



**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**

**"Assessment of Leadership Practices in Change Management": Insights from Bank of  
Abyssinia**

**BY: Kaleb Worku**

**Advisor: Adane Atara (PHD)**

**June, 2025**

**ADDIS ABABA, ETHIOPIA**



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**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE GRADUATE PROGRAM**  
**MASTERS IN BUSINESS LEADERSHIP**

**"Assessment of Leadership Practices in Change Management": Insights from  
Bank of Abyssinia**

**By: Kaleb Worku**

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**A Project Work Submitted to Addis Ababa University School of commerce in  
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Business Leadership**

**ADVISOR: Adane Atara (PHD)**

**JUNE, 2025**

**ADDIS ABABA, ETHIOPIA**

## **Statement of Declaration**

I, Kaleb Worku, declare that this research, entitled “Assessment of Leadership Practices in Change Management": Insights from Bank of Abyssinia” is my original work and has not been submitted to other institution of higher learning as a thesis and all sources of information have been duly acknowledged.

I have carried out the research independently under the supervision of the research advisor, Mr. Adane Atara (PhD)

**Kaleb Worku**

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**2025**

**Addis Ababa University**

**Addis Ababa, Ethiopia**

## **STATEMENT OF CERTIFICATION**

I Dr. Adane Atara, hereby certify that the research entitled “Assessment of Leadership Practices in Change Management”: Insights from Bank of Abyssinia” is conducted by Kaleb Worku under my supervision.

The work is original and is appropriate for submission for the award of the Masters of Arts degree in Business Leadership.

**Adane Atara (PhD)**

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**2025**  
**Addis Ababa, Ethiopia**

**ADDIS ABABA UNIVERSITY, ADDIS ABABA  
SCHOOL OF COMMERCE  
DEPARTMENT OF BUSINESS LEADERSHIP**

*Assessment of Leadership Practices in Change Management": Insights from Bank of Abyssinia*

**By: Kaleb Worku**

**Board of Examiners Approval**

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## Contents

List of Tables.....	1
List of figures.....	1
Chapter One: Introduction .....	4
1.1 Background of the Study .....	4
1.2 Statement of the Problem.....	5
1.3 Basic Research Questions.....	6
1.4 Objectives of the Study.....	6
General Objective .....	6
Specific Objectives .....	6
1.5 Definition of Key Terms .....	6
1.6 Significance of the Study.....	7
1.7 Delimitation/Scope of the Study.....	9
1.8 Organization of the Thesis .....	10
Chapter 2: Literature Review.....	11
2.1 Introduction.....	11
2.2 Theoretical Review .....	12
2.2.1 Transformational Leadership and Organizational Change .....	12
2.2.2 Kotter’s 8-Step Change Model .....	13
2.2.3 Schein’s Organizational Culture Theory.....	14
2.2.4 The ADKAR Model.....	15
2.3.1 The Role of Communication in Leading Organizational Change.....	17
2.2.5 Relationship between Leadership Practices and Effective Change Management .....	23
2.3 Empirical review.....	24
2.3.1 Clear Communication.....	24
2.3.2 Creating a Sense of Urgency.....	24
2.3.3 Empowering Employees .....	25
2.3.4 Leading by Example .....	25
2.3.5 Aligning Organizational Culture with Change .....	25
2.4 Conceptual Framework.....	26
Chapter Three: Research Methodology .....	27

3.1 Research Approach .....	27
3.2 Research Design.....	27
3.3 Sampling Design.....	28
3.3.1 Population of the Study.....	28
3.3.2 Sampling Technique and Justification .....	28
3.3.3 Sample Size Determination .....	28
3.4 Sources of Data Collection .....	29
3.5 Method of Data Collection.....	29
3.6 Data Analysis Methods .....	30
3.7 Validity .....	30
3.8 Reliability.....	30
3.9 Ethical Considerations .....	31
Chapter Four: Data Presentation, Analysis, And Interpretation.....	32
4.1 Introduction.....	32
4.1.1 Demographic Characteristics of Respondents.....	32
4.1.2 Descriptive Analysis of Leadership Strategies .....	35
4.1.3 Reliability Analysis.....	42
4.1.4 Summary of Key Quantitative Findings .....	43
4.2 Qualitative Data Analysis .....	44
4.3 Summary of Qualitative Findings.....	46
4.4 Summary of Quantitative and Qualitative Findings .....	47
Chapter Five Summary Of Findings, Conclusion, And Recommendations .....	49
5.1 Summary of Findings.....	49
5.2 Conclusion .....	50
5.3 Implications for Future Research.....	51
5.4 Recommendations.....	51
References.....	53
APPENDIX 1 QUESTIONNAIRE: .....	57
APPENDIX 2 INTERVIEW QUESTIONS:.....	61

## **List of Tables**

Table 2.1 Theoretical Framework Supporting Leadership Practice Variables

Table 4.1: Gender Distribution of Respondents

Table 4.2: Age Distribution of Respondens

Table 4.3: Educational Background of Respondents

Table 4.4: Work Experience of Respondent

Table 4.5: Descriptive Analysis of clear communication

Table 4.6: Descriptive Analysis of Creating sense of urgency

Table 4.7: Descriptive Analysis of Empowering employees

Table 4.8: Descriptive Analysis of Leading by example

Table 4.9: Descriptive Analysis of Aligning organizational culture with change

Table 4.10 Friedman Test Summary

Table 4.11: Mean Ranks of Leadership Practices

Table 4.12: Significant Pairwise Comparison

Table 4.13: Reliability analysis

## **List of figures**

Figure 1 Conceptual Model

## **List of Acronyms**

BoA- Bank of Abyssinia

NBE- National Bank of Ethiopia

SPSS- Statistical Package for the Social Sciences

ADKAR- Awareness, Desire, Knowledge, Ability, and Reinforcement (Change Model)

ANOVA- Analysis of Variance

## Abstract

*This study explores the leadership strategies applied during organizational change initiatives at the Bank of Abyssinia's Bole Sub-City branches in Addis Ababa, Ethiopia. Adopting a descriptive mixed-method approach, the research aims to provide a practical and context-based understanding of how five core leadership practices clear communication, creating a sense of urgency, empowering employees, leading by example, and aligning organizational culture with change are perceived and implemented in a real-world banking environment. Quantitative data were collected through structured questionnaires administered to 208 clerical employees, while qualitative insights were obtained from semi-structured interviews with five branch-level managers. Descriptive statistics were used to analyze survey data, complemented by thematic analysis of interview responses. To enhance internal comparison without compromising the descriptive focus, a Friedman test was conducted to identify statistically significant differences in how the five leadership practices were perceived by employees. Findings indicate that while leadership practices are generally present, clear communication and empowerment were perceived as significantly less emphasized compared to culture alignment, urgency creation, and role modeling. Qualitative data reinforced these patterns and revealed systemic challenges such as delayed communication, limited managerial autonomy, and inconsistent leadership behaviors. The study highlights the importance of contextualized leadership practices in shaping effective change and provides practical recommendations for improving leadership engagement at the operational level. The research contributes to the limited body of empirical literature on leadership and change management in Ethiopia's financial sector and offers a methodological approach that blends descriptive analysis with non-parametric inference to deepen insight without assuming causality.*

*Keywords: Leadership strategies, change management, Friedman test, organizational culture, communication, empowerment.*

# **Chapter One: Introduction**

## **1.1 Background of the Study**

In today's rapidly evolving global economy, organizations are constantly under pressure to adapt to technological innovations, customer expectations, competitive demands, and shifting regulatory landscapes (Kotter, 2012; Armenakis & Harris, 2009). This is especially true in the financial services sector, where banks are expected not only to digitize their operations and enhance service delivery, but also to align with local and international standards (PwC, 2019; Deloitte, 2020). As a result, the ability to manage change effectively has become a core competency for modern institutions.

Leadership plays a central role in this process. Beyond frameworks and strategies, it is the leaders who guide vision, engage employees, and implement new directions (Yukl & Mahsud, 2010). However, a persistent challenge highlighted in literature is the "knowing-doing gap" where leaders are aware of what should be done, yet fail to implement it effectively in practice due to structural, cultural, or behavioral constraints (Pfeffer & Sutton, 2000). This gap is especially visible in many organizations within developing countries, including Ethiopia.

The Ethiopian banking sector, in particular, has witnessed rapid transformation in recent years. Regulatory reforms, digital banking initiatives, and customer-centric service models have all created an environment where change is no longer optional but inevitable (National Bank of Ethiopia [NBE], 2020; World Bank, 2022). Banks like the Bank of Abyssinia (BoA) have launched major change efforts such as performance-based evaluations, restructuring, and digital service rollouts to stay relevant in this competitive climate (BoA, 2023). However, despite their strategic importance, the execution of these changes at the operational level remains inconsistent.

Prior research in Ethiopia has often focused on leadership styles and their outcomes, such as job satisfaction or performance (Tesfaye, 2020; Alemu, 2021). However, fewer studies offer descriptive insight into how leadership is actually practiced in the midst of organizational change particularly at the branch level, where day-to-day leadership decisions either make or break the success of a change initiative.

This study, therefore, aims to fill that gap by focusing on the lived experience of leadership during change. Using five core leadership strategies drawn from contemporary models' clear communication, urgency creation, empowerment, leading by example, and cultural alignment (Kotter, 1996; Gill, 2003; Yukl, 2013) this research examines how these practices are perceived and enacted within BoA's Bole Sub-City branches. By combining both employee perspectives and managerial insights, the study provides a context-specific, grounded understanding of leadership behavior during change implementation.

## **1.2 Statement of the Problem**

While change management has become a strategic priority for organizations in the Ethiopian banking sector, many institutions continue to struggle with consistent and effective implementation. Banks such as the Bank of Abyssinia have introduced wide-ranging reforms including digitalization, restructuring, and performance-based evaluation systems yet the results of these initiatives vary significantly across branches.

At the heart of this inconsistency is a gap between leadership theory and practice. Although many leaders are aware of the principles of effective change such as clear communication, urgency creation, employee empowerment, and cultural alignment these strategies are often applied unevenly or superficially in real-world settings. This disconnects, referred to as the "knowing-doing gap" (Pfeffer & Sutton, 2000), remains underexplored in the Ethiopian context, especially at the branch level where change execution occurs on the ground.

Moreover, while existing studies in Ethiopia have largely examined the relationship between leadership styles and performance outcomes, there is limited descriptive research that captures how leadership is actually practiced during ongoing change processes (Tesfaye, 2020; Alemu, 2021). This gap is particularly relevant in operational units like BoA's Bole Sub-City branches, where employee experiences and managerial actions directly shape the success or failure of change efforts.

Without a grounded understanding of how leadership strategies are perceived and enacted in these environments, organizations risk repeating ineffective practices, reinforcing structural bottlenecks, and weakening employee engagement during change. This study seeks to address this problem by examining how selected leadership strategies are applied and experienced during organizational change at the branch level.

### **1.3 Basic Research Questions**

1. How is clear communication practiced by leaders at Bank of Abyssinia during organizational change?
2. How is a sense of urgency created and sustained by leaders during change initiatives?
3. How do leaders at Bank of Abyssinia empower employees during organizational change?
4. How do leaders demonstrate commitment by leading by example during organizational change?
5. How is organizational culture aligned with change through leadership practices?

### **1.4 Objectives of the Study**

#### **General Objective**

To describe the leadership practices applied during change management at Bank of Abyssinia.

#### **Specific Objectives**

1. To describe how clear communication is practiced by leaders during organizational change at Bank of Abyssinia.
2. To examine how a sense of urgency is created and maintained by leaders in the change process.
3. To explore how leaders empower employees during periods of change.
4. To identify how leaders lead by example to support change efforts.
5. To describe how leaders align organizational culture with change initiatives.

### **1.5 Definition of Key Terms**

**Organizational Change:** Refers to the planned transformations (e.g., digital banking, restructuring) implemented at BoA branches.

**Leadership Strategy:** A specific leadership behavior or approach used by branch leaders during change, as perceived by employees.

**Clear Communication:** The extent to which employees feel that leadership communicates change goals, updates, and reasons transparently.

**Sense of Urgency:** The degree to which leaders emphasize the immediate need for change and motivate timely action among staff.

Empowering Employees: How much employees feel trusted, involved, and given autonomy during change implementation.

Leading by Example: Whether leaders themselves model the behaviors they expect during change processes.

Cultural Alignment: The perceived fit between new changes and the values or norms already existing within the branch.

Knowing–Doing Gap: The discrepancy between what leaders know about good change practices and what they actually implement.

## **1.6 Significance of the Study**

Organizational change, though widely studied, remains a complex process particularly in emerging economies such as Ethiopia, where institutions face unique political, regulatory, cultural, and infrastructural challenges. In such environments, the role of leadership is not merely theoretical but critical to the day-to-day success or failure of change initiatives. This study offers several contributions that are both practical and academic in significance.

### **a) Practical Significance for Bank Management and Practitioners**

This research provides practical insights for decision-makers within the Bank of Abyssinia (BoA) and other commercial banks in Ethiopia. By examining how leadership strategies are actually practiced on the ground specifically during periods of institutional change the study can inform training, leadership development, and internal policy design. Branch-level leaders and managers can use the findings to reflect on their own practices and to improve areas such as communication, urgency-building, and staff empowerment.

In recent years, BoA and similar institutions have introduced reforms such as digital transformation, customer-centered service models, and performance-based evaluations. Yet these changes often produce inconsistent results across branches. This study's focus on branch-level leadership practices helps identify why some implementations succeed while others stall, offering actionable lessons for creating more uniform and effective change processes across the bank's network.

### **b) Contribution to Academic Literature**

Despite a growing body of research on leadership and change management, there is limited empirical literature from Ethiopia particularly studies that focus descriptively on leadership behavior during change rather than just outcomes or styles. Much of the existing research emphasizes correlational analysis (e.g., linking transformational leadership with performance) while neglecting the narrative and experiential aspects of leadership execution (Tesfaye, 2020; Alemu, 2021). This study bridges that gap by offering a grounded account of how leadership strategies are enacted in real time during change.

Furthermore, while many change management models (e.g., Kotter's 8-Step Model or Lewin's Change Theory) are globally referenced, their application in non-Western, service-sector, and high-regulation contexts like Ethiopia remains under-explored. This study thus contributes to the contextualization of global change leadership theories within a local, African banking framework something increasingly emphasized in contemporary organizational research (Jackson, 2012; Hofstede, 2001).

### **c) Policy and Capacity-Building Implications**

As Ethiopia continues to open up and reform its financial sector partly through increased foreign investment, regulatory modernization, and technological adoption banks are under pressure to build internal leadership capacity at all levels. The findings of this research can be used by regulatory bodies such as the National Bank of Ethiopia (NBE), professional associations, and training institutions to inform leadership development programs, with a specific focus on change-readiness and adaptability.

### **d) Value for Future Research**

By descriptively mapping leadership practices across branches, this study lays the groundwork for future empirical and comparative studies, which may investigate how various leadership strategies influence specific organizational outcomes such as staff retention, innovation uptake, or customer satisfaction. It also offers a foundation for longitudinal studies that examine leadership during multiple waves of change in Ethiopian bank.

## **1.7 Delimitation/Scope of the Study**

This study is delimited to examining the leadership strategies employed in the context of change management within selected branches of the Bank of Abyssinia, with a specific focus on branches located in Bole Sub-City, Addis Ababa. The following boundaries define the scope of the study:

### **a) Geographical Scope**

The research is geographically confined to Bole Sub-City, one of Addis Ababa's busiest and most commercially vibrant areas. Bole hosts a high concentration of BoA branches, many of which are at the forefront of implementing the bank's recent strategic changes. While this focus allows for in-depth and context-specific analysis, it limits the generalizability of the findings to other sub-cities or rural branches.

### **b) Institutional Scope**

The study focuses solely on the Bank of Abyssinia (BoA). Although findings may be relevant to other banks with similar structures, the institutional practices, leadership culture, and strategic priorities of BoA may differ from those of other commercial or state-owned banks in Ethiopia. Therefore, cross-institutional generalizations should be made cautiously.

### **c) Thematic Scope**

This research is delimited to examining five specific leadership strategies during change management:

- Clear Communication
- Creating a Sense of Urgency
- Empowering Employees
- Leading by Example
- Aligning Organizational Culture with Change

These strategies were selected based on their prominence in contemporary change leadership literature (Kotter, 2012; Yukl, 2013) and their practical relevance to the Ethiopian banking context. The study does not aim to cover all possible leadership behaviors or styles (e.g., transformational, transactional), nor does it include broader organizational change strategies outside the leadership domain.

#### **d) Methodological Scope**

The study employs a descriptive research design with a focus on practical leadership practices rather than predictive modeling or causal inferences. However, to enhance analytical depth and internal comparison, a Friedman test was incorporated as a non-parametric inferential tool to assess whether employees perceived the five leadership strategies differently. This allowed for meaningful comparisons while maintaining alignment with the overall descriptive purpose of the research. The intention is not to prove relationships but to describe how leadership is exercised during change at the operational level. Therefore, complex statistical tools such as regression or factor analysis are outside the scope, as per the choice of the researcher and methodological guidance received.

### **1.8 Organization of the Thesis**

This thesis is organized into five main chapters, each designed to build upon the previous to provide a comprehensive analysis of leadership practices in change management within the Bank of Abyssinia.

Chapter One introduces the study, presenting the background, problem statement, objectives, research questions, significance, scope, and key definitions.

Chapter Two reviews relevant literature on leadership and change management, including theoretical foundations, empirical studies and the conceptual framework guiding the study.

Chapter Three outlines the research methodology, detailing the research approach, design, population, sampling, data collection instruments, procedures, analysis methods, and issues of validity, reliability, and ethics.

Chapter Four presents the data analysis and findings, integrating both quantitative results from survey responses and qualitative themes from managerial interviews. This chapter includes descriptive statistics, the Friedman test results, and thematic insights that address the research objectives.

Finally, Chapter Five summarizes the key findings, presents conclusions, offers practical recommendations, and suggests directions for future research. The structured layout ensures a coherent flow from problem identification to analysis and solution-oriented discussions.

## **Chapter 2: Literature Review**

### **2.1 Introduction**

Effective change management has become a critical strategy for organizations striving to adapt to the dynamic, fast-paced global economy. Organizations are continually challenged by external factors such as technological advancements, globalization, market competition, and socio-political shifts. These challenges require leaders to implement and sustain effective change management practices to maintain organizational resilience, adaptability, and competitiveness (Kotter, 2012; Burnes, 2004). Leadership practices play an essential role in ensuring the success of these changes, fostering an environment that supports both immediate and long-term organizational transformation.

Over time, various leadership theories and models have emerged, providing insights into how leaders can effectively manage change, overcome resistance, and align organizational goals with employee performance. Key leadership approaches, such as transformational leadership, transactional leadership, and change management frameworks like Kotter's 8-Step Change Model are frequently cited for their contributions to understanding effective leadership during periods of change (Bass, 1985; Yukl, 2013). These models offer valuable perspectives on leadership during change, but their applicability in non-Western and emerging economies, such as Ethiopia, remains an underexplored area of research (Meyer & Gelbuda, 2006).

In the context of Ethiopia, the importance of effective leadership has increased due to rapid economic growth, modernization, and evolving business environments. Leaders in Ethiopian organizations encounter unique challenges, including cultural barriers, limited leadership development opportunities, resistance to change, and resource constraints. Understanding the leadership practices that can successfully guide and sustain change in Ethiopian businesses is critical for both theoretical development and practical application.

This chapter provides a comprehensive review of the relevant literature on leadership and effective change management. It is organized into three sections:

1. Theoretical Review: A discussion of key leadership theories and change management frameworks that form the basis of this study.

2. Empirical Review: An examination of previous research on leadership practices and their role in managing and implementing effective change.
3. Conceptual Framework: A structured overview of the variables explored in this study, including leadership practices, organizational environment, and the sustainability of change.

## **2.2 Theoretical Review**

This section presents the theoretical underpinnings that guide the present study, focusing on how leadership practices influence effective change management. Various leadership and change management theories provide the foundation for understanding the leadership strategies used to drive, support, and sustain change within organizations. This research is guided by five leadership practice variables: clear communication, creating a sense of urgency, empowering employees, managing resistance to change, and aligning organizational culture with change. Each of these is supported by robust theoretical contributions from renowned scholars in the fields of leadership and change management.

### **2.2.1 Transformational Leadership and Organizational Change**

Transformational leadership has long been regarded as one of the most influential theories in organizational change discourse. First introduced by James MacGregor Burns (1978) and later expanded by Bernard Bass (1985), transformational leadership refers to a leadership style that inspires and motivates followers to exceed expectations by transforming their values, needs, and performance orientations. Unlike transactional leaders, who focus on routine exchanges and compliance, transformational leaders focus on vision, inspiration, and the personal development of their followers. This style is particularly effective during organizational change, as it aligns employees with the change vision and fosters internal commitment rather than external enforcement (Bass & Riggio, 2006). The theory is built upon four core dimensions: Idealized Influence (serving as a role model), Inspirational Motivation (articulating a compelling vision), Intellectual Stimulation (encouraging innovation and risk-taking), and Individualized Consideration (responding to each employee's needs and growth) (Northouse, 2019).

In change scenarios, transformational leadership plays a critical role by creating meaning and direction. Leaders who practice this style are more likely to gain employee trust, reduce resistance, and foster long-term change acceptance (Yukl, 2013). For example, Gill (2003) argues that

transformational leaders do not merely impose change but build internal buy-in by engaging hearts and minds. This makes the approach highly suitable for change initiatives that require more than just structural adjustments it supports cultural shifts and behavioral transformation as well. In banking environments like Ethiopia's, where regulatory reforms and customer expectations are evolving rapidly, transformational leadership provides a human-centered strategy for aligning institutional goals with employee motivation.

Despite its strengths, the theory is not without limitations. Critics have argued that transformational leadership can sometimes lack operational clarity and may be too reliant on individual charisma (Tourish & Pinnington, 2002). Nevertheless, its core principles remain widely applicable, especially in service sectors undergoing continuous change. This study draws on transformational leadership as a theoretical foundation for examining how leadership behaviors such as communication, empowerment, and leading by example are enacted during change management processes in the Bank of Abyssinia.

### **2.2.2 Kotter's 8-Step Change Model**

One of the most widely cited models in change management literature is Kotter's 8-Step Change Model, developed by John P. Kotter in 1996. Unlike many earlier theories that focused mainly on structural or procedural aspects of organizational transformation, Kotter's model emphasizes the behavioral and strategic leadership components necessary to drive lasting change. His eight-step process has become foundational in both academic literature and practical applications, offering a structured approach for managing transformation from initiation to institutionalization.

The model includes the following steps: (1) Establishing a sense of urgency, (2) Forming a powerful guiding coalition, (3) Creating a vision for change, (4) Communicating the vision, (5) Empowering broad-based action, (6) Generating short-term wins, (7) Consolidating gains and producing more change, and (8) Anchoring new approaches in the culture (Kotter, 1996). Each stage is designed to overcome specific challenges faced during the change process and is interdependent failure at one stage often undermines the success of others.

Kotter's model is especially relevant to this study, as its core principles are directly reflected in the five leadership strategies under investigation: creating urgency (step 1), communicating clearly (step 4), empowering employees (step 5), leading by example (step 2 and 6), and aligning change with culture (step 8). His emphasis on leadership rather than management also aligns with the

descriptive focus of this research, which seeks to understand how leadership behaviors are practiced rather than simply what outcomes they achieve. According to Kotter (2012), change initiatives fail not due to faulty vision, but due to weak execution and inconsistent leadership engagement across levels of the organization.

In the Ethiopian banking context, where organizational hierarchies tend to be rigid and change is often top-down, Kotter's model provides a useful lens to evaluate whether these eight strategic behaviors are actively present at the branch level or remain confined to senior management. Furthermore, the model's call for urgency, empowerment, and cultural embedding resonates strongly with the leadership gaps identified in earlier Ethiopian studies (Alemu, 2021; Jinga et al., 2024). While the model has been critiqued for being overly linear and idealistic in turbulent environments (Appelbaum et al., 2012), it continues to serve as a practical framework for evaluating leadership effectiveness during change especially in service-oriented organizations like banks.

This study therefore adopts Kotter's model as part of its conceptual foundation to analyze how specific leadership strategies are enacted and perceived during change implementation in Bank of Abyssinia branches. By assessing whether these eight steps or the behaviors behind them are being fulfilled at the branch level, the study contributes to a more grounded understanding of change leadership in a developing-country setting.

### **2.2.3 Schein's Organizational Culture Theory**

Understanding organizational culture is essential for any successful change initiative. One of the most influential frameworks in this area is Schein's Organizational Culture Theory, introduced by Edgar Schein (2010). Schein defines organizational culture as "a pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration" (Schein, 2010, p. 18). His model breaks culture into three distinct levels: artifacts (visible structures and processes), espoused values (stated norms and strategies), and basic underlying assumptions (deep, taken-for-granted beliefs and perceptions). This layered structure helps explain why organizational culture is both powerful and resistant to change because what is most influential is often invisible.

In the context of organizational change, culture plays a dual role: it can either facilitate transformation or become a major barrier. Leaders must therefore go beyond superficial changes

to address deeper cultural norms and values if they hope to sustain long-term change (Schein, 2010). Cultural misalignment where new strategies or behaviors conflict with entrenched beliefs often leads to employee resistance, confusion, or passive disengagement (Burnes, 2017). For this reason, Schein argues that leaders must act as cultural architects, embedding new behaviors through consistent actions, symbols, and reinforcement mechanisms. This aligns closely with Kotter's final step in his change model: anchoring new approaches into the organizational culture (Kotter, 1996).

This theory is particularly relevant to the Ethiopian banking sector, where long-standing hierarchical norms and formalized bureaucratic practices can inhibit flexibility and responsiveness. Studies in Ethiopian banks have shown that even well-planned reforms fail when they contradict cultural assumptions about authority, communication, or risk (Alemu, 2021). In the case of the Bank of Abyssinia, aligning new initiatives with the bank's internal culture rather than imposing external models may determine the success or failure of change. As such, this study includes "aligning organizational culture with change" as one of the five core leadership strategies to examine how deeply leaders engage with cultural dynamics at the branch level.

Schein's model reinforces the idea that leadership during change is not just about structure or communication, but about shaping meaning. When leaders model desired values, listen to employee feedback, and adjust practices to fit cultural realities, they foster both trust and engagement. Therefore, this framework not only supports the theoretical foundation of this study, but also informs its practical orientation that effective change leadership must include cultural alignment as an active and visible process.

#### **2.2.4 The ADKAR Model**

The ADKAR Model, developed by Jeff Hiatt (2006), offers a results-oriented approach to individual and organizational change. ADKAR is an acronym that outlines the five building blocks necessary for successful change at the individual level: Awareness, Desire, Knowledge, Ability, and Reinforcement. Unlike many top-down organizational models, ADKAR shifts the focus to how individuals experience and respond to change making it particularly relevant in contexts where employee engagement and participation are critical to implementation.

1. Awareness refers to understanding the need for change.

2. Desire captures an individual's willingness to support and participate in the change.
3. Knowledge ensures employees know how to change.
4. Ability is the actual execution of change behaviors.
5. Reinforcement involves systems and actions that sustain the change over time (Hiatt, 2006).

The strength of the ADKAR model lies in its practical utility: it is both diagnostic and prescriptive. Leaders can use it to assess why change initiatives fail at the individual level whether due to lack of communication (low awareness), employee disengagement (low desire), or poor training (low ability). In change-heavy environments like the banking sector, this model helps managers better identify where employees are struggling and tailor their leadership responses accordingly (Prosci, 2020). For instance, if staff at a branch feel disempowered or unclear about the purpose of new technology, leaders can revisit the "Awareness" and "Knowledge" phases of ADKAR before proceeding.

In this study, ADKAR directly supports the "empowering employees" and "creating urgency" components of the conceptual framework. Empowerment, in this context, includes providing knowledge and skills (Ability), motivating involvement (Desire), and maintaining participation through continuous support (Reinforcement). Similarly, creating a sense of urgency aligns with the initial Awareness phase. The model also ties into communication as every stage of ADKAR requires transparent and repeated messaging.

In the Ethiopian context, where change resistance can stem from fear of job loss, limited participation, or lack of transparency (Alemu, 2021), the ADKAR model provides a structured way to understand and address these barriers. By operationalizing change as a series of personal transformations, ADKAR ensures that leadership does not treat employees as passive recipients, but as active participants in the success or failure of change. This human-centered orientation aligns well with the goals of this research, particularly in understanding how leadership behaviors influence individual engagement during organizational change.

### **2.3.1 The Role of Communication in Leading Organizational Change**

Effective communication is considered one of the most critical leadership practices during organizational change. It serves as the vehicle through which change is explained, understood, and accepted by employees (Armenakis & Harris, 2002). In change contexts, communication goes beyond simply informing staff of new procedures it encompasses the clarity, frequency, timing, tone, and feedback mechanisms that shape how individuals perceive and respond to organizational transformation (Clampitt, DeKoch, & Cashman, 2000).

Research consistently shows that poor communication is a leading cause of change failure. Kotter (1996) emphasizes that leaders must communicate the change vision not just once, but repeatedly, across multiple platforms and in ways that resonate with both the rational and emotional dimensions of employees. This includes not only top-down messaging but also the facilitation of two-way communication that invites dialogue, addresses fears, and allows for staff input. When communication lacks transparency or is delayed, it breeds uncertainty, resistance, and misinformation especially in hierarchical or bureaucratic environments (Burnes, 2017).

In the context of Ethiopian organizations, communication challenges are often compounded by cultural and structural factors. Studies such as Tesfaye (2020) and Jinga et al. (2024) show that leaders in Ethiopian banks often rely on formal memos or late announcements, with little opportunity for interactive discussion. This not only limits the clarity of the change message but also leaves employees feeling disengaged and unprepared. In such cases, the communication process becomes reactive rather than proactive, undermining the very trust needed for successful change adoption.

This study includes clear communication as one of its key leadership dimensions to assess whether branch-level leaders at the Bank of Abyssinia are delivering timely and understandable change messages. It also explores whether communication efforts are inclusive, feedback-driven, and well-aligned with the broader goals of the organization. Given the results of previous research, it is hypothesized that communication gaps may contribute significantly to employees' uncertainty and resistance even when the overall change agenda is sound.

In summary, communication is not simply a support function in change management but a core leadership competency. It is the mechanism through which urgency is conveyed, empowerment is encouraged, and cultural alignment is fostered. Leaders who communicate openly and consistently

create a sense of psychological safety and shared purpose, both of which are essential for navigating uncertainty and disruption during change.

### **2.3.2 Creating a Sense of Urgency in Change Leadership**

Creating a sense of urgency is widely regarded as the essential first step in successful organizational change. According to Kotter (1996), without a strong sense of urgency, people won't give the necessary attention or energy to the change effort. Urgency, in this context, does not refer to panic or pressure, but rather to a clear, shared understanding among employees that immediate action is required either to seize a critical opportunity or respond to a significant threat. Leaders play a central role in cultivating this perception, particularly through the way they frame change and communicate its importance.

Urgency must be both intellectual and emotional. While facts and data help people see the logical necessity for change, emotional appeals including stories, analogies, and visible commitment help employees internalize the personal and organizational stakes (Kotter, 2012). When urgency is lacking, staff often default to routines, resist new directives, or underestimate the seriousness of the situation (Hiatt, 2006). Conversely, when urgency is too overwhelming or communicated poorly, it may lead to burnout, fear, or confusion (Appelbaum et al., 2012). The leader's task, therefore, is to strike a balance: making change feel necessary, but manageable.

In the Ethiopian context, where organizational hierarchies are formal and change often comes from the top, building urgency is particularly challenging. Leaders may assume that directives alone are sufficient to inspire action. However, research shows this is rarely the case. A study by Jinga et al. (2024) on leadership in Ethiopian public universities found that change efforts lacked momentum because leaders failed to explain "why now" a key component of urgency. Similar patterns have been observed in private banks, where changes in technology or policy are introduced without clear communication of the risks of inaction or the strategic value of change (Alemu, 2021).

This study includes creating a sense of urgency as one of its five key leadership strategies, investigating whether leaders at Bank of Abyssinia branches actively help employees grasp the time-sensitive importance of change. The survey items and interviews explored whether urgency is framed in a motivating manner, whether it helps staff prioritize, and whether it creates a shared

vision for immediate action. By doing so, the study contributes to a more nuanced understanding of how urgency is communicated and perceived in the context of an Ethiopian private bank.

In sum, creating urgency is not a one-time announcement but a continuous leadership behavior that aligns priorities, energizes teams, and prepares employees for disruption. Leaders who neglect this step often find that change stalls before it even begins.

### **2.3.3 Empowering Employees During Organizational Change**

Empowering employees is a critical leadership practice in facilitating successful and sustainable organizational change. Empowerment, in this context, refers to the process by which leaders enable employees to make decisions, take initiative, and assume ownership of change efforts (Conger & Kanungo, 1988). It involves granting autonomy, providing access to necessary resources and training, fostering trust, and creating a psychologically safe environment where contributions are valued and recognized.

According to transformational leadership theory, empowerment is closely tied to the dimension of individualized consideration, where leaders recognize the unique potential of each employee and encourage self-directed learning and innovation (Bass & Riggio, 2006). Empowered employees are more likely to embrace change because they feel involved in shaping it. They do not merely comply with new procedures but actively contribute to refining and sustaining them (Spreitzer, 1995). As a result, empowerment enhances both commitment and adaptability two essential ingredients in dynamic, service-based sectors like banking.

However, empowerment is often limited in bureaucratic or hierarchical organizations, where decision-making remains centralized and rigid reporting lines inhibit flexibility. In the Ethiopian context, studies show that empowerment is more aspirational than operational. Alemu (2021) found that although Ethiopian bank leaders often express support for participatory leadership, actual employee involvement in planning or decision-making is minimal. Similarly, Jinga et al. (2024) noted that empowerment is frequently misunderstood as delegation without authority where employees are assigned tasks but lack the independence to shape outcomes. This contradiction can lead to frustration and disengagement, particularly during change initiatives that require front-line creativity and agility.

This study includes empowering employees as a distinct leadership practice, focusing on how leaders at the branch level in the Bank of Abyssinia involve their staff in the change process. The research assesses whether employees feel trusted to make decisions, whether their suggestions are welcomed, and whether they are given adequate resources and freedom to act. The findings are expected to highlight the gap between theoretical endorsement of empowerment and its actual practice in a regulated and hierarchical organizational setting.

Ultimately, empowerment is not just a management technique but a cultural commitment. When employees are genuinely empowered, they become internal change agents, reducing the burden on top management and increasing the speed and resilience of change adoption. For empowerment to be effective, however, leaders must relinquish some control, establish mutual accountability, and create systems that support distributed decision-making.

#### **2.3.4 Leading by Example: Modeling Change Behavior**

Leading by example is a foundational leadership behavior that significantly influences employee attitudes and behaviors during organizational change. The concept refers to a leader's ability to demonstrate commitment to change through their own actions, thereby modeling the expectations they have for others. It is rooted in the principles of transformational leadership particularly in the component of idealized influence, where leaders serve as ethical and behavioral role models (Bass & Riggio, 2006).

Research consistently shows that when leaders personally adopt new behaviors or processes, they build credibility, trust, and motivation among their employees. This modeling sends a powerful message that the change is serious, meaningful, and aligned with the organization's values (Yukl, 2013). According to Oreg and Berson (2011), employees are more likely to accept and internalize change when they observe their managers actively participating in it whether by adopting a new system, learning a new skill, or adjusting their routines. In contrast, inconsistency between leaders' words and actions undermines the legitimacy of the change effort and fosters resistance, cynicism, or passive compliance (Armenakis & Harris, 2009).

In highly structured or hierarchical organizations, such as commercial banks in Ethiopia, leading by example becomes especially important. Employees are often reluctant to change unless they see senior and mid-level leaders visibly embracing the new ways of working (Tesfaye, 2020). A

study by Solomon (2022) in the Bank of Abyssinia found that branches where managers were visibly engaged in the implementation of digital banking tools had smoother transitions and higher employee morale compared to branches where leadership remained detached. These findings reinforce the idea that leadership visibility and behavioral consistency are crucial for successful change, particularly in frontline service settings where credibility must be earned daily.

This study includes *leading by example* as one of the five key leadership strategies and examines whether leaders at the branch level of BoA act as visible champions of change. The research investigates whether they participate in training, adopt new systems early, and reinforce expectations through their behavior. Both survey and interview questions were designed to explore how employees perceive their supervisors' role modeling and whether this behavior strengthens or weakens the branch's overall change culture.

Ultimately, leading by example is not about perfection, but about authenticity, transparency, and consistency. Leaders who “walk the talk” even when facing challenges inspire confidence, foster collective accountability, and set the tone for a resilient and change-ready organizational culture.

### **2.3.5 Aligning Organizational Culture with Change**

Aligning organizational culture with change is one of the most critical yet often overlooked aspects of effective change leadership. Culture refers to the shared values, beliefs, norms, and behavioral patterns that define how things are done within an organization (Schein, 2010). When change efforts align with these cultural elements, they are more likely to be accepted and sustained. Conversely, when change contradicts deeply held cultural assumptions, even the most well-designed initiatives may face resistance, disengagement, or outright failure (Burnes, 2017).

Change that disrupts culture without addressing it directly creates tension within the organization. Leaders must therefore act as cultural interpreters helping employees understand how new initiatives fit within, build upon, or modify existing values (Schein, 2010). This means making strategic use of symbols, language, rituals, and role modeling to reinforce new directions. As Kotter (1996) emphasized in the final step of his 8-step model, anchoring change in the culture is essential for its long-term institutionalization.

In the Ethiopian banking context, culture tends to be shaped by formality, hierarchy, and tradition, making it both a stabilizing force and a barrier to innovation. Studies such as Alemu (2021) and

Jinga et al. (2024) have shown that in commercial banks, change initiatives that ignore cultural norms often trigger passive resistance. For instance, efforts to decentralize decision-making may clash with expectations of top-down authority, and efforts to adopt customer-centered models may be hampered by bureaucratic rigidity. Yet culture can also be a powerful enabler when leaders frame change as an extension of shared values such as professionalism, service excellence, or collective responsibility.

This study includes aligning organizational culture with change as one of the five leadership practices under investigation. The research explores whether leaders at Bank of Abyssinia branches consider cultural norms in their change strategies, whether they engage staff in culturally sensitive ways, and whether they reinforce change through the organization’s existing values and identity. This aspect is particularly important in a service industry like banking, where employees’ attitudes directly affect customer experience, and thus, the success of transformation efforts.

In conclusion, aligning culture with change is not merely a finishing touch but a strategic leadership action that begins early and continues throughout the change process. Leaders who understand their organization’s cultural DNA and who communicate change in ways that resonate with it significantly increase the likelihood of successful, sustainable transformation.

**Table 2.1 Theoretical Framework Supporting Leadership Practice Variables**

Leadership Variable	Practice	Supporting Theory	Theoretical Contribution
Clear Communication		Transformational Leadership Theory	Leaders use inspirational motivation and clarity of vision to articulate goals effectively.
		Kotter’s Change Model (Step 4)	Emphasizes communicating the change vision consistently to all stakeholders.
Creating a Sense of Urgency		Transformational Leadership Theory	Inspires followers by highlighting the need for immediate action.
		Kotter’s Change Model (Step 1)	Establishes urgency as the first critical step in successful change.

Empowering Employees	ADKAR Model	Focuses on building individual ability and reinforcing capabilities during change.
	Kotter’s Change Model (Step 5)	Advocates for removing obstacles and enabling employee action.
Leading by Example	Transformational Leadership Theory	Leaders demonstrate desired behaviors, serving as role models to inspire and guide employees through change.
	Kotter’s Change Model (Step 6 & 7)	Leaders generate short-term wins and consolidate gains by exemplifying commitment and reinforcing new behaviors.
Aligning Organizational Culture with Change	Transformational Leadership Theory	Leaders influence norms and values to embed change in the culture.
	Kotter’s Change Model (Step 8)	Reinforces the need to anchor new practices in organizational culture.
	Schein’s Organizational Culture Theory	Emphasizes the role of leadership in reshaping and sustaining cultural values.

**2.2.5 Relationship between Leadership Practices and Effective Change Management**

The success of organizational change is significantly influenced by leadership practices. Clear communication, creating a sense of urgency, empowering employees, leading by example and aligning Organizational Culture with Change are not isolated variables; rather, they are interdependent components of effective change management. Each leadership practice plays a vital role in shaping the change process by ensuring employees are informed, motivated, and equipped to engage with change.

Research by Kotter (1996) and Bass (1985) suggests that leadership practices directly impact organizational change outcomes. For instance, leaders who communicate effectively create a

foundation of trust and transparency, which is crucial for overcoming resistance and gaining employee commitment. Similarly, empowering employees during change leads to higher levels of engagement and collaboration, reducing the potential for opposition (Spreitzer, 1995). When leaders align organizational culture with change goals, they ensure that the change becomes embedded in the organization's way of working, making it sustainable in the long term.

In Ethiopia, studies have shown that leadership practices directly correlate with the success or failure of change initiatives (Jinga et al., 2024). A lack of effective leadership can exacerbate resistance, hinder employee motivation, and result in failed change implementation. Conversely, when leaders practice inclusive and transformational leadership, change efforts are more likely to succeed, as employees are more open to participating in and supporting the change process.

In conclusion, the relationship between leadership practices and effective change management is symbiotic. The synergy between these practices forms the bedrock for successful organizational transformation, ensuring that change is not only initiated but also sustained over time.

## **2.3 Empirical review**

This section examines empirical studies on leadership practices in effective change management, emphasizing findings from Ethiopian contexts to provide localized insights.

### **2.3.1 Clear Communication**

Effective communication is pivotal in successful change initiatives. Armenakis and Harris (2002) found that transparent communication about the purpose and benefits of change reduces uncertainty and fosters employee commitment. In the Ethiopian context, a study by Jinga et al. (2024) in selected public universities highlighted that poor communication from leadership led to misunderstandings and resistance among staff during change processes. The study emphasized the necessity for leaders to provide clear directions and allocate resources appropriately to support employees throughout the change process.

### **2.3.2 Creating a Sense of Urgency**

Establishing a sense of urgency is critical for initiating change. Kotter (1996) emphasized that without urgency, change efforts may falter. In Ethiopian public universities, Jinga et al. (2024) observed that leaders who effectively communicated the immediate need for change were more

successful in mobilizing staff and resources towards change initiatives. This approach helped overcome complacency and motivated stakeholders to engage proactively with the change process.

### **2.3.3 Empowering Employees**

Empowerment enhances employee engagement during change. Spreitzer (1995) highlighted the significance of psychological empowerment in improving adaptability during change. In Ethiopian public universities, Jinga et al. (2024) found that leaders who involved staff in decision-making and provided autonomy facilitated smoother change implementation. Employees who felt their input was valued were more committed to the change process.

### **2.3.4 Leading by Example**

Leading by example is a critical leadership practice in managing change effectively. Leaders who model the behaviors and attitudes they expect from employees help to build trust and credibility, which facilitates smoother change adoption. Oreg (2006) emphasized that leadership behaviors demonstrating commitment and integrity reduce employee resistance. In the Ethiopian banking sector, Solomon (2022) studied Bank of Abyssinia and found that leaders who consistently exemplified desired behaviors positively influenced the organization's change initiatives. The study recommended that the bank's leadership continue to model change-supportive behaviors to foster employee buy-in and reduce resistance.

### **2.3.5 Aligning Organizational Culture with Change**

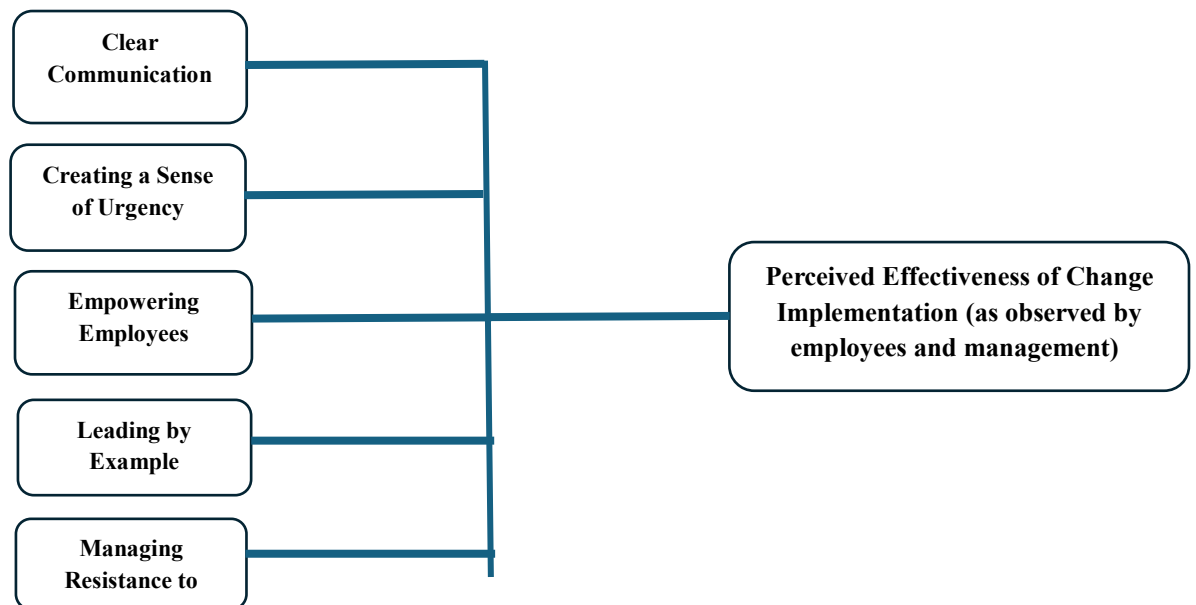
Aligning organizational culture with new initiatives sustains change. Schein (2010) emphasized embedding new values and behaviors into the organizational culture. In Ethiopian public universities, Jinga et al. (2024) reported that leaders who actively shaped and communicated new cultural values facilitated more effective change processes. This alignment helped in institutionalizing change and ensuring its longevity.

Empirical studies, particularly within Ethiopia, demonstrate that leadership practices such as clear communication, creating urgency, empowering employees, leading by example, and aligning organizational culture are vital for effective change management. However, research focusing on these variables within Ethiopian financial institutions remains limited. This study aims to bridge this gap by exploring how leadership practices influence effective change management in the context of Bank of Abyssinia, Addis Ababa.

## 2.4 Conceptual Framework

The conceptual framework for this study is grounded in Kotter's (1996) model of organizational change and expanded through leadership behavior literature (Yukl, 2013; Gill, 2003). It focuses on five core leadership strategies that are commonly associated with effective change implementation. These include clear communication, creating urgency, empowering employees, leading by example, and aligning organizational culture with change goals. Rather than testing causality, the framework is designed to describe how these leadership practices are perceived and enacted at the branch level during change efforts at the Bank of Abyssinia.

**Figure 1, CONCEPTUAL MODEL**



*Source: Adapted from Kotter (1996), Gill (2003), and Yukl (2013)*

## **Chapter Three: Research Methodology**

### **3.1 Research Approach**

This study employed a descriptive research approach using both qualitative and quantitative methods to provide a comprehensive understanding of leadership practices during organizational change at the Bank of Abyssinia. A descriptive approach was appropriate as the goal was to observe and document the characteristics of a phenomenon without attempting to establish relationships or causality (Neuman, 2014).

The qualitative component involved semi-structured interviews with branch managers to explore the leadership behaviors they employed during change initiatives. The quantitative component involved structured questionnaires distributed to employees, aiming to capture their observations and experiences regarding leadership practices in their respective branches. This mixed-methods descriptive design ensured that the study captured both managerial intentions and employee perspectives, offering a holistic view of leadership practices in context. To complement the descriptive statistics and enhance the depth of the analysis, a non-parametric inferential test (Friedman test) was incorporated to identify statistically significant differences in how employees perceived each leadership strategy.

### **3.2 Research Design**

This study adopted a descriptive research design, which is widely used to gather information about current conditions and practices without manipulating variables or testing hypotheses (Babbie, 2010). The design was suitable for the objective of documenting how leadership practices such as clear communication, creating urgency, empowering employees, leading by example, and aligning culture were applied in the context of change.

The descriptive design allowed the researcher to collect detailed data that provided insights into how leadership was practiced at the Bank of Abyssinia, particularly during periods of organizational change. This approach did not involve predictive modeling or experimental manipulation, but it incorporated non-parametric comparison through Friedman testing to highlight perceptual differences.

### **3.3 Sampling Design**

#### **3.3.1 Population of the Study**

The population of interest in this study included branch managers and clerical employees of the Bank of Abyssinia operating within Addis Ababa. Specifically, the study focused on the 26 branches located in Bole Sub-City. The total number of employees in these branches was approximately 300, of which 232 were clerical staff and the remaining 68 were non-clerical employees (e.g., security, janitorial staff), who were excluded from the study. Clerical employees such as tellers, loan officers, and customer service representatives—were directly involved in operational and customer-facing activities and were more likely to interact with leadership during change initiatives.

#### **3.3.2 Sampling Technique and Justification**

This study employed a cluster sampling technique for practical and methodological reasons. Although the Bank of Abyssinia as an organization is generally homogeneous in terms of its corporate structure and policy guidelines, its branches vary significantly in terms of location, performance levels, leadership dynamics, customer volume, and change implementation experiences. This internal variation represents a form of heterogeneity within a homogeneous institution, making cluster sampling both appropriate and necessary (Creswell, 2014).

Bole Sub-City was purposefully selected as the sampling cluster due to its high concentration of branches, strategic commercial significance, and its involvement in several recent change initiatives, particularly in digital banking and customer service restructuring. Bole also represents a microcosm of operational diversity within the bank, with branches that differ in their grade levels, customer demographics, and leadership teams. This operational heterogeneity makes Bole a suitable and representative cluster for exploring variations in leadership practices during change implementation. Cluster sampling also offered a cost-effective and time-efficient way to collect rich data from multiple branches without compromising analytical depth.

#### **3.3.3 Sample Size Determination**

The total number of clerical employees across the selected 26 branches was 232. A census approach was employed, whereby all 232 clerical employees were targeted for inclusion in the study. Ultimately, 208 responses were successfully collected, while 24 were not returned or usable.

This high response rate enhanced the reliability of the data collected on employee perceptions of leadership during change.

For leadership perspectives, a purposive sample of 5 branch managers was selected from the 26 available. This decision was based on time constraints and limited availability, as well as the homogeneous nature of the managerial group. Branch managers within the same bank operated under shared structures, policies, and cultural frameworks. Interviewing a smaller, strategically selected group allowed for in-depth qualitative insights while avoiding redundancy, making the process both efficient and analytically sufficient for identifying core leadership practices.

### **3.4 Sources of Data Collection**

This study used both primary and secondary sources of data to gain a comprehensive understanding of leadership practices during organizational change at Bank of Abyssinia. Primary data were collected through structured questionnaires distributed to 232 clerical employees, with 208 valid responses obtained, and through semi-structured interviews conducted with five purposively selected branch managers. These methods provided both broad and in-depth perspectives on leadership behaviors. In addition to primary data, published materials and peer-reviewed journals were used as secondary sources to support and corroborate the findings from the interviews and surveys. The use of secondary data was essential for establishing a valid theoretical foundation and ensuring that interpretations of the findings were aligned with existing literature on change management and leadership theory.

### **3.5 Method of Data Collection**

Data collection was carried out using a combination of paper-based and online surveys distributed to clerical employees. Due to time and resource constraints and to ensure participant convenience and accessibility, the questionnaires were distributed both in person and virtually through Google Forms. Official permission and support were obtained from Bank of Abyssinia management prior to data collection.

In-depth semi-structured interviews were conducted with five purposively selected managers. This purposive sampling allowed focused exploration of leadership perspectives while acknowledging time limitations and managerial availability. The managers shared insights on leadership actions during change in a homogeneous organizational environment.

### **3.6 Data Analysis Methods**

Quantitative data from the employee questionnaires were coded and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics such as frequencies, means, and percentages were calculated to summarize employee perceptions of leadership practices during change. Although the study was primarily descriptive in nature, a Friedman test a non-parametric inferential method was applied to statistically examine whether significant differences existed among the perceived emphasis of the five leadership strategies. This test was suitable due to the ordinal nature of the Likert-scale data and the repeated measures from the same respondents across multiple variables.

Qualitative interview data were transcribed and analyzed using thematic analysis as described by Braun and Clarke (2006). This involved familiarization with the data, generating initial codes, searching for themes related to leadership behaviors, reviewing themes for coherence, and producing a narrative report supported by direct quotes from participants.

### **3.7 Validity**

Validity was maintained primarily through the use of standardized survey questions that have been tested and validated in prior leadership and change management research. This ensures that the instrument measures the intended constructs accurately and comprehensively. Furthermore, data triangulation was achieved by combining quantitative survey responses with qualitative interview data, providing a more robust understanding of leadership practices from multiple perspectives. Pretesting of the survey instrument also helped confirm clarity and relevance of questions to the study context.

### **3.8 Reliability**

The reliability of the quantitative instrument was assessed using Cronbach's alpha coefficient for each of the five leadership practice variables. Cronbach's alpha values range from 0 to 1, with higher values indicating greater internal consistency and reliability. The reliability statistics for this study were as follows:

Clear Communication:  $\alpha = 0.838$  (6 items)

Creating a Sense of Urgency:  $\alpha = 0.880$  (5 items)

Empowering Employees:  $\alpha = 0.810$  (5 items)

Leading by Example:  $\alpha = 0.858$  (5 items)

Aligning Organizational Culture with Change:  $\alpha = 0.888$  (5 items)

These results indicate good to excellent internal consistency across all scales, suggesting that the survey instrument reliably measures the intended leadership practices.

### **3.9 Ethical Considerations**

The study adhered to strict ethical standards to ensure the rights and well-being of all participants were protected. Prior to data collection, informed consent was obtained by clearly explaining the study's purpose, procedures, and participants' rights. Participation was entirely voluntary, with respondents free to withdraw at any time without any consequences. Confidentiality and anonymity were strictly maintained; personal identifiers were removed during data analysis and reporting to protect participant privacy. Furthermore, official permission was secured from Bank of Abyssinia's management before conducting research activities within the organization. The study's findings were reported honestly and transparently to uphold research integrity.

## **Chapter Four: Data Presentation, Analysis, And Interpretation**

### **4.1 Introduction**

This chapter presents the findings of the study based on the data collected through both quantitative and qualitative methods. The aim is to assess the application of key leadership strategies in effective change management within Bank of Abyssinia, focusing on its Bole Sub-city branches. The analysis is structured to provide a comprehensive understanding of how leadership strategies are perceived and experienced by employees during change initiatives.

Quantitative data were gathered through a structured questionnaire administered to 208 clerical employees. These responses were coded and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics such as frequency distributions, percentages, means, and standard deviations are used to summarize respondents' demographic characteristics and their perceptions of the five leadership strategies: clear communication, creating a sense of urgency, empowering employees, leading by example, and aligning organizational culture with change.

In addition to descriptive statistics, a Friedman test was applied to statistically assess whether significant differences existed in how employees perceived the five leadership strategies. This provided deeper insight into the relative emphasis placed on each strategy during change efforts.

In this chapter, the quantitative findings are presented first, followed by qualitative insights through thematic analysis. The integration of both data types serves to enrich the study's conclusions and provide a well-rounded understanding of the leadership strategies applied in managing change.

By analyzing both types of data, this chapter aims to capture a nuanced and multidimensional understanding of how leadership strategies contribute to effective change management in the context of Ethiopia's banking sector.

#### **4.1.1 Demographic Characteristics of Respondents**

Understanding the demographic profile of the respondents is essential in assessing the context in which leadership strategies for effective change management are practiced. The survey was administered to 208 clerical employees of Bank of Abyssinia branches located in Bole Sub-City, Addis Ababa. The following demographic characteristics were captured: gender, age group, educational level, and years of work experience. These variables are important not only for contextualizing the data but also for evaluating the diversity and representativeness of the sample.

#### 4.1.1.1 Gender Distribution

**Table 4.1: Gender Distribution of Respondents**

Gender	Frequency	Valid Percent (%)
Male	127	61.1
Female	81	38.9
Total	208	100.0

*Source: Survey data, 2025*

Out of the total 208 respondents, 127 (61.1%) were male, while 81 (38.9%) were female. This indicates a moderate gender imbalance within the clerical workforce of the Bank of Abyssinia in Bole Sub-City. Understanding gender distribution is important as leadership communication, employee empowerment, and engagement in change processes may vary based on gender perceptions and dynamics in the workplace.

#### 4.1.1.2 Age Group

The age distribution of respondents is as follows:

**Table 4.2: Age Distribution of Respondens**

Age Group	Frequency	Valid Percent (%)
Under 25	14	6.7
25–34	115	55.3
35–44	70	33.7
45–54	6	2.9
55+	3	1.4
Total	208	100.0

*Source: Survey data, 2025*

The data shows that the majority of the workforce (over 55%) falls within the 25–34 age bracket, which typically represents early to mid-career professionals. This age group is often considered dynamic, adaptive to change, and crucial in driving organizational transformation. Additionally,

the significant portion of respondents aged 35–44 (33.7%) reflects a mature and experienced segment of employees. The relatively low representation of older age groups may suggest either a younger organizational profile or fewer clerical roles held by senior employees.

**4.1.1.3 Educational Level**

The educational background of respondents shows that:

**Table 4.3: Educational Background of Respondents**

Educational Level	Frequency	Percent (%)
Diploma	16	7.7
Bachelor's Degree	122	58.7
Master's Degree or Higher	70	33.7
Total	208	100.0

*Source: Survey data, 2025*

This distribution reflects a highly educated workforce, with over 92% of respondents holding at least a bachelor's degree. This high level of academic attainment suggests that the employees are likely to possess a solid understanding of organizational change concepts, which may positively influence their engagement with leadership strategies and responsiveness to change initiatives.

**4.1.1.4 Years of Work Experience**

Regarding professional experience within the organization:

**Table 4.4: Work Experience of Respondent**

Work Experience	Frequency	Percent (%)
Less than 1 year	10	4.8
1–3 years	98	47.1
4–6 years	83	39.9
7+ years	17	8.2

Total	208	100.0
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*Source: Survey data, 2025*

The data indicates that a majority of respondents (over 87%) have at least one year of work experience, with nearly 40% having worked for four to six years. This range of experience suggests a balanced sample that includes both relatively new staff and employees with deeper institutional knowledge. Employees with several years of experience are often more affected by change processes and may provide more insightful responses regarding leadership effectiveness.

#### **4.1.2 Descriptive Analysis of Leadership Strategies**

This section presents the descriptive analysis of the five core leadership strategies identified in the study: Clear Communication, Creating a Sense of Urgency, Empowering Employees, Leading by Example, and Aligning Organizational Culture with Change. Each strategy was measured using a set of Likert-scale items, and responses were analyzed using descriptive statistics including mean, standard deviation, minimum and maximum scores, and standard error. The findings offer insight into how respondents perceive the presence and quality of these leadership strategies within their organizational context during change initiatives.

##### **4.1.2.1 Clear Communication**

Clear and transparent communication is a foundational element in leading effective change. The dimension of clear communication was measured using six items, all rated on a five-point Likert scale.

Item	Mean	Std. Deviation
Leaders clearly communicate the goals of change initiatives.	3.90	0.630
I receive regular and timely updates about organizational changes.	3.80	0.684
Leaders create an open environment where I can ask questions and express concerns about the changes.	3.76	0.693
Communication about change is easy to understand.	3.90	0.625
Leaders explain the reasons behind change decisions clearly.	3.17	0.866

Feedback from staff is welcomed and considered during change.	3.16	0.891
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**Table 4.5: Descriptive Analysis of clear communication**

*Source: SPSS Output, 2025*

The overall response pattern indicates that employees generally perceive the communication efforts of their leaders positively. Items related to clarity, openness, and regular updates received relatively high mean scores, ranging between 3.76 and 3.90, reflecting agreement with positive statements. However, two items "Leaders explain the reasons behind change decisions clearly" and "Feedback from staff is welcomed and considered" scored noticeably lower, with means of 3.17 and 3.16, respectively. This suggests room for improvement in bidirectional communication and in providing underlying rationales for change.

#### 4.1.2.2 Creating a Sense of Urgency

This variable assesses the extent to which leaders foster a timely and motivating sense of urgency around change efforts.

Item	Mean	Std. Deviation
Leaders emphasize the importance of acting quickly on change initiatives.	3.79	0.681
I feel a shared responsibility with others to respond to organizational changes.	3.85	0.668
Management communicates compelling reasons why change must happen now.	3.73	0.684
Leaders clearly show the risks of not adapting to change.	3.74	0.755
The urgency communicated by leaders is motivating but not overwhelming.	3.71	0.733

**Table 4.6: Descriptive Analysis of Creating sense of urgency**

*Source: SPSS Output, 2025*

Mean scores for all five items fall between 3.71 and 3.85, suggesting that the majority of employees agree that a motivating sense of urgency is present. The highest-rated item was the sense of shared responsibility (mean = 3.85), indicating that change is seen as a collective endeavor. The findings suggest that leaders are generally successful in establishing a case for timely action, although opportunities exist to further strengthen the emotional and motivational aspects of urgency.

**4.1.2.3 Empowering Employees**

Empowering employees involves enabling staff to participate in, contribute to, and take ownership of change processes.

Item	Mean	Std. Deviation
I am trusted to take initiative during organizational change.	3.82	0.699
I am encouraged to participate in planning or implementing changes.	3.75	0.710
I am given the tools and resources I need to support change.	3.72	0.728
Barriers that limit my involvement in change are addressed by leaders.	3.41	0.835
My suggestions are taken seriously when changes are being introduced.	3.40	0.857

**Table 4.7: Descriptive Analysis of Empowering employees**

*Source: SPSS Output, 2025*

The responses indicate that employees generally feel trusted and encouraged to take initiative and participate in change, with the highest item mean of 3.82 for trust in taking initiative. However, lower scores for removing barriers (3.41) and considering employee suggestions (3.40) point to gaps in inclusive decision-making and structural support. These areas require attention to improve empowerment in practice rather than in theory.

**4.1.2.4 Leading by Example**

This strategy evaluates whether leaders themselves embody the changes they expect from others, promoting consistency and credibility.

Item	Mean	Std. Deviation
My managers behave in ways that support the change and model the expected actions.	3.80	0.707
Leaders are actively involved in carrying out the change.	3.81	0.666
Leadership shows commitment to change through their own actions.	3.83	0.666
Managers are held to the same expectations during change as other employees.	3.52	0.840
My direct supervisor leads by example during times of organizational change.	3.68	0.797

**Table 4.8: Descriptive Analysis of Leading by example**

*Source: SPSS Output, 2025*

Respondents largely agree that their leaders model change-supportive behaviors, with item means ranging from 3.52 to 3.83. The highest-rated item (3.83) reflects strong leadership commitment, while the relatively lower rating on holding managers to the same standards (3.52) suggests a perceived gap in accountability. Maintaining consistency in behavior and expectations across all levels of leadership is essential for building credibility.

**4.1.2.5 Aligning Organizational Culture with Change**

This dimension explores whether the change efforts align with the organization’s values, identity, and long-term direction.

Item	Mean	Std. Deviation
I understand how the changes we are experiencing fit into the bank’s values and identity.	3.84	0.644
Change efforts are aligned with the bank’s mission and long-term goals.	3.81	0.730
Organizational values support and encourage change.	3.83	0.671

Employees are encouraged to adopt behaviors that support the change.	3.76	0.729
Leadership reinforces the cultural values that align with the change process.	3.80	0.753

**Table 4.9: Descriptive Analysis of Aligning organizational culture with change**

*Source: SPSS Output, 2025*

This category received consistently high ratings, with all item means above 3.75, indicating that employees perceive a strong alignment between change efforts and the bank’s core values and strategic vision. This alignment is crucial for reinforcing sustainable change and for ensuring that transformation initiatives are deeply embedded in the organizational culture.

#### **4.1.2.6 Friedman Test Analysis of Leadership Practices**

To determine whether significant differences existed in how the five leadership practices were perceived by employees during change implementation at the Bank of Abyssinia, a Friedman Test was conducted. This test was selected due to its suitability for ordinal data (e.g., Likert scale ratings) and for analyzing repeated measures from the same participants in this case, 208 respondents who evaluated five leadership behaviors.

The Friedman Test is a non-parametric alternative to the repeated measures ANOVA and is appropriate when data are not normally distributed or when measurement scales are ordinal rather than interval or ratio. Given that the survey collected Likert-scale ratings from all respondents across the five leadership categories clear communication, urgency, empowering employees, leading by example, and culture this test was the most appropriate method to identify statistically meaningful differences in leadership perceptions.

The results were statistically significant, indicating that at least one of the leadership practices was rated differently than the others:

$$\chi^2(4) = 133.036, p < .001.$$

#### **Friedman Test Summary**

Test	N	Chi-Square	df	p-value
Friedman’s Two-Way ANOVA	208	133.036	4	< .001

**Table 4.10 Friedman Test Summary**

*Source: SPSS Output, 2025*

### **Mean Ranks of Leadership Practices**

The mean rank scores provide insight into which leadership behaviors were perceived as most and least emphasized. The results revealed that: Culture had the highest mean rank (3.56), Followed by Urgency (3.37), Leading by example (3.19), Empowering employees (2.54), And Clear communication had the lowest mean rank (2.36). This suggests that culture, urgency, and leading by example were more strongly experienced by employees, whereas communication and empowerment were less emphasized.

**Table 4.11: Mean Ranks of Leadership Practices**

Leadership Practice	Mean Rank
Clear Communication	2.36
Empowering Employees	2.54
Leading by Example	3.19
Urgency	3.37
Culture	3.56

*Source: SPSS Output, 2025*

### **Post-Hoc Pairwise Comparisons**

To determine which specific pairs of leadership practices differed significantly, Wilcoxon Signed-Rank Tests were performed with Bonferroni correction. Z-value: Tells you the direction and strength of the difference between two paired strategies. p-value: If  $p < 0.05$  (or  $p < 0.001$  in your case), the difference is statistically significant. Adjusted Sig. (Bonferroni): Adjusted for multiple comparisons to reduce Type I error. The results indicated that:

Clear communication was rated significantly lower than: Leading by example ( $p < .001$ ), Urgency ( $p < .001$ ) and Culture ( $p < .001$ ).

Empowering employees was rated significantly lower than: Leading by example ( $p < .001$ ), Urgency ( $p < .001$ ) and Culture ( $p < .001$ )

No significant difference was found between: Communication and Empowerment ( $p = .245$ ), Urgency and Culture ( $p = .227$ ) and Leading by Example and Urgency ( $p = .239$ )

**Table 4.12: Significant Pairwise Comparison**

Comparison	Z-value	Adj. Sig	Significant?
Communication vs Empowerment	-1.163	1.000	No
Communication vs Leading	-5.349	.000	Yes
Communication vs Urgency	-6.527	.000	Yes
Communication vs Culture	-7.737	.000	Yes
Empowerment vs Leading	-4.186	.000	Yes
Empowerment vs Urgency	-5.365	.000	Yes
Empowerment vs Culture	-6.574	.000	Yes
Leading vs Urgency	1.178	1.000	No
Leading vs Culture	-2.388	.170	No
Urgency vs Culture	-1.209	1.000	No

*Source: SPSS Output, 2025*

### **Interpretation and Implications**

The findings indicate that communication and empowerment were significantly less emphasized leadership practices during change efforts, while culture, urgency, and leading by example were perceived more positively. These results are consistent with the descriptive statistics and suggest that while the organization is performing well in aligning its culture and creating urgency, it may need to improve how leaders communicate and empower employees.

The use of the Friedman test allowed the study to move beyond descriptive summaries and make internally valid comparisons of perceptions across leadership dimensions without violating statistical assumptions. This adds analytical depth while remaining aligned with the descriptive, exploratory nature of the research.

### 4.1.3 Reliability Analysis

Reliability analysis is a critical step in quantitative research, used to assess the consistency and stability of the measurement instruments. In this study, Cronbach's Alpha was employed to evaluate the internal consistency of each set of items corresponding to the five leadership strategies under investigation: Clear Communication, creating a Sense of Urgency, Empowering Employees, Leading by Example, and Aligning Organizational Culture with Change.

Cronbach's Alpha is a widely used statistical measure of scale reliability, with values ranging from 0 to 1. A value above 0.70 is generally considered acceptable, while values above 0.80 indicate good internal consistency. The following table summarizes the reliability coefficients for each leadership strategy based on the responses from 208 participants:

**Table 4.13: Reliability analysis**

Leadership Strategy	No. of Items	Cronbach's Alpha
Clear Communication	6	0.808
Creating a Sense of Urgency	5	0.832
Empowering Employees	5	0.851
Leading by Example	5	0.859
Aligning Organizational Culture with Change	5	0.874

*Source: SPSS Output, 2025*

#### Interpretation

The results indicate that all five leadership strategies exhibit strong internal reliability, with Cronbach's Alpha values ranging from 0.808 to 0.874. Specifically:

Clear Communication achieved an alpha of 0.808, confirming that the six items used to measure this variable are consistently aligned in capturing the concept.

Creating a Sense of Urgency showed an alpha of 0.832, suggesting a solid degree of consistency among the five items in that category.

Empowering Employees and Leading by Example had values of 0.851 and 0.859, respectively, indicating very good reliability.

Aligning Organizational Culture with Change had the highest alpha at 0.874, reflecting excellent internal consistency in the responses related to this dimension.

These results confirm the reliability and appropriateness of the measurement instrument, supporting the validity of the findings presented in the subsequent sections. No items were removed during the reliability analysis, as all sets of questions met or exceeded the recommended threshold of internal consistency.

#### **4.1.4 Summary of Key Quantitative Findings**

The quantitative data analysis provides important insights into how clerical employees at Bank of Abyssinia perceive the leadership practices related to effective change management. Overall, the results reveal a generally positive but nuanced view of leadership's role in facilitating organizational change.

**Clear Communication:** Employees largely agree that leaders communicate the goals and updates related to change clearly and effectively, creating an open environment for dialogue. However, lower scores on explaining the rationale behind decisions and incorporating feedback suggest room for improvement in two-way communication.

**Creating a Sense of Urgency:** The findings indicate that leadership successfully conveys the critical need for timely action in change initiatives. Employees feel motivated by the communicated urgency, which fosters shared responsibility and proactive engagement.

**Empowering Employees:** Respondents feel trusted and encouraged to participate in change processes, but somewhat less confident that barriers to involvement are addressed or that their suggestions influence decisions. This points to potential gaps in fully leveraging employee empowerment.

**Leading by Example:** Leadership is perceived to model desired behaviors and demonstrate commitment to change, reinforcing credibility and trust. Nonetheless, some employees feel that accountability expectations may not be consistently applied across all organizational levels.

**Aligning Organizational Culture with Change:** There is strong agreement that the ongoing changes are well aligned with the bank's core values and mission, providing a cultural foundation that supports sustainable transformation.

In summary, while leadership practices are broadly seen as effective in managing change, certain areas such as explanation of change decisions, employee feedback integration, and consistent accountability require further attention. These findings highlight specific focal points for enhancing leadership effectiveness and ultimately improving change outcomes. Furthermore, the Friedman test results confirmed that not all leadership strategies were equally emphasized, with communication and empowerment rated significantly lower than culture, urgency, and role modeling. This reinforces the descriptive trends and highlights areas for leadership improvement.

## **4.2 Qualitative Data Analysis**

### **Description of the research participants**

Five management-level staff members from Bank of Abyssinia's Bole Sub-city branches were purposefully selected and interviewed to provide qualitative insights on leadership strategies in effective change management. All participants held senior positions within the bank and had extensive experience in the banking sector. Two of the participants were Section Heads, two were Branch Managers, and one was a Senior Officer. Each of them held a master's degree and had been directly involved in leading or supporting change initiatives in their respective departments or branches. The Section Heads had over nine to ten years of experience and played pivotal roles in departmental transformations, facilitating communication between executive leadership and staff while empowering employees during change processes. The Branch Managers, with over twelve to fifteen years of experience, contributed perspectives from both strategic and operational viewpoints, overseeing significant organizational changes such as digital transitions and structural adjustments. The Senior Officer, with more than eleven years of experience, offered practical insights into planning and monitoring change activities from a mid-management level. Collectively, their diverse roles and rich experience provided comprehensive qualitative data to complement the survey findings, particularly regarding clear communication, creating a sense of urgency, employee empowerment, leading by example, and aligning organizational culture with change.

These interviews were analyzed using thematic analysis to identify patterns and insights concerning the five leadership strategies under study: communication, creating a sense of urgency, empowerment, leading by example, and cultural alignment.

The analysis revealed six major themes, as discussed below:

#### Theme 1: Communication as a Driver of Clarity and Buy-In

Managers consistently emphasized the centrality of communication in ensuring effective change. Participants noted that when communication is transparent, consistent, and purpose-driven, it builds trust and reduces resistance. Conversely, when communication lacks clarity particularly regarding the rationale behind changes employees tend to become confused or disengaged. One manager explained that leaders must communicate the "why" behind change, because "if employees understand the purpose, they are more likely to support it." This highlights the need for leadership to focus not only on what is changing, but also on why the change is necessary.

#### Theme 2: Creating a Sense of Urgency to Overcome Apathy

Several managers identified that the absence of urgency among employees contributed to delays and half-hearted implementation of change initiatives. They indicated that leaders have a responsibility to explain the risks of inaction and the need for timely response to external factors like technology or competition. One section head remarked that "just saying change is coming is not enough. Leaders must paint a vivid picture of what happens if we don't change." This theme suggests that urgency should be framed constructively, linking it to institutional survival and innovation.

#### Theme 3: Leading by Example Builds Credibility

Interviewees highlighted the importance of role modeling in change leadership. When leaders themselves follow new policies, adopt new systems, and show commitment, employees are more likely to take the change seriously. Conversely, any inconsistency between what leaders say and do undermines credibility. As a branch manager stated, "you can't ask your staff to do something you don't do." This shows that leadership by example fosters respect, accountability, and behavioral alignment during transitions.

#### Theme 4: Empowerment and Participation Enhance Ownership

Most interviewees emphasized the importance of employee involvement in the change process. Leaders who delegate responsibility and provide platforms for employee feedback tend to see better engagement and smoother implementation. Empowerment reduces the sense of victimhood often associated with organizational change. One branch manager stated that "people need to feel they are not just victims of change." This indicates that participatory leadership not only improves morale but also encourages innovation and adaptability among employees.

#### Theme 5: Aligning Organizational Culture with Change Efforts

A recurring insight was that even well-planned change efforts may fail if they contradict the existing organizational culture. Leaders must consider the underlying values, routines, and employee mindset before introducing change. Culture was described as either a supporting foundation or a barrier to change. As one participant said, "the biggest mistake leaders make is introducing change without checking whether the organizational culture supports it." This reflects the strategic need to align change initiatives with institutional norms and values.

#### Theme 6: Challenges in Consistency and Feedback Loops

Participants noted structural and systemic gaps in leadership practices especially regarding feedback mechanisms and managerial support. Communication from upper leadership was sometimes delayed or vague, leading to confusion at the branch level. Moreover, mid-level leaders often lacked the autonomy to tailor changes to their specific contexts. One manager commented that "upper-level communication is still sometimes delayed or vague." This suggests a need for stronger two-way communication systems and adaptive leadership models to improve change responsiveness across all levels.

### **4.3 Summary of Qualitative Findings**

The qualitative findings support and deepen the insights gained from the quantitative data. Effective change management at Bank of Abyssinia relies heavily on five key leadership strategies: strategic communication, urgency creation, role modeling, empowerment, and cultural alignment. However, these strategies are often challenged by systemic limitations, inconsistent execution, and inadequate feedback systems. The perspectives shared by branch managers and section heads suggest that leadership development programs should focus not only on planning change, but on

practicing it through daily leadership behavior, clear messaging, cultural awareness, and staff inclusion.

#### **4.4 Summary of Quantitative and Qualitative Findings**

The combined analysis of both quantitative and qualitative data provides a comprehensive understanding of the leadership strategies that influence effective change management at Bank of Abyssinia branches in Bole Sub-City.

The quantitative data, collected from 208 clerical employees, revealed strong agreement that the five leadership strategies clear communication, creating a sense of urgency, empowering employees, leading by example, and aligning organizational culture play a vital role in the implementation and success of change initiatives. Respondents generally agreed that these strategies were present to varying degrees within the Bank, although gaps were noted, particularly in consistent communication and employee empowerment. This finding was statistically validated through a Friedman test, which revealed significant differences in perception across the five leadership domains, further confirming the need to strengthen communication and empowerment in practice.

The qualitative findings, derived from interviews with five managerial staff deepened and contextualized these results. Thematic analysis revealed six recurring themes that align closely with the five core leadership strategies:

1. Communication as a Driver of Clarity and Buy-In,
2. Creating a Sense of Urgency to Overcome Apathy,
3. Leading by Example Builds Credibility,
4. Empowerment and Participation Enhance Ownership,
5. Aligning Organizational Culture with Change Efforts, and
6. Challenges in Consistency and Feedback Loops.

These themes not only confirmed the importance of the five leadership strategies identified in the quantitative phase but also highlighted practical challenges faced by leaders, such as delays in top-down communication, lack of localized flexibility, and weak feedback systems.

Together, the quantitative and qualitative findings suggest that while there is a clear understanding of what effective change leadership requires, the actual implementation is often hindered by

organizational constraints. Employees and leaders both recognize the value of strategic communication, urgency, empowerment, and alignment but inconsistencies in practice limit their full potential.

This mixed-method approach strengthens the reliability of the research conclusions and provides a solid foundation for the recommendations that follow in Chapter Five.

# Chapter Five Summary Of Findings, Conclusion, And Recommendations

## 5.1 Summary of Findings

This study examined the role of leadership strategies in effective change management at Bank of Abyssinia's branches in Bole Sub-City. Using a mixed-method approach, data were collected from 208 clerical employees through surveys and from five managerial staff via in-depth interviews. The research focused on five leadership strategies: communication, creating a sense of urgency, empowerment, leading by example, and aligning organizational culture with change. A Friedman test was conducted to determine whether employees perceived these leadership strategies equally; the results revealed statistically significant differences, with communication and empowerment rated notably lower than the others.

- **Communication:** Both quantitative and qualitative data showed that clear, transparent, and purpose-driven communication is crucial in facilitating employee understanding and acceptance of change. However, delays and unclear messages from upper management were identified as barriers.
- **Creating a Sense of Urgency:** The ability of leaders to create urgency was linked to faster and more committed change adoption. Employees responded better when leaders effectively conveyed the risks of inaction and external pressures.
- **Empowerment:** Empowerment through delegation and inclusion increased employee ownership and reduced feelings of victimhood during change. Participatory leadership enhanced engagement and innovation.
- **Leading by Example:** Leaders who visibly modeled desired behaviors-built credibility and trust, which positively influenced employee commitment to change. Inconsistencies between words and actions undermined leadership effectiveness.
- **Aligning Organizational Culture:** Change initiatives aligned with the existing culture were more successful. Misalignment often led to resistance, highlighting the importance of cultural sensitivity in change leadership.
- **Systemic Challenges:** Structural issues such as inadequate feedback mechanisms, limited managerial autonomy, and inconsistent communication impeded effective change implementation, reflecting a knowing-doing gap within leadership practices.

## 5.2 Conclusion

This study set out to descriptively examine the leadership practices applied during organizational change within the Bole Sub-City branches of the Bank of Abyssinia, focusing on five core strategies: clear communication, creating a sense of urgency, empowering employees, leading by example, and aligning organizational culture with change. A mixed-methods approach was employed, gathering quantitative data from 208 clerical employees and qualitative insights from five senior branch managers.

The findings clearly demonstrate that while the leadership strategies under review were all present to varying degrees, their effectiveness and consistency in implementation were uneven. The descriptive data indicated that strategies like aligning organizational culture with change and creating urgency received higher average scores, suggesting they were more actively and visibly practiced. In contrast, clear communication and employee empowerment were rated lower, pointing to gaps in leadership execution particularly in bidirectional communication and inclusive decision-making.

The Friedman Test, applied to validate these differences statistically, confirmed that these variations in employee perceptions were significant. Communication, for instance, was rated significantly lower than urgency, cultural alignment, and leading by example ( $p < .001$ ). Similarly, empowerment lagged behind the more emphasized strategies. This analysis reinforces the presence of a "knowing–doing gap" leaders are aware of these practices in theory but face structural or behavioral constraints in consistently applying them.

Qualitative findings supported this conclusion. While managers articulated the importance of all five strategies, they also acknowledged practical barriers, including delayed communication from upper leadership, limited autonomy at the branch level, lack of structured feedback loops, and inconsistent role modeling across leadership tiers. These managerial reflections reveal how systemic and contextual factors, such as hierarchical structures and centralized decision-making, undermine effective change leadership.

Furthermore, the alignment between the bank's values and change initiatives emerged as a strength, suggesting that cultural readiness for change exists. However, the absence of strong two-way communication channels and empowerment mechanisms prevents this cultural alignment from translating into full engagement and ownership among employees.

The study illustrates that enhancing practical leadership behaviors such as proactive communication, inclusive decision-making, and consistent cultural reinforcement is critical for bridging the gap between leadership intention and employee experience during organizational change.

### **5.3 Implications for Future Research**

This study opens multiple pathways for future research into leadership and change management in the Ethiopian context. While the current study offered a descriptive and context-specific analysis using both employee perceptions and managerial insights, future research could adopt a comparative or longitudinal approach. For example, similar assessments across different sub-cities, banks, or industries could help identify whether geographic or institutional differences influence the effectiveness of leadership strategies. Longitudinal studies could track how leadership behaviors evolve over time through multiple waves of change. Furthermore, researchers may explore the causal relationship between specific leadership strategies and organizational outcomes such as employee satisfaction, change adoption rates, or service quality. Another opportunity lies in intervention-based studies, where leadership training programs are implemented and evaluated to measure their impact on leadership behavior and employee engagement. Finally, qualitative case studies focused on successful or failed change efforts could yield deep insights into leadership dynamics, especially in environments with strong hierarchical or centralized structures like those found in Ethiopian banking institutions.

### **5.4 Recommendations**

Based on the study's findings, the following recommendations are proposed:

- ❖ The Bank should develop structured, timely, and transparent communication channels that ensure clear messaging about change rationale and processes at all organizational levels. This is especially important given that communication was rated significantly lower in emphasis compared to other leadership strategies.
- ❖ Implement comprehensive training programs focusing on practical leadership skills, including effective communication, urgency creation, empowerment, and leading by example tailored to the Ethiopian banking context.

- ❖ Encourage leaders to involve employees actively in the change process through delegation, feedback mechanisms, and inclusive decision-making to enhance ownership and reduce resistance.
- ❖ Conduct cultural assessments before implementing change initiatives to ensure alignment with prevailing values and mindsets, thereby increasing acceptance and sustainability of change.
- ❖ Establish robust two-way feedback systems and empower mid-level managers with greater autonomy to adapt change strategies to their specific branch contexts.
- ❖ Promote a culture of accountability where leadership knowledge translates into consistent action by integrating monitoring and evaluation of leadership practices during change initiatives.

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# APPENDIX 1 QUESTIONNAIRE:

Addis Ababa University School of Commerce

## Business Leadership Graduate Program

Dear respondents:

I am a graduate student of Addis Ababa University, School of Commerce. This questionnaire is part of a research study I am conducting for my Master's thesis at Addis Ababa University. The purpose is to assess leadership practices in effective change management at the Bank of Abyssinia.

The questionnaire will take a maximum of 15 minutes to complete. I kindly request your time and cooperation. Finally, at most I assure you that your response will be utilized only for academic purposes only and it will be maintained confidentially.

Directions for filling the questionnaire:

- To make the satisfaction survey objective and make your response confidential, please don't mention your name or any other identification.
- There is no right and wrong answers of the option provided. Therefore, you are kindly requested to fill your opinion regarding each question.
- Please put a "√" mark on your choice in the space provided.

I thank you in advance for your attention,

Kaleb Worku

### Section 1: Demographic Information

No.	Demographic Variable	Options
1	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Prefer not to say
2	Age	<input type="checkbox"/> Under 25 <input type="checkbox"/> 25–34 <input type="checkbox"/> 35–44 <input type="checkbox"/> 45–54 <input type="checkbox"/> 55+
3	Education Level	<input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor's Degree <input type="checkbox"/> Master's Degree or higher

4	Years of Experience in the Bank	<input type="checkbox"/> Less than 1 year <input type="checkbox"/> 1–3 years <input type="checkbox"/> 4–6 years <input type="checkbox"/> 7+ years
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The following lists of statements will be used to get relevant information for the accomplishment of the research objectives. Thus, please indicate your level of agreement with each statement by ticking (√) on the spaces provided under each option. The options range from Strongly Agree to Strongly Disagree. Note: SA - for Strongly Agree A- For Agree N- For Neutral D- For Disagree, and SD- For Strongly Disagree

No.	Statements	SD	D	N	A	SA
	Clear Communication					
1	Leaders clearly communicate the goals of change initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	I receive regular and timely updates about organizational changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Leaders create an open environment where I can ask questions and express concerns about the changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Communication about change is easy to understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Leaders explain the reasons behind change decisions clearly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Feedback from staff is welcomed and considered during change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creating a Sense of Urgency					

7	Leaders emphasize the importance of acting quickly on change initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	I feel a shared responsibility with others to respond to organizational changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Management communicates compelling reasons why change must happen now.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Leaders clearly show the risks of not adapting to change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	The urgency communicated by leaders is motivating but not overwhelming.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Empowering Employees						
12	I am trusted to take initiative during organizational change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	I am encouraged to participate in planning or implementing changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	I am given the tools and resources I need to support change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Barriers that limit my involvement in change are addressed by leaders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	My suggestions are taken seriously when changes are being introduced.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leading by Example						
17	My managers behave in ways that support the change and model the expected actions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18	Leaders are actively involved in carrying out the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Leadership shows commitment to change through their own actions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Managers are held to the same expectations during change as other employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	My direct supervisor leads by example during times of organizational change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aligning Organizational Culture with Change						
22	I understand how the changes we are experiencing fit into the bank's values and identity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	Change efforts are aligned with the bank's mission and long-term goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	Organizational values support and encourage change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Employees are encouraged to adopt behaviors that support the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	Leadership reinforces the cultural values that align with the change process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## APPENDIX 2 INTERVIEW QUESTIONS:

No.	Item
1.	Gender
2.	Age group (e.g., 30–39, 40–49)
3.	Educational background
4.	Current position (e.g., Branch Manager, Assistant Manager)
5.	Years of experience in banking
6.	Years of experience as a manager in Bank of Abyssinia
7.	Have you led any major change projects in the past? (Yes/No)

1. How do you communicate the goals and reasons behind organizational changes to your team?
2. What actions do you take to create a sense of urgency and motivate employees during change?
3. In what ways do you empower your staff to take initiative or contribute during change?
4. How do you lead by example when your branch is undergoing change?
5. How do you make sure the changes you implement align with the Bank's culture and values?