

**CHANGE MANAGEMENT AND EMPLOYEE PERFORMANCE IN  
COMMERCIAL BANKS TRANS NZOIA COUNTY, KENYA**

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**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of  
Master of Science in Human Resource Management of Kibabii University**

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## DECLARATION

This thesis is my original work prepared with no other than the indicated sources and support and has not been presented elsewhere for a degree or any award.

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## CERTIFICATION

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## **ABSTRACT**

Increasing market pressures and market regulations have forced commercial banks to implement drastic organizational changes in order to remain competitive. However, while organizational change is a constant experience, the process of managing change involves a lot of challenges which if not well dealt with could hinder the attainment of desired goals. The purpose of this study therefore was to investigate the effects of change management on employee performance in commercial banks in Trans Nzoia County, Kenya. The specific objectives of this study were to; determine the effect of downsizing on employee performance, examine the effect of change in technology on performance of employees, determine the effect of structural change on performance of employees and determine the effect of organization culture on performance of employees in commercial banks in Trans Nzoia County. The study was guided by Uncertainty Management Theory, Lewin's Change Management and McKinsey 7-S Change Management Models. Literature was reviewed as per the study objectives. The study adopted a descriptive survey research design. Target population of the study consisted of 470 employees drawn from 14 commercial banks in Trans Nzoia County. A sample size of 216 of employee was arrived at and stratified simple random sampling used to categorize managers, supervisors/administrators and clerical /tellers. Data was collected using the questionnaires. Validity and reliability of the study instrument were ascertained and results showed that the instrument was valid and reliable. Cronbach alpha coefficient was determined and yielded an alpha value of 0.770 which was considered reliable. Quantitative data was analyzed using descriptive and inferential statistics. The results indicated that downsizing ( $\beta=0.489$ ;  $p=0.$ ), technological change ( $\beta=0.654$ ,  $p=0.$ ), structural change ( $\beta=0.673.$ ;  $p=0.$ ), organizing culture ( $\beta=0.435$ ,  $p=0.$ ), had statistically significant effect on employees performance in commercial banks. Therefore, the study concluded that change management had significant effect on the employee performance in commercial banks in Trans Nzoia County. The study recommended that management of commercial banks undertaking organizational change should focus on participatory leadership and communication strategies to enhance employees' readiness for change. Further, commercial banks management should strive to be a learning organization and promoting changing attitudes that support organizational change management. The findings of this study would be beneficial to the employees of commercial banks as they would be sensitized about the culture and structure of their organization, downsizing and technological change adopted by their organization. The findings of this study would also be invaluable to future researchers who would wish to explore further how change management impacts on employee performance in organizations.

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## **ABBREVIATIONS AND ACRONYMS**

<b>NACOSTI</b>	National Commission for Science, Technology & Innovation
<b>SACCO</b>	Saving and Credit Cooperatives Societies
<b>SPSS</b>	Statistical Package for social scientists
<b>US</b>	United States

## **OPERATIONAL DEFINITION OF TERMS**

- Change Management:** It is a structured approach to transition individuals, teams, and organization from current state to a desired future state, to fulfill or implement a vision and strategy. In this study, change management included management of downsizing, organizational culture, structural organization and technological change.
- Commercial Banks:** It is a financial institution in Trans Nzoia County which provides services, like accepting deposits, giving business loans and auto loans, mortgage lending, and basic investment products like savings accounts and certificates of deposit and is licensed by Central Bank of Kenya.
- Downsizing:** It is a strategy implementation by commercial banks in Trans Nzoia county to reduce the size of their workforce which is intended to improve employee performance. In this study, this variable was measured through workforce reduction strategy, organizational redesign strategy and managing transition.
- Employee Performance:** It is how well employees of commercial banks in Trans Nzoia County perform on the job and assignments assigned them measured against the generally accepted measure of performance standards such as quality of output and timeliness in completion of tasks. Employee performance was measured through quality output, completion of tasks and timeliness in completion of tasks.
- Organizational Culture:** These are the norms, belief and values of commercial banks in Trans Nzoia County that binds employees together so as to achieve superior employee performance. This variable was measured through organizational norms, belief, values and

systems.

**Structural Change:**

Redesign of the structure such as span of control, work specialization and chain of command of the commercial banks in Trans Nzoia County due to influences from the internal or external environment so to meet the customer needs or market needs more effectively. The variable on structural change was measured through work specialization, chain of command and span of control.

**Technology Change:**

It is the overall process of invention, innovation and diffusion of technology or processes in commercial banks in Trans Nzoia County with the intention to improve employee performance. Technological change was measured through innovations like mobile banking, automated customer service machines, smart cards, telephone banking, Electronic Funds Transfer, Electronic Data Interchange, electronic home and office banking.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The world of banking and finance has been in a state of constant change. Increase of regulations and massive change in customer behaviour poses a significant challenge to financial institution (Kaiser & Ringlstetter, 2010). Without a doubt, as of late, sector related to financial services everywhere throughout the world has encountered a lot of outside pressure somehow because of technological advancement, wide spread economic crisis and deregulation. This has required the capacity of money related foundations to pick the correct change prospects while showing the important level of adaptability to meet the liquid necessities of the organization after some time (Barbaroux, 2011). Accordingly, a few banks have needed to set out certain vital moves incorporating acquisition and mergers so as to be focused. This circumstance among others has put various banks under serious strain to perform subsequently, requiring continuous organizational changes to keep up the pace.

Moran and Brighton (2011) characterized change the management as the procedure of ceaselessly restoring direction of an organization, structure and abilities to serve the regularly changing needs of outer and inward clients. Most managers today would concur that change has turned into a consistent marvel, which must be taken care of and oversaw appropriately if an organization is to outlast. Changes in innovation, the political condition, workforce demographics, social values, global economy, information systems and marketplace all significantly affect the procedures, services and products created. The summit of these powers

has brought about an external environment that is dynamic, eccentric, requesting and frequently wrecking to those organizations, which are ill-equipped or unfit to react (Burnes, 2004).

It is critical to emphasis that in forms of change management, new frameworks are presented, techniques and structures are changed, jobs might be appointed and reassigned, and staff rationalization could be affected. All these could have quick and critical impact on the workforce inside the organization and if not appropriately oversaw may prompt work attitude shortcomings including work disappointment (Thompson, Strickland and Gamble, 2010). In practice, it has been discovered that workers regularly react adversely to change because of expanded work stress and pressure frequently connected with the change procedure (Self and Schraeder, 2009; Jones *et al.*, 2008). Further, studies have discovered that workers are additionally worried about the greatness of change and how it impacts on their activity (Bartunek *et al.*, 2006). In this way, the degree of planning and the whole administration of a change procedure assume a significant role since it is a noteworthy employees' concern (Korsgaard *et al.*, 2002).

Change in organization is a consistent encounter that includes a ton of challenges which if not well managed can thwart the fulfillment of desired outcome (Mbaabu, 2013). Further, awareness and knowledge about a considerable key issues entailed in the management of such change is regularly lacking in those charged with its development. A fruitful change program guarantees that workers comprehend the requirement for change and can become tied up with the change program. During change, workers contemplate about how change will profit or

potentially hurt them and along these lines they require stellar administration during change process (Jabri, 2017).

The capacity to oversee and adjust to management change is a fundamental capacity required in the working environment today (Felicetti, 2009). Management of change influences employee performance in pre and past change period. During the change procedure, the conduct of the workers is incredibly affected through enthusiastic reactions. At the point when the issue of progress is acquainted with the employees, they will react with fear. They frequently behave in resistant and defensive role. It is vital to note that workers do not view change in positive perspective. Change meddles with their normal duties and they are exposed to a deviation from what they are accustomed to doing (Chemjor, 2015).

Globally, various studies have been conducted on the relationship between change management and performance. A study conducted in US by Dicke (2007) on employee engagement and change management concluded that employees who are engaged during a change management initiative are likely to have increased “buy-in” and better performance. Amanda (2013) on change management in the public sector indicated that there is need to align change management strategies to the employee perception so as to achieve improved employee performance in Canadian public sector organizations. In Sweden, Güler (2010) on change Management a case of SAP implementation in a major company found that change management had great impact on employee performance. He further stated that change management process should include attention to human factors such as communication, motivation and participation.



In Romania, Liviu and Cristian (2015) focusing on change management as a competitive advantage for Romanian companies showed that while 88% of Romanian organizations developed strategies in order to implement changes, only 9% of their staffs are very satisfied and 36% are satisfied with the implementation results. Isa, Hin and Yunus (2012) in their study change management initiatives and job satisfaction among salespersons in Malaysian direct selling industry found that change management initiatives in Malaysia direct selling industry had significant effect on employee job satisfaction as a result of shared change vision, training and upline support. Khosa, Rehman, Asad, Bilal and Niaz Hussain (2015) on the impact of organizational change on the employee's performance in the banking sector of Pakistan concluded that organizational change management has a positive significant impact on employee's performance in banking sector.

In Ghana, Osei-Bonsu (2014) on the impact of change management on job satisfaction of employees in Ghana's banking sector revealed that change management had positive impact on employees' job satisfaction. In Egypt, Ahmed (2012) on the impact of changing management on hotels' employees found that change management resulted to psychological support and equality between the employees which had significant influence on employee performance. Kalima (2015) investigated strategic change management practices at the Malawi enterprise development fund and found out that change management at the Malawi enterprise development fund had profound effect on employee performance as a result of staff training and through promotions of concerned staff members. Companies in South Africa make change-related tension for their workers in two different ways; first, the degree of tension relies upon the effect the change has on the people own work. This implies that high tension is as a result

of huge personal demand. Second, if change significantly affects the work unit and that change isn't overseen well, as far as decency, this additionally will in general lead to encounters of individual strain. If change isn't very much overseen it can result to high work turn over and low generation (Donald, 2005).

Regionally, Fetiya (2015) on change management and organization performance: pre- post case study at Federal Ministry of Health, Ethiopia found out that change management in Ethiopian Federal Ministry of Health has positive impact on employee performance due to introduction of Balanced Scorecard as part of performance management programme. Ndahiro, Shukla and Oduor (2015) found out that change management in Rwanda Revenue Authority had been planned and implemented well resulting to increase in employee performance due to training and development as well as employing modern technology. In Tanzania, Kilato (2014) focused on change management effect on organization performance of manufacturing industries in Tanzania a case of Tanzania Portland Cement Company in Dar es Salaam (TPCC) and revealed that lack of recognition to issues of change management to staff in Tanzania Portland Cement Company Ltd (TPCC) affected employee performance negatively. In Uganda, Aupal (2016) on change management practices and performance of selected local governments in Eastern Uganda found there is relationship between change management practices and performance of selected Local Governments in Eastern Uganda.

Locally, different investigations have uncovered that change management has influence on performance of employees. Wanza and Nkuraru (2016) on impact of change management and performance of employee: An instance of University of Eldoret, Kenya discovered that Change

management influences performance of employees in different measurements in the University of Eldoret. Management of change was conceptualized using culture structure, technology and leadership. Technological change has both negative and positive impact on performance of employees. Njuguna and Muathe (2016) conducted in-depth critical review on the management of change and performance of employees. They uncovered that all signs pointed that that change management factors such as communication, training, motivational commitment and participatory leadership are significantly and positively related to the performance of employee. Kinoti (2015) on impacts of management of change on performance of employees in co-operative bank of Kenya reasoned that management of change enhances performance of employees, because of viable supervisory connections and work process impacts productivity.

An investigation by Wandera (2014) on financial institutions change management, a contextual analysis of Kenyan banks uncovered that change management impacts commitment and sense of belonging by workers to be progressively profitable. Nzuki (2012) looked to discover the impacts of structural change on performance of employees at the Kenya Electricity Generating Company singled out structural parameters, for example, work teams, job redesign, span of control and chain of command on employee performance on the organization. Discoveries of the exploration showed that adjustments in levels of leadership range of control, work organization prompted an improvement in worker performance.

Burnes (2009) observes that change management process is continually renewing an organization's direction, structure and capabilities to serve the ever-changing needs of external and internal customers and improve organization performance (Moran and Brightman, 2005).

Recent changes in economic, political and social transformations have forced banks in Kenya to emphasize on change management to achieve set goals and objectives. Commercial banks have undertaken change management which according to the management will bring confidence and growth in activities and offer satisfactory services to their customers. As a result banks have implemented Credit Risk Management, restructuring, regulatory and policy reforms, business process reengineering, development of alternative distribution channels such as e-banking, new roles, as well as managerial practices. This study therefore sought to fill the existing gap by determining how change management affects performance of employees.

One of the objectives of change management is with respect to the human aspect of managing change resistance so that members of an organization are able to accept change and attain goals of the organization in effective transformation and orderly manner. The initiation of change results to a great deal of opposition and resistance with the workforce (Omitto, 2013). This is on the grounds that any change in {status quo" leads to fear since there is no one general way to deal with change management. Those who are for the status quo will obviously resist the change in the organization. They must be involved in the idea generation and formulation of the change so as to allay their fear.

As indicated by Bakotić (2016), employee performance relies upon frame of mind towards work related conditions, or parts of the activity. Ying (2012) was of the view that employee performance is to a greater extent a reaction to a particular job. Performance of employee is a significant component from management point of view, as it prompts higher commitment of

employees in the organization and this high commitment results to overall development and success of an organization.

Performance of employee has been observed to be related with organizational trust and this result to improvement in performance (Mugane, 2016). Evading threatening downsizing can significantly improve trust in the organization as it improves security of job thus performance of an organization increases. Performance of employees additionally passes for as critical indicator of retention and commitment of employees in an organization (Kim *et al.*, 2004). At the point when workers are happy with their activity, they are additionally eager to give services that surpass customers' desires and decidedly impact customers' attitude towards their services. Interestingly, workers who are disappointed with their activity are probably going to have occupational stress and be less profitable (Skinner and Champion, 2008). In this way, exceedingly dedicated, high performing, and glad workers are significant assets to an organization.

There are forty two commercial banks in Kenya of which ten of them are enlisted on the Nairobi Securities Exchange (NSE) according to Central Bank of Kenya report 2015, of which 28 banks are privately owned and 14 are owned by foreigners (CBK, 2015). Kenyan banking sector has advanced in relation to neighboring countries in the region, it has been licensed for its diversification and size (Muteti 2014). Kenya's standard indicator for financial development remained at 23.7% in 2008, Tanzania had 12.3% Uganda 7.2% and in respect to a middle of 12.3% for Sub-Saharan Africa (Ngumi, 2013). Worth noting is that the value of gross non-performing loans (NPLs) increased by 47.5% from Ksh.117.2billion in March

2015 to Ksh.172.9 billion in March 2016. This resulted in an increased ratio of gross NPLs to gross loans of 7.8% in March 2016 from 5.7% in March 2015. Consequently, the quality of assets, measured as a proportion of net non-performing loans to gross loans deteriorated from 2.6% in March 2015 to 4.3% in March 2016. This was an indication of poor performance of commercial banks in Kenya and consequently, in Trans Nzoia County.

Previous studies on change have paid little attention on management and employee performance with a lot of them focusing on effect of organizational change on organizational performance. Khatoon and Farooq (2016) explored the relationship between the aspects of organizational change and organizational performance while Kenneth (2013) focused on organizational cultural change and its impacts on performance in public institution: the case of Tanzania Public Services College. A study conducted by Khosa *et al.* (2015) on the impact of organizational change on the employee's performance in the banking sector of Pakistan revealed that organizational change has a positive significant impact on employee's performance in banking sector of Pakistan.

As commercial banks expect more changes in the future, the effect of these changes on employee performance has attracted attention of various researchers and scholars locally and internationally. However, the results have mixed outcome on the effect of change management on employee performance. A qualitative study carried out by Amanda (2013) in Canada to find out change management in the public sector indicated that change management has positive effect on service delivery in public sector. Osei-Bonsu (2014) carried out descriptive quantitative research design on the impact of change management on

job satisfaction of employees in Ghana's banking sector and found that change had a positive impact on employees' job satisfaction. In Kenya, Njuguna and Muathe (2016) on critical review of literature on change management on employees' performance conceptualized change management as participatory leadership, motivational commitment, training and communication are positively and significantly correlated to the employee's performance.

However, longitudinal research carried out by Kilato (2013) on change management effects on organization performance of manufacturing industries in Tanzania found out that change management has negative effects on the performance of an organization resulting to loss of valued employees, productivity loss, active and passive resistance. In Kenya, Wanza and Nkuraru (2016) did a study on influence of change management on employee performance: a case of University of Eldoret revealed that change management was measured in terms leadership, technology, structure and culture. The results revealed that technology had both negative and positive effect on employee performance. Further, changes in technology have influenced the changes in structure.

## **1.2 Statement of the Problem**

Majority of commercial banks in Kenya have undergone numerous changes in response to customer expectations, globalization, technological development, and competition and regulation requirements (Njoroge, 2014). This has seen commercial banks retrenching aged employees to reduce their workforce, merging so as to strengthen their visibility in the market, introduction of mobile banking, ATM and agency banking so as to reduce the transaction costs (Njoroge, 2014). Despite this change, some commercial banks have failed to realize expected

employee performance as some of the employees feel threatened by these changes due to loss of job, status quo, security and change in work schedule (Cytonn, 2016).

Less attention and research has been conducted on the effects of change management on employee performance of commercial banks in Trans Nzoia County. Wanza and Nkuraru (2016) investigated the Influence of change management on employee performance a case of University of Eldoret, in Eldoret town while Omitto (2013) evaluated employee perception of change management practices at Kenya Commercial Bank Nairobi County. Muia (2015) focused change management challenges affecting the performance of employees: a case study of Kenya Airports Authority, Nairobi while Odenyo and Kerongob (2014) focused on the challenges of dealing with strategic change management at Taifa Cables and Retreads Limited in Mombasa City. Therefore, there was need to study the effect of change management of employee performance of commercial banks in Trans Nzoia County, to fill existing theoretical, conceptual and contextual gaps.

### **1.3 Purpose of Study**

The purpose of this study was to establish the effect of change management on employee performance in commercial banks Trans Nzoia County, Kenya.

### **1.3 Objectives of the Study**

The general objective of the study was to investigate the effects of change management on employee performance in commercial banks in Trans Nzoia County, Kenya.



### **1.3.1 Specific Objectives**

The specific objectives were to:

- i) Determine the effect of downsizing on performance of employees in commercial banks in Trans Nzoia County.
- ii) Assess the effect of change in technology on performance of employees in commercial banks in Trans Nzoia County.
- iii) Evaluate the effect of structural change on performance of employees in commercial banks in Trans Nzoia County.
- iv) Establish the effect of culture on performance of employees in commercial banks in Trans Nzoia County.

### **1.4 Research Questions**

The study sought to answer the following questions:

- i) What is the effect of downsizing on performance of employees in Commercial banks in Trans Nzoia County?
- ii) What is the effect technology on performance of employees in Commercial banks in Trans Nzoia County?
- iii) What is the effect of structural change on performance of employees in Commercial banks in Trans Nzoia County?
- iv) What is the effect of organization culture on performance of employees in Commercial banks in Trans Nzoia County?

## **1.5 Significance of the Study**

### **1.5.1 Commercial Banks' Management**

The management of Kenya commercial bank would benefit from this research project by knowing how to manage change without affecting the performance levels of their employees and thus increasing their productivity. Specifically, the findings of this study would elaborate commercial bank employee performance, which is a critical factor in determining success of change management in any organization. This would be critical in future change management initiatives within the organization.

### **1.5.2 Employees**

The findings of this study would also be beneficial to the employees of commercial banks as they would be sensitized about the culture and structure of their organization, downsizing and technological change adopted by their organization. The study would point out the strengths and weaknesses of the organization's change management and sensitize the employees on the need to undertake change when necessary in order for them to remain relevant to the organization. From the findings of this study the employees would therefore be enlightened on the implication of these elements of change management and particular how they impact on their performance.

### **1.5.3 Future Researchers**

The findings of this study would also be invaluable to future researchers who would wish to explore further how change management impact on employee performance in organizations.

This implies that the findings of this study would contribute to the growth of knowledge in change management.

### **1.6 The Scope of the Study**

The study focused on all 14 commercial banks branches located in Trans Nzoia County, Trans Nzoia County (CBK, 2016). These included: Cooperative bank, National Bank of Kenya Ltd, Diamond Trust Bank, Postbank, Eco bank Kenya Ltd, Family bank, Sidian Bank, Equity bank limited, Kenya commercial bank, Standard chartered bank limited, Barclays bank limited, Oriental bank, Bank of Africa, and I&M bank. The population of study was at 216 bank employees (Human Resources Record of Respective Banks, 2018). The study was conducted between January 2017 and September 2018. The study focused on change management which included downsizing, technological change, structural change and organizational culture.

### **1.7 Limitations of the Study**

Some respondents were not willing to give sensitive employee performance information. This was however mitigated through assurance of the confidentiality of their responses. Since the 14 commercial banks were well spread in the County, the researcher used research assistants in the distribution and collection of questionnaires.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This literature review attempts to discuss various literatures related to change management and how it relates to employee performance. The literature also identifies knowledge gaps by other researchers of similar studies.

#### **2.1 Theoretical Literature Review**

This study was guided by uncertainty management theory to explain how changes affects employee productivity while McKinsey 7-S Change Management Model and Lewin's Change Management Model to explain change management in organization.

##### **2.1.1 Uncertainty Management Theory**

Organizational change and pressure of irregularity results lead to vulnerability and dangers to workers 'prosperity (Terry *et al.*, 2001). At the point when new technique, another item or new structure is initiated employees are regularly oppressed with new jobs and duties. The subject of whether this new job will fit the present one can cause job strain, and is a noteworthy cause of worker's nervousness, stress and vulnerability (Carnall, 2003). A basic component of the passionate state with change is a feeling of loss. In the underlying stages, when little is thought about the change activity, individuals have restricted learning of the proclaimed advantages. Once in a while the main thing that is sure is the information of intermittence. In this way workers just realize what they will lose, not what they will gain

(Buller, 1988). Because of these reasons employees lead to fear of consequence change. Dubrin and Ireland (1993) noted that resistance to change is attributed to employee's fear of poor outcomes, the unknown, and realization of pitfalls with the change.

Van den Bos (2001) serves as the theoretical foundation for positive change orientation. Reductions in uncertainty are associated with more positive employee perceptions and behaviors (Lind & Van den Bos, 2002) and improve employee reactions and change-related outcomes (Rafferty & Griffin, 2006). From these indicators of the latent positive change orientation construct is change self-efficacy (Jimmieson, Terry, & Callan, 2004), Change self-efficacy. Employees with high levels of change-related self-efficacy believe they have the ability to deal with change-related demands and that they can function effectively during the change process (Jimmieson *et al.*, 2004). Ozer and Bandura explicate a specific relationship between self-efficacy and threat appraisal when noting that threat is not a fixed property of situation events rather, threat is a relational property concerning the match between perceived coping capabilities and potentially hurtful aspects of the environment. People who believe they can exercise control over potential threats do not conjure up fearful cognitions, and, hence, are not disturbed by them.

### **2.1.2 Lewin's Change Management Model**

The planned approach to organizational change emerged through the work of Kurt Lewin relating to group decision-making, implementation and social change. For Lewin, a major concern was the issue of group conduct. He observed that the behaviour of individuals differed from group to group. Thus, in an attempt to understand the uniformity of some

groups' behaviour against others, he was able to argue that people may come to a group with very different reasons, but if they share a common objective, they are more likely to act together to achieve it. He maintained that there was a need to change group conduct so that it would not revert to the old level within a short time. In support of Lewin's theory, Burnes (2004), suggested that 'only by resolving social conflict, whether it be religious, racial, marital or industrial, could the human condition be improved'. Hence, Lewin's theories were premised on the fact that planned change, through learning, would enable individuals to understand and reframe their views on how to resolve social conflict. From Lewin's work resulted a model that views change as a three-step procedure. This three-step model is associated with intentional change in the organisation and change initiators may choose to use a range of strategies to implement the intended change (Branch 2002). According to Harper (2001) the three steps are unfreezing, initiating the change (moving) and refreezing.

To expand, in the unfreezing step, workers deviate from the manner in which things have been undertaken. In firms, for viable change to happen, employees must grasp new work practices with a feeling of criticalness. So as to accomplish this, workers are urged or are compelled to remove themselves from safe zone that they were familiar with so they adapt to new work practices, regardless of whether there is vulnerability in regards to their future. Also, Harper (2001) contended that organizations that are executing change the management ought to urge workers to comply with an arrangement that takes into consideration the 'sloughing of yesterday' since 'it will power thinking and activity ... profit for new things ... make an eagerness to act'. In any case, this procedure has downsides, similar to tension and dangers related with vulnerability that can prompt unconstructive as opposed to useful conduct with

respect to workers. These standards of conduct have been noted by Argyris (1993) who saw that employees will in general become on edge while performing new assignments, not knowing the results of the change if the change isn't yet started.

In stage two (starting the change), workers take part in exercises that distinguish and actualize better approaches for getting things done or participate in new exercises so as to achieve change. In this regard, Harper (2001) recommended that for compelling change to occur, the management must guarantee that every single applicable stakeholders are allowed the chance to be occupied with basic leadership and critical thinking in a community oriented way. While the last was prevalently the job of the executives, the present reasoning is that workers who turned out to be included are well on the way to acknowledge change and become focused on making change a triumph. A superior comprehension of the requirements and advantages of progress may result in almost no opposition with respect to change beneficiaries. In the third and last advance (refreezing), the accentuation is on the fortifying of new procedures and assignments in the organization by the business. For this progression to be fruitful, workers must be recognized, as remuneration is a significant thought. Reward is essential for conduct adjustment. Workers ought to get suitable acknowledgment for changes in conduct in the event that they grasp or acknowledge the change. In this occasion, compensate serves to perceive that the new conduct is obeyed and keeps past conduct from reoccurring (Harper 2001).

In this way, as indicated by Branch (2002), Lewin's model of organizational change can be cultivated in three different ways: Changing the people who work in the association (their aptitudes, qualities, mentalities, and in the long run conduct) – with an eye to instrumental

authoritative change; changing different hierarchical structures and frameworks – compensate frameworks, announcing connections, work plans; or Directly changing the organizational atmosphere or relational style – how frequently individuals are with one another, how struggle is overseen, how choices are made.

Lewin's model centered around the reliance and requesting factors inside a relationship. With regards to the association, this implied there was a procedure of reliance among the various units and subunits inside the organization. Additionally, the degree of reliance depended on the significance of the different units inside the organization. In any case, a noteworthy limit of this model is that it depends on the suspicion that organization work under stable conditions and can move starting with one stable state then onto the next in an sequential way, which means this model probably won't be valuable in more tumultuous and turbulent business situations.

### **2.1.3 McKinsey 7-S Change Management Model**

While a few models of organizational effectiveness go all through design, one that has continued is the McKinsey 7-S system. Created in the mid-1980s by Tom Peters and Robert Waterman, two specialists working at the McKinsey and Company counseling firm, the fundamental reason of the model is that there are seven inward parts of an organization that should be adjusted in the event that it is to be effective in the management of change. The McKinsey 7-S model offers an all-encompassing way to deal with organization. It has 7 factors that work as aggregate of change agent in particular; skills, staff, style, systems, structure, strategy and shared values. This model likewise offers four essential advantages; viable strategy to analyze and comprehend an organization, gives direction in organizational change,



joins balanced and passionate segments lastly all parts are basic and must be tended to in a brought together way.

In McKinsey model, the seven territories of organization are separated into the 'delicate' and 'hard' regions. Procedure, structure and frameworks are hard components that are a lot simpler to distinguish and oversee when contrasted with delicate components. Then again, delicate regions, albeit harder to oversee, are the establishment of the association and are bound to make the continued upper hand. McKinsey 7-S Change Management model does not abandon its points of interest which incorporate successful technique to analyze and comprehend an association, giving direction, joining levelheaded and enthusiastic parts. All parts are indispensable and must be approached in a unified perspective.

Utilizing these model methods when one part changes, all parts change, since all components are interrelated, contrasts are overlooked and the model is intricate (Hayes, 2014). The model depends on the theory that, for an organization to perform well, these seven components should be adjusted and commonly strengthening. In this way, the model can be utilized to help distinguish what should be realigned to improve performance, or to look after arrangement (and performance) during different sorts of change. Whatever the sort of change – rebuilding, new procedures, organizational merger, change of leadership and new systems, etc – the model can be utilized to see how the organizational components are interrelated, thus guarantee that the more extensive effect of changes made in one area is contemplated.

## **2.2 Review of Variables**

### **2.2.1 Change Management on Employee Performance**

Change Management is the viable management of an organizational changes with the end goal those front line employees, managers and executive leaders to show effectively actualization of the needed changes in organizational, technology and process. Seventy Per cent change projects fail to accomplish their objectives, generally because of resistance from employees and absence of managerial support. When an organization truly invests into people, 30 % bound to adhere to the change. The objective of change management is to actualize these business changes rapidly trying to improve performance of an organization through limiting the effect on productivity, maintaining a strategic distance from superfluous turnover or loss of valued workers, dispensing with any undesired effect on their clients and accomplishing the ideal business results as quickly as time permits (Dalziel, 2003).

The attributes of organizational change are predominantly categorized along the following two measurements; radical versus incremental change and reactive versus proactive change. radical changes is characterized as changes that affect the entire arrangement of the organization and in a general sense rethink what the organization is or change its fundamental system, including core values, process, people, structure and strategy(Nadler and Tushman, 2013). Change can be proactive or responsive in nature. Reactive change is characterized as change that is actualized in light of some outside events as well as genuine inward operational and administrative issues. They consider proactive to be as that where the organization to put the organization in a superior position or turn away potential future issues. In spite of the fact that this expectant way to deal with change is commonly ideal, by and by most organizations

will in general adopt a reactive strategy, for the most part as a result of the regularly held view that there is no requirement for change if current performance is attractive (Nadler and Tushman, 2013).

With regards to business tasks, change management influences the performance of workers during and after change. During the change procedure, the conduct of the workers is enormously affected upon through enthusiastic reactions. At the point when the issue of change is acquainted with the workers, they will in general dread. They regularly accept a protective and safe job. Note that employees don't see change decidedly. It meddles with their standard action and they are exposed to a deviation from what they are accustomed to doing. They feel compromised and insured. This realizes mental and enthusiastic unsteadiness, frequently involving on their performance. During the implementation of change, the workers are noted to have negative sentiments and they 'scrabble' about in discovering how to adapt with the impacts of change (Fedor, 2009). The obstruction which is shown is profoundly established in pre-adapted and routine subjection that the workers are previously presented to internal workplace (Stringer 2007).

### **2.2.2 Downsizing**

Downsizing is a standout among the most requesting areas in the management of people with which Human Resources experts can end up been included. Downsizing includes perpetual and purposeful decreases in the workforce. Despite having been especially utilized by American enterprises (Budros, 1999; Cascio, 1998), it has likewise turned into a typical element both in European nations (Suarez-Gonzalez, 2007) and in some rising nations

(Ahmadjian and Robinson, 2001). Writing on this issue has focused not just on its causes (Vicente-Lorente and Suarez-Gonzalez, 2007), but on the procedures executed to diminish the labour force (Cameron, 1994; DeWitt, 1993) just as its results (De Meuse *et al.*, 2004). Organizational downsizing comprises of a group of undertaking, attempted with respect to the management of an organization, intended to improve organizational effectiveness, profitability, and/or aggressiveness. Cutting back represents a technique actualized by management that influences the size of the company's workforce and its work procedure (Cameron *et al.*, 1993).

Since scaling down includes contracting an organization's workforce; subsequently, human resource management ought to be considered intently before receiving such strategies in firms. As indicated by Kravitz (1993) and Burne (1994), there are odds of emerging of disturbances in the work environment, which may result in pressure, dissatisfaction, nervousness and outrage in employees who survive downsizing'. As scaling back turns out to be progressively pervasive there is a developing need to deal with the organizational results of workforce decreases (Appelbaum and Donia 2001).

The impacts of downsizing stretch out past those workers who lose their positions. Cutting back may likewise adjust the workplace for those specialists who remain individuals from the organization here in alluded to as 'survivors'. As organizations scale down to adapt to the current economic turbulence, they are seeing a developing blend of feelings experienced by staff installed. Having held their most grounded performers; organization pioneers are baffled

and confounded by upheavals of temper, mentality and diminished productivity from a portion of these workers.

Downsizing may likewise change the workplace by adjusting the relationship among colleagues. A few scholars have contended that the uncertainty produced by cutting back makes a considerably more aggressive condition for employees, one in which every worker is essentially worried about sparing his/her very own activity. This could be deciphered as a move from an aggregate promise to a separately based direction. Accordingly downsizing survival perhaps identified with decreases in the eagerness of colleagues to corporate and helps each other with employment undertakings possibly impeding functions of an organization.

### **2.2.3 Technology Management Change**

Technological change and its effect on the labour force have turned into a focal point of consideration everywhere throughout the world. Numerous businesses and countries in the developing and developed nations have set up innovative work units, divisions and associations to empower them to adapt to technological change. The degrees of total of technological mechanical advancement by organization and country decide its exhibition and improvement. This is identified with the control and management of interior and frameworks and its reaction to outer framework. Critical improvement in yield, efficiency and development are accomplished when they utilize new innovation (Dauda and Akingbade, 2011).

Employees, supervisors and managers need to practice and operationalize the management theories to advance innovation development for competitiveness in the organization. It is the acknowledge of these that have made numerous organizations to reliably advance the pertinence of human resource management to advancement in innovation. Disregarding the dynamic technological advances, human resources still needs to apply his abilities and acumen in reasonable ways for improved innovative advancements. At whatever point the executives styles of top directors go amiss from human resources management theories, ideas, models and practices, they are frequently askew in their endeavors to improve employee performance for innovation advancement and for the general organization improved performance. Human resource management furnishes administrators with sufficient instruments for improving innovation development (Boyd, 1984).

In any case, there are clashing perspectives about the effect of changing innovation for business. A few specialists state that the pace of technological change is quickening and that a huge number of laborers in plants and workplaces are influenced as work sparing developments is diffused all the more generally (Mark, 2010). Technological change and its effect on the work force have turned into a focal point of consideration everywhere throughout the world. The developments incorporate propelled communication frameworks, modern robots, adaptable assembling frameworks, computer-assisted manufacturing (CAM) and computer aided design (CAD). These cutting edge innovations incorporate incredible and minimal effort microelectronic gadgets that can possibly expand profitability in office and plant generation assignments (Smith, 2007). These specialists battle that ongoing developments represent to a sharp takeoff from prior changes and that method for keeping up

employer stability was basic. Technological change is advantageous to all groups in our general public, whichever the changes are more transformative than progressive in nature, and that innovation at last makes a greater number of employments than it kills. Worries about changing innovation have been persistent over our history-normally expanding during times of higher-than-normal joblessness, and lessening to some degree (Mark, 2010).

#### **2.2.4 Structural Management Change**

The association structure is a system of jobs, obligations, expert and correspondence connections that are intentionally intended to achieve an association's errands and accomplish its goals. The structure of associations influences or models the conduct of its workers who become results of authoritative structures in either positive or negative way. In this way, basic insufficiencies may influence worker's conduct and execution contrarily which unfavourably impacts hierarchical execution (Kiggundu, 2012). At the point when the executives changes authoritative structure those workers who are profession arranged put their additional endeavours to prepare themselves and make additional pledge to keep up hierarchical change exertion (Rashid and Zhao, 2010).

At the point when hierarchical structures are progressively reliable it gives workers security and an uplifting frame of mind. A reliable structure is one where the enlisting of workers are inside the association, when representatives are advanced when they are successful and when representatives can unwind about occupation misfortune. An association has a steady structure; representatives will commit themselves and play out the best at the employments, which gives an association a higher creation rate An authoritative structure is the method for

working together, how each change is actualized and how each expected set of responsibilities is made, how the correspondence of the association will work and the vital arrangement to improve profitability (Merker, 2011). Further, associations endeavor to be the best rivals in the earth they are contending in, and in this way should guarantee that the structure they are utilizing impacts decidedly on representatives' exhibition for the association to accomplish upper hand (Marshak, 2005).

### **2.2.5 Organizational Culture**

Both Glission and James (2002), and Manetje and Martins (2009) express the way of life of an association depicts the encounters of workers and gives clarifications about how associations impact mentalities, conduct and the prosperity of people. Roos and Eeden (2010) state corporate culture affects workers' conduct as well as in transit representatives contemplate an organization. Each association has a culture, which comprises of the guiding principle and convictions shared by the workers of the association. It is the hierarchical culture that impacts the conduct of the workers towards this. Culture is the thing that offers character to an association, and it is showed in different zones in the association from workers, to pioneers, to the arrangements inside an association. It is obvious that a solid culture can be accomplished and continued by improving the presentation of the workers. This can be through building up the workers' abilities in groups and acknowledging singular commitment. This is one of the components this examination looked to discover how.

La Grange and Geldenhuys (2008) contend when associations set out on executing changes in their methodologies or adjust to evolving conditions, it is basic they likewise actualize



comparing changes in authoritative culture. As indicated by Manetje and Martins (2009), the real ramifications of steady change in the business world is the progressions additionally influence different parts of the working of the association, for example, hierarchical culture and authoritative responsibility. Thus, Pool (2000) keeps up hierarchical culture assumes a noteworthy job in authoritative change the board. Given the significance of culture to any association and the uniqueness of each culture, it tends to be contended that if an association can't firmly characterize and successfully deal with its very own way of life, making collusions with a key accomplice will result in considerably more difficulties. Munck (2001) states changing an association's way of life is a standout amongst the most central difficulties confronting an association since individuals' characteristic tendency is to clutch whatever feels recognizable, notwithstanding when gone up against with better alternatives.

In their article, Das and Kumar (2010) expressly state social contrasts in collusions are reflected in contrasts in hierarchical schedules or standard working methods, and the distinctions make issues of assignment and coordination in partnerships. Das and Kumar (2010) close there is a relationship between hierarchical culture and the "full of feeling, psychological, and conduct" (Rashid *et al.*, 2004) inclination of dispositions toward authoritative change. The outcomes demonstrated associations with a hired fighter culture indicated emphatically inspirational mentalities toward change while associations with public, divided and arranged societies had lower levels of acknowledgment toward change.

### **2.2.6 Employees Performance**

The human resource is basic and hard to oversee. It is on the grounds that human conduct is profoundly unusual. Diverse from individual to individual, yet frequently with respect to same individual at exchange focuses in time. Regardless of organic and social similitudes, people contrast in their appearance as well as in their abilities dependent on their experience, preparing and experience. Human asset or an individual at work is the most significant segment of the endeavor. The board can't stand to overlook human asset at any expense. The board is the procedure of effectively getting exercises finished with and through other individuals. The administration procedure incorporates arranging. Sorting out, driving and controlling exercises those occur to achieve destinations.

Being a part of the executives, faculty the board additionally plays out similar capacities towards the accomplishment of targets. Various terms are utilized for work force the board. The various terms are work the executives, work organization, work the board relations, worker boss relations, staff organization, human resources the executives and HR the board. In straightforward sense, human asset the executives means utilizing individuals, creating them, using, redressing and keeping up their administrations tuned in to the activity and hierarchical necessities. With regards to business activities, change the board influences the presentation of workers during and after change.

As indicated by Fedor, (2009) during the change procedure, the conduct of the workers is incredibly affected upon through passionate reactions. At the point when the issue of progress is acquainted with the representatives, they will in general dread. They frequently accept a

protective and safe job. Note that representatives don't see change decidedly. It meddles with their standard movement and they are exposed to a deviation from what they are accustomed to doing. They feel undermined and protect. This realizes mental and enthusiastic precariousness, regularly ensnaring on their presentation. During the execution of progress, the workers are noted to have negative sentiments and they 'scrabble' about in discovering how to adapt with the impacts of progress. The obstruction which is shown is profoundly established in pre-adapted and routine subjection that the representatives are recently presented to inside the workplace (Stringer, 2007).

### **2.3 Empirical Literature Review**

A study by Osei-Bonsu (2014) was carried out to assess the extent of employee involvement in the change management processes, assess the impact of change management on employee job satisfaction and thirdly, attitude of employees after organizational change. A descriptive survey research design was employed to administer a self-designed questionnaire consisting of open and closed-ended items to one hundred and forty respondents using simple random sampling. Descriptive statistics was used to analyze the data. The main findings indicated that employees' involvement in the process was limited to provision of adequate information. It was also revealed that generally, the change had a positive impact on employees' job satisfaction. Finally, employee attitudes after the change were found to be positive.

A study by Kamugisha (2013) on the effects of change management in an organization; a case study of National University of Rwanda (NUR) sought to find out the effects of change management in National University of Rwanda. This study found that there are changes in the management of faculties. There are also changes in the requirements and performance of the staff, where administrative staffs are now to have at least a bachelor's degree in relation to the positions they occupy. These changes were found to affect the organization human resources in terms of downsizing, outsourcing and recruiting more staff to fill some new posts. Technological changes in terms of enhanced internet bandwidth in the university have considerably had a significant impact on the operations of the university both in academic and administration.

Al-Jaradat, Nagresh, Al-Shegran and Jadellah (2013) conducted a study that aimed to identify the impact of change management on employee's performance, through a case study of university libraries in Jordan. Three areas of change were addressed, the change in organizational structure, technology change and change in individuals. The researcher designed a questionnaire for the purpose of collecting the raw data, and used the random sample in data collection, 220 questionnaires were distributed on the members of the sample. The study found that change in the organizational structure is not flexible, and therefore this organizational structure is not appropriate for the business requirements within the University Library, leading to overlapping powers and responsibilities. The study found a positive relationship between the areas of change (organizational structure, technology, individuals) and the performance of workers at a level  $\alpha = 0.05$  with 0.589, 0.648, 0.711 correlation coefficient respectively. The study recommended

that in order to ensure the success of the change program, it is appropriate to focus on organizational structure, human relations and technology and there must be a balance between these aspects to improve the performance of employees and this in turn reflects the quality of productivity.

### **2.3.1 Downsizing and Employee Performance**

A study conducted by Mishra *et al.* (1997) on the effects of organizational downsizing and layoffs on organizational commitment: a field research in Turkey revealed that any downsizing process that employees perceived as unfair and unfavorable reduced their organizational commitment. Furthermore, a reduction in organizational commitment not only resulted in ascending absenteeism and severance, but diminished productivity. This study intended to investigate the impact of downsizing on employee of Telkom whether positive or negative. The relationship between downsizing and performance in this study is a negative one, increased organizational downsizing leads to reduced productivity. However, if downsizing is done in the right way, it could result to the desired outcome. It is the interest of this study to address how best downsizing can be done in order to reduce the negative effects.

Research conducted by Leung and Chang (as cited in Chipunza & Berry, 2010, p. 608) indicates that affective commitment in surviving employees are favourable as it could result in lower turnover, job satisfaction and high productivity. Petzall, Parker and Stoeberl (2000) maintain that resentment felt by survivors of downsizing toward employers could consequently result in lower levels of commitment towards achieving organizational goals. While on the other hand, some employees who remain in the organisation may experience

additional commitment and put in more effort as a means of safe guarding their positions, whereas another group of employee will remain unaffected. Wagar (as cited in Chew & Horwitz, 2002, p. 30) maintains “By retrenching often committed employees, organizations are seen as breaking a “psychological contract”, leaving survivors feeling betrayed, lacking commitment and loyalty”.

A growing body of evidence from both practitioner and academic literature, however, indicates that many downsizing efforts have failed to meet their objectives. In many cases, these failures have resulted in trouble. The negative implications of downsizing on remaining employees (survivors) are one of the main reasons organizations fail to meet the above-mentioned objectives. Downsizing tends to induce reduced commitment among survivors. Any downsizing process that employees perceived as unfair and unfavorable reduces their organizational commitment. Furthermore, a reduction in organizational commitment not only results in ascending absenteeism and severance, but diminished productivity. These factors, too, prevent organizations from meeting their downsizing objectives (Knudsen *et al.*, 2003). Particularly in case of break-even point and crises periods, these kinds of unfavorable implications during downsizing increase the problems an organization experiences, even leading to crises that cannot be solved (Akdoğan & Cingöz, 2007).

Sayed (2013) examined the effect of downsizing on trust, reliability, employee resolve and professional success opportunitiess and responsibility as seen by remaining workers in south Africa. A quantitative technique was utilized for this investigation just as surveys. The discoveries uncovered that there exists noteworthy intercorrelations among the key factors of

the investigation that are affected by the way toward downsizing and change (communication, trust, worker duty and devotion, employee resolve and professional success opportunities) separately. It was in this manner inferred that downsizing changes the working conditions for the remaining employees where they will never again feel glad to work for the organization, diminishing their reliability towards the organization.

Rehman and Naeem (2012) explored the effect of cutting back on the performance of employees: A contextual analysis of Pakistan. The researcher proposed a reasonable model of the eventual outcomes of the downsizing and employee performance. The proposed model is the consistent coordination of the unavoidable delayed consequences of the downsizing and is bolstered by past examines on the outcomes of the downsizing. The downsizing influenced workers' reliability, observation about the activity uncertainty and their responsibilities toward the organization.

Cloete (2012) explored the organization duty of those workers who survived and stayed with the retail organization following downsizing. A quantitative research design was used. The example (N=150) contained the two guys and females from various ethnic gatherings. A self-created questionnaire and the Organizational Commitment Questionnaire (OCQ) were utilized to assemble information. Measurably critical connections were found between the anecdotal attributes to be specific, residency, sex and age, and organization commitment. Workers show low normal degrees of responsibility to the organization. All the more explicitly, an immediate, positive relationship was found among regulating and full of feeling responsibility.

In a study conducted by Kivimäki, Vahtera, Pentti and Ferrie (2000) an increase in the amount of employee absenteeism due to sickness as well as morbidity and mortality was observed after the implementation of downsizing. This is maintained by Koonce (as cited in Ndlovu & Parumasur, 2005, p. 19) who explains that many organisations reduce their workforce to save costs and become more efficient but many do not actually meet their objectives, instead they are faced with increased levels of absenteeism and drastically reduced levels of employee productivity and morale.

A study conducted in a Southern African Financial institution by Bews and Uys (2002) further postulates that during downsizing employees may perceive their immediate supervisor to be trustworthy but may not feel the same way about top management. Chipunza and Berry (2010, p. 607) found that after downsizing employees may experience the feeling of loss of control over the situation paired with the uncertainty caused by the probability of losing their own jobs resulting in severe stress among survivors. Ndlovu and Parumasur (2005) established that uncertainties in the working environment after downsizing has been implemented, together with minimal information regarding the strategy of the organisation had created a trust gap between survivors and management. From the above information it can be deduced that survivors of organizations regard information of the planned reduction as important as survivors will be concerned about the potential loss of their own jobs and their career advancement.

Vermeulen (2002) continues to state that even in the South African context; many survivors of downsizing perceive good performance, loyalty and extended lengths of service to the



organisation as little assurance of job security as dismissals of valued employees has been observed. Additionally, these perceptions cause employees to have a loss of morale, job dissatisfaction, increased absenteeism and turnover.

Gitonga (2009) set out to assess different factors of downsizing and examine their commitment on employee performance, which are the bases for organization performance. The researcher embraced an cross sectional research design. The main population for this investigation was every one of the employees of Telkom Kenya at the Mt. Kenya East (Embu) Region. A sample was drawn from this population utilizing stratified sampling techniques. The investigation uncovered that downsizing at Telkom Kenya neglected to improve performance, efficiency, or benefits. Notwithstanding downsizing, Telkom has not understood efficiency gains and the organization is at present foreseeing negative impacts.

Oluoch and Ochoro (2011) looked to give a comprehension of the impacts of staff scaling back on the remaining employees and the proceeded with performance of the Dominion Farms. The investigation embraced an descriptive survey design. The researcher utilized the survey and as the principle research instrument for gathering information. Downsizing survival was directly and by implication related with organizational responsibility, survivors revealed less duty than unaffected representatives. Likewise downsizing survival was decidedly connected with occupation related pressure and adversely connected with organization help which converted into survival employees low degree of responsibility.

Kinanga and Cheruiyot (2015) looked to discover the impact decrease of workers on employee performance of Barclays bank speculated as there is no connection between decrease of workforce and employee performance. The investigation embraced a descriptive research design. Information for the investigation were gathered from a sample 183 workers of Barclays Bank South Rift region, Kenya. Questionnaires were utilized as the sole information gathering instrument. The information that was gathered from the field was examined utilizing both descriptive and inferential measurements. The discoveries set up that there was a solid positive connection of 0.982 between downsizing and the independent variable performance of employees. The outcomes showed that larger amounts of powerful downsizing prompts compelling performance of banks subsequently they have to consider applying downsizing strategy.

### **2.3.2 Technology Change and Employee execution**

As per an examination completed by Robertson, (2007) mechanical headway has colossal effect on worker execution. Innovative headway is significant factor for impacting the improvement of execution. The greater part of studies have more than once appeared positive connection between an association's innovative progression and execution, and reasoned that mechanical headway is significant for worker execution. Numerous businesses, countries in the created, and creating nations have set up innovative work units, offices and associations to empower them to adapt to mechanical change.

Machuki and Aosa (2011) inspected the issue of the presence of limit impacts in the connection between innovation change and representative execution utilizing another

econometric system that takes into consideration fitting estimation techniques and derivation. They further clarified that adjustments in innovation and physical setting to the manners in which change can be cultivated essentially influence the degree of representative presentation. In their paper titled innovation change and representative execution the Cameron and Green, (2005) contended that the degrees of conglomeration of mechanical advancement by association and country decide its exhibition and improvement. This is identified with the board and control of inward and frameworks and its reaction to outside framework. Huge improvement in yield, efficiency and development are accomplished when they utilize new innovation. Expanded efficiency and general monetary development in most created countries have been ascribed to expanding innovation and mechanical advancement. A study by Dauda and Akingbade (2011) examined how employee relation could be employed for technological change management. It also sought to determine effective method of using technological innovation for improved performance in the Nigerian manufacturing industry. Question based on the hypotheses were formulated and 1256 questionnaires were distributed to select 30 manufacturing industry in beverages, textile, steel, cement and chemical industry in Nigeria. Findings revealed that employee relations do not have significant relationship with technological change. An empirical study by Abbas, Muzaffar, Mahmood, Ramzan & Rizvi (2014) examined the effects of information technology on performance of Allied Bank employees in Pakistan. The data was gathered through unstructured interviews. It was figured out that technology greatly escalates the productivity of employees along with time saving. It greatly affects the workload on employees and ensures control over mistakes and frauds. Quick access to information and ease of use enables the bank employees to deliver quality service. The study recommended that organizations

which implement new technology should provide proper training to its employees to increase their performance.

Kute and Upadhyay (2014) examined the relationship between technological changes and its impact on employee performance in commercial printing industry. The study found that technological changes affect employee's performance in various ways like redundancy, employee turnover and the level of motivation at work. It was noted that technological changes affected skills and performance of the employees in the commercial printing industry. It is worth studying whether technological changes affect performance of employees in universities.

An exact examination by Abbas, Muzaffar, Mahmood, Ramzan and Rizvi (2014) inspected the impacts of data innovation on execution of Allied Bank representatives in Pakistan. The information was accumulated through unstructured meetings. It was made sense of that innovation enormously heightens the efficiency of workers alongside efficient. It incredibly influences the outstanding task at hand on workers and guarantees power over missteps and fakes. Snappy access to data and convenience empowers the bank representatives to convey quality administration. The investigation prescribed that associations which execute new innovation ought to give appropriate preparing to its workers to build their presentation.

Kute and Upadhyay (2014) inspected the connection between innovative changes and its effect on representative exhibition in business printing industry. Unmistakable research, an organized poll has been utilized to gather information on those factors. The 200 respondents

were arbitrarily chosen from chosen business printing industry in Pune District so as to apply the discoveries to their general execution. The examination found that mechanical changes influence worker's exhibition in different ways like repetition, representative turnover and the degree of inspiration at work. It was noticed that mechanical changes influenced abilities and execution of the representatives in the business printing industry. It merits considering whether mechanical changes influence execution of representatives in Universities.

### **2.3.3 Structural Change and Employee Performance**

As indicated by Styhre (2009) later type of the advanced media or electronic frameworks, for example, automated framework and new machine framework that achieve change require new types of correspondence and well control in association, so as to have a decent selection can great appropriation of hierarchical change and connection to increment employees,, execution. To conquer these issues, well correspondence about workers and appraisal framework should actualize to give representatives better comprehension about their presentation. Moreover, it is likewise an extraordinary chance to alarm the hole between the genuine and wanted execution in the authoritative objectives. Subsequently, when the presentation evaluations are done accurately, organization may gauge the expenses versus advantages of the workers' exhibition.

Pepper (2006) in his subjective investigation to decide the impact of association structure change on worker execution found that authoritative changes, for example, securing of the organization will make assortment of correspondence issues that undermine representatives performance, yet in addition the achievement of the correspondence from the through and

through of the associations (Pearce and Robinson, 2002). In a purposive report by Gibbert, (2006) utilizing arbitrary examining strategy, he contended that the more extensive the change, the more representatives presented to change and the more their exhibition is influenced. More extensive and progressively broad changes could produce more noteworthy criticism impacts just as sentiments of shamefulness and bad form, which are more enthusiastically to defeat for the two representatives and associations. The more extensive the change, the more noteworthy the impression of progress is probably going to be and henceforth the more prominent the effect on representative presentation.

In their examination Hao, Kasper and Muehlbacher (2012) explored the connection between authoritative structure and execution, particularly through hierarchical learning and development, in view of proof from Austria and China. In view of the writing and theory, a hypothetical, theoretical and auxiliary condition model was set up through a poll study and test of around 90 Austrian and 71 Chinese examples. Halfway least squares were utilized in the investigation and the outcomes are tried by bootstrap strategies. The discoveries fortify the significant framework position of hierarchical structure on execution. Authoritative structure affected hierarchical learning than on advancement, hierarchical learning indirectly affects execution through development, with the exception of the immediate impact of structure on execution No issue how huge or little change is in association it influences specialists either emphatically or adversely. Effect of progress on representatives relies upon whether they were all around educated about change or not.

Wanza and Nkuraru (2016) researched the impacts change the executives on the presentation of workers in connection to association structure. The investigation received a contextual analysis research structure. The objective populace was 403 workers. An example size of 121 workers was chosen utilizing straightforward irregular testing method. Essential information was gathered utilizing surveys and meeting plans. Investigation was finished utilizing expressive insights and exhibited utilizing charts and tables. The investigation found that auxiliary changes affected college workers' presentation emphatically.

Kiggundu (2012) blended techniques concentrate built up the impact of association structure on representative execution in the Supreme Audit Institution of Uganda. The examination obtained a portion of the builds considered by Damanpour (1991) and Daft (2003) in particular: basic incorporation, chain of command, formal structures and concentrated basic leadership to set up their impact on worker execution. The builds shaped the free factors of the investigation, intervened by correspondence and coordination on the reliant variable of worker execution. Results show that there is a huge relationship that exists between the examination develops/factors and worker execution.

#### **2.3.4 Organization Cultures and Employee Performance**

he existing Literature on culture, organisation culture and employee performance is mainly focused and carried out in developed countries and considering the determinants, influences and composition of the culture it cannot apply universally in different environments like the developing countries (Author, 2014). Awadh and Saad (2013) in their study explored the connection between performance and organization culture. Literature

review is embraced as approach to evaluate the way of life of an organization impacts upon procedure, employees and systems. The examination found certain elements of culture have been distinguished up until now and research demonstrates that worth and standards of an organization depended on worker relationship. The investigation prescribed that solid culture of an organization founded on directors and pioneers help in improving degree of performance. Directors need to relate organization performance and culture to one another as they help in giving upper hand.

Awadh and Saad (2013) investigated the relationship between organizational culture and performance. Literature review is adopted as methodology to assess the culture of an organization impacts upon process, employees and systems. The study found certain dimensions of culture have been identified so far and research shows that value and norms of an organization were based upon employee relationship. The study recommended that strong culture of an organization be based upon managers and leaders help in improving level of performance. Managers need to relate organizational performance and culture to each other as they help in providing competitive advantage. A study by Wambugu (2014) analyzed the influence of organization culture on employee's performance with a focus on Wartsila Limited, a private organization in Kenya. The study empirically tested the effect of the four elements of organization culture namely; organization values, organization climate, leadership styles and work processes on the employee's performance. The results suggested that managers should focus on the factors that have a significant effect on employee performance.



According to Ojo (2008) despite the plethora of studies on organizational culture in the last few decades, the empirical evidences emerging from various studies about the effect of organisational culture on performance have so far yielded mixed results that are inconclusive and contradictory. He further states that researchers concur on the fact that there is no agreement on the precise nature of the relationship between organisational culture and performance. The issue of the interrelation between the organisation culture and employee performance is not brought out clearly as far as the variables under investigation are concerned. Several researchers have described organizational culture and employee performance from other wider dimensions in other countries such as Nigeria, India and USA. There is however a lot that has not been done to establish the specific culture related factors that affect employee performance. Organisational Culture research has not been effectively done in developing countries and in particular Kenya hence a major gap in relevant literature on Kenya or the developing countries at large.

An investigation by Wambugu (2014) broke down the impact of organization culture on worker performance with an attention on Wartsila Limited, a private association in Kenya. The examination observationally tried the impact of the four components of an organization culture in particular; association esteems, association atmosphere, authority styles and work forms on the representative's exhibition. The outcomes proposed that directors should concentrate on the variables that significantly affect worker performance. The investigation uncovered that organizational qualities had an increasingly critical impact to worker's activity execution at Wartsila, than the organization atmosphere as is generally expected as the other way around relationship. Excessively a positive connection between organization culture and

worker performance was set up, anyway the impact differently fluctuated among the factors with work procedures and frameworks in Wartsila having more impact to worker performance.

Khosa *et al.* (2015) examined the effect of organization culture towards worker performance in the financial area of Pakistan. Questionnaires were utilized for essential information accumulation. The examination utilized expressive insights and relationship investigation strategy for the examination of information. The outcomes demonstrated that organization culture had a positive huge effect on worker's outcome in banking part of Pakistan. The investigation recommended that further research ought to be directed in different divisions and furthermore by expanding elements of hierarchical change so as to watch the general effect of authoritative culture towards worker execution.

Odhiambo (2016) sought to find out the influence of organizational culture on employee performance at NIC bank. The research problem was studied through a descriptive survey research design because it gathers data from a huge population at a given time with the motive of evaluating the kind of situation at hand. The population of study consisted all employees of NIC bank which are 1,164. Purposive and stratified random samplings were used to select respondents. There were 82 respondents for the study. Only primary data collection instruments were used for the research. The findings displayed that most of the individuals who responded were in agreement that espoused beliefs and values, rules and policies, artifacts and management behaviors influence various aspects of their performance in a positive way.

## **2.4 Conceptual Framework**

The conceptual frame work was used to show the relationship between the independent and dependent variables in order to test the hypothesis on whether change management constructs (downsizing, technology change, organizational culture and structural change), the independent variables affect employees' performance (dependent variables) in commercial banks in Trans Nzoia County (Figure 2.1). In this study, the key constructs of this study were measured using the indicators in the bullets. For example, technology change was measured through mobile banking, automated customer service machines, smart cards, Electronic Funds Transfer, Electronic Data Interchange, electronic home and office banking while downsizing was measured through workforce reduction strategy, organization redesign strategy and managing transition of the workforce.

### Independent Variables: Change Management

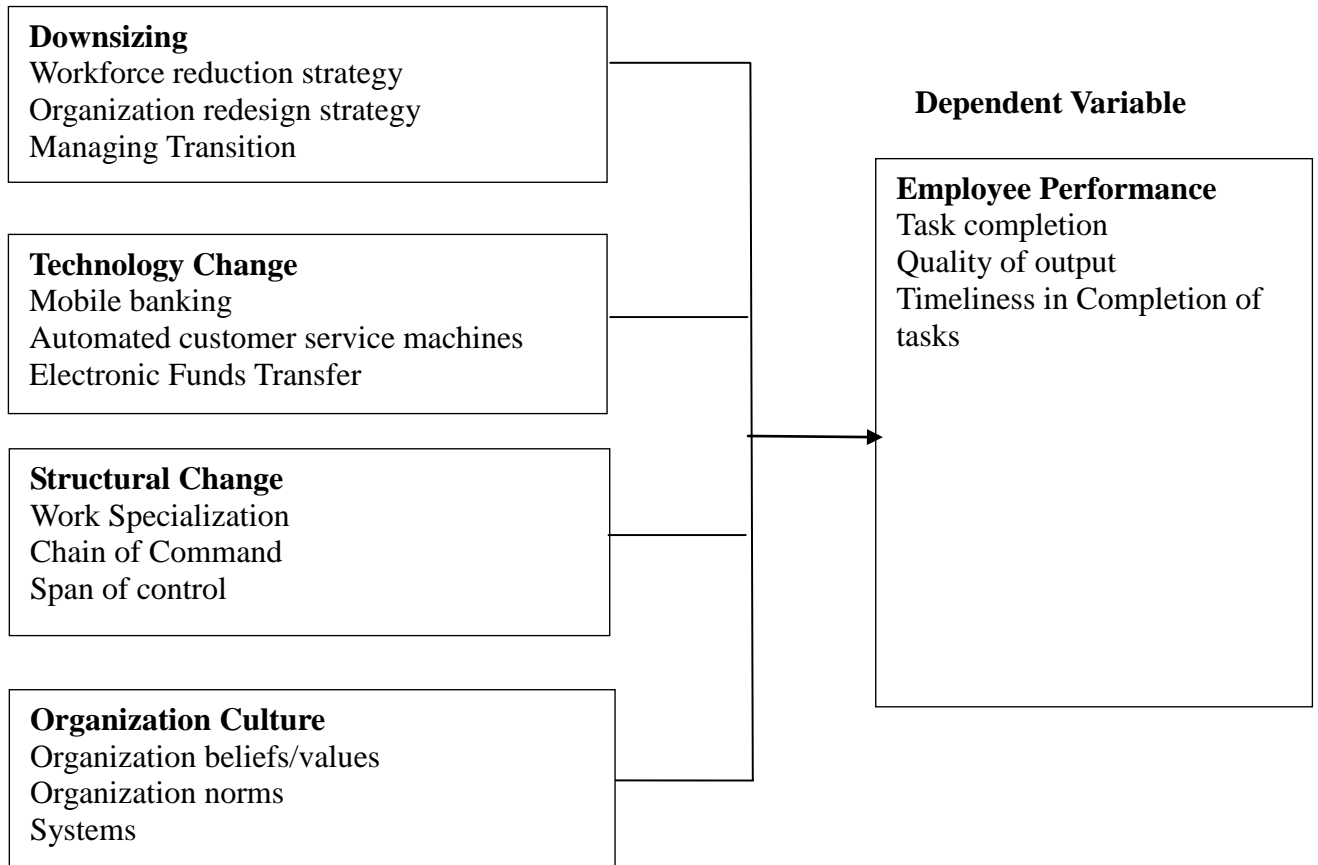


Figure 2.1: Conceptual Framework Showing Interactions of Key Variables

Source: Researcher (2018)

## 2.5 Summary of Empirical Review and Research Gap

This has been summarized in Table 2.1.

**Table 2.1: Summary of Literature Review**

S/N	Year/ Author	Title/Objective	Methodology	Findings	Knowledge Gap
1.	Kamau, D.M (2013)	Effects of technological innovations on financial performance of commercial banks in Kenya	Descriptive Survey	A steady rise in return on assets values from 2009 indicated that the banks' financial performance has been very well over the last 3 years in Kenyan financial industry. A significant positive relationship between mobile banking and financial performance was also established. There was a significant positive relationship between Electronic Funds Transfer at Point of Sale Terminals and financial performance.	A study on other financial markets such as capital and insurance companies in order to understand the implication of technology innovation on the overall financial markets in Kenya; A study should include micro finance institution in the banking sector
2.	Oluoch, N.G & Ochoro, D.O (2011)	Effects of downsizing on surviving employees in the dominion farms -	Descriptive Survey	Downsizing survival was directly and indirectly associated with	Further studies on effects of downsizing on survivors by examining the perception of

	Siaya County, Kenya			organizational commitment, survivors reported less commitment than unaffected employees. In addition downsizing survival was positively associated with job related stress and negatively associated with organizational support which translated into surviving employees' low level of commitment.	the survivors during downsizing, include other institutions a part from dominion farms; explore on precautionary approaches that the organization should take to mitigate against downsizing in institutions
3.	Sayed, Z. (2013)	The impact of Downsizing on the remaining employees in the Organisation.	Correlational research design	Study found significant correlations between the dimensions of the downsizing questionnaire; relationship between age and employee morale, trust and communication are not statistically significant as these factors do share a weak positive relationship.	The study sampled various organizations from manufacturing, hotel and financial institutions which have different organizational culture and structure making it difficult to generalize the findings; fewer organizations should be used.
4.	Kute and Upadhyay (2014)	he Impact of Technological Changes on the Performance of the Employees in Commercial Printing Industry in Pune District	Descriptive survey	Mechanical changes influence worker's exhibition in different ways like repetition, representative turnover and the degree of inspiration at work. It was	Concentrated on mechanical changes and left out other forms organizational change. Research was to be extended to other districts apart from Pune District.

				noticed that mechanical changes influenced abilities and execution of the representatives in the business printing industry.	
5.	Wanuma, J., & Wanyoike, R. (2018)	Organizational change and programme delivery at United Nations Children's Fund, Kenya	Descriptive Study	Positive influence of quality on performance	Phone interviews can be subjective
6.	Khosa et al. (2015)	The Impact of organizational change on the employee's performance in the banking sector of Pakistan.	Purposive and Census Research Design.	Found out that organizational culture had impact on employee performance in banking sector of Pakistan.	Organization culture was considered as organizational change and it's was inadequate measure as indicated in literature review. Whilst organizational culture has been researched worldwide, little research has been done in Kenya, with its unique culture and concentered business environment. Little has been done on the distinct elements of organizational culture in relationship to change management.
7.	Reichert & Zawislak (2014)	Technological investments and financial performance firms in	Descriptive Design	Positive impact of technological capability on performance	Other than manufacturing industry, there is need to study service industries

## Brazil

8.	Kuye, Oghojafor, Ogunkoya & Shobayo (2014)	Competitive tactics, technological capability and performance of Nigerian manufacturing firms	Descriptive Design	Positive relations between the variables	Population focused manufacturing firms there is need to study service industries
9.	Wambugu (2014)	ICT and academic performance of university students in Uganda	Survey research design	Organization culture has positive relationship with employee performance of Wartsila Limited in Kenya.	The study concentrated on organizational value performance and the effects were varied on various work process and systems.
10.	Kute and Upadhyay (2014)	Influence of Change Management on Employee Performance: A Case of University of Eldoret, Kenya	Case study	Technological change affected employee performance in measures of redundancy, turnover and motivation in print industry	Technological change affected employee performance in measures of redundancy, turnover and motivation in print industry. However, data was collected from employee innovation and motivation was to measure employee performance.

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## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents research design, study area, study population, sample size, sampling techniques, data collection instruments, instrument validity and reliability, data collection procedure and analysis and discussed how each of these methods will be used in this study.

#### **3.1 Research Design**

The study adopted descriptive survey design. In addition this design was used to explain or explore existing status of change management constructs like downsizing, technology change, organizational culture and structural change on employees' performance (dependent variables). The design also had the ability to give room for probing for more information, exploration of new ideas and to generate sufficient information on emerging concerns on the change management and employee performance of commercial Banks in Trans Nzoia County. Therefore, the design was convenient, suitable and valid method for researching on the specific subject of change management in commercial banks. This design aided the researcher in sampling of the respondents, data collection and analysis..

#### **3.2 Study Area**

The study was carried out in Trans Nzoia County, which is located in Trans-Nzoia in the former rift valley province in Kenya. It is located between the Nzoia River and Elgon 380 km from Nairobi. At its center is the town of Kitale which is the capital and largest town.

The county borders Bungoma to the West, Uasin Gishu and Kakamega to the south, Elgeyo Marakwet to the East, West Pokot to the North and the republic of Uganda to the Northwest. Trans-Nzoia covers an area of 2495.5 km squared along the border with Uganda. The following banks are found in Trans Nzoia County; Cooperative bank, National Bank of Kenya Ltd, DTB – Diamond Trust Bank, Postbank, Eco bank Kenya Ltd, Family Bank, Sidian bank, Equity bank limited, Kenya commercial bank, Standard chartered bank limited, Barclays bank limited, Oriental bank, Bank of Africa, I& M bank. In recent years, the number of banks branches in the town has increased and study of this nature has not been conducted in these banks. A county wide study conducted by the Financial Sector Deepening Trust in 2015 found out. Financial inclusion increased from 26.4 percent in 2009 to 40.5 percent in 2015. There was an increase in savings in the lowest wealth quintile from 23 percent in 2009 to 29 percent in 2015. The above findings provide a glimpse of the developments in the financial sector and show the shifting reality of the financial sector in Trans Nzoia County.

### **3.3 Target Population**

The study was conducted in 14 commercial banks located in Trans Nzoia County. The unit of analysis was the commercial banks while the unit of inquiry was 470 respondents comprising of managers, supervisors/administrators, clerics/tellers. Managers included branch managers, human resource managers, credit managers and operational managers. Supervisors/administrators comprised of supervisors and administrator in different sections while clerics/tellers comprised of tellers, clerks, receptionist and credit officers. These three categories of employees formed the study sampling frame. The inclusion of

all employees in this study gave the study opportunities to have data collected from management as well as regular employees. Therefore, the unit of inquiry was the bank and unit of analysis was employees of these commercial banks. The study targeted 470 employees from these banks located in Trans Nzoia County, Trans Nzoia as shown in Table 3.1 and Appendix III.

**Table 3.2: Target Population**

<b>Name Of The Bank</b>	<b>Managers</b>	<b>Supervisor /Administrators</b>	<b>Clerical /Tellers</b>	<b>Total</b>
Cooperative bank	3	9	27	39
National Bank of Kenya ltd	3	8	27	38
DTB – Diamond Trust Bank	3	4	18	25
Postbank	2	5	12	19
Eco bank Kenya Ltd	3	7	22	32
Family bank	3	5	17	25
Sidian Bank	3	8	24	35
Equity bank limited	4	11	28	43
Kenya commercial bank	3	11	27	41
Standard chartered bank limited	3	8	24	35
Barclays bank limited	3	9	29	41
Oriental bank	3	9	20	32
Bank of Africa	3	8	19	30
I\$ m bank	3	7	25	35
<b>TOTAL</b>	<b>42</b>	<b>109</b>	<b>319</b>	<b>470</b>

*Source: Compilation from Bank Operation Managers, 2017*

### **3.4 Sampling Techniques**

All the 14 banks in Trans Nzoia County were sampled. Stratified sampling was employed to obtain a suitable unit representative of analysis. This is because of the heterogeneity of the population in the sample frame which will consist of managers, supervisors/administrators and clerics/tellers. Stratification of the respondents gave all the

respondents equal opportunity of participation in this study (Kothari, 2004) argues that a stratified proportional sample increases a samples statistical efficiency and provides adequate. The respondents were then selected using simple random sampling technique from each stratum to form study sample. The sampling frame consisted of managers, supervisors/administrators and clerics/tellers.

### 3.5 Sample Size

Krejcie, Robert, Daryle and Morgan (1970), in determining sample size for research activities, states that there are various formulae for calculating the required sample size, based upon whether the data collected is to be categorical or quantitative. The researcher used all the 14 banks in Trans Nzoia County. The sample size was determined from the total number of 470 members. The sample size was determined using Yamane (1967) formulae as shown below, and proportionate sample was used to find out how many respondents to draw from each bank

$$n = \frac{N}{1 + N(e)^2}$$

Where

n= sample size; N= total population of members (470); e= sampling error (0.05)

$$n = \frac{470}{1 + 470(0.05)^2} = 216.092; \approx 216 \text{ respondent}$$

The required sample size was therefore 216 respondents among the 14 banks of Trans Nzoia County. From each stratum, the respondents were randomly selected. In proportionate sampling there several subgroups of commercial banks that with different

numbers of respondents. Therefore the number of participants from each subgroup was determined by their number relative to the entire population as indicated in the Table 3.2.

**Table 3.3: Study Sample Size**

<b>Name Of The Bank</b>	<b>Managers</b>	<b>Supervisor /Administrators</b>	<b>Clerical /Tellers</b>	<b>Total</b>
Cooperative bank	1	4	12	17
National Bank of Kenya ltd	1	4	12	17
DTB – Diamond Trust Bank	1	2	8	11
Postbank	1	2	6	9
Eco bank Kenya Ltd	1	3	11	15
Family bank	1	2	8	11
Sidian Bank	1	4	12	17
Equity bank limited	2	5	13	20
Kenya commercial bank	1	5	12	18
Standard chartered bank limited	1	4	12	17
Barclays bank limited	1	4	14	19
Oriental bank	1	4	9	14
Bank of Africa	1	4	9	14
I&M bank	1	3	13	17
<b>TOTAL</b>	<b>19</b>	<b>50</b>	<b>147</b>	<b>216</b>

*Source; Compilation from Bank Operation Managers, 2017*

### **3.6 Data Collection Instruments**

Primary data was collected for the study using self-administered structured questionnaire as shown in Appendix I. The questionnaire focused on collecting both factual and opinion information from the literate target population. The questionnaire was structured on an agreement continuum using 5-point Likert type scale. The questionnaire that was used in the study was divided into various sections that were steered by the set objectives. The first section addressed the bio-data of the respondents. The second section addressed the

employee performance while the third section of the questionnaire addressed different aspect of change management.

### **3.7 Pilot Study**

According to Polit and Beck (2003), a pilot test is a small scale version in preparation for a main study whose purpose is not to test research questions and hypothesis, but rather to test protocols, data collection instruments, in the study. The rule of the thumb suggests that 5% to 10% of the target sample is adequate for pilot study (Cooper & Schindler, 2011). Pilot test was done on commercial banks in Bungoma County where twenty two respondents was involved. Pilot testing would ensure potential problems are identified, costly mistakes are noted and corrected, it will also be used to estimate the time requirement for actual field work and any suitable modifications on the questionnaire test items.

### **3.8 Validity and Reliability**

#### **3.8.1 Validity**

Validity refers to whether the instrument is actually able to test what is supposed to test. In this study, validity shall refer to content validity. Content validity of the instrument was established in three stages. Researcher critically considered each item to see if it contains a real representation of the desired content, and see if it measured what it is supposed to measure after considering the concepts to be measured. In order to ensure validity of the instruments, the prepared questionnaire was submitted to my supervisors, to evaluate their suitability and applicability and appropriateness of the content. Any

mistakes realized was reviewed, corrected or eliminated altogether. Factor analysis was used to test the suitability of the test items. The results revealed that instrument was valid (see results in Table 4.2).

### **3.8.2 Reliability**

Reliability refers to the extent to which research instruments yield measurements that are consistent each time it is administered to same respondents. Due the nature of the study, reliability for primary data was measured using internal consistency. Where it measure consistency within the instrument or how well a set of items measures a characteristic within the test or particular behavior (Sabana 2014). The most popular method of testing for internal consistency in the social sciences is use of Cronbach Alpha (Kombo & Tromp, 2009) where a value of 0.70 or higher is sufficient. Reliability was tested by use of twenty two questionnaires which was piloted with randomly selected banks in Bungoma County those who were not included in the final study sample. Cronbach alpha which was applied for each variable which had a range 0.717 to 0.811 thus for this, Cronbach alpha statistic with a value of 0.7 or more was considered reliable. The test items were retained and used in this study hence considered reliable (see results in Table 4.3).

### **3.9 Data Collection Procedures**

The researcher got an introduction letter from the University and NACOSTI permit (See Appendix V) authorizing to carry out the research. Primary data will be collected through field research. Before collecting data from the respondents, the researcher introduced

herself and explains the purpose of the study. For those who wanted various letters of authority and permission, the researcher produced to them so as to make them cooperate during data collection exercise. The questionnaires was self-administered by the researcher by hand delivering it to the banks under study and was collected a after a few days.

### **3.10 Data Analysis**

Data was analyzed using quantitative methods. Quantitative analysis involved both descriptive and inferential statistics. Specifically, descriptive statistics consisted of means, standard deviation, frequency and percentages. Inferential statistics such as Pearson correlation was applied to analyze specific objectives of the study and therefore test the significance of the relationship between change management and employee performance at 95.0% confidence level. This was aided by SPSS version 20.0. Data was presented using tables and regression models.

### **3.11 Ethical Considerations**

The research work was carried out in accordance with set ethical standards which are of utmost importance especially when human subjects are involved. These ethical considerations were meant to ensure that professionalism is upheld during research work. The researcher attained clearance from the Ministry of Education, Trans Nzoia County and research Permit No: NACOSTI/P/18/27232/23216 was also obtained from National Commission for Science, Technology and Innovation (See Appendix IV). This enabled the researcher to approach branch managers of sampled commercial banks and seek



permission to collect data from their staffs. The purpose of the study and its implication was explained before getting formal consent to collect data. The researcher ensured protection of the subject, identity and privacy by using codes and not names on the questionnaires. The questionnaires were also sensitive to the subjects feeling and values so as not to embarrass or intimidate the respondents.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents results of the analysis, findings and discussions based on the objectives of the study which was to investigate effects of change management on employee performance in commercial banks Trans Nzoia County, Kenya. Specifically, the study investigated the effect of downsizing, technological change, structural change and organizational culture on the performance of employees in commercial banks in Trans Nzoia County. This chapter presented empirical findings and results using descriptive analysis, Pearson correlation and regression analysis. Data was collected using interview and questionnaires, and then it was coded and analyzed based on each independent variable using the Statistical Package for the Social Science (SPSS) and was discussed and presented using tables and models.

#### **4.2 Response Rate**

Two hundred and sixteen (216) questionnaires were distributed to respondents, one hundred and eighty five (185) were received which represented 85.6 % response rate and thirty one (31) questionnaires were not received this accounted for 14.4 % of the total questionnaires distributed. Mugenda and Mugenda (2004) assert that a response rate of more than 50% is adequate for analysis. Babbie (2004) also asserts that a 60% return rate is good and a 70% return rate is very good. Information from the questionnaires was used for analysis. The drop and pick method was used in administering questionnaires and this

method partly contributed to the high response rate achieved in this study and also the higher response rate was due to assurance of anonymity and the respondents were not required to disclose traceable identities.

### 4.3 Descriptive Information on Demographics

Demographic information of the respondents included gender, age, educational level and number of years they have been working in financial institutions. The results are as shown in Table 4.1.

**Table 4.1: Descriptive Information on Demographics**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Female	70	37.8
Male	115	62.2
<b>Level of Education</b>		
Diploma	23	12.4
Bachelors	121	65.4
Masters	38	19.6
PhD	3	1.6
<b>Age</b>		
20-29 years	35	18.9
30-39 years	118	63.8
40-49 years	19	10.3
Above 50 years	13	7
<b>Tenure</b>		
Less than a year	7	3.8
From 1 to 5 years	93	50.3
From 6 to 10 years	80	43.2
Above 10 years	5	2.7

**Source: Field Data (2017)**

Results in Table 4.1 indicate that 115(62.2%) of the total respondents were male while 70(37.8%) of the total respondents were female. It is therefore observed that among the commercial banks analyzed, it seems to be dominated by males. The study also revealed 35(18.9%) indicated their ages ranged between 20-29 bracket, 118(63.8%) respondents belonged to 30-39 age bracket, 19(10.3%) indicated their age to be between 40 and 49 years while the last 13(7.0%) respondents belonged to over 50 age brackets. The statistics show a majority of respondents being in age bracket 30-39 while the smallest respondents were over 50 years of age. Age is an important factor in a research because; mature people are bound to respond more responsibly and from an informed point of view as opposed to young respondents.

The results also revealed that 23(12.4.0%) of the total respondents possessed diploma, 121(65.4%) of the total respondents held a bachelor's degree while 38(19.6%) had a master's degree. Minority of the respondents (1.6%, 3) were found to have various doctorate degrees. A majority of respondents were degree holders and only a small percentage possessed a diploma. From the results it is evident that literacy levels are high which was recommendable in administering questionnaire on employee performance. This therefore made it possible for the researcher to obtain relevant responses on the topic under study.

Regarding duration (years) of the respondents in the institution, 7(3.8%) of the total respondents had worked with the bank for less than a year, 93(50.3%) of the total respondents had worked for between 1-5 years, 80(43.7%) respondents had worked for

between 6-10 years while 5(2.7 %) respondents had worked for over 10 years. Majority of the respondents had worked for 1-10 years with the bank. The long tenure carries with it experience and better information in various issues. This therefore assisted the researcher obtain responses from a people with a wealth of experience on organizational change.

#### 4.4 Validity and Reliability of the Research Instrument

##### 4.4.1 Validity

In order to establish the validity of study variables, tests of sampling adequacy were used. This enabled the study identify whether the items were appropriate for further analysis. This formula was used by Tejada *et al.* (2012) based on Yamane formula (1967).

$$\alpha = \left( \frac{k}{k-1} \right) \left( 1 - \frac{\sum_{i=1}^k \sigma_{y_i}^2}{\sigma_x^2} \right) \dots\dots\dots(ii)$$

...where:  $k$  refers to the number of scale items

$\sigma_{y_i}^2$  refers to the variance associated with item  $i$

$\sigma_x^2$  refers to the variance associated with the observed total scores

The results of  $\alpha$  ranges from 0 to 1 and will provide the overall assessment of the measures' reliability;

$\alpha = 0$  (the scale items are not correlated);

$\alpha = 1$  (the scale items are highly correlated). A coefficient less than 0.7 is judged to be invalid and hence unacceptable. Table 4.2 shows Kaiser-Meyer-Olkin (KMO) test of sampling adequacy and Bartlett's test of Sphericity.

**Table 4.2: KMO and Bartlett's Test (Test of Sampling adequacy and Sphericity)**

Factors	KMO	Bartlett's Test of Sphericity		
	Test	Approx. Chi-Square	df	Sig.
Downsizing	0.777	182.412	15	0.000
Technological Change	0.728	111.887	15	0.000
Structural Change	0.824	353.165	15	0.000
Organization Culture	0.715	186.684	15	0.000
Performance of Employees	0.782	257.386	15	0.000

Williams *et al* (2012) stated that KMO of 0.50 is acceptable degree for sampling adequacy with values above 0.5 being better. Bartlett's Test of Sphericity which analyzes if the samples are from populations with equal variances produced p-values less than 0.05 ( $p < .001$ ) thus indicating an acceptable degree of sampling adequacy. Thus, it was acceptable to proceed with the analysis. Results show that the samples (for each factor) were from the populations with equal variances ( $p\text{-values} = 0.000 < 0.005$ ), thus indicating acceptable degree of sampling adequacy. Hence, the results of the constructs were verified to be valid. If the dataset pass these tests, then according to Saunders et al. (2007), the dataset was considered fit for further analysis. Therefore further analyses including descriptive and inferential statistics were done as illustrated in the following tests.

#### **4.4.2 Reliability**

For reliability tests Cronbach alpha was applied for each variable which had a range 0.717 to 0.811. In this study Cronbach alpha statistic with a value of 0.7 or more was

considered reliable. The test items were retained and used in this study hence considered reliable as shown in the Table 4.3. Equation below was used to calculate reliability of the research instruments:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where N is equal to the number of items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance. Reliability coefficient of .70 or above is considered “acceptable”.

**Table 4.3: Reliability**

<b>Variable</b>	<b>Cronbach alpha</b>
Downsizing	0.717
Technology	0.767
Structural	0.760
Culture	0.794
Employee performance	0.811
<b>Overall Reliability</b>	<b>0.770</b>

#### **4.5 Descriptive Analysis of the Variables in the Study**

Descriptive analysis included an assessment of the downsizing, technological change, and structural change, organizational culture which were under change management and employee performance. The statements were anchored on a five point Likert-type scale ranging from 5=Strongly Agree to 1= Strongly Disagree and respondents were asked to

indicate the extent to which they agreed to the statements. Descriptive measures included percentage, frequency, mean and standard deviation. Mean is a measure of central tendency used to describe the most typical value in a set of values. Standard deviation shows how far the distribution is from the mean.

#### 4.5.1 Downsizing

Downsizing is one of the crucial factors of during change management in an organization. To measure downsizing, a set of six statements were formulated.

**Table 4.4: Descriptive Statistics for Downsizing**

No	Downsizing	SD%	D%	U%	A%	SA%	Mean	SDV
1	Downsizing has resulted to improved personal responsibility	21(11.4)	2(1.1)	2(1.1)	66(35.7)	94(50.8)	4.14	1.25
2	Downsizing has resulted to increase efficiency, reduce cost improve efficiency and enhanced competitiveness.	26(14.1)	23(12.4)	15(8.1)	33(17.8)	88(47.6)	3.72	1.50
3	Downsizing has led to Improved employee accountability	8(4.3)	25(13.5)	32(17.3)	53(28.6)	67(36.2)	3.79	1.20
4	Downsizing has led to improved loyalty to your supervisor	19(10.3)	25(13.5)	35(18.9)	42(22.7)	64(34.6)	3.58	1.35
5	Downsizing has resulted to equal distribution of workloads among employees	2(1.1)	36(19.5)	18(9.7)	42(22.7)	87(47)	3.98	1.16
6	Downsizing leads to 'charged up', people finding new excitement in their work, being challenged by prospect of 'doing more with less' or saving the organization	16(8.6)	19(10.3)	39(21.1)	39(21.1)	72(38.9)	3.71	1.31
<b>Overall Mean</b>							<b>3.82</b>	<b>1.3</b>



The respondents were asked to indicate the extent of agreement with each of the downsizing statements. The pertinent results are presented in Table 4.4. From Table 4.4, majority of the respondents 94(50.8%) strongly agreed that downsizing has resulted to improved personal responsibility and 66(35.7%) agreed on the same with a mean of 4.14 and standard deviation of 1.25 implying that there is great deviation from the mean. Similarly, 33(17.8%) and 88(47.6%) of the respondents agreed and strongly agreed respectively that downsizing has resulted to increase efficiency, reduce cost improve efficiency and enhanced competitiveness. A mean of 3.72 and standard deviation of 1.50 suggested that there is great deviation from the mean. Downsizing has led to improved employee accountability as indicated by 67(36.2%) of the respondents who strongly agreed and 53(28.6%) who agreed with a mean of 3.79 and standard deviation of 1.20 implying there is great deviation from the mean.

The results also revealed that 42(22.7%) and 64(34.6%) of the sampled respondents agreed and strongly agreed respectively that downsizing has led to improved loyalty to your supervisor. A mean of 3.58 and standard deviation of 1.35 suggested that there great deviation from the mean. Similarly, 42(22.7%) and 87(47%) of the respondents agreed and strongly agree respectively that downsizing has resulted to equal distribution of workloads among employees with a mean of 3.98 and standard deviation of 1.16. Lastly, 72(38.9%) of the sampled respondents strongly agreed that downsizing has led to ‘charged up’ , people finding new excitement in their work, being challenged by prospect of ‘doing more with less’ or saving the organization and additional 39(21.1%) agreed

with a mean of 3.71 and standard deviation of 1.31. This implies that there is some deviation from the mean.

#### 4.5.2 Technology Change

Technological change is one of the crucial factors during change management that affects employee performance. To measure technological change, a set of six statements were formulated. The respondents were asked to indicate the extent of agreement with each of the technological change statements from strongly disagree to strongly agree. The relevant results are presented in Table 4.5.

**Table 4.5: Descriptive Results for Technology Change**

No	Technology change	SD	D	U	A	SA	Mean	SDV
1	Technological change has led to improve in the quality of work	2.2 % (4)	2.2 % (4)	3.2% (6)	25.9% (48)	66.5% (123)	4.52	0.84
2	Technological change has resulted to increase in the efficiency and productivity of the employees in the company	2.2 % (4)	2.2 % (4)	4.3% (8)	28.6% (53)	62.7% (116)	4.48	0.85
3	Technological change has results to reduction in the total errors	1.1 % (2)	3.2 % (6)	5.4% (10)	25.4% (47)	64.9% (120)	4.50	0.83
4	There has been increase in the job performance after adopting new technologies	1.1 % (2)	3.2 % (6)	8.6% (16)	21.6% (40)	65.4% (121)	4.47	0.87
5	I am able to accomplish work tasks quickly due to new technologies	4.9 % (9)	7% (13)	11.9% (22)	24.3% (45)	50.8% (94)	4.12	1.18
6	I am able to control the work and process more efficiently due new technologies	1.1 % (2)	7% (13)	10.3% (19)	53% (98)	28.6% (53)	4.01	0.88
<b>Overall Mean</b>							<b>4.35</b>	<b>0.91</b>

From Table 4.5, majority of the respondents strongly agreed that Technological change has led to improve in the quality of work as shown by 123(66.5%) of the respondents while 48 (25.9%) agreed with a mean of 4.52 and standard deviation of 0.84 indicating some deviation from the mean. The results also revealed that 53(28.6 %) and 116(62.7%) of the respondents agreed and strongly agreed respectively that technological change has resulted to increase in the efficiency and productivity of the employees in the company. A mean of 4.48 and standard deviation of 0.85 indicates that there is some deviation from the mean. In regard to errors, 120(64.9%) of the respondents strongly agreed that technological change has results to reduction in the total errors while 47(25.4%) agreed with a mean of 4.50 and standard deviation of 0.83.

There has been increase in the job performance after adopting new technologies as revealed by 40(21.6%) of the respondents who agreed and additional 121(65.4%) who strongly agree with a mean of 4.47 and standard deviation of 0.87. This implies that there is some deviation from the mean. The results also revealed that 45(24.3%) and 94(50.8%) of the respondents agreed and strongly agree respectively that they are able to accomplish work tasks quickly due to new technologies with a mean of 4.12 and standard deviation of 1.18. Lastly, 98(53%) of the respondents agreed that they are able to control the work and process more efficiently due new technologies and additional 53(28.6%) strongly agreed with a mean of 4.01 and standard deviation of 0.88 which suggests that there is some deviation from mean.

### 4.5.3 Structural Change

Structural change is one of the key factors that affect change management of an organization. To measure structural change, a set of six statements were formulated. The respondents were asked to indicate the extent of agreement with each of the structural change statements from strongly disagree to strongly agree. The pertinent results are presented in Table 4.6.

**Table 4.6: Descriptive Results for Structural Change**

N	Structural Change	1%	2%	3%	4%	5%	Mean	SD
o								V
1	Structural change in the organization has led to enhanced employee commitment and availability at work	0.0%	10 (5.4)	2(1.1)	98(53%)	75(40.5)	4.23	0.92
2	Structural change in the organization has led to setting of better quality goals	7(3.8)	20(10.8)	9(4.9)	108(58.4)	41(22.2)	3.84	1.01
3	Changes in work teams in the organization has led to enhanced teamwork and better performances from staff	2(1.1)	8(4.3)	5(2.7)	122(65.9)	48(25.9)	4.11	0.74
4	Job redesign as a result of structural changes has resulted to faster employee response and completion of work	14(7.6)	15(8.1)	8(4.3)	71(38.4)	77(41.6)	3.98	1.21
5	Structural changes has resulted to increased innovation in the organization	23(12.4)	19(10.3)	32(17.3)	39(21.1)	72(38.9)	3.64	1.40
6	Structural changes have improved communication within the organization	7(3.8)	7(3.8)	34(18.4)	40(21.6)	97(52.4)	4.15	1.09
<b>Overall Mean</b>							<b>3.99</b>	<b>1.06</b>

Results in Table 4.6 shows that Structural change in the organization has led to enhanced employee commitment and availability at work as shown by 98 (53%) and 75 (40.5%) of the respondents who agreed and strongly agreed respectively. A mean of 4.23 and

standard deviation of 0.92 indicates that there is great dispersion from mean. On the other hand, 108 (58.4%) of the respondents agreed and additional 41(22.2%) strongly agreed that Structural change in the organization has led to setting of better quality goals with a mean of 3.84 and standard deviation of 1.01. This suggests that there is some deviation from the mean. Changes in work teams in the organization has led to enhanced teamwork and better performances from staff as revealed by 122(65.9%) of the respondent who agreed and 48(25.9%) who strongly agreed with a mean of 4.11 and standard deviation 0.74.

The results also revealed that 71(38.4%) and 77(41.6%) of the sampled respondents agreed and strongly agreed respectively that job redesign as a result of structural changes has resulted to faster employee response and completion of work with a mean of 3.98 and standard deviation of 1.21. Structural changes has resulted to increased innovation in the organization as indicated by slight majority of the respondents (60%) of which 39(21.1%) agreed and 72(38.9%) strongly agreed with a mean of 3.64 and standard deviation of 1.40. Lastly, 40(21.6%) and 97(52.4%) of the respondents agreed and strongly agreed respectively that structural changes have improved communication within the organization with a mean of 4.15 and standard deviation 1.09 implying there is great deviation from mean.

#### **4.5.4 Organization Culture**

Organizational Culture is one of the key factors affecting employee performance during change management. To measure organization culture, a set of six statements were

formulated. The respondents were asked to indicate the extent of agreement with each of the organization culture statements from strongly disagree to strongly agree. The relevant results are presented in Table 4.7. The results in Table 4.7 show that 71(38.4%) of the respondents agreed that the rites/rituals in their organization help the employees to embrace change introduced in the company and additional 60(32.4%) strongly agreed. A mean of 3.92 and standard deviation of 0.98 indicated there is some deviation from the mean.

**Table 4.7: Descriptive results on Organization Culture**

No	Organization Culture	1%	2%	3%	4%	5%	Mean	SDV
1	The rites/rituals in my organization help the employees to embrace change introduced in the company	0.5 %	10.3% (19)	18.4% (34)	38.4% (71)	32.4% (60)	3.92	0.98
2	The rites/rituals at my organization foster loyalty and commitment to change programs	1.6 %	15.1% (28)	23.2% (43)	21.1% (39)	38.9% (72)	3.81	1.16
3	My organization culture encourages some input into decisions that affect my work.	0.0 %	12.4% (23)	18.9% (35)	14.1% (26)	54.6% (101)	4.11	1.11
4	The organizational norms at my organization are supportive of change initiatives at the company	0.0 %	7% (13)	14.1% (26)	20% (37)	58.9% (109)	4.25	1.01
5	The organization values of the organization influence the behavior of the staff at the organization	4.3 %	3.2% (6)	8.6% (16)	51.9% (96)	31.9% (59)	4.04	0.96
6	The rites/rituals at my organization facilitate conflict resolution arising from change initiatives	3.2 %	8.6% (16)	10.3% (19)	61.6% (114)	16.2% (30)	3.79	0.93
<b>Overall Mean</b>							<b>3.99</b>	<b>1.03</b>

The results also revealed that 39(21.1%) and 72(38.9%) of the respondents agreed and strongly agree respectively that the rites/rituals at their organization foster loyalty and commitment to change programs with a mean of 3.81 and standard deviation of 1.16. Respondents' organization culture encourages some input into decisions that affect their work performance as indicated 101(54.6%) of the respondents who strongly agree while 18.9% were undecided with a mean of 4.11 and standard deviation of 1.11. This implies that there is great deviation from the mean.

The results also revealed that 37(20%) and 109(58.9%) of the sampled respondents agreed and strongly agree respectively indicated that the organizational norms at their organization are supportive of change initiatives at the company with a mean of 4.25 and standard deviation of 1.01. It was also found that 96(51.9%) of the respondents agreed that the organization values of the organization influence the behavior of the staff at the organization and further 59(31.9%) strongly agreed with a mean of 4.04 and standard deviation of 0.96. Lastly, 114(61.6%) and 30(16.2%) of the sampled respondents agreed and strongly agreed that the rites/rituals at their organization facilitate conflict resolution arising from change initiatives with a mean of 3.79 and standard deviation of 0.93. This implies that there is some deviation from the mean.

#### **4.5.5 Employee Performance**

Employee performance in this study was used as dependent variable. It was measured using task completion and quality of output. The pertinent results are presented in Table 4.8. From Table 4.8, majority of the respondents (60.5%) strongly agreed that employees

are efficient and effective in service delivery due to change management and additional 67(36.2%) agreed with a mean of 4.55 and standard deviation of 0.64. This implies that there is some deviation from the mean. These results further revealed that 58 (31.4%) and 98(53%) of the respondents agreed and strongly agree respectively that employees are able to adjust to changing priorities at workplace. A mean of 4.25 and standard deviation of 1.01 implies that there is deviation from the mean.

**Table 4.8: Descriptive Results for Employee Performance**

No	Employee Performance	SD	D	U	A	SA	Mean	SDV
1	Employees are efficient and effective in service delivery	0.5% (1)	1.1% (2)	1.6% (3)	36.2% (67)	60.5% (112)	4.55	0.64
2	Employees are able to adjust to changing priorities at workplace	1.6% (3)	8.6% (16)	5.4% (10)	31.4% (58)	53% (98)	4.25	1.01
3	Employees are able to meet their set targets at workplace	3.8% (7)	7.6% (14)	10.8% (20)	47% (87)	30.8% (57)	3.94	1.03
4	Employee are proactive in service delivery	2.2% (4)	13.5% (25)	3.2% (6)	29.2% (54)	51.9% (96)	4.15	1.13
5	Employees are able to solve problem at work independently	10.8% (20)	14.1% (26)	16.2% (30)	28.6% (53)	30.3% (56)	3.75	1.43
6	Employees are able to meet all their deadline at work place	3.2% (6)	5.4% (10)	8.6% (16)	29.2% (54)	53.5% (99)	4.24	1.04
<b>Overall Mean</b>							<b>4.15</b>	<b>1.05</b>

In regard to meeting targets, 87(47%) of the sampled respondents agreed that employees are able to meet their set targets at workplace and additional 57(30.8%) strongly agreed with a mean of 3.94 and standard deviation of 1.03. The results also revealed that 54(29.2%) and 96(51.9%) of the sampled respondents agreed and strongly agree



respectively that employees in their organization are proactive in service delivery due to change management.

A mean of 4.15 and standard deviation of 1.13 implies that there is some deviation from the mean. As far as solving problem is concerned, 53(28.6%) of the sampled respondents agreed that they are able to solve problem at work independently and additional 56(30.3%) strongly agreed with a mean of 3.75 and standard deviation of 1.43. Lastly, majority of the respondents confirmed that employees are able to meet all their deadlines at work place as indicated by a mean of 4.24 and standard deviation of 1.04. This was further supported by 99(53.5%) of the respondents who strongly agreed and 54(29.2%) who agreed that employees are able to meet all their deadlines at work place.

#### **4.6 Assumptions of Linear Regression**

The study performed tests on statistical assumptions, that is, test of regression assumption and statistic used. This included test of normality, linearity, independence, homogeneity and collinearity.

**Table 4.9: Assumptions of Linear Regression**

<b>Assumptions of Linear regression</b>	<b>Threshold if Assumption is met</b>	<b>Downsizing</b>	<b>Technology</b>	<b>Structural</b>	<b>Culture</b>
<b>Normality test</b> Shapiro-Wilk	P>0.05	0.000	0.000	0.017	0.000
<b>Linearity</b>	P<0.05	0.000	0.000	0.000	0.000
<b>Homoscedasticity</b> Leverne test of homogeneity of variance	P>0.05	0.000	0.000	0.000	0.000
<b>Multicollinearity</b> Variance inflation factor (VIF)	VIF Max 10	0.658 (1.519)	0.545 (1.834)	0.521 (1.92)	0.547 (1.827)

#### 4.6.1 Test for Normality

Normality was tested using the Shapiro-Wilk test which has power to detect departure from normality due to either skewness or kurtosis or both. Normality assumption was tested using Shapiro-Wilk Test (S-W). When the value of significance level is less than 0.05 then normality assumption has been violated while when the value is greater than 0.05 then the distribution is normal. All the variables violated normality test, however, Elliot and Woodward (2007), agree that parametric procedures can be used even when the data is not normally distributed.

#### 4.6.2 Test for Linear Relationship

Linearity was tested by use of ANOVA test of linearity which computes both the linear and nonlinear components of a pair of variables whereby nonlinearity is significant if the F significance value for the nonlinear component is below 0.05 (Zhang *et al.*, 2011). The

linearity is as a result of significance level being less than 0.05 which was evident for all study variables.

#### **4.6.3 Test for Independence**

Test of independence was done by the use of Durbin-Watson. It tests that the residuals from a linear regression or multiple regression are independent. When Durbin-Watson factors are between (1) and (3) there is no autocorrelation problem (Alsaeed, 2005) from table above the Durbin Watson value is between 1.0 and 2.0 for all the study variables hence there was no problem of autocorrelation.

#### **4.6.4 Test for Homoscedasticity**

According to Hair, Black, Babin, Anderson and Tatham (2006), homoscedasticity entails to the assumptions that dependent variable have equal levels of variance across the range of independent variable. The test of homoscedasticity is needed because the variance of the dependent variable being explained in the dependence relationship should not be concentrated in only a limited range of the independent values. The null hypothesis for the test of homogeneity of variance states that the variance of the dependent variable is equal across groups defined by the independent variable, that is, the variance is homogeneous. Since the probability associated with the Levene Statistic ( $>0.01$ ) is greater than the level of significance, we accept the null hypothesis and conclude that the variance is homogeneous. Since the probability associated with the Levene Statistic ( $<0.001$ ) is less than or equal to the level of significance, we reject the null hypothesis and conclude that the variance is not homogeneous for study variables.

#### 4.6.5 Test for Multicollinearity using Correlation Matrix

**Table 4.10: Correlation between Independent Variables**

	N	TC	SC	DS	OC
TC	185	1			
SC	185	0.537**	1		
DS	185	0.310**	0.553**	1	
OC	185	0.438**	0.471**	0.620**	1

\*. Correlation is significant at the 0.05 level (2-tailed).

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

**Key:** N=Sample DS=Downsizing, TC=Technological change, SC=structural change, OC=Organization culture

Results in Table 4.10 indicate all the independent variables had no significant relationship with each other, therefore there was no Multicollinearity.

#### 4.7 Effect of Change Management on the Employee Performance

##### 4.7.1 Regression Results of Downsizing and Employee performance

The first objective of the study was to investigate the influence of downsizing on the employee performance of commercial banks in Trans Nzoia County. The objective sought to answer the first question: does downsizing affect performance of employees in Commercial banks in Trans Nzoia County? This was achieved via use of Pearson correlation coefficient ( $r$ ) and linear simple regression ( $R^2$ ) with aid of SPSS version 22.

Regression analysis was used to signify the amount of variance accounted for by one variable in predicting another variable. Regression analysis was conducted to find the proportion in the dependent variable (employee performance) which can be predicted from the independent variable (downsizing) Table 4.11 below shows the analysis results. The results revealed a coefficient of determination ( $R^2$ ) of 0.499, meaning that downsizing could explain up to 49.9 % of the variance in employee performance of commercial banks in Trans Nzoia County. The F test and correlation coefficient, R gave values of  $(1, 184) = 29.538$ ,  $P < 0.0$  and  $R = 0.706$  which support the goodness of fit of the model in explaining the variation in the dependent variable. It also means that downsizing is a useful predictor of employee performance of commercial banks in Trans Nzoia County. The standardized regression coefficient ( $\beta$ ) value of downsizing was 0.508, coefficient of correlation,  $R = 0.706$  with a t-test of 7.214 and significance level of  $p < 0.001$ . This indicated that there was a moderately positive correlation between downsizing and employee performance of commercial banks in Trans Nzoia County. The regression equation to estimate the employee performance of commercial banks in Trans Nzoia County as a result of downsizing was hence stated as:

$$\text{Employee performance} = 1.100 + 0.489 \text{ Downsizing}$$

**Table 5.11: Regression Results of Downsizing and Employee Performance**

Model Summary								
	R	Adjusted R	Std. Error of the	Change Statistics				Sig. F
R	Square	Square	Estimate	R Square Change	F Change	df1	df2	Change
0.706a	0.499	0.482	0.51376	0.499	29.538	6	178	0.000
ANOVA								
	Sum of Squares	df	Mean Square	F	Sig.			
Regression	46.779	6	7.797	29.538	0.000 <sup>b</sup>			
Residual	46.983	178	0.264					
Total	93.762	184						
a. Dependent Variable: Employee performance								
b. Predictors: (Constant): Downsizing								
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.		
	B	Std. Error	Beta					
(Constant)	1.100	0.304			3.614	0.000		
1 Downsizing	0.489	0.068	0.508		7.214	0.000		
Dependent Variable: Employee performance								
Independent Variable: Downsizing								
Significance level ≤0.05								
Source: Field data, 2017								

The first study which sought to find out if downsizing has effect on the performance of employee in Commercial banks in Trans Nzoia County was answered. From the results, downsizing had significant positive effect on employee performance with  $P < 0.01$  and it significantly accounted 49.9% variance in employee performance of commercial Banks in Kenya. The results of this study compare favorably with Kinanga and Cheruiyot (2015) established that there was a strong positive correlation of 0.982 between reduction of employees and the dependent variable employee performance. Rori (2009) concluded that employee downsizing can lead to short term improvements in profitability, however

long term gains may be lost due to poor planning, implementation and monitoring. A good employee downsizing programme, therefore, is one that is based on the business organization's mission and vision guided by a clear workforce strategy effective performance of commercial banks hence they need to consider applying downsizing.

However, Sayed (2013) concluded that downsizing does change the working conditions for the surviving employees in which they will no longer feel happy to work for the organisation, decreasing their loyalty towards the organisation. Oluochi and Ochoro (2011) also indicated downsizing negatively associated with organizational support which translated into surviving employees' low level of commitment. Gitonga (2009) revealed that downsizing at Telkom Kenya failed to improve performance, productivity, or profits. Despite downsizing, Telkom has not realized productivity gains and the organization is currently anticipating negative effect

#### **4.7.2 Regression Results of Technology Change and Employee Performance**

The second objective of the study was to examine the effect of change in technology on performance of employees in commercial banks in Trans Nzoia County. The objective sought to answer second research question which posits: What is the effect technological change on performance of employees in Commercial banks in Trans Nzoia County? This was accomplished by use of Pearson correlation coefficient (R) and linear simple regression (B). A simple linear regression was carried to assess the influence of technological change management on employee performance of commercial banks in Trans Nzoia County.

**Table 4.12: Simple Regression Analysis Results**

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
0.844 <sup>a</sup>	0.712	0.702	0.34539	0.712	73.193	6	178	0.000
<b>ANOVA</b>								
		Sum of Squares	df	Mean Square	F		Sig.	
Regression		52.389	6	8.731	73.193		0.000 <sup>b</sup>	
Residual		21.234	178	0.119				
Total		73.623	184					

a. Dependent Variable: Employee performance

b. Predictors: (Constant): Downsizing

Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	B		Beta		
(Constant)	1.512	0.251		6.018	0.000
1 Technological change	0.654	0.055	0.658	11.832	0.000

Dependent Variable: Employee performance

Independent Variable: Technology change.

Significance level  $\leq 0.05$

This entails composite variable of Technology change index which was mean obtained from six metrics that was used to measure technology change in this study. Similarly, the composite value of employee performance was obtained by getting mean of six metrics that was used to measure employee performance. The detailed results of simple linear regression analysis involving Technology change and employee performance of commercial banks in Trans Nzoia County is as shown in Table 4.12 which is composite table comprising of Model summary, ANOVA and regression coefficients.



The proportion of variance in commercial banks employee performance in Trans Nzoia County explained by the independent variable (technology change) is 71.2% or  $R^2=0.712$ . In order to assess the model significance, simply whether the model fits well the given data, the study resorted to F ratio. From the findings, the F ratio is greater than 1, as indicated by a value of 140.006, which means that improvement due to fitting the model is much greater than the model inaccuracies ( $F(1,184)= 73.193$ ,  $p<0.000$ ). This implies that technology change is useful predictor of employee performance of commercial banks in Trans Nzoia County.

From the findings presented in Table 4.12, Technological change carried positive significant predictive power. The standardized regression coefficient ( $\beta$ ) of technological change was 0.658,  $p<0.05$ ) implying that a unit change in technology change level would result to significant change in employee performance by 0.658 in the same direction. Therefore, the linear regression results indicated that there was a statistically significant positive relationship between Technology change and employee performance of commercial banks in Trans Nzoia County.

The study developed analytical model shown below for predicting employee performance from Technology change is stated in the form of:

$$\text{Employee performance} = 1.512 + 0.654 \text{ Technology Change}$$

From the results, technological change had significant positive effect on employee performance with  $P < 0.01$  and it significantly accounted 71.2% variance in employee performance of the commercial banks in Trans Nzoia County. Therefore, the second research question was answered since technological change management had significant effect on performance of employees in Commercial banks in Trans Nzoia County.

These findings compare favorably with Kute and Upadhyay (2014) who found out that technological changes affected skills and performance of the employees in the commercial printing industry. Machuki and Aosa (2011) explained that changes in technology and physical setting to the ways change can be accomplished significantly affect the level of employee performance. Webster (1997) found out that technology change is significantly related to over-all banking performance. Finally, a significant relationship is indicated between profitability and the rate at which banks implement technological change.

#### **4.7.3 Regression Results of Structural Change and Employee performance**

The third objective of the study was to evaluate the effect of structural change on performance of employees in commercial banks in Trans Nzoia County. The objective sought to answer the third research question which posits does structural change affect performance of employees in Commercial banks in Trans Nzoia County. This was accomplished by use of Pearson correlation coefficient (R) and linear simple regression (B). Regression analysis was used to tell the amount of variance accounted for by one variable in predicting another variable.

**Table 4.6: Regression Results of Structural Change and Employee Performance**

<b>Model Summary</b>								
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
0.758 <sup>a</sup>	0.575	0.561	0.41919	0.575	40.163	6	178	0.000
<b>ANOVA</b>								
		Sum of Squares	df	Mean Square	F		Sig.	
Regression		42.345	6	7.057	40.163		0.000 <sup>b</sup>	
Residual		31.278	178	0.176				
Total		73.623	184					

a. Dependent Variable: Employee performance

b. Predictors: (Constant): Structural Change

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.726	0.252		6.852	0.000
1	Structural Change	0.673	0.061	0.629	10.958	0.000

Dependent Variable: Employee performance

Independent Variable: Structural Change

Significance level  $\leq 0.05$

Source: Field data, 2017

Regression analysis was conducted to find the proportion in the dependent variable (employee performance) which could be predicted from the independent variable (structural change). Table 4.13 shows the analysis results. The results revealed a coefficient of determination ( $R^2$ ) of 0.575 meaning structural change could explain up to 57.5% of the variance in employee performance of commercial banks in Trans Nzoia County. The F test gave a value of  $(1, 184) = 40.163$  and  $R = 0.758$ ,  $P < 0.01$ , do support

the goodness of fit of the model in explaining the variation in the dependent variable. It also means that structural change is a useful predictor of employee performance of commercial banks in Trans Nzoia County. The standardized regression coefficient ( $\beta$ ) value of structural change was 0.629 with a t-test of 10.958 and significance level of  $p < 0.001$ . This indicated that a unit change in structural change would result to change in employee performance by 0.629 significantly. The regression equation to estimate the employee performance of commercial banks in Trans Nzoia County as a result of structural change was hence stated as:

$$\text{Employee performance} = 1.726 + 0.673 \text{ Structural Change}$$

From the results, structural change had significant positive effect on employee performance with  $P < 0.01$  and it significantly accounted 57.5% variance in employee performance of the commercial banks in Trans Nzoia County. Therefore, the third research question was answered and the objective achieved as structural change affected performance of employees in Commercial banks in Trans Nzoia County.

The findings are inline Hao, Kasper and Muehlbacher (2012) found that structural change had more effects on organizational learning than on innovation, organizational learning has an indirect effect on performance through innovation, except the direct effect of structure on performance. Wanza and Nkuraru (2016) found that structural changes influenced university employees' performance positively. Kiggundu (2012) indicated that

there is a significant relationship that exists between the study structural change constructs/variables and employee performance.

#### **4.7.4 Regression Results of Organization Culture and the Employee Performance**

The fourth objective of the study was to investigate the influence of culture on performance of employees in commercial banks in Trans Nzoia County. The objective sought to answer which posits what is the effect organization culture on performance of employees in Commercial banks in Trans Nzoia County. This was achieved through correlation coefficient (R) and regression analysis (B). A simple linear regression was carried investigate the influence of organization culture on employee performance of commercial banks in Trans Nzoia County. This entails composite variable of organization culture which was mean obtained from six metrics that was used to measure organization culture in this study. Similarly, the composite value of employee performance was obtained by getting mean of six metrics that was used to measure employee performance. The detailed results of simple linear regression analysis involving organization culture and employee performance of commercial banks in Trans Nzoia County is as shown in Table 4.14 which is a composite comprising of Model summary, ANOVA and regression coefficients. The proportion of variance in commercial banks employee performance in Trans Nzoia County explained by the independent variable (organization culture) is 30.9% or  $R^2 = 0.309$ . In order to assess the model significance, simply whether the model fits well the given data, the study resorted to F ration. From the findings, the F ratio is greater than 1, as indicated by a value of 4381.846, which means that

improvement due to fitting the model is much greater than the model inaccuracies (F(1,184)= 81.846, P<0.000).

**Table 4.7: Simple Regression Analysis Results**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.556 <sup>a</sup>	0.309	0.305	0.59500		
a. Predictors: (Constant), Organization culture						
b. Dependent Variable: Employee performance						
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.976	1	28.976	81.846	0.000 <sup>b</sup>
	Residual	64.787	183	0.354		
	Total	93.762	184			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Organization culture						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	
		B	Std. Error	Beta		
1	(Constant)	2.736	0.194		14.087	0.000
	Organization culture	0.435	0.048	0.556	9.047	0.000
a. Dependent Variable: Employee performance						

From the findings presented in Table 4.14, organization culture carried positive significant predictive power. The unstandardized regression coefficient (B) of organization culture was 0.435 while the standardized regression coefficient ( $\beta$ ) was 0.556. These values were significant,  $p < 0.05$ ) implying that a unit change in organization culture would result to significant change in employee performance by 0.556 in the same direction. Therefore, the linear regression results indicated that there was a statistically significant positive relationship between organization culture and employee performance

of commercial banks in Trans Nzoia County. The study developed analytical model shown below for predicting employee performance using organization culture:

$$\text{Employee performance} = 2.736 + 0.435 \text{ Organization Culture}$$

From the results, organization culture had significant positive effect on employee performance with  $P < 0.01$  and it significantly accounted 30.9% variance in employee performance of the commercial banks in Trans Nzoia County. These findings are agreed with Khosa *et al.* (2015) showed that organizational culture had a positive significant impact on employee's performance in banking sector of Pakistan. Odhiambo (2016) revealed that most of the individuals who responded were in agreement that espoused beliefs and values, rules and policies, artifacts and management behaviors influence various aspects of their performance in a positive way. Awadh and Saad (2013) found certain dimensions of culture have been identified so far and research shows that value and norms of an organization were based upon employee relationship. Wambugu (2014) revealed that organizational values had a more significant effect to employee's job performance.

#### **4.8 Multiple Linear Regression of the Determinants Regressed against Employee Performance**

Objective of this study sought to establish the effect of change management on employee performance in commercial banks Trans Nzoia County, Kenya. This was achieved by carrying out standard multiple regression with model consisting of each of the constructs

of change management. The study was interested in knowing the effect of each of the change management constructs on employee performance when all these constructs were entered as a block on the model. The results of multiple linear regression analysis were presented in Table 4.15 which contained ANOVA (goodness of fit; F Ratio, Sig Value) and model summary (R,  $R^2$ , Adjusted  $R^2$ ) results while Table 4.15 contained regression coefficient (Unstandardized & standardized), t-value and Sig. value results. The study sought to determine the coefficient of determination ( $R^2$ ) in order to determine the overall percentage change in the employee performance that was explained by all the metric of the change management by use of  $R^2$ . The results in Table 4.15 present R,  $R^2$ , Adjusted  $R^2$ , F ratio and Sig. value.

**Table 4.15: Model Summary and ANOVA**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.771 <sup>a</sup>	0.595	0.586	0.45926		
a. Predictors: (Constant), DS, TC, SC, OC						
ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.796	4	13.949	66.134	.000 <sup>b</sup>
	Residual	37.966	180	0.211		
	Total	93.762	184			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), DS, TC, SC, OC

The results from the model summary in Table 4.15 give us information on the overall summary of the model. It can be deduced that change management account for 59.5% significant variance in employee performance ( $R^2 = 0.595$ ,  $p < 0.000$ ) implying that 40.5%



of the variance in employee performance is accounted for by other variables not captured in this model. From the findings, also adjusted R square value is obtained, which is a corrected R square value to provide a useful estimate of true study population. The difference between  $R^2$  and adjusted  $R^2$  is obtained by subtracting the later from the former ( $0.595-0.586=0.009$ ) a value when multiplied by 100% results in 0.9 percent. This reduction implied that should the model originated from the entire population instead of a sample, it would explain about 0.9% less variation in the study outcome.

In order to assess the significance of the model, simply whether the study model is a better significant predictor of the employee performance rather than using mean score which is considered as a guess, the study resorted to F Ratio. The F value from study findings indicates the proportion of the improvement in predicting the results from fitting the model relative to the inaccuracy or errors that still prevails in the study model. From the findings, the F value is more than one, as indicated by a value of 66.134, which means that enhancement as a result of model fitting is much larger than the model errors/inaccuracies that were not used in the model ( $F(4,184) = 66.134, P=0.000$ ). The large F value is very unlikely to exist by chance (99.0%), thus implying that the final study model has significant improvement in its prediction ability of commercial banks' employee performance.

The results presented in Table 4.16 shows unstandardized coefficients, standardized coefficients, t statistic and significant values. The study has an option of either using Unstandardized Coefficients or Standardized Coefficients depending on the type of data.

The study used unstandardized coefficient in order to compare the effects of change management across same measures (Likert Scale 1 through 5). However, if the measure were different, then standardized coefficients which are based on standard deviation would be appropriate.

**Table 4.16: Coefficients on effect of Constructs of Change Management on Employee Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.381	0.267		1.428	0.155
DS	0.172	0.074	0.153	2.326	0.021
TC	0.401	0.058	0.404	6.911	0.000
SC	0.267	0.069	0.250	3.886	0.000
OC	0.130	0.050	0.167	2.598	0.010

*a. Dependent Variable: Employee performance*

From the findings presented in Table 4.16, all change management constructs had significant effect on the employee performance as indicated in unstandardized coefficients  $\beta$  column. If change management are held at zero or it is absent, the employee performance of commercial banks in Trans Nzoia County would be 0.381,  $p=0.155$ . Though be positive but insignificant. It was revealed that downsizing had second last unique significant contribution to the model with  $\beta =0.172$ ,  $p<0.021$  suggesting that controlling of other variables (technological change, structural change and organization culture) in the model, a unit change in downsizing would result to significant change in employee performance by 0.172 in the same direction. The largest beta coefficient was 0.401, which is coefficient value for technological change. This values is significant ( $\beta =0.401$ ,  $p=0.000$ ) and also positive. This means that technological

change has the strongest unique contribution to explaining the employee performance of the commercial banks in Trans Nzoia County, when the variance explained by all other variables (downsizing, structural change and organization culture) in the model is controlled. This implies that a unit change in technological change would result to change in employee performance by 0.401 in the same direction.

Another variable that also had a unique significant contribution to the model was the value for structural change ( $\beta = 0.267$ ,  $p = 0.030$ ), slightly lower than technological change but second highest. When other variables in the model are controlled (technological change, downsizing and organization culture), a unit change in structural change would result to significant change in employee performance by 0.267 in the same direction. Lastly, organization culture had least unique significant contribution to the model with  $\beta = -0.130$ ,  $p = .001$  implying that when other variables in the model are controlled (technological change, structural change and downsizing), a unit change in organization culture would result to significant change in employee performance by 0.130 in the same direction. A regression of the four predictor variables against employee performance established the multiple linear regression model as below as indicated in Table 4.20:

$$\text{Employee performance} = 0.381 + 0.172\text{DS} + 0.401\text{TC} + 0.267\text{SC} + 0.130\text{OC}$$

The study compares favorably with Osei-Bonsu (2014) on the impact of change management on job satisfaction of employees in Ghana's banking sector revealed that change management had positive impact on employees' job satisfaction. Fetiya (2015)

found that change management positive impact on employee performance due to introduction of Balanced Scorecard as part of Performance Management programme. Kinoti (2015) on effects of change management on employee performance in co-operative bank of Kenya limited concluded that change management promote employee performance of Cooperative Bank, due to effective supervisory relationships and work flow which consequently influences productivity. However, Kilato (2014) revealed that lack of recognition to issues of change management to staff in Tanzania Portland Cement Company Ltd (TPCC) affected employee performance negatively.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter gives a summary of findings outlined in chapter four (4), conclusions and recommendations of the study on change management on employee performance in commercial banks Trans Nzoia County, Kenya. This chapter is organized in four sub-sections. The first section deals with the summary related to the research objectives. The second section focuses on conclusions which are derived from the summary while the third section presents on recommendations which are drawn from conclusions and finally areas for further research.

#### **5.2 Summary of the Findings**

The study intended to establish the effect of change management on employee performance in commercial banks Trans Nzoia County, Kenya. The study sampled 216 employees from 14 commercial banks in Trans Nzoia County. Change management was conceptualized using downsizing, technological change, organization culture and structural change. Employee performance was determined using task completion, quality of output and timeliness. Data was collected using questionnaires and was analyzed by use descriptive statistics (Frequency & percentage) and inferential statistics (Correlation and Regression) with significance level of 0.05. The research instrument was found to be reliable and the reliability of each variable ranged from 0.717 to 0.811. Further, the

research instrument was also found to be valid. Key findings per objective are summarized as follows.

#### **5.2.1 Effect of Downsizing on Performance of Employees in Commercial Banks**

The first objective was to determine the effect of downsizing on performance of employees in commercial banks in Trans Nzoia County. The findings revealed that majority of the respondents confirmed that downsizing results to improved personal responsibility (Mean=4.14, SD=1.25). Downsizing has also resulted to increase in efficiency, reduce cost improve efficiency and enhanced competitiveness. However, slight majority of the respondents indicated that downsizing has led to improved loyalty to your supervisor as well as distribution of workloads among employees. Standard deviation of between 1.16 and 1.50 implied that there was significant deviation from the mean on the management of downsizing in commercial banks in Trans Nzoia County. The overall mean management of downsizing was 3.82 and standard deviation of 1.3 further suggesting that there is significant deviation from the mean.

Inferential results indicated that that there was significant effect of downsizing on performance of employees in commercial banks in Trans Nzoia County. The correlation results revealed that a significant moderate relationship exist between downsizing and employee performance ( $R=0.519$ ,  $P=0.00$ ). It significantly accounts up to 49.9% ( $R^2=0.499$ ,  $P<0.000$ ) of employee performance variation. The unstandardized regression coefficient ( $\beta$ ) value of the downsizing management was 0.489 ( $\beta \neq 0$ ) and significance level of  $p\text{-value}<0.000$  implying that a unit change in the management of downsizing

would result to a change in employee performance by 0.489 in the same direction. Therefore, management of downsizing is significant predictor of employee performance in commercial banks in Trans Nzoia County.

### **5.2.2 Effect of Change in Technology on Performance of Employees in Commercial Banks**

The second objective was to examine the effect of change in technology on performance of employees in commercial banks in Trans Nzoia County. The overall mean of technological change was 4.35 with a standard deviation of 0.91. This implied that that there was some deviation from the mean. However, the standard deviation ranged from 0.83 to 1.18. All the indicators of technological change had means above 4.00 with a maximum of 4.52. Specifically, majority of the respondents strongly agreed that technological change led to improvement in the quality of work (Mean=4.52, SD=0.84) and technological change had resulted to reduction in the total errors (Mean=4.50, S.D=0.83). On the other hand, majority of the respondents agreed that they able to control the work and process more efficiently due new technologies (Mean=4.01, S.D=0.88).

From inferential analysis, the results revealed that that there was significant effect of technological change management on the performance of employees in commercial banks in Trans Nzoia County. The correlation analysis results showed that a strong relationship exist between technological change and employee performance ( $r=0.658$ ,  $p<0.00$ ). Management of technological change significantly explained 43.3% ( $R^2=0.712$ ,  $p<0.000$ ) change in employee performance. The unstandardized regression coefficient ( $\beta$ )

value of the technological change management was 0.654 ( $\beta \neq 0$ ) and significance level of  $p\text{-value} = .000$  ( $< 0.05$ ) implying that a unit change in the management of technological change would result to a change in employee performance by 0.654 in the same direction. Therefore, management of technological change is significant predictor of employee performance in commercial banks in Trans Nzoia County.

### **5.2.3 Effect of Structural Change on Performance of Employees in Commercial Banks**

The third objective was to evaluate the effect of structural change on performance of employees in commercial banks in Trans Nzoia County. The overall of the management of structural change was found to be 3.99 with a standard deviation of 1.06. This postulated that there was significant deviation from the mean. The standard deviations range from 0.74 to 1.40 implying that respondents had divergence opinions on some of the indicators that were used to measure the management of structural changes. There was significant deviation on the structural changes resulting to increased innovation in the organization (Mean=3.64, SD=1.40) as well as job redesign as a result of structural changes has resulted to faster employee response and completion of work (Mean=3.98, SD=1.21). The results also revealed that majority of the respondents agreed that changes in work teams in the organization had led to enhanced teamwork and better performances from staff with a mean of 4.11 and minimal standard deviation of 0.74.

Inferential results indicated that that there was significant influence of structural change on performance of employees in commercial banks in Trans Nzoia County. The



correlation results revealed that a strong relationship exist between management of organizational culture and employee performance ( $r=0.629$ ,  $p<0.00$ ). It significantly accounts up to 57.5% ( $R^2=0.575$ ,  $p<0.000$ ) of employee performance variance. The unstandardized regression coefficient ( $\beta$ ) value of the structural change management was 0.673 ( $\beta\neq0$ ) with  $p\text{-value}<0.000$  ( $<0.05$ ) implying that a unit change in the management of structural change would results to a change in employee performance by 0.673 in the same direction. Therefore, management of structural change is significant predictor of employee performance in commercial banks in Trans Nzoia County.

#### **5.2.4 Influence of Culture on Performance of Employees in Commercial Banks**

The last objective was to establish the influence of culture on performance of employees in commercial banks in Trans Nzoia County. The results revealed that majority of the sampled respondents agreed (61.6%) that the rites/rituals at their organization facilitate conflict resolution arising from change initiatives. The results also revealed that majority of respondents strongly agreed that the organizational norms at their organization are supportive of change initiatives at the company (Mean=4.25, SD=1.01). This implied that there was significant deviation from the mean as far as supportive organizational norms were concerned. The overall mean was found to be 3.99 with standard deviation of 1.03. This implied that all the indicators of change management in relation to culture were agreed by the sample respondents. However, there was some deviation in practices in some sampled commercial banks. The standard deviations ranged from 0.93 to 1.16.

There was significant influence of organizational culture management on performance of employees in commercial banks in Trans Nzoia County. The correlation results revealed that there was a strong relationship exist between management of organizational culture and employee performance ( $r=0.556$ ,  $p<0.00$ ). It significantly accounts up to 39.6% ( $R^2=0.396$ ,  $p<0.000$ ) of employee performance variance. The unstandardized regression coefficient ( $\beta$ ) value of the organizational culture management was 0.435 ( $\beta\neq0$ );  $p$ -value $<0.010$  implying that a unit change in the management of organization culture would result to a change in employee performance by 0.435 in the same direction. Therefore, management of organizational culture was significant predictor of employee performance in commercial banks in Trans Nzoia County.

### **5.3 Conclusions**

The general objective of the study was to investigate effects of change management on employee performance in commercial banks Trans Nzoia County, Kenya. The general conclusion was that change management had significant and positive effect on the employee performance of commercial bank in Trans Nzoia County. The specific conclusions as per the objectives are as follows:

The study established that the management of downsizing affects the performance of employees in commercial banks found in Trans Nzoia County. It was established that downsizing threatens job security, thus reducing employee commitment to the quality program and that downsizing reduces levels of communication in general, adversely affecting employee commitment thereby threatening workforce quality. Increasing in the

management of downsizing would result to increase in employee performance. Specifically, the study concluded that proper management of downsizing such as equal distribution of workloads for the remaining employees, specifying the purpose of downsizing and why it was necessary to undertake results to increase in personal responsibility and ‘doing more with less’ or saving the organization.

The study examined the effect of technological change management and concluded that the management of technological change had positive effects on the performance of employees in commercial banks in Trans Nzoia County. Established financial institutions in Kenya had been undertaken key technological changes in the work of cybercrimes and financial fraud which had resulted to some of the financial institutions collapsing. Therefore, improvement in the management of technological change such as mobile banking, mobile money transfer, use of ATMs, internet banking, service automation, marketing automation, real-time gross settlement (RTGS), block chain technology and social network platforms would result to increase in employee performance.

The study sought to evaluate the effect of structural change on performance of employees in commercial banks in Trans Nzoia County. The study established that structural change management affected employee performance. It was found that most of the commercial banks in Kenya had undergone considerable structural change not only in the management but on various aspect of their human resource management. Therefore, proper and efficient management of structural change in commercial banks would result to better employee performance. Specifically, proper changes in work teams had resulted

to enhance team performance and redesigning of job to be in line with new structure leading to employee responsiveness thus quick completion of tasks. Structural change management had also led to increased innovation and employee commitment in the commercial banks.

The last objective of the study sought to establish the effect of organization culture on performance of employees in commercial banks in Trans Nzoia County. The study established that the management of organization culture had significant effect on employee performance in commercial banks. Every organization had unique culture and therefore, change in organization culture affects employee performance. The study noted that organization culture change disorients employees and in some cases may resort to resistance and organization conflicts. Therefore, better management of organization culture would result to improved employee performance. Specifically, the study established that better management of organization culture results to better conflict resolution due to change initiatives. It was also concluded that involvement of employees in change initiative decisions increase their loyalty and commitment to organization change programs.

#### **5.4 Recommendations**

From the study conclusions, the following recommendations were derived as per the specific objectives:

- ι) In regard to the conclusion of first objective, the study recommended that commercial banks managers should prepare the employees on the downsizing programs and how the organization is expected to regain after the exercise. This would assure the remaining employees that the program was undertaken to better their remuneration and increase improve the performance of the organization. Those who were victims of downsizing should be prepared psychologically and given full support from the management and the remaining employees.
- ιι) No financial institution is immune from technological change due to globalization, hence, the need to satisfy customers and remain competitive in the market. However, employee resistance may result to commercial banks fail to realize these benefits. Therefore, the study recommended that commercial banks managers should examine their current system before embarking on new technological change. In this case, employees should be consulted from time to time and the new system should be built around the employees so as to increase their support toward technological change. The study also recommended that the management should adopt better technological change strategy to enable the employee shift seamlessly.
- ιιι) The study concluded that the management of structural change had significant effect on employee performance in commercial banks. It was found that the management of structural had resulted to enhance employee commitment and increase innovation. The study therefore recommended that during structural change, the commercial bank management should focus on participatory

leadership and communication strategies to enhance employees' readiness for change.

10) Lastly, it was difficult to enforce organizational culture without employee involvement. Regardless of the nature of organization, the study recommended that commercial banks management should strive to be a learning organization and promoting cultural attitudes that support organizational culture. These attitudes would contribute to organizational behavior by enabling staff adapt to their working culture. In this respect the management should demonstrate behaviors and attitudes that live the organization values. Further, the management needs to assess and review existing cultural effectiveness and be able to address key cultural challenges.

### **5.5 Suggestion for Further Research**

It is hoped that the findings of this study will contribute to the existing body of knowledge and form a basis for future researches. The following areas of further research were thus suggested.

- i) Whereas the current study focused on change management practices on performance of commercial banks in Kenya, future studies should seek to establish whether or not the same practices are applicable to other sectors of the economy.

- ii) Further studies should also focus on the challenges faced in implementation of the change management practices and the possible mechanisms that could be employed to overcome these challenges.

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## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

HELLEN NAFULA MUKHEBI  
KIBABII UNIVERSITY,  
P.O. BOX 1699-50200,  
BUNGOMA.

Dear Respondent,

#### RE: DATA COLLECTION

I am a post graduate student at Kibabii University undertaking Master of Science in Human Resource Management and I am currently conducting a research on '**Change Management and Employee Performance in Commercial Banks Trans Nzoia County, Kenya**'. You have been chosen as one of the resourceful respondent and wish to request you to apportion some of your precious time to fill the attached questionnaire and respond objectively to the Interview Schedule. However, any information obtained from you shall be treated with utmost confidentiality. In any reports or publications, no one will be identified and only group data will be presented.

Thanking you in advance for your co-operation.

HELLEN NAFULA MUKHEBI  
MHR/001/15

## APPENDIX II: QUESTIONNAIRE

**SECTION A: DEMOGRAPHIC INFORMATION:** Kindly (✓) in the boxes and spaces below appropriately:

### 1. Gender

Male ☐

Female ☐

### 2. Age

Below 20 years ☐

21 – 30 years ☐

31 – 40 years ☐

41 – 50 years ☐

Over 50 years ☐

### 3. Please indicate your level of education

Diploma ☐

Bachelor's Degree ☐

Postgraduate Degree ☐

Professional certification ☐

Others (Please specify)

### 4. For how long have been working in Banking Industry?

Below 1 year ☐

2 – 5 years ☐

6 – 10 years ☐

11 – 15 years ☐

Over 15 years ☐

## SECTION B: CHANGE MANAGEMENT

Please tick (✓) where appropriate in the space provided. **KEY:** Using a scale 1-5 tick the appropriate answer from the alternatives, where **1** stands for Strongly Disagree, **2** stands for Disagree, **3** stands for Uncertain, **4** stands for Agree, **5** stands for Strongly Agree

<b> Downsizing</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Downsizing has resulted to improved personal responsibility					
Downsizing has resulted to increase efficiency, reduce cost improve efficiency and enhanced competitiveness.					
Downsizing has led to Improved employee accountability					
Downsizing has led to improved loyalty to your supervisor					
Downsizing has resulted to equal distribution of workloads among employees					
It leads to ‘charged up’ , people finding new excitement in their work, being challenged by prospect of ‘doing more with less’ or saving the organization					

<b>TECHNOLOGICAL CHANGE:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Technological change has led to improve in the quality of work					
Technological change has resulted to increase in the efficiency and productivity of the employees in the company					
Technological change has results to reduction in the total errors					
There has been increase in the job performance after adopting new technologies					

I am able to accomplish work tasks quickly due to new technologies					
I am able to control the work and process more efficiently due new technologies					

<b>STRUCTURAL CHANGE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Structural change in the organization has led to enhanced employee commitment and availability at work					
Structural change in the organization has led to setting of better quality goals					
Changes in work teams in the organization has led to enhanced teamwork and better performances from staff					
Job redesign as a result of structural changes has resulted to faster employee response and completion of work					
Structural changes has resulted to increased innovation in the organization					
Structural changes have improved communication within the organization					

<b>ORGANIZATIONAL CULTURE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The rites/rituals in my organization help the employees to embrace change introduced in the company					
The rites/rituals at my organization foster loyalty and commitment to change programs					
My organization culture encourages some input into decisions that affect my work.					

The organizational norms at my organization are supportive of change initiatives at the company					
The organization values of the organization influence the behavior of the staff at the organization					
The rites/rituals at my organization facilitate conflict resolution arising from change initiatives					

### SECTION C: EMPLOYEE PERFORMANCE

Please tick (✓) where appropriate in the space provided *on aspects to do with Employee Performance*. **KEY:** Using a scale 1-5 tick the appropriate answer from the alternatives, **1** stands for Strongly Disagree, **2** stands for Disagree, **3** stands for Uncertain, **4** stands for Agree, **5** stands for Strongly Agree.



<b>EMPLOYEE PERFORMANCE:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Employees are efficient and effective in service delivery					
Employees are able to adjust to changing priorities at workplace					
Employees are able to meet their set targets at workplace					
Employee are proactive in service delivery					
Employees are able to solve problem at work independently					
Employees are able to meet all their deadline at work place					

### APPENDIX III: BANKS IN TRANS NZOIA COUNTY

NAME OF THE BANK	POPULATION OF THE BANK
Cooperative bank	3 9
National Bank of Kenya ltd	38
DTB – Diamond Trust Bank	25
Postbank	19
Eco bank Kenya Ltd	32
Family bank	25
SIDIAN BANK	35
Equity bank limited	43
Kenya commercial bank	41
Standard chartered bank limited	35
Barclays bank limited	41
Oriental bank	32
Bank of Africa	30
I\$m bank	35
TOTAL	470

Source: Compilation from Operation Managers in Banks found in Trans Nzoia County

## APPENDIX IV: NACOSTI PERMIT

<b>THIS IS TO CERTIFY THAT:</b>	<b>Permit No : NACOSTI/P/18/27232/23216</b>
<b>MS. HELLEN NAFULA MUKHEBI</b>	<b>Date Of Issue : 9th August,2018</b>
<b>of KIBABII UNIVERSITY, 0-50200</b>	<b>Fee Received :Ksh 1000</b>
<b>Bungoma,has been permitted to</b>	
<b>conduct research in Trans-Nzoia County</b>	
<b>on the topic: CHANGE MANAGEMENT</b>	
<b>AND EMPLOYEE PERFORMANCE IN</b>	
<b>COMMERCIAL BANKS IN KITALE TOWN,</b>	
<b>KENYA</b>	
<b>for the period ending:</b>	
<b>17th July,2019</b>	
	
<b>Applicant's</b>	<b>Director General</b>
<b>Signature</b>	<b>National Commission for Science, Technology &amp; Innovation</b>



## APPENDIX V: CERTIFICATE OF THE PUBLICATION

	<b>The Strategic of JOURNAL</b>	<b>Business &amp; Change MANAGEMENT</b>
		<b>No. 2019/6/3/028</b>
<h3>Certificate of Publication</h3>		
<p>This is to certify that <b>HELLEN NAFULA MUKHEBI, DR. KADIAN WANYONYI WANYAMA (Ph.D)</b> and <b>DR. CATHERINE LAURA MAMULI (Ph.D)</b> have published a research paper in this journal, Volume 6, Issue 3, 2019, pp 361 - 370.</p>		
<p><b>Article Title:-</b> "DOWNSIZING AND PERFORMANCE OF EMPLOYEES IN COMMERCIAL BANKS IN TRANS NZOIA COUNTY, KENYA"</p>		
<p><b>Print ISSN: 2414-8970</b> <b>Online ISSN: 2312-9492</b></p>		 <hr/> <b>Chief Editor</b>

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