



EFFECT OF EMPLOYEE INVOLVEMENT IN STRATEGIC CHANGE PROCESS ON CHANGE ACCEPTANCE: A SURVEY OF COMMERCIAL BANKS IN NAKURU CITY

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ABSTRACT

Employee involvement in the change process is essential for fostering ownership and reducing resistance in dynamic sectors like banking. This study assesses the effect of employee involvement in the strategic change process on employee change acceptance a survey of commercial banks in Nakuru City. Anchored in communication theory, the research adopted an explanatory quantitative design, targeting 118 frontline leaders (Branch Managers, Chief Operations Managers, Human Resource Managers, Sales & Marketing Managers, Credit Managers, and Service Administration Managers) across 28 commercial banks, using census approach to ensure comprehensive representation. Data was collected via structured questionnaires, validated through expert review and pilot testing (Cronbach's $\alpha > 0.7$), and analyzed using descriptive statistics, Pearson correlation, and multiple linear regression in SPSS. Results indicated moderate perceptions of involvement (mean = 2.81, SD = 1.296), a strong positive correlation ($r = 0.675$, $p < 0.001$), and significant effect ($\beta = 0.247$, $p = 0.003$). The study concludes that greater involvement boosts change acceptance by promoting reciprocity and commitment. Recommendations include establishing participatory forums and feedback mechanisms to enhance engagement. Future research should explore longitudinal effects and comparative regional analyses. These insights guide banking leaders in Nakuru to optimize change initiatives for adaptability.

KEYWORDS: Employee Involvement, Change Process, Employee Change Acceptance, Commercial Banks, Nakuru City

BACKGROUND OF THE STUDY

Employee involvement in the strategic change process, encompassing participation in decision-making, recognition of input, and encouragement of creativity, is a critical driver of employee change acceptance in banking institutions (Lines *et al.*, 2021). In commercial banks, effective involvement ensures smoother transitions, reduced resistance, and enhanced adaptability amid digital transformations and regulatory shifts (Oreg *et al.*, 2021).

Employee involvement has been linked to higher change acceptance in various sectors. In Zimbabwe, Chummun and Nleya (2023) found that participation in decision-making and creativity improved organizational performance by fostering ownership. In Slovakia, Lušňáková, Benda-Prokeinová, and Juričková (2022) reported that employee engagement in innovations enhanced sustainability, though varied attitudes posed challenges. Globally, Bakker, Albrecht, and Leiter (2018) noted that involvement boosts commitment and trust during change.

In Kenya, commercial banks in Nakuru City face change acceptance challenges, with 35% of digital overhauls hampered by resistance and 22% of initiatives delayed due to low staff readiness (Central Bank of Kenya, 2025). A 2025 KNBS survey revealed 48% of employees citing inadequate training as a barrier to compliance systems (Kenya National Bureau of Statistics, 2025). With 28 banks managing over KSh 120 billion in deposits, low involvement contributes to 19% turnover and KSh 1.5 billion in inefficiencies (Deloitte, 2024). Ochieng and Njoroge (2020) found weak relations in Nakuru's institutions reduced buy-in, while Kariuki and Kimathi (2023) highlighted participation's role in microfinance but omitted banking specifics.



This study investigates the effect of employee involvement on change acceptance in Nakuru's commercial banks. Social Exchange Theory provides a framework for understanding how reciprocity through involvement drives acceptance in Kenya's banking sector.

Commercial banks in Nakuru City are pivotal to Kenya's financial ecosystem, yet low employee involvement in strategic change processes hinders change acceptance. The Central Bank of Kenya (2025) reports that despite KSh 150 billion in tech investments, 35% of transformation projects face delays due to resistance. The Kenya Bankers Association (2025) indicates 22% of digital initiatives stall from inadequate readiness, with 61% of employees citing communication breakdowns. A 2025 KNBS survey shows 48% attribute adaptation difficulties to insufficient training, leading to 19% turnover and over KSh 1.5 billion in annual costs (Deloitte, 2024). Process acceptance lags at 48%, with union grievances rising 28% during transitions (Danish Trade Union Development Agency, 2025). Previous studies, such as Maina (2024), focused on Nairobi resistance without regional focus, while Ochieng and Njoroge (2020) noted weak relations but lacked empirical testing in change frameworks. This study addresses these gaps by evaluating how employee involvement influences change acceptance in Nakuru's 28 commercial banks, providing evidence-based strategies to enhance adaptability and resilience. This study sought to establish the effect of employee involvement in the strategic change process on change acceptance in commercial banks in Nakuru City. The study was guided by the null hypothesis (H_0): Employee involvement in the strategic change process has no statistically significant effect on change acceptance in commercial banks in Nakuru City.

LITERATURE REVIEW

Theoretical Review

Communication Theory, proposed by Shannon and Weaver (1949), emphasizes the transmission of information from a sender to a receiver to ensure clarity and understanding. The theory provides a useful framework for analyzing how communication influences employee involvement and ultimately enhances acceptance of change in organizational settings, including the banking sector.

Shannon and Weaver (1949) describe communication as a process where a sender encodes a message, conveys it through a channel, and the receiver decodes it. Effective communication ensures that employees understand the objectives, benefits, and implications of organizational change. In the context of employee involvement, clear communication is critical for enabling staff to participate meaningfully in decision-making and change processes, thereby fostering ownership and commitment.

Research shows that well-structured communication enhances change acceptance by providing employees with essential information to understand and support change initiatives (Carnall, 2007). Employees who receive timely, accurate, and transparent communication are more likely to engage in change activities and contribute their perspectives (Holt *et al.*, 2020). Conversely, poor communication can cause confusion, resistance, and reduced acceptance of change (Oreg *et al.*, 2021).

While Communication Theory provides important insights into information transfer, it has limitations. Critics argue that its linear model oversimplifies human communication and neglects the interactive, dynamic nature of dialogue in organizations (Littlejohn & Foss, 2011). Cultural and contextual factors, trust in management, and organizational climate also influence how messages are interpreted, which is especially relevant in diverse banking environments (Gudykunst & Kim, 2017). Moreover, effective communication for employee involvement requires feedback loops, dialogue, and participatory mechanisms, aspects underemphasized by the traditional theory (Griffin, 2019; Hossain, 2024).

Despite these limitations, Communication Theory remains valuable for evaluating how different communication strategies and channels facilitate employee engagement during change. By assessing the clarity, openness, and responsiveness of communication, organizations can improve involvement and, consequently, increase acceptance of change (Shakeri & Khalilzadeh, 2020). This study applies Communication Theory to understand how communication supports employee involvement, highlighting its role in building ownership, commitment, and acceptance of change in commercial banks.



Empirical review

A study by Chummun and Nleya (2023) investigated the effect of employee involvement in strategic change on the performance of insurance businesses in Zimbabwe. The study highlighted the necessity for firms to adapt and innovate in response to technology improvements and increased competition, underscoring the importance of engaging people in strategic change initiatives. This research utilized a quantitative approach, surveying 115 respondents with a 5-point Likert scale questionnaire. The multiple regression method was employed to evaluate the influence of five constructs of employee involvement participation in decision-making, teamwork, communication, creativity, and innovation on organizational performance. The results demonstrated a substantial favorable impact of all five components on the performance of insurance firms in Zimbabwe. The report advises insurance industry executives to acknowledge and appreciate workers as vital assets essential for organizational sustainability. Moreover, regulatory authorities are urged to support policies that facilitate employee participation in decision-making processes.

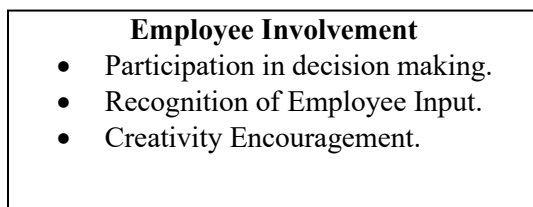
A study by Lušňáková, Benda-Prokeinová, and Juričková (2022) assessed employee attitudes and engagement in the implementation of innovations and changes in Slovak enterprises. The main aim was to evaluate the perception and acceptability of change among human resources and to suggest solutions for improving the engagement and proactive participation of business representatives, hence fostering business sustainability. The study conducted a questionnaire survey with a sample of 816 enterprises in the Slovak Republic, employing association analysis and the independence test for data analysis. Research revealed that creative actions may not consistently be seen favorably by employees, highlighting the necessity of acknowledging varied employee perspectives. The study advised that organizations develop measures to mitigate and address the impact of adverse attitudes towards organizational change, essential for the effective execution of innovative practices.

A recent study by Chummun and Nleya (2023) investigated the effect of employee involvement in strategic change on the performance of insurance companies in Zimbabwe. Confronted with swift technological progress and fierce rivalry, the study emphasized the imperative for businesses to modify their structures, systems, and strategies to endure in the competitive environment. The study utilized a quantitative research methodology, surveying 115 respondents with a 5-point Likert scale questionnaire, and employed multiple regression analysis to examine the impact of five constructs of employee involvement participation in decision-making, teamwork, communication, creativity, and innovation on organizational performance. The findings indicated that all five constructs significantly influenced the performance of insurance businesses in Zimbabwe. The report urges senior executives in the insurance sector to acknowledge and value the significance of engaging employees in strategic change initiatives. Furthermore, industry regulatory bodies are urged to advocate for policies and procedures that include employees in decision-making processes to improve overall organizational performance.

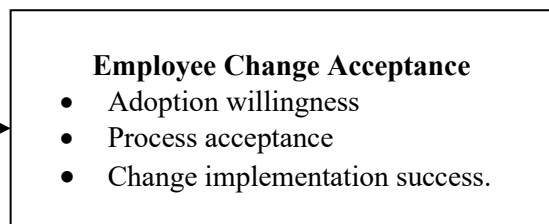
Conceptual Framework

The conceptual framework for this study explores the relationships between independent variables, employee involvement and the dependent variable, employee change acceptance.

Independent Variables



Dependent Variable



RESEARCH METHODOLOGY

This study adopted an explanatory quantitative research design to assess the effect of employee involvement on employee change acceptance in commercial banks in Nakuru City. The design was suitable for establishing causal relationships between the independent variable (employee involvement) and the dependent variable (employee change acceptance), as recommended by *Creswell and Creswell (2018)*. Quantitative data was collected from management-level staff who directly participate in change processes, enabling objective statistical analysis and generalization of findings.



The study was conducted in Nakuru City, a major financial hub in Kenya’s Rift Valley region that hosts numerous commercial banks. The target population comprised 118 managers drawn from main bank branches, including Branch, Operations, Human Resource, Marketing, Credit, and Service Administration Managers. Because the population size was manageable, a census approach was adopted to include all respondents, ensuring comprehensive coverage and representativeness (*Sekaran & Bougie, 2016*).

Data was collected using a structured questionnaire based on a five-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree.” The tool captured participants’ views on employee involvement practices such as participation in decision-making, empowerment, and consultation, and their influence on change acceptance. A pilot study involving 12 managers from Uasin Gishu County tested clarity and reliability. Expert validation ensured content and face validity, while Cronbach’s Alpha coefficients exceeded 0.7, confirming internal consistency (*Kline, 2016*). Data collection followed ethical approval from KUREC and authorization by NACOSTI. Questionnaires were distributed to managers after obtaining informed consent and assuring confidentiality. Data was analyzed using descriptive and inferential statistics. Correlation and regression analyses tested the effect of employee involvement on change acceptance using the model:

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon$$

where Y represents employee change acceptance, X_2 represents employee involvement, β_0 is the intercept, and ε is the error term. Diagnostic tests confirmed normality, linearity, and absence of multicollinearity.

Ethical principles guided the study throughout. Participation was voluntary, confidentiality was maintained, and data was securely stored and disposed of after analysis. Findings were reported objectively without revealing respondent identities.

DATA ANALYSIS

A total of 118 questionnaires were distributed to managers in commercial banks in Nakuru City. Eighty-four (84) questionnaires were returned, representing a response rate of 71.2%, which is considered adequate for statistical analysis.

Descriptive for Employee Involvement

This subsection examines perceptions of employee involvement in the change process. Involvement fosters ownership, but Nakuru’s banks face challenges with limited participation. The results are detailed in Table 1.

Table 1: Descriptive for Employee Involvement

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
Employees are actively involved in discussions regarding upcoming changes.	16.3	22.1	14.2	31.4	16.0	2.68	1.314
The organization seeks employee feedback during the change process.	17.6	23.3	13.7	30.1	15.3	2.59	1.321
Employees are included in decision-making regarding the change implementation.	18.3	24.7	13.9	27.8	15.3	2.53	1.326
Employee involvement in change leads to greater acceptance of the change.	7.3	11.7	14.6	46.1	20.3	3.63	1.187
The organization encourages employees to express their opinions about the changes.	16.1	22.4	14.8	31.7	15.0	2.67	1.316
Involvement in the change process has helped employees understand the reason for change.	15.3	21.1	14.4	32.7	16.5	2.74	1.311
Average						2.81	1.296



The findings in Table 10 show that employee involvement in change processes across Nakuru's banks is relatively low, as reflected by the overall mean of 2.81 (SD = 1.296). This suggests that most employees feel insufficiently included in discussions, decision-making, and feedback mechanisms related to organizational change. Only 47.4% agreed that they are actively involved in discussions (Mean = 2.68, SD = 1.314), while 38.4% disagreed. Similarly, 45.4% agreed that management seeks employee feedback (Mean = 2.59, SD = 1.321), and only 43.1% agreed that they are included in decision-making (Mean = 2.53, SD = 1.326), the lowest-rated item. Despite this, 66.4% agreed that involvement enhances acceptance of change (Mean = 3.63, SD = 1.187), showing employees recognize the value of participation even if opportunities are limited. Encouragement to express opinions (Mean = 2.67, SD = 1.316) and understanding the reason for change (Mean = 2.74, SD = 1.311) also received mixed perceptions, with nearly equal agreement and disagreement levels. These findings align with Chummun and Nleya (2023), who observed that limited employee engagement often reduces ownership and slows down change implementation. Therefore, Nakuru's banks should prioritize inclusive participation strategies such as joint planning forums and continuous feedback systems to foster greater employee commitment and smoother change adoption.

Descriptive for Employee Change Acceptance

This section evaluates perceptions of employee change acceptance in Nakuru's banks. The findings are in Table 2.

Table 2: Descriptive for Employee Change Acceptance

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
The changes implemented in the organization have been consistently successful.	11.1	15.9	14.4	40.1	18.5	3.39	1.227
I believe that the organizational changes lead to noticeable improvements in performance.	7.4	11.3	14.1	46.7	20.5	3.61	1.184
The organization has consistently met its goals after changes have been implemented.	11.6	16.3	14.7	38.9	18.5	3.37	1.231
There is a clear positive impact on overall operations after the organizational changes.	7.6	11.1	14.3	46.9	20.1	3.63	1.181
Employees are consistently able to adapt and thrive following organizational changes.	10.9	15.4	14.6	40.3	18.8	3.41	1.224
The organizational changes align with long-term strategic goals, leading to sustained success.	7.8	11.6	14.2	46.4	20.0	3.59	1.188
Average						3.50	1.206

The findings in Table 14 indicate that employee change acceptance in Nakuru's banks is generally positive, with an overall mean of 3.50 (SD = 1.206). This shows that most employees view organizational changes as beneficial and are able to adapt effectively to new systems and strategies. The results suggest that change initiatives have achieved moderate success, contributing to better performance and alignment with long-term strategic goals. However, some resistance and uneven implementation remain challenges that limit full realization of change outcomes. A majority (67.0%, Mean = 3.63, SD = 1.181) agreed that organizational changes positively impact operations, while 67.2% (Mean = 3.61, SD = 1.184) believed they lead to performance improvement. Strategic alignment followed closely at 66.4% (Mean = 3.59, SD = 1.188). Consistent success (Mean = 3.39, SD = 1.227) and employee adaptability (Mean = 3.41, SD = 1.224) scored 58.6% and 59.1% agreement, respectively, while goal achievement had the lowest at 57.4% (Mean = 3.37, SD = 1.231). These findings, consistent with Ochieng and Njoroge (2020), imply that while change initiatives generally enhance performance and operations, more focus is needed on sustaining results and ensuring consistent goal attainment.



Correlation Analysis

Table 3: Correlation between Employee Involvement and Employee Change Acceptance

	Employee Involvement	Employee Change Acceptance
Employee Involvement	1.000	0.675
Sig. (2-tailed)	—	0.000
N	84	84
Employee Change Acceptance	0.675	1.000
Sig. (2-tailed)	0.000	—
N	84	84

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

The relationship between employee involvement and employee change acceptance was examined to assess the impact of participation in the change process. As shown in Table 19, the correlation analysis revealed a strong positive relationship ($r = 0.675$, $p = 0.000$), indicating that higher levels of employee involvement are associated with greater acceptance of change. This finding supports Chummun and Nleya (2023), who noted that participatory practices foster ownership and reduce resistance, highlighting the critical role of engagement in successful organizational change.

Coefficients

This subsection presents the regression analysis results showing the effect of employee involvement on employee acceptance of change in commercial banks in Nakuru City. Table 4 summarizes the coefficients.

Table 4: Coefficients

Variables	Unstandardized Coefficients β	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	0.143	0.076	—	1.882	.064
Employee Involvement	0.247	0.081	0.253	3.049	.003

Dependent Variable: Employee Change Acceptance

The unstandardized coefficient for employee involvement is 0.247 (Std. Error = 0.081, $t = 3.049$, $p = .003$), indicating a significant positive effect on employee change acceptance. This implies that higher levels of employee involvement increase acceptance of change. The standardized beta (0.253) further confirms that employee involvement is a meaningful predictor of acceptance. These findings align with Chummun & Nleya (2023), who emphasized that participatory practices foster employee ownership and reduce resistance.

The constant ($\beta = 0.143$, $t = 1.882$, $p = .064$) represents the baseline level of employee change acceptance when involvement is minimal. The non-significant p-value indicates that, without active involvement, acceptance remains low, consistent with previous observations in Kenya's banking sector (Ochieng & Njoroge, 2020).

The null hypothesis (H_{02}), which stated that employee involvement has no significant effect on employee acceptance of change in commercial banks in Nakuru City, was tested using multiple linear regression analysis. The results revealed a statistically significant positive effect ($\beta = 0.247$, $p = .003$). Since the p-value is less than 0.05, the null hypothesis is rejected, confirming that employee involvement significantly and positively influences employee change acceptance among frontline leaders in Nakuru City's commercial banks.

FINDINGS

The study found that employee involvement in change processes in Nakuru's commercial banks is relatively low, with an overall mean of 2.81 (SD = 1.296), indicating limited participation in discussions, decision-making, and feedback mechanisms. Despite this, employees recognize the benefits of involvement, particularly in enhancing acceptance of change (Mean = 3.63, SD = 1.187). Employee change acceptance was generally positive (Mean = 3.50, SD = 1.206), with most respondents acknowledging improvements in performance, operations, and strategic alignment. Correlation analysis revealed a strong positive relationship between employee involvement and change acceptance ($r = 0.675$, $p = 0.000$), and regression results confirmed a significant positive effect of involvement on acceptance ($\beta = 0.247$, $p = 0.003$). These findings suggest that actively engaging employees in change processes is crucial for fostering commitment, reducing resistance, and ensuring successful implementation of organizational changes.



CONCLUSION

The study established that employee involvement in the strategic change process significantly enhances employee change acceptance in commercial banks in Nakuru City. Descriptive analysis indicated that participation in discussions, decision-making, and feedback mechanisms is limited, yet employees recognize the value of involvement for fostering ownership and smoother adoption of change initiatives. Regression results confirmed a positive and significant relationship between employee involvement and change acceptance, demonstrating that higher levels of engagement increase the likelihood of employees accepting and adapting to organizational changes. These findings suggest that active involvement is a critical driver for successful change implementation in the banking sector. All data were securely stored and disposed of after analysis, and findings were reported objectively without revealing respondent identities.

RECOMMENDATIONS

Commercial banks in Nakuru City should prioritize strategies that enhance employee involvement in change processes to improve acceptance and implementation success. Management should establish participatory platforms, such as planning forums, regular feedback sessions, and decision-making committees, to ensure employees feel included and empowered. Training programs for supervisors on facilitating employee engagement can address barriers to participation, enhancing overall commitment to change initiatives. Future research should examine employee involvement across other Kenyan cities to explore regional differences in change acceptance and assess long-term impacts of engagement strategies on organizational performance.

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