International Journal of Economics, Commerce and Management
United Kingdom ISSN 2348 0386 Vol. 14, Issue 11, Nov 2026

https://ijecm.co.uk/

FROM READINESS TO RESULTS: THE IMPACT OF TRAINING AND COMMUNICATION ON FUND MANAGEMENT SUSTAINABILITY IN KENYA

Ruth Muli
Department of Business Administration, School of Business, Economics and Tourism,
Kenyatta University, Nairobi, Kenya
rmuli35@gmail.com

Stephen Muathe
Department of Business Administration, School of Business, Economics and Tourism,
Kenyatta University, Nairobi, Kenya

Abstract

Fund management companies in Kenya increasingly operate in a fast-changing regulatory and market environment that requires the integration of environmental, social and governance (ESG) considerations alongside conventional financial returns. Yet many firms in Nairobi City County continue to prioritise traditional financial metrics over sustainability, a gap attributed in part to weak change readiness within their workforce. This paper examines how two people-centred change-management capabilities like training and effective communication which build the change readiness that underpins the sustainable performance of fund management companies in Kenya, while situating them alongside rewarding change champions and stakeholder participation. Anchored on Kurt Lewin's Change Management Model, Prosci's ADKAR Model, the Triple Bottom Line approach and the Dynamic Capability Theory, the study adopted an explanatory research design. A census of the 42 licensed fund management companies in Nairobi City County was undertaken, and a sample of 156 key personnel was drawn using the Yamane formula; 113 usable questionnaires were returned (72% response rate). Data were analysed using descriptive statistics, Pearson correlation and multiple linear regression in SPSS version 26. All four strategies correlated positively and significantly with

Licensed under Creative Common

sustainable performance, and the model explained 52.6% of the variance ($R^2 = 0.526$; $F = 29.974$, $p < 0.001$). Effective communication had the strongest effect ($\beta = 0.252$, $p = 0.007$), followed by training ($\beta = 0.198$, $p = 0.007$) and stakeholder participation ($\beta = 0.192$, $p = 0.044$); rewarding change champions was not significant ($\beta = 0.087$, $p = 0.240$). The paper argues that training is a talent-acquisition and human-capital development lever, while communication is a core safeguarding mechanism which together constitute the change readiness that sustains performance. It recommends that firms institutionalise structured, continuous training and invest in transparent, technology-enabled, feedback-rich communication systems.

Keywords: Change readiness, training, effective communication, sustainable performance, fund management companies, human resource development, safeguarding

INTRODUCTION

Achieving sustainable performance within an organisation requires not only environmental or social responsibility initiatives but also an effective change-management strategy. Traditional change management focuses on guiding organisational transitions, while sustainability transformation seeks to realign business practices to reduce environmental and social impact (Hofmann & Jaeger, 2020). Both share a common requirement: a clear roadmap and, critically, a workforce that is ready and able to change. Change readiness entails the collective awareness, willingness, knowledge and ability of employees to adopt new practices which is increasingly recognised as the human foundation on which sustainability transformation succeeds or fails (Tipu, 2022).

Sustainable performance extends beyond financial achievement to encompass an organisation's capacity to deliver robust financial outcomes while minimising its environmental and social footprint. Frameworks such as ESG investing are gaining prominence, compelling firms to weigh environmental and social factors alongside returns (Eccles, Ioannou & Serafeim, 2014). In the fund-management industry the shift is pronounced: the Index Industry Association (2023) reports that 81% of fund managers now integrate ESG factors into investment strategies, with long-term business success a primary driver.

In Kenya, the Capital Markets Authority (CMA) introduced Nairobi Securities Exchange sustainability disclosure guidelines in 2021 to enhance transparency and accountability. However, the CMA Soundness Report indicated low compliance by December 2022, attributed to weak enforcement and limited internal capacity. Evidence from the Kenyan fund management sector also indicates a relationship between change-management strategies and sustainable performance (Muli & Muathe, 2025). Because sustainability transitions are ultimately delivered

Licensed under Creative Common

by people, the readiness of employees which is built through training and reinforced through communication eventually becomes decisive. This paper foregrounds training and communication as the two people-centred capabilities most directly responsible for change readiness, while retaining rewarding change champions and stakeholder participation as part of the wider change-management system.

Statement of the Problem

Many asset-management firms in Nairobi City County continue to prioritise conventional financial metrics over ESG considerations, limiting their capacity to achieve enduring sustainable performance (Kenya Bankers Association, 2020). Heightened regulatory demands around sustainability reporting require firms to adopt more robust change-management practices, yet implementation frequently meets resistance owing to inadequate workforce readiness (CMA, 2021). While prior studies confirm that training, rewarding change champions, stakeholder participation and effective communication enhance sustainability performance, most were conducted in European, American and Chinese contexts with instruments tailored to developed-economy dynamics. A critical gap remains regarding how these people-centred strategies and in particular training and communication that build change readiness and drive sustainable performance in an emerging-market fund-management setting such as Kenya. This paper addresses that gap.

Objectives and Research Questions

The general objective was to establish the influence of change-management strategies on the sustainable performance of fund management companies in Nairobi City County, Kenya, with a specific emphasis on training and effective communication. The specific objectives were:

i. To determine the effect of training on the sustainable performance of fund management companies in Kenya.
ii. To examine the effect of effective communication on the sustainable performance of fund management companies in Kenya.
iii. To assess the contribution of rewarding change champions and Stakeholder participation as complementary change-management strategies to the sustainable performance of fund management companies in Kenya

Correspondingly, the study asked: What is the influence of training on sustainable performance? How does effective communication affect sustainable performance? And to what extent do rewarding change champions and stakeholder participation contribute to sustainable performance?

Licensed under Creative Common

LITERATURE REVIEW

Theoretical Framework

Kurt Lewin's Change Management Model (1947) frames change as unfreezing, changing and refreezing. Training operates in the changing phase by equipping employees with new competencies, while communication drives the unfreezing phase by creating awareness of the need for change and reinforces refreezing by embedding new behaviours.

Prosci's ADKAR Model (Hiatt, 2006) specifies five milestones include; Awareness, Desire, Knowledge, Ability and Reinforcement. Communication builds Awareness and Desire; training builds Knowledge and Ability; both sustain Reinforcement. ADKAR therefore provides the clearest theoretical account of change readiness as the joint product of communicating and training.

The Triple Bottom Line (TBL) approach (Elkington, 1994) anchors the dependent variable, framing performance across economic, social and environmental dimensions and positioning sustainability as a measurable outcome of internal capability.

The Dynamic Capability Theory (Teece, 1997) explains how firms sense, seize and reconfigure resources in a changing environment; training and communication are the micro-foundations through which fund managers renew workforce capability and remain competitive.

Empirical Review

Training and sustainable performance. Fada and Sabo (2017) established that training and development raise staff productivity and improve long-term organisational viability. Archana and Gerald (2024) found that sustainable-training characteristics positively influence performance in financial services, with strategic training the most influential. Barakat et al. (2023) showed that green training improves operational effectiveness, environmental performance and resource efficiency. These studies affirm training as a human-capital investment that builds the ability dimension of change readiness.

Effective communication and sustainable performance. Gulich et al. (2024) found that internal sustainability communication positively shapes corporate culture and employee attitudes. Musheke (2021) reported that effective communication improves sustainable organisational performance, and Kalogiannidis et al. (2023) found that internal communication enhances business sustainability during periods of uncertainty. Communication thus builds the awareness, transparency and accountability that safeguard both employees and stakeholders through change.

Complementary strategies. Lee (2020) and Tajdar et al. (2023) provided evidence that employee incentives and rewards can support sustainability outcomes, while Yuen et al. (2020)

Licensed under Creative Common

and Manning et al. (2019) provided evidence that stakeholder participation or engagement is associated with sustainability performance. These strategies were retained in the model as complements to the two core people-centred levers.

Conceptual Framework

The study conceptualised sustainable performance as a function of four change-management strategies, with training and effective communication as the primary drivers of change readiness and rewarding change champions and stakeholder participation as reinforcing strategies. Sustainable performance was measured through job creation, market share, efficiency, customer satisfaction and ESG integration.

Table 1: Conceptual Framework

Independent variables (change-management strategies)	Dependent variable
Training- resource mobilisation, skills enhancement, innovation culture	Sustainable Performance • Job creation • Market share / relevance • Efficiency & customer satisfaction / ESG
Effective Communication - documentation, channels, awareness, service automation, feedback	
Rewarding Change Champions - peer recognition, appreciation events, career growth	
Stakeholder Participation - forums, engagement strategies, team diversity	

Conceptual framework (adapted from Muli, 2025).

Training and communication are foregrounded as the change-readiness drivers.

METHODOLOGY

The study adopted an explanatory research design to examine the cause-and-effect relationship between change-management strategies and sustainable performance (Creswell & Creswell, 2018). The target population comprised all 42 licensed fund management companies in Nairobi City County (CMA, 2023), from which a census of firms was taken. The population was stratified into six key personnel functions namely risk/governance and compliance, human resource, operations and client service, finance and accounting, wealth/portfolio management, and internal audit giving 252 employees. Using the Yamane formula (61.5%), a sample of 156 respondents was drawn.

Primary data were collected through a semi-structured questionnaire administered via both electronic (Google Forms) and drop-and-pick hard copies between November 2024 and

Licensed under Creative Common

January 2025. A pilot study (13 returned questionnaires) confirmed reliability, with all constructs exceeding the Cronbach's alpha threshold of 0.7. Data were analysed using descriptive statistics, Pearson correlation and multiple linear regression in SPSS version 26. The regression model was specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where, Y = sustainable performance; X_1 = training; X_2 = rewarding change champions; X_3 = stakeholder participation; X_4 = effective communication; β_0 = constant; and ε = error term. Ethical clearance and a research permit were obtained, and respondent confidentiality and anonymity were upheld.

Table 2: Reliability test results

Variable	No. of items	Cronbach's Alpha	Comment
Training	4	0.899	Reliable
Rewarding change champions	4	0.801	Reliable
Stakeholder participation	5	0.867	Reliable
Effective communication	6	0.885	Reliable
Sustainable performance	5	0.876	Reliable

RESULTS AND DISCUSSION

Of the 156 questionnaires distributed, 113 were fully completed and returned, a 72% response rate that exceeds the 50–60% benchmark for survey validity (Mugenda & Mugenda, 2013). The workforce was predominantly male (58.4%), mid-career (48.7% aged 30–39), highly educated (59.3% bachelor's, 25.7% master's) and experienced (69% with over three years' experience) representing a mature profile well positioned to implement change.

Training

Respondents agreed that training is well organised and funded (mean = 3.96), that it has enhanced skills and competencies to meet KPIs (mean = 4.08, the highest-rated item) and that it fosters a culture of innovation and creativity (mean = 3.88). The aggregate mean of 3.97 (SD = 0.82) indicates that well-structured, adequately funded training enhances employee skills, promotes innovation and improves performance. These findings align with Lewin's unfreezing and refreezing stages. Training embeds new competencies into employees' routines and corroborates Fada and Sabo (2017), Archana and Gerald (2024) and Barakat et al. (2023).

Licensed under Creative Common

Effective Communication

Communication was the most consistently endorsed construct. Respondents affirmed the use of diverse communication channels such as email, intranet portals, video conferencing and team meetings (mean = 4.14, the highest item), clear and comprehensive communication records that support transparency and accountability (mean = 4.03), effective information flow among employees, clients and stakeholders (mean = 4.01), integration of CRM and automated reporting tools (mean = 3.96) and regular feedback mechanisms such as employee and client-satisfaction surveys (mean = 3.88). The aggregate mean of 4.00 (SD = 0.73) reflects strong consensus. The results align with ADKAR's emphasis on clear, continuous communication and corroborate Gulich et al. (2024), Musheke (2021) and Kalogiannidis et al. (2023). Crucially, the emphasis on documentation, transparency, accountability and feedback positions communication as a safeguarding mechanism that protects employees, clients and stakeholders through change.

Complementary Strategies

Rewarding change champions recorded an aggregate mean of 3.67 (SD = 0.90), with career-growth opportunities the highest-rated reward item (mean = 3.82), while appreciation events were less consistent (mean = 3.59). Stakeholder participation recorded an aggregate mean of 3.97 (SD = 0.70), with team diversity and inclusive participation the strongest item (mean = 4.12). Sustainable performance itself recorded a high aggregate mean of 4.08 (SD = 0.73), led by job creation (mean = 4.19) and customer satisfaction (mean = 4.14).

Correlation Analysis

All four strategies correlated positively and significantly with sustainable performance at the 0.01 level. Effective communication had the strongest association (r = 0.628), followed by training (r = 0.596), rewarding change champions (r = 0.563) and stakeholder participation (r = 0.554).

Table 3: Correlation with sustainable performance

Change-management strategy	Pearson r	Sig. (2-tailed)	n
Training	0.596**	0.000	113
Rewarding change champions	0.563**	0.000	113
Stakeholder participation	0.554**	0.000	113
Effective communication	0.628**	0.000	113

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

Licensed under Creative Common

Regression Analysis

The model summary returned R = 0.725 and R^2 = 0.526, indicating that the four strategies jointly explain 52.6% of the variance in sustainable performance. The ANOVA confirmed overall model significance (F = 29.974, p < 0.001).

Table 4: Regression coefficients

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	1.203	0.271	—	4.444	0.000
Training	0.198	0.072	0.252	2.743	0.007
Rewarding change champions	0.087	0.074	0.109	1.181	0.240
Stakeholder participation	0.192	0.094	0.204	2.035	0.044
Effective communication	0.252	0.092	0.282	2.739	0.007

Dependent variable: Sustainable Performance. R^2 = 0.526; F = 29.974, p < 0.001.

The regression confirms that effective communication is the strongest predictor of sustainable performance (β = 0.252, p = 0.007): a one-unit increase in communication raises sustainable performance by 0.252 units. Training is the second most influential significant predictor (β = 0.198, p = 0.007), followed by stakeholder participation (β = 0.192, p = 0.044). Rewarding change champions was positive but not statistically significant (β = 0.087, p = 0.240), suggesting that rewards influence sustainability only when consistently structured and integrated with other strategies. The dominance of communication and training confirms that change readiness is built by informing, engaging and equipping people. Therefore, this is the mechanism through which fund managers convert change-management effort into sustainable performance.

Alignment of Talent and Human Resource Acquisition with Safeguarding

This study speaks directly to Talent and Human Resource Acquisition with Safeguarding. Its two significant, people-centred drivers map onto the twin pillars of the track; talent and human-resource development on one side, and safeguarding on the other.

Training as talent and human-resource acquisition**.** Training is the principal instrument through which fund management firms acquire, develop and retain talent. The finding that training significantly raises sustainable performance (β = 0.198, p = 0.007) by bridging competency gaps, keeping staff abreast of market dynamics and emerging technology, and opening career-growth pathways, positions structured, continuous training as a human-capital acquisition strategy rather than a cost. In an SME and fund-management context where skilled

Licensed under Creative Common

talent is scarce and mobile, building capability internally is often the most reliable route to acquiring and safeguarding the talent a firm needs to sustain performance.

Communication as safeguarding. Effective communication is the strongest predictor in the model is fundamentally a safeguarding capability. The study's communication construct is built on documentation and record-keeping, transparency and accountability in decision-making, multi-channel information flow, and regular feedback mechanisms such as employee and client-satisfaction surveys. These are precisely the mechanisms that safeguard employees (fair, transparent treatment and voice), clients and investors (accurate disclosure and accountability), and the organisation itself (reputation, regulatory compliance and integrity). Transparent, feedback-rich communication institutionalises the checks that protect people and assets during periods of change.

Change readiness as a talent-management capability. Taken together, training (ability and knowledge) and communication (awareness, transparency and voice) constitute organisational change readiness. Reinforced by career-growth rewards that retain change champions and by inclusive stakeholder participation that embraces team diversity, they form a human-resource system that both acquires and safeguards talent while advancing the environmental, social and governance goals at the heart of sustainable performance. For SMEs and fund managers alike, investing in this readiness is simultaneously a talent-acquisition strategy and a safeguarding strategy.

CONCLUSION AND RECOMMENDATIONS

The study concludes that change-management strategies significantly influence the sustainable performance of fund management companies in Nairobi City County, jointly explaining 52.6% of its variance. Effective communication is the most critical driver, followed by training and stakeholder participation, while rewarding change champions contributes only when well structured. The evidence establishes training and communication as the twin engines of change readiness the human capability that turns sustainability ambition into sustained performance.

The study recommends that fund management firms institutionalise structured, adequately funded and continuous training combining technical and leadership development as a talent-acquisition and retention strategy aligned to long-term goals. Firms should also invest in transparent, technology-enabled communication systems (intranet portals, video conferencing, CRM and automated reporting) and embed regular feedback mechanisms as a safeguarding practice that protects employees, clients and organisational integrity. Strengthening stakeholder participation through regular forums and inclusive engagement, and restructure reward systems

Licensed under Creative Common

so that recognition of change champions is consistent and integrated with the wider change-management effort is also recommended as well as treating change readiness as a strategic human-resource capability, positioning talent development and safeguarding as complementary contributors to sustainable performance.

Future research could extend the model with a longitudinal design and comparative studies across sectors such as banking, insurance and manufacturing to test the generalisability of these findings beyond fund management.

REFERENCES

Archana, P. V., & Gerald, J. W. A. (2024). The Multifaceted Impact of Sustainable Training on Long-Term Performance in Financial Services. *Educational Administration: Theory and Practice*, *30*(4), 732-740.

Barakat, B., Milhem, M., Naji, G. M. A., Alzoraiki, M., Muda, H. B., Ateeq, A., & Abro, Z. (2023). Assessing the impact of green training on sustainable business advantage: Exploring the mediating role of green supply chain practices. Sustainability, 15(19), 14144. https://doi.org/10.3390/su151914144

Capital Markets Authority. (2021). *Guidance Note on Green Bonds*.

Capital Markets Authority. (2022). *Capital Markets Soundness Report Volume XXV Quarter 4 2022*. Nairobi: Capital Markets Authority.

Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835–2857.

Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for sustainable development. *California Management Review*, 36(2), 90–100.

Fada, G. U., & Sabo, A. (2017). The impact of employee training and development on organizational sustainability. *TSPJPAG Journal*, 34–46.

Gulich, S., Heinemann, T., Starke, E., Wehr, F., & Weiß, L. (2024). Internal sustainability communication and the influence on corporate culture: A qualitative survey of sustainable companies in Germany. In A. Godulla, M. Ehrlinspiel, S. Gulich, V. Leißner, A. Müller, A. Rüth, & M. Sauer (Eds.), Sound or silence? Current developments in organizational communication (pp. 75–106). Leipzig. https://nbn-resolving.org/urn:nbn:de:0168-ssoar-91277-3

Hiatt, J. (2006). *ADKAR: a model for change in business, government, and our community*. Prosci.

Hofmann, F., & Jaeger-Erben, M. (2020). Organizational transition management of circular business model innovations. *Business strategy and the environment*, *29*(6), 2770-2788.

Index Industry Association. (2023). *IIA 2023 ESG Survey Full Report*. https://www.indexindustry.org/wp-content/uploads/IIA-2023-ESG-Survey-Full-Report.

Kalogiannidis, S., Syndoukas, D., Papaevangelou, O., & Chatzitheodoridis, F. (2023). Relationship between business communication and business sustainability in times of uncertainty: A case study of Greece. *International Journal of Professional Business Review,* 8(5), e01477. https://doi.org/10.26668/businessreview/2023.v8i5.1477

Lee, S. (2020). Achieving corporate sustainability performance: The influence of corporate ethical value, and leader-member exchange on employee behaviors and organizational performance. *Fashion and Textiles* 7(1), Article 13. https://doi.org/10.1186/s40691-020-00213-w

Lewin, K. (1947). Frontiers in group dynamics II: Concept, method and reality in social science. *Human Relations*, 1(1), 5–41.

Manning, B., Braam, G., & Reimsbach, D. (2019). Corporate governance and sustainable business conduct—Effects of board monitoring effectiveness and stakeholder engagement on corporate sustainability performance and disclosure choices. *Corporate Social Responsibility and Environmental Management*, 26(2), 351–366. https://doi.org/10.1002/csr.1687

Mugenda, A., & Mugenda, O. (2013). *Research methods: Quantitative and qualitative approaches*. ACTS Press.

Licensed under Creative Common

Muli, M. R. (2025). *Change management strategies and sustainable performance of fund management companies in Nairobi City County, Kenya* [Master's research project, Kenyatta University]. Kenyatta University Institutional Repository.

Muli, R. M., & Muathe, S. M. (2025). Managing change: A strategic approach to sustainable performance of fund management companies in Kenya. *African Journal of Emerging Issues*, 7(5), 28–46. https://doi.org/10.53819/6789797a1146

Musheke, M. M. (2021). *Effective communication on sustainable organisational performance based on the systems theory* (Doctoral dissertation, The University of Zambia).

Tajdar, S., Ullah, A. A., Jahangir, J., & Ahmad, S. (2023). Impact of green reward on sustainable performance through the mediating role of organizational citizen behavior: A study of hotel industry of Pakistan. *International Journal of Business and Management Sciences, 4*(2), 89–108

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal, 18(7), 509–533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z

Tipu, S. A. A. (2022). Organizational change for environmental, social, and financial sustainability: A systematic literature review. *Review of Managerial Science*, *16*(6), 1697-1742.

Yuen, K. F., Wang, X., Wong, Y. D., & Li, K. X. (2020). The role of stakeholder participation and sustainability integration in maritime transport: A structure-conduct-performance analysis. Transport Policy, 99, 44–53. https://doi.org/10.1016/j.tranpol.2020.08.011

Licensed under Creative Common