite the great significance of OCM, research indicates that most organizational change initiatives do not succeed, with the estimated failure rate standing at a disturbingly 60 to 70 percent (Errida & Lotfi, 2021). The financial sector usually experiences drastic changes like regulatory aspects, technological developments, and market dynamics; therefore, effective change management is a prerequisite for financial firms to remain competitive.

Organizational performance, on the other hand, is about how well and effectively an organization realizes its vision, mission, financial goals, and market-oriented objectives, both short and long-term (Anwar & Abdullah, 2021; Ghasemaghaei, 2020). Organizational performance assessments are a critical strategic management aspect. Organizational leaders must understand how their companies are performing, after which they can make better decisions on strategic changes if necessary (Ghasemaghaei, 2020). Since organizational performance is mostly a complex and multidimensional concept, wise business executives or managers use multiple performance measures to gauge their organizational success or failure, hence taking the necessary change processes (Anwar & Abdullah, 2021). Such measures and referents include the nonfinancial measures, financial metrics, and the triple bottom line (TBL). Each of these tools offers significant insights regarding organizational performance; effective managers should use them concurrently to have a better grasp of their organizational performance.

Nonfinancial measures include aspects like customer satisfaction, employee satisfaction, operations efficiency, and internal processes efficiency. From a broad perspective, nonfinancial measures include customer measures, internal business process measures, and learning and growth metrics (Ghasemaghaei, 2020). Financial performance measures inform about organizational effectiveness and profits. The common financial ratios are return on assets (ROA), return on equity (ROE), and return on investment (ROI). Net operating revenues, gross profit, long-term debts, stock price, and dividends are also essential financial measures. The TBL focuses on ethical responsibility. The key tenets of TBL (3Ps) are People, which reminds businesses to be socially responsible; Planet, which reminds organizations to observe environmental sustainability; and lastly, the traditional organizational Profits (Pan, et al., 2021). In the context of the financial firms listed in the Nairobi Stock Exchange (NSE), organizational performance involves how these firms manage their organizational changes.

The Capital Market Authority (CMA) and the NSE are two regulatory bodies in Kenya that ensure that all listed companies perform, operate, and comply with all the prescribed guidelines and standards when trading and reporting in the securities exchange (CMA, 2023; NSE, n.d). Like any other listed company, the financial reports about the publicly listed financial companies in Kenya are shared with these two regulatory bodies. These reports are also expected to reach existing and potential investors and the general public to ensure informed decision-making and transparency aspect adherence. Such financial reports capture a company's profitability every year.

Globally, organizations have embraced the importance of OCM. Many companies utilize OCM as the systematic approach for effectively managing and navigating organizational transformation or transition. OCM involves deliberate planning, communication, and stakeholder engagements to nurture a smooth adoption of the new process, technology embracement, and cultural shifts (Palmer, 2016). Organizations that effectively utilize OCM have higher chances of succeeding in the increasingly volatile and unpredictable contemporary business environment (Errida & Lotfi, 2021). In the US, for instance, financial institutions have, over time, recorded high OCM leverage levels in navigating economic downturn times (Prosci, 2018). The US financial companies also successfully leverage OCM to maneuver regulatory changes, thereby realizing a higher performance level and a competitive edge. In Europe, financial firms like Barclays and HSBC have embraced a comprehensive OCM framework to adapt to the fast-changing financial environment (HSBC, 2020). Elsewhere, in Asia, financial firms also understand the role of OCM in operational success. For instance, the Bank of China employs rigorous change management standards to address the swiftly changing technological and regulatory changes (ICBC et al., 2021).

Moreover, OCM is of great importance in Africa as many financial organizations are adopting it to deal with the ever-changing economies, politics, and technologies. For instance; several change management practices have been implemented by numerous financial firms in South Africa to enhance the performance and adaptability of their organizations (Ovadje & Aryee, 2018). Financial institutions in Nigeria – another major African economy – also depend on OCM during economic downturns and shifts in rules and regulations

(Daniel et al., 2019). To improve customer experience as well as operational efficiency concerning regulatory reforms and technological developments among others, financial banks in Ghana incorporate OCM into their systems (Osei-Bonsu, 2014). They are useful for evaluating the banks' success because they have enabled them to improve various components of their operations.

The financial industry in Kenya has undergone significant changes in the last few decades at an accelerated pace, due to the change of requirements by the Central Bank of Kenya (CBK). The Nairobi Stock Exchange (NSE) is also witnessing increased activity and expansion courtesy of technology advancements, entry of new players, and regulatory framework changes. To remain competitive and have good organizational performance, financial companies that are listed on the NSE need to adjust to such changes (Chepkosgei, et al., 2020). Virtually all commercial banks in Kenya have leveraged OCM to roll out their digital transformation journey, as evidenced by increased mobile banking and online banking platforms. These initiatives improve customer experience, operational efficiency, and overall company profitability and competitiveness.

Notwithstanding the obvious benefits of OCM and organizational performance, several financial firms listed on the NSE in Kenya struggle with the effective implementation of effective and resilient change management practices. This instance, in turn, introduces suboptimal performance metrics and outcomes. Poorly managed financial firms are a risk to the economy, and the result is a high likelihood of the shareholders, creditors, depositors and other stakeholders facing the risk of hefty financial losses should the firm collapse or stagnate. Burnes (2004) reports that the financial sector is primarily susceptible to the effects of poorly implemented and managed organizational changes following rapid changes in government regulations, technological advancements, and ever-changing market dynamics.

Worldwide, organizations have been facing drastic changes in the business atmosphere that have profoundly impacted OCM and organizational performance. As already noted, there exists rich literature highlighting that about 60 to 70 percent of organizational change initiatives fail (Errida&Lotfi, 2021). This baffling failure propagates a sustained concern and interest regarding the factors that could be fueling the failure and possible ways to increase the success of organizational change. The financial sector in Kenya is one of the biggest industries in the East African economies; this is courtesy of its large size and notable diversification. However, despite this uniqueness, the Kenyan financial firm sector faces a sustained challenge of growth, non-performing loans, and corporate governance issues. As a result, several financial companies have collapsed and stagnated, and others are facing a near closure or near-stagnation.

According to CBK (2016), Chase Bank was put under receivership by the Central Bank of Kenya (CBK) on April 7, 2016. The main reasons behind this placement included failure to effectively meet the required statutory banking ratios and poor reporting of insider loans. However, the main issue with Chase Bank was poor governance, which led to over-lending of its board of directors. Next, Dubai Bank was placed under receivership in August 2015, mainly due to capital deficiencies and liquidity issues. Imperial Bank, on the other hand, was put under statutory management in October 2015, with the CBK citing unsafe and unsound business conditions and transactions (CBK, 2016). Banking is a central part of the financial sector in Kenya and worldwide. Therefore, a strong banking system is crucial to supporting the growth and favorable economic stability of a country.

Expanding research in Kenya points out that the financial firms listed in the NSE face various challenges in managing organizational change, which end up affecting their organizational performance. A survey performed by KPMG (2023) revealed that many financial firms in the NSE reported challenges in managing technological advancements and regulatory compliance. These challenges are brought about by political uncertainties, increasing interest rates, climate change, operational risks, and technological risks (KPMG, 2023). More so, companies with ineffective and inefficient change management practices often experience deterioration in their market share and profitability (KPMG, 2023). Considering such aspects, there is a need to understand how organizational change management impacts the organizational performance of the financial firms listed on the NSE, which is a good basis for formulating effective strategies for improving their performance and adaptability. The current study, therefore, intends to address that research gap by investigating the impact that OCM has on the organizational performance of these firms. There is no past study that has been conducted on OCM and organizational performance of financial firms listed on the NSE in Kenya, a prime gap that this study intends to address.

LITERATURE REVIEW AND MODEL

Kottler's 8-Step Theory

Kottler explained that about 70% of the change in the organization fails because firms are not ready to adapt to the change (Laig & Abocejo, 2021). The inability to adapt to change implies that organizations are unable to take advantage of new opportunities in the market. In a bid to overcome the high failure rates of change management, Kottler identified 8 -steps that can be used by firms to execute change effectively. According to this model, the first step is creating a sense of urgency in the firm to ensure that the employees are ready for change (Tang & Tang, 2019). The first step should consider all the stakeholders in the firm to ensure they are ready for change. The second step in the change management model is the creation of a guiding coalition to ensure the change. Thus is where an organization firms the change team that cultivates the right direction and vision for the change. This second step is aimed at passing the information on change to the employees and other stakeholders.

The third step in this theory is the development of a clear vision that seeks to explain why the change is necessary (Trawick & Carraher, 2023). In this regard, the change team must explain how the firm's future will be different from the present. The future should present a desirable, feasible, and focused. The fourth step in this 8-step approach is the communication of the vision to ensure the employees buy into it. This step is important as it ensures that the organization can impart the vision to the stakeholders (Laig & Abocejo, 2021). The fourth step aims at bringing the stakeholders on board in the change management processes by changing the mindset of the people. The fifth step in this process is eliciting a broad-based action from the people by getting rid of any barriers that may arise. This step eradicates the structural barriers that prevent change management in the firm. The sixth step in this model is the generation of short-time wins that seek to motivate employees that the change is bearing fruits. The goal of this step is to persuade the employees that the change is sustainable and that it is succeeding.

The seventh step of this 8-step approach is bringing together the gains from the short-term wins. This step aims at building the momentum for the complete and desired change in the organization. The top executives are brought on board to lead projects and reduce the interdependence of the various departments in the firm. The last step in this model is ensuring that the new culture sticks. This step seeks to ensure that the culture is sustained in the firm to avoid going back to the old ways of doing things. Continuous information on honest results from the change should be communicated to ensure employees understand the gains from the change initiative.

The use of Kottler's 8-step approach in this study will explain how firms in the NSE can use change Management to improve performance (Laig & Abocejo, 2021). The need for change management in the NSE cannot be overstated because of the dynamic nature of the financial markets in Kenya and in other parts of the world. However, change management is likely to get some serious resistance from the employees and the other stakeholders especially if they don't understand the change. The use of Kottler's 8-Step model explains how the firms in NSE can overcome some of the challenges of implementing change management to improve their performance and sustain their competitive advantage. The model addresses both the technical and the human aspects of change that are needed in the NSE-listed firms in Kenya.

Empirical Literature Review

Change management is a critical factor in the firm's performance as it ensures that organizations can take advantage of new opportunities in the business environment. Past studies show that organizational change is an integral part of a firm's ability to create and sustain a competitive edge in the market thus ensuring its success. Several studies have examined the impact of change management on organizational performance by focusing on firms in different sectors. For instance, Khatoon (2016) explored the role of organizational change

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on performance by focusing on firms in the construction sector. The study used communication participation and the attitude of top executives as the intervening variables of the study. The research instrument was designed based on an extensive review of the existing literature. A survey research design was used to collect data from the top 100 firms in Pakistan's construction industry whereby data was collected using qualitative and quantitative data. The findings indicated that communication and positive attitudes toward change by the top executives are critical for the success of the change model in the firm. The study showed that desiring change is not enough, managers must be able to communicate change and sell the idea to the employees. The main research gap of this study is that it was carried out in Pakistan which has a different economic and social climate than Kenya. As such, the findings cannot be used to make generalized conclusions on change management in the Kenyan context.

Okolie and Memeh (2022) examined the role of change management on an organization's efficiency by employing a qualitative technique. The research used published literature as the primary source of the data used in the study whereby contextual analysis was used to identify the main points. The study focused on how firms can employ the dynamics of change management to improve their efficiency in operations and thus post better results. Besides, the study considered the influence of change-facilitating leaders in driving the desired change. The results showed thatorganizational change management has a positive impact on a firm's performance. The study highlighted the need for communication in selling the change model to the employees and ensuring that they will buy the vision. The study recommends that firms invest in their communication strategies to ensure that employees do not see change as a disturbance. The main research gap in this study is that it was conducted in the manufacturing sector in India. This sector has a different economic, social, and cultural climate than Kenya implying that these findings cannot be generalized in the Kenyan case.

Kinyi Muhoho and Gachukia (2018) examine how change management affects the performance of police service in Kenya. The study used a descriptive study design and questionnaires to collect the data. The study targeted 240 officers as the population whereby 80 officers were used as the sample. The findings of this study showed that motivation, leadership, and reforms in the police sector affect the performance of the officers at different cadres. The study identified the need for diverse tactics in change management to ensure that the change is effective in achieving its goals. Although this study was done in Kenya, its main research gap is that it focused on the police sector which operates in different dynamics than the financial market. As such, the findings in this study cannot be used to make generalized assumptions about the NSE-listed firms in Kenya.

In another study, Ng'ong'a et al. (2020) explored how organizational management in the context of change management influences the performance of NSE-listed firms in Kenya. The study employed the three-step theory, the open systems theory, and the industrial organization economics theory. The research used a cross-sectional survey design on 64 firms NSE in Kenya whereby a sample of 38 companies was chosen. The researcher used a purposive sampling technique whereby top managers were identified for the study. The analysis consisted of descriptive study, Pearson's correlation, hypothesis testing, and regression models. Thefindings showed that there isa positive relationship between change management and the performance of NSE-listed firms. The study recommended the need for using recent information when executing change management as this will ensure that the organization can make the right decisions. This study was conducted on NSE-listed firms in Nairobi County implying that the results are very important in the current study. However, the findings from this study cannot be used to make generalized assumptions on the effects of change management on the performance of NSE-listed firms because the study focused on organizational management rather than on organizational change management. Besides, the information used in this study was collected in Nairobi County which may not offer a perfect illustration of all the financial institutions in Kenya.

Machiri (2020) examines how a firm's competence in change management influences the performance of firms listed in the NSE. A descriptive research design was used whereby the target was all firms listed in NSE. A purposive sampling technique was used to identify four managers in each of the firms identified. The researcher used a structured questionnaire to collect the data which was then analyzed using descriptive and inferential statistics. The results showed that organizational competencies in managing change area key aspect

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in determining the organization's ability to improve its performance in the market. The study concluded that competent managerscan steer firms through change management thus enabling their organizations to create and sustain a competitive advantage in the market. Although the study focused on firms listed in NSE, its main research gap is that it used managers' competence as the main variable, unlike the current study that focuses on organizational change management. Besides, the study did not focus on other elements of change management such as communication and implementation of change. As such, the findings from this study cannot be used to make generalized findings for the current study.

In another study, Lyria, Namusonge, and Karanja (2017) determined the effect of care development on an organization's ability to navigate through the season of change. Specifically, the study examined how the firm's ability to navigate through change enables it to post better performance. The study used descriptive and correlation surveys to collect data from NSE firms. A stratified sampling technique was used to select the respondents from the study whereby 10 listed firms were identified. The target population consisted of 530 managers of NSE-listed firms whole a sample of 220 respondents was picked from this study. The results showed that there is a strong correlation between career management and the organization's ability to navigate through the seasons of change. Besides, the study showed that an organization's ability to navigate through change is critical to its performance. The study recommended the need for career management in enabling firms to manage change and improve their performance. The managers in NSE should identify strategies for career development as they enable the employees to understand the need for change in the current business environment. The main research gap in this research is that it focused on career management and its effects on change management. It failed to identify other important aspects of change management which are also critical for organizational performance. As such, the current study seeks to address these research gaps by evaluating the influence of organizational change management on the organizational performance of NSE-listed firms in Nairobi County.

DATA AND METHODS

Research Design: This study applied a descriptive research design to tackle essential queries, encompassing when? How? Which? And Why aspects of the research problem. Utilizing this approach enabled the researcher to investigate the influence of organizational change management on the Organizational performance of financial firms listed at the NSE. The study examined employees from 23 firms listed at the Nairobi Stock Exchange, with a total of 138 top managers as the unit of observation.

Sample and Sampling Methods: The current study sample size was determined through a stratified random sampling technique using the Taro Yamane formula. The formula is given below:

$N/ [1+N(e^2)] =n$…………………………………………………………………………. equation (i).

Whereby N is the population of the study, n is the sample size and e is the sample margin of error. With a margin error of 5% the sample size was as follows. The sample size was therefore implemented as follows:

$138/ [1+138(0.05*0.05)] =102.4$. In executing the formula, a sample of 102 respondents was obtained to the nearest whole figure.

Data Collection Instruments and Methods: The study used questionnaires that were administered both physically and electronically to capture the data needed because of their ease of application and their ability to collect data within a short time. The instrument was subjected to pilot tests to establish its validity and reliability. Validity was tested using content validity whereas reliability was ascertained using Cronbach technique at a critical score of 0.7.

Data Analysis: Primary data for the study was analyzed using both qualitative and quantitative techniques. Qualitative data was organized into thematic areas through content analysis, while quantitative data was analyzed using descriptive statistics (mean, frequencies, percentages, and standard deviation) and inferential analysis (correlation and regression analysis) to test hypotheses and relationships between variables. The findings were presented in tables accompanied by narratives with a significance level set at 0.05 to determine the influence of organizational change management on the organizational performance of firms listed at the NSE.

$Y = B0 + B1 + e$……………………………………………………..………equation (ii).

Where Y was the organizational performance of the firms listed at the Nairobi Stock Exchange, BO was the constant, B1 was the coefficient for organizational change management and e was the error term.

FINDINGS AND DISCUSSIONS

Response Rate: The study sought to collect data from 102 participants and was able to collect data from 92 participants which represented a response rate of 89.32% whereas 10 participants did not participate in the study representing 9.81%. Mugenda (2020), argued that a response rate above 50% is adequate for analysis whereas a response above 70% is ideal.

Descriptive Statistics

Descriptive Statistics on Organizational Change Management

Table 1 revealed that respondents agreed that their stakeholders take part in all steps that involve change management as indicated by a mean of 3.97. Additionally, the respondents agreed that their organizations assessed readiness to undertake change as well as resilience as shown by a mean of 4.05. Besides, the study established that change management involves stakeholders' support as shown by a mean of 3.83. Lastly, the respondents agreed that their organization undertakes monitoring to be sure that change has taken place effectively indicated by a mean of 4.18. The results are in agreement with the previous study by Okolie and Memeh (2022) who examined the role of change management on an organization's efficiency by employing a qualitative technique. The study focused on how firms can employ the dynamics of change management to improve their efficiency in operations and thus post better results. The results showed that organizational change management has a positive impact on a firm's performance. The study also highlighted the need for communication in selling the change model to the employees and ensuring that they will buy the vision.

Table 1: Descriptive Statistics on Organizational Change Management

Statement	SD	D	N	A	SA	Mean	Std. Deviation
Our stakeholders take part in all steps that involve change management	5 (5.4%)	2 (2.2%)	9 (9.8%)	51 (55.4%)	25 (27.2%)	3.97	.977
Assessment of readiness to undertake change as well as resilience	3 (3.3%)	8 (8.7%)	4 (4.3%)	43 (46.7%)	34 (37.0%)	4.05	1.031
Change management involves stakeholders' support	3 (3.3%)	7 (7.6%)	15 (16.3%)	45 (48.9%)	22 (23.9%)	3.83	.990
Our organization undertakes monitoring to be sure that change has taken place effectively	1 (1.1%)	1 (1.1%)	11 (12.0%)	46 (50.0%)	33 (35.9%)	4.18	.769

Descriptive Statistics on Organizational Performance

Results presented in Table 2 revealed that participants agreed that their organization has registered quite high revenues compared with peers in the same industry indicated by a mean of 3.97. Further, the study revealed

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that profits by their company are relatively higher compared to their competitors as shown by a mean of 4.05. Moreover, the findings revealed that the market share for the company has shown overwhelming growth over the past four years indicated by a mean of 3.83. Lastly, the respondents agreed that the number of permanent and contract basis employees has grown over the past five years as shown by a mean of 4.18.

Table 2: Descriptive Statistics on Organizational Performance

Statement	SD	D	N	A	SA	Mean	Std. Deviation
Our organization has registered quite higher revenues compared with peers in the same industry	2 (2.2%)	0	11 (12.0%)	55 (59.8%)	24 (26.1%)	4.08	.759
Profits by our company are relatively higher compared to our competitors	2 (2.2%)	10 (10.9%)	0	39 (42.4%)	41 (44.6%)	4.16	1.030
The market share for our company has shown overwhelming growth over the past four years	2 (2.2%)	9 (9.8%)	15 (16.3%)	41 (44.6%)	25 (27.2%)	3.85	1.005
The number of permanent and contract basis employees has grown over the past five years	0	1 (1.1%)	11 (12.1%)	46 (50.5%)	33 (36.3%)	4.22	.696

Inferential Statistics

Correlation Analysis

Results presented in Table 3 revealed a Pearson (r) value of 0.766 and a p-value of 0.001 between organizational change management and performance, which implied that there was a positive and significant relationship between organizational change management and organizational performance of financial firms listed at the NSE.

Table 3: Correlations Matrix

		Organizational Change Management	Performance
Organizational Change Management	Pearson Correlation	1	.766**
	Sig. (2-tailed)		.000
	N	92	92
Performance	Pearson Correlation	.766**	1
	Sig. (2-tailed)	.000	
	N	92	92

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

Regression Analysis

Table 4 reveals that 58.7% of the changes in the organizational performance of firms listed at the NSE were explained by organizational change management as indicated by an r-square of 0.766 with other factors that

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were not included in the study explaining the difference of 41.3% in the organizational performance of firms listed at the NSE.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766[a]	.587	.583	.50124

a. Predictors: (Constant), Organizational Change Management

Table 5 revealed an F-statistic value of 128.162 with an associated p-value of 0.001, which implies that the simple linear regression model used in the study was a significant fit in predicting the organizational performance of financial firms listed at the Nairobi Stock Exchange because the observed p-value of 0.001 was less than the critical chosen value of 0.05.

Table 5: ANOVA[a]

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	32.200	1	32.200	128.162	.000[b]
	Residual	22.612	90	.251		
	Total	**54.812**	**91**			

a. Dependent Variable: Performance of the Company

b. Predictors: (Constant), Organizational Change Management

Results presented in Table 6 revealed a beta coefficient of 0.840 and a p-value of 0.004 implying that the constant in the model was statistically significant in the prediction of the performance of firms listed at the NSE. Further, results revealed a beta value of 0.802 and a p-value of 0.001 between organizational change management and the organizational performance of firms listed at the NSE which implied that organizational change management significantly influenced the organizational performance of financial firms listed at the NSE because the calculated p-value of 0.001 was less than the critical chosen value of 0.05. The findings of the study are in agreement with a previous study carried out by Khatoon (2016) having explored the role of organizational change on performance by focusing on firms in the construction sector. A survey research design was used to collect data from the top 100 firms in Pakistan's construction industry whereby data was collected using qualitative and quantitative data. The findings indicated that communication and positive attitudes toward change by the top executives are critical for the success of the change model in the firm. The study showed that desiring change is not enough and managers must be able to communicate change and sell the idea to the employees.

Table 6: Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.840	.281		2.984	.004
	Organizational Change Management	.802	.071	.766	11.321	.000

a. Dependent Variable: Performance of the Company

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CONCLUSIONS AND RECOMMENDATIONS

The study concluded that firms listed at the Nairobi Stock Exchange stakeholders take part in all steps that involve change management. Further, the study concluded that firms listed at the NSE assessed readiness to undertake change as well as resilience. Besides, the study concluded that change management involves stakeholders' support. Lastly, the study concluded that firms listed at the NSE undertake monitoring to be sure that change has taken place effectively. Lastly, the study concluded that organizational change management had a significant influence on the organizational performance of firms listed at the NSE.

The conclusions of the study are therefore in support of Kottler’s 8-step model which explains how firms in the NSE can use change Management to improve performance. The model also highlights that the need for change management cannot be overstated because of the dynamic nature of the financial markets. Further, the model highlights that despite change management being likely to get some serious resistance from the employees and the other stakeholders especially if they don’t understand the change, the use of Kottler’s 8-Step model explains how the firms in NSE can overcome some of the challenges of implementing change management to improve their performance and sustain their competitive advantage. The model addresses both the technical and the human aspects of change that are needed.

The study recommends that financial firms in the NSE should continue to actively involve stakeholders in all steps of change management to maintain a high level of engagement and support. Additionally, the study recommends that financial firms listed at the NSE should enhance readiness for change, and regularly conduct comprehensive assessments of readiness and resilience, building on the current. Further, the study recommends that firms listed at the NSE should strengthen stakeholder support mechanisms, ensuring that this involvement remains a core component of change management processes. Finally, the study recommends that financial firms listed at the NSE should implement robust monitoring systems to ensure effective change implementation, allowing for continuous improvement and adaptation.

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