


International Journal of Strategic Management (IJSM)

**Managing Organizational Transition at Emirates NBD: A Change Leadership
Perspective**

Fatema Abdulrahman Alzaabi



**Managing Organizational Transition at
Emirates NBD: A Change Leadership
Perspective**

 Fatema Abdulrahman Alzaabi
Hamdan Bin Mohammed Smart University
(HBMSU), UAE

Article History

Received 14th March 2026

Received in Revised Form 13th April 2026

Accepted 15th May 2026



How to cite in APA format:

Alzaabi, F. (2026). Managing Organizational Transition at Emirates NBD: A Change Leadership Perspective. *International Journal of Strategic Management*, 5(2), 1–7.
<https://doi.org/10.47604/ijsm.3765>

Abstract

Purpose: This study examines effective change management strategies at Emirates NBD during its digital transformation process. The paper focuses on how the bank manages organizational restructuring, employee transition, and leadership challenges while shifting from a traditional banking model toward an AI-driven digital environment.

Methodology: The study uses a qualitative case study approach based on secondary research. Information was collected from academic literature, industry reports, Emirates NBD annual reports, and online organizational sources to analyze change management practices and employee adaptation during transformation.

Findings: The findings show that successful organizational transformation depends not only on technological implementation but also on effective leadership, communication, and emotional support for employees. The study also found that resistance, uncertainty, and skill gaps are major challenges during digital transformation.

Unique Contribution to Theory, Practice and Policy: The report recommends stronger communication frameworks, continuous reskilling initiatives, emotionally supportive leadership, and structured employee engagement strategies. Organizations should balance technological innovation with human transition management to achieve sustainable transformation success.

Keywords: *Organizational Change, Digital Transformation, Leadership, Employee Transition, Banking Sector*

JEL Classification Codes: *M10, M12, M15, O33*

©2026 by the Authors. This Article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license
<http://creativecommons.org/licenses/by/4.0>

INTRODUCTION

Organization Overview

Emirates NBD is one of the largest banking groups in the UAE, playing a major role in retail and digital financial services. The bank has a strong market position and is actively investing in digital transformation to strengthen its competitive advantage. It also aligns its strategy with UAE Vision 2031, which promotes innovation and digital economy growth (Emirates NBD, 2024).

Industry Position and Trends

The banking industry is rapidly changing due to fintech disruption, AI adoption, and increasing customer expectations for mobile-first services. Customers now prefer fast, convenient, and fully digital banking experiences. At the same time, competition from neo-banks and digital-only financial platforms is increasing pressure on traditional banks to innovate and modernize their services (Burnes, 2020; Kotter, 2012).

Research Objective and Organizational Tension

This study examines how Emirates NBD manages the tension between its traditional banking culture and its ambition to become a fully AI-driven digital organization. The key objective is to evaluate how effectively leadership and change management strategies support employee transition during this transformation. The main challenge is balancing technological advancement with human adaptation within the organization (Emirates NBD, 2024).

Problem Statement

Despite major investments in digital transformation, many banking organizations struggle to manage employee resistance, emotional uncertainty, and leadership alignment during organizational change. Emirates NBD faces the challenge of balancing technological advancement with employee adaptation and organizational stability. Therefore, this study examines how leadership and change management strategies support employee transition during digital transformation (Burnes, 2020; Kotter, 2012).

Research Gap

Previous studies on digital transformation mainly focus on technology adoption, operational efficiency, and customer experience within the banking sector. However, limited attention has been given to employee emotional transition and leadership support during digital transformation in UAE banking institutions. This study addresses this gap by examining employee adaptation and leadership strategies within Emirates NBD during organizational transformation.

Industry Context and Need for Change

The banking sector is transforming due to fintech companies, digital payments, and the shift toward a cashless economy. Emirates NBD must upgrade its systems and employee capabilities to remain competitive. The gap between current performance and desired goals highlights the urgent need for change (Burnes, 2020).

Pressure for Change

The need for change at Emirates NBD is driven by increasing environmental turbulence in the banking sector. External pressures include rapid fintech growth, rising customer expectations for digital services, and stricter regulatory requirements from the UAE Central Bank. The

emergence of digital-only banks such as Liv. has intensified competition and forced traditional banks to accelerate innovation (Emirates NBD, 2024).

From a PESTEL perspective, technological factors such as AI and cloud banking are reshaping service delivery, while economic diversification in the UAE supports digital finance expansion. Social factors also show a clear shift toward mobile-first and cashless transactions. Internal pressures include high operational costs, outdated legacy systems, and employee resistance to change due to skill gaps and uncertainty (Burnes, 2020).

These combined forces create strong competitive dynamics, where failure to adapt may lead to reduced market relevance. Therefore, continuous transformation is essential for sustaining long-term performance and customer trust in a highly digitalized banking environment.

Change Initiative

The change initiative at Emirates NBD is a large-scale digital transformation aimed at building an AI-driven banking model. This includes digitalizing core services, adopting cloud-based systems, reskilling employees, and restructuring traditional banking operations. The main objective is to improve customer experience, increase efficiency, and reduce reliance on physical branches (Lewin, 1951).

This transformation can be categorized as a second-order or radical change, as it fundamentally shifts the bank's structure, technology, and culture rather than making minor improvements. A key part of this initiative is the "Digital Core" program, which focuses on cloud migration and advanced data-driven banking solutions to enhance agility and innovation (Burnes, 2020).

Kurt Lewin's model explains the structural stages of organizational change, while William Bridges' model focuses on employee psychological transition. Lewin explains how organizations implement change, whereas Bridges explains how employees emotionally experience change. Therefore, both theories complement each other in understanding transformation at Emirates NBD (Emirates NBD, 2024).

Overall, the change affects the entire organization, requiring alignment between technology, people, and processes. It represents a strategic shift toward a fully digital ecosystem rather than a traditional branch-based banking model.

Transition and Emotional Dynamics

Using William Bridges' Transition Model, employees at Emirates NBD experience three emotional stages during transformation. In the Ending Phase, employees may feel fear, denial, and anxiety as traditional roles, especially in branches, are reduced or automated. For example, branch managers may worry about job security and loss of status (Bridges, 2009).

In the Neutral Zone, employees face confusion, role ambiguity, and reduced productivity as old systems are removed but new digital processes are not fully mastered. This stage often creates stress but also opens space for creativity and experimentation if managed well.

In the New Beginning, employees gradually accept new systems, rebuild confidence, and show higher motivation. They start identifying with the digital-first culture and feel more engaged in their roles. A key distinction is that "change" refers to external structural shifts, while "transition" reflects the internal psychological adjustment employees experience during the process. Managing this emotional journey is essential for successful transformation (Bridges, 2009).

Supporting Employees During Change

During the transformation at Emirates NBD, supporting employees emotionally and professionally is essential to reduce resistance and uncertainty. Empathy and active communication help employees feel valued during uncertain times. Open discussions, regular updates, and listening sessions allow staff to express concerns and reduce fear (Bass & Avolio, 1994).

Leadership plays a central role in guiding this transition. Through visible presence and consistent messaging, leaders can build trust and stability. This reflects Bass and Avolio's Transformational Leadership Theory, where leaders influence employees through motivation, vision, and inspiration (Kotter, 2012).

Transformational leaders demonstrate Idealized Influence by acting as role models and Intellectual Stimulation by encouraging innovation and problem-solving. HR support such as training programs, counseling, and structured communication further helps employees adjust to new systems. Overall, strong leadership and transparent communication reduce resistance and create psychological safety during organizational change.

Strategies in the Neutral Zone

The neutral zone is a critical stage that allows innovation and learning. Organizations should encourage collaboration, provide training, and support experimentation to turn uncertainty into opportunity (Burnes, 2020).

Adapting to New Roles and Structures

As Emirates NBD moves toward a digital-first model, employees must adapt to new roles, skills, and performance expectations. Mentorship and coaching programs help employees learn new systems faster, especially when senior staff guide junior employees through digital adoption. Digital champions also support behavioral modeling by demonstrating correct use of new technologies (Bandura, 1977).

This process is supported by Albert Bandura's Social Learning Theory, which explains that employees learn by observing and imitating others in the workplace. In addition, continuous feedback systems such as 360-degree evaluations and performance reviews help employees understand their progress and improve performance.

To sustain change, rewards and KPIs must align with digital goals, encouraging employees to adopt innovative behaviors. The ADKAR model (Awareness, Desire, Knowledge, Ability, Reinforcement) also explains how individuals successfully transition through change. Overall, structured support systems help employees build confidence and adapt effectively to new organizational structures (Hiatt, 2006).

Implications of the Study

Theoretical Implications

This study contributes to change management literature by integrating Kurt Lewin's Change Model, William Bridge's Transition Model, and transformational leadership theory within the context of digital banking transformation.

Practical Implications

The findings highlight the importance of employee communication, leadership visibility, and continuous reskilling during organizational transformation. Banking organizations should prioritize emotional support strategies alongside technological implementation.

Policy Implications

Financial institutions and regulators in the UAE should support workforce development policies that improve digital readiness, employee adaptability, and sustainable transformation practices.

Table 1: Theories Applied in the Study

Theory/Model	Main Focus	Relevance to Emirates NBD
Lewin's Change Model	Structural change process	Explains organizational transformation stages
Bridges' Transition Model	Employee emotional transition	Explains psychological adjustment during change
Transformational Leadership Theory	Leadership influence and motivation	Supports employee engagement during transition
Social Learning Theory	Learning through observation	Explains employee reskilling and adaptation
ADKAR Model	Individual change readiness	Supports employee transition into digital roles

METHODOLOGY

This study adopts a qualitative case study approach focusing on organizational change at Emirates NBD. The research is based on secondary data sources, including academic literature, industry reports, company annual reports, and credible online publications related to digital transformation in the banking sector.

To ensure reliability and balance, data triangulation was applied. This involved comparing findings from academic theories, official Emirates NBD reports, and publicly available employee perspectives from professional platforms such as LinkedIn and Glassdoor. This approach helps to reduce bias and provides a more comprehensive understanding of the change process.

The qualitative approach is appropriate because it focuses on understanding employee experiences, leadership practices, and organizational transition rather than numerical measurement. This method supports an in-depth analysis of how change is managed within a real-world UAE banking context.

Conclusion

Digital transformation is essential for maintaining competitiveness in the banking sector. However, success depends on managing people, not just technology. Leadership, communication, and employee development are key to successful change. Future research can explore similar transformations across different industries.

Although digital transformation improves efficiency and service quality, excessive dependence on automation may increase employee anxiety and reduce organizational commitment if leadership communication is ineffective. Furthermore, rapid technological implementation

may create burnout, resistance, and uncertainty among employees who struggle to adapt to digital systems. Therefore, organizational transformation requires both technological investment and strong emotional leadership support.

REFERENCES

- Bandura, A. (1977). *Social learning theory*. Prentice Hall.
- Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Sage Publications.
- Bridges, W. (2009). *Managing transitions: Making the most of change* (3rd ed.). Da Capo Press.
- Burnes, B. (2020). *Managing change* (8th ed.). Pearson.
- Emirates NBD. (2024). *Annual report 2024*. <https://www.emiratesnbd.com>
- Hiatt, J. (2006). *ADKAR: A model for change in business, government and our community*. Prosci Learning Center Publications.
- Kotter, J. P. (2012). *Leading change*. Harvard Business Review Press.
- Lewin, K. (1951). *Field theory in social science*. Harper & Row.
- UAE Government. (2021). *UAE Vision 2031*. <https://u.ae>