

**ORGANIZATIONAL CHANGE AND EMPLOYEE PERFORMANCE IN  
COMMERCIAL BANKS IN BUJUMBURA, BURUNDI**

**BY**

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## DECLARATION

I, Kwizera Methode declare that this thesis is my original work and has not been submitted for any other award of a degree and published at any institution of higher learning.

.....

...../...../.....

**Kwizera Methode**

**Date**

## **APPROVAL**

I declare that this thesis has been done by the student under my supervision and is ready for further examination by other examiners.

.....

**Olutayo K. Osunsan**

...../...../.....

**Date**

## **DEDICATION**

I dedicate this thesis to my late parents and siblings.

## **ACKNOWLEDGEMENT**

My profound gratitude goes to the Almighty God for the gift of life and Wisdom that he gave me throughout my studies.

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## **LISTS OF ABBREVIATIONS AND ACRONYMS**

|         |  |
|---------|--|
| ACCA    | Association of Chartered Certified Accounts            |
| ATM     | Automated Teller Machine                               |
| BANCOBU | Banque Commerciale du Burundi                          |
| BBCI    | Banque Burundaise Pour le Commerce et l'investissement |
| BCB     | Banque de Crédit de Bujumbura                          |
| CVI     | Content Validity Index                                 |
| GFC     | Global Financial Crisis                                |
| IBB     | Interbank Burundi                                      |
| SPSS    | Statistical Package for Social Sciences                |

## ABSTRACT

There is poor employee performance among commercial banks in Bujumbura, Burundi. The poor performance has over the years affected the organizational performance of several commercial banks in Bujumbura. This study investigated the effect of organizational change on employee performance among selected commercial banks in Bujumbura, Burundi. The following objectives guided the study: (i) to determine the effect of structural change on employee performance in commercial banks in Bujumbura; (ii) to determine the effect of strategic change on employee performance in commercial banks in Bujumbura; and (iii) to determine the effect of technological change on employee performance in commercial banks in Bujumbura. The research design was cross-sectional, the target population was 163 employees and the sample size was 116, however, only 104 successfully participated in the study. The main research instruments included questionnaires. The data was analysed using frequency and percentage tables, mean and standard deviations and regression analysis. The study revealed that structural change significantly affects employee performance by causing a variance of 56.8% ( $R^2 = 0.568$ ,  $P=0.000$ ). Furthermore, it was established that strategic change significantly affects employee performance by causing a variance of 47.2% ( $R^2 = 0.472$ ,  $P.0.000$ ). Lastly, the study revealed that technological change significantly affects employee performance by causing a variance of 51.4% ( $R^2 = 0.514$ ,  $p = 0.000$ ). The study concluded that organizational change has a significant effect on employee performance. The study gave the following recommendations: the management of commercial banks should periodically change the way business is done in a manner that timely responds to the ever dynamic customer demands. Furthermore, the management of commercial banks should practice appropriate strategic changes that enable them to offer services that meet the expectations of different groups of customers. In addition, management should regularly train their employees so that they are knowledgeable and remain competent in the event that a change has occurred. In the same vein, the management of commercial banks should embrace technological advancement in enhancing their business operations. This study therefore adds to the body of knowledge that structural change, strategic change and technological change all have significant effect on employee performance in the banking sector of Burundi.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0. Introduction**

This chapter covered the background of the study, problem statement, objectives of the study, research questions, hypothesis, scope of the study, significance of the study, and operational definitions of terms.

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

This section covered the historical perspective, theoretical perspective, conceptual perspective, and contextual perspective.

#### **1.1.1. Historical Perspective**

Globally, banking is going through some profound organizational changes following the Global Financial Crisis (GFC) (Claessens, 2015). The crisis has led to large balance sheets impairments, notably for many banks in advanced countries such as United States, United Kingdom, German, France, China and Japan. It has also led to a barrage of new regulations, tighter supervision and oversight, and some banks having to pay large penalties for past wrong doings (Acharya & Steggen, 2015). And, to a significant degree, the crisis has sharpened market discipline, making investors and lenders more worried of banks' activities, including their international operations. Together, this has forced banks to adjust their balance sheets by deleveraging and raising new capital, and pare back cost structures by shedding activities and personnel, and adjusting compensation (Bruno & Hyun, 2015). Other developments, including from new entrants in the industry spurred in part by advances in delivering financial services using digital means, are putting additional pressures on existing institutions. In addition, there has been a trend increase in the importance of emerging markets and developing countries in the world economy in general and in finance specifically, including through greater cross-border banking flows and direct foreign bank presence. As these changes continue to unfold and banks regroup, they are affecting the structure and industrial organisation of the banking industry globally (Cerutti, 2015).

In Africa, organizational change in the banking industry in the area of technological change has resulted in massive changes, as classical sales paths are increasingly being replaced by digital sales

channels (Adeniji, Osibanjo and Abiodun, 2015). This means there is less and less direct personal contact with the customer, moreover, customers also expect a comprehensive multi-channel portfolio from their banks. Banks and financial institutions are reacting to this immense cost pressure with large-scale restructuring programs and measures for continuous efficiency enhancement and permanent cost optimization (Okiro & Ndungu, 2013). Strategies and business models are being adapted to suit the changing customer behaviour and to adjust the cost structures in line with the long-term lower profit expectations (Barbaroux, 2015). For example, in Kenya, since the beginning of e-banking systems, financial institutions have witnessed many changes, and customers now have access to fast, efficient and convenient banking services. Most financial institutions in Kenya are investing large sums of money in strategic management to cope with the changes (Wandera, 2016). In Uganda, this technological change in the banking industry has seen several banks such as Standard Chartered bank, Stanbic bank, Bank of Africa etc. partner with telecommunication companies such as MTN in an effort to promote electronic banking and serve the ever fragile and dynamic needs of the customers.

In Burundi, the first commercial bank (Banque de credit de Burundi) was started in 1922 during the colonial rule of the Belgium. In 1960, another commercial bank (Banque Commerciale de Burundi) was established. However, for most of the post-independence period (1970s-1980s), several commercial banks came into play (Nkurunziza & Ngaruko, 2005). With financial liberalization in the late 1980s and early 1990s, Burundi's financial sector became more diversified with a series of commercial banks both foreign and local, with the latest establishment being Kenya commercial banks both foreign and local, with the latest establishment being Kenya Commercial Bank and Cooperative Rural and Development Bank both in 2012 (Bank of the Republic of Burundi, 2015). Financial institutions are concentrated in Bujumbura, the capital city, but the main banks have branches in a number of provinces. In Burundi, success in commercial banks begins with recognizing and internalizing the abilities of all the individuals in the organisation. The expected transformation of the economic environment, advances in technology, and aggressive national and international markets have generated enormous pressure on commercial banks to manage the work force. High retention workplaces are using employee attitude assessment to determine the atmosphere of the workforce. All the organizational leaders now conduct some form of assessment periodically to assist with establishing development opportunities for employees

within the organisation (Irakoze, 2016). Furthermore, in an effort to motivate workers, commercial banks have put in place a number of practices such as performance based pay, employee security agreement, practices to help balance family and job, as well as various forms of information sharing (Irakoze, 2016).

In a global knowledge economy, organisations across Europe and Asia in countries such as United Kingdom, German, France, Italy, China and Japan rely heavily on their employees to survive (Gebregziabher, 2015). They can only win a competitive advantage through their employees. The product or service of any organisation is provided to customers with the involvements of people. However, as Mathis and Jackson (2010) pointed out, people are not only essential resources that an organisation has but also problematic ones to manage. This makes human resource management a key ingredient in fostering organizational competitiveness and the ability to fulfill its mission. Managing employee performance is an integral part of human resource management that all managers and rating officials perform throughout the year. The work of charity (2011) testifies the fact that performance management is important as managing financial resources and program outcomes because employee performance or the lack thereof has a profound effect on both the financial and program components of any organisation. Although many factors contribute to productivity, job performance is viewed to be the most influential one. Therefore one of the indicators in enhancing and improving the banking industry is job performance.

In Africa, employee performance in the banking sector has been a major concern because of skills limitations in the areas of technology, innovation, and management hence making most of the African banks in South Africa, Nigeria, Kenya, Uganda, Burundi etc. to prefer using management by foreigners due to human resource globalization (African Development Bank, 2015).

In Burundi, the banking industry is undergoing structural changes in the areas of innovation and technology and it is affecting the performance of the employees. The new technology has affected employees because they lack the skills, qualification, education, experience to successfully cope hence many have ended up losing their jobs instead (Nkurunziza, et al, 2015).

### **1.1.2. Theoretical perspective**

This was guided by two theories, namely: Expectancy Theory by Vroom's (1964) and organizational learning theory by Argyris and Schon (1978). However, the study was anchored on the Vroom's Expectancy Theory. The Expectancy theory assumes that behaviour results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. According to Vroom's (1964) Expectancy Theory, the relationship between people's behaviour at work and their goals is not as simple as was first imagined by others scientists. The theory focuses on three relationships, namely: effort performance relationship which is the perception of the individual that specific effort will lead to performance; performance-reward relationship which is belief by the individual that a certain level of performance will result to a desired outcome; and the rewards-personal goals relationship which is the extent to which organizational rewards will satisfy the individual's desired personal goals. It is hence important to understand the linkages between the three relationships for its application to be relevant.

On the other hand organizational learning theory by Argyris and Schon (1978) assumes that a change in the organization's knowledge occurs as a function of experience and knowledge includes both declarative knowledge or facts and procedural knowledge or skills and routines.

### **1.1.3. Conceptual Perspective**

Organizational change is defined by Leavitt (2003) as any action or set of actions resulting in a shift in direction or process that affects the way an organisation works. On the other hand, organizational change is defined by McNamara (2011) as a means of rightsizing, new development and change in technologies, rescheduling operations and major partnerships. Furthermore, organizational change was defined by Nicolaidis and Katsaros (2011) as the introduction of new patterns of actions, beliefs and attitudes among substantial segments of a population because of problems and opportunities that emerge from the internal and the external environment. In this study, organizational change was operationalised as structural change, strategic change and technological change.

Employee performance is defined by Iqbal et al (2015) as the effectiveness of employee's specific actions that contribute to attain organizational goals. Employee performance is defined by Podsakoff et al, (2013) as the way to do the job tasks according to the prescribed job description.



In this study, employee performance was operationalized as quality of work, timeliness and effectiveness.

#### **1.1.4. Contextual Perspective**

The banking sector of Burundi is comprised of 10 commercial banks and are all located in Bujumbura, Burundi. The banking sector is highly concentrated with the two mature banks, the Banque de credit de Bujumbura (BCB) and the Banque Commerciale due Burundi (BANCOBU) accounting for a commanding share of the market. In 2015, these two banks accounted for 43% of deposits, 42% of total assets, and 42% of credit allocated. Together with the interbank Burundi (IBB) created in 1993, the three largest banks represented 76% of total assets, 74% of credit, and 79 of deposits in 2015 (Nkurunziza et al 2015).

State ownership in the banking sector is low, representing only 3.6% of total capital of commercial banks. However, the government still has substantial influence in the banking sector through its public entities that own up to 31.6% of the capital of all banks combined. The government is also a majority shareholder in two out of the two most important banks (BANCOBU and BCB). Hence, the government is still able to influence the management of banks through the nomination of its representatives to board of directors and this consequently has been one of the causes of poor employee performance (Nkurunziza et al, 2015).

#### **1.2. Statement of the Problem**

There is poor employee performance among commercial banks in Bujumbura, Burundi. This is because, between 2015 and 2016, more than 20 employees had been sacked from their jobs due to performance related issues from four banks in Bujumbura (i.e. Kenya, Commercial bank, diamond Trust bank, Ecobank, and Banque Commercial de Burundi) (Uwimana, 2017). The reasons for the dismissal included among others absenteeism, inefficiency, delays in job delivery and consistent mistakes (Uwimana, 2017). According to Keith (2014), employee poor performance is often times attributed to inadequate training and skills-set gap, low support from management, poor communication system in the organisation, and poor motivation mechanisms.

The poor employee performance has over all the years affected the organizational performance of several commercial banks in Bujumbura. A case scenario is when in 2015 five (5) commercial banks lost up to \$20,000 due to mismanagement, while in 2016, four (4) commercial banks were able to meet only 68% of their goals due to employee turnover (Central Bank of Burundi Annual Report, 2016). In Burundi, poor employee performance contributes up to 3.2% average financial losses among commercial banks. This study therefore investigated to establish the extent to which organizational change affects employee performance in commercial banks in Bujumbura, Burundi.

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

#### **1.3.1. General Objective**

To determine the effect of organizational change on employee performance among selected commercial banks in Bujumbura, Burundi.

#### **1.3.2. Specific Objectives**

- i. To determine the effect of structural change on employee performance in commercial banks in Bujumbura, Burundi.
- ii. To determine the effect of strategic change on employee performance in commercial banks in Bujumbura, Burundi.
- iii. To determine the effect of technological change on employee performance in commercial banks in Bujumbura, Burundi.

### **1.4. Research questions**

- i. What is the effect of structural change on employee performance in commercial banks in Bujumbura?
- ii. What is the effect of strategic change on employee performance in commercial banks in Bujumbura
- iii. What is the effect of technological change on employee performance in commercial banks in Bujumbura?

## **1.5. Hypothesis**

Ho<sub>1</sub>: Structural change has no significant effect on employee performance in commercial banks in Bujumbura

Ho<sub>2</sub>: Strategic change has no significant effect on employee performance in commercial banks in Bujumbura.

Ho<sub>2</sub>: Technological change has no significant effect on employee performance in commercial banks in Bujumbura.

## **1.6. Scope of the Study**

### **1.6.1. Geographical scope**

This study was conducted in Bujumbura among four selected commercial banks which include: BCB (Banque de credit de Burundi); BANCOBU (Banque Commercial de Burundi); BBCI (Banque Burundaise Pour le Commerce et l'investissement); and Interbank Burundi. The choice of the banks is because they are the oldest in the country and evidently the most well-known by the Burundi people.

### **1.6.2. Content Scope**

In this study, organizational change was confined to structural change, strategic change and technological change while employee performance was confined to quality of work, timeliness, and effectiveness.

Organizational change was measured using the above three constructs because they are the ones mostly affecting the banking institutions in Burundi. A lot of dynamic changes have been happening in the ones of the banking institutions and most of them are within the structure, strategic (or technological settings).

### **1.6.3. Time Scope**

The study took a period of 1 year. That is, from September 2017 to October 2018. This period was enough for the researcher to write the research proposal, collect data and write the final thesis.

### **1.7. Significance of the study**

It is hoped that the findings of this study will be resourceful to the management of commercial banks because it will provide relevant information that will help guide how organizational change can be effected without hurting the feelings of employees.

Furthermore, the results of this study will provide information to employees that will help them to be more proactive to organizational change than to be resistant to it.

In addition, the findings of this study will benefit the commercial bank customers in the sense that if the positive change is effected, better and quality services will be provided.

Last but not least, future researchers might find the result of this study a good source of reference for a similar study.

### **1.8. Operational definition of terms**

**Organizational change:** refers to structural change, strategic change and technological change that happens in an organisation.

**Structural change:** Refers to realignment of employee job functions, elimination of job duplication, creation of new policies, periodic change that aligns with market demands and creation of new departments due to market shift.

**Strategic change:** Refers to changes in institution visions and objectives, consideration of culture and behaviours before instituting a change, changes to make improvement in market position, changes in services to align with customer demands, and reach all customer groups.

**Technological change:** Refers to changes in technology based on business demands and advancement in work environment, training of employees to use new technology, embracement of technological advancement to improve quality and speed of service, and use of specialized and customized software to keep smooth business operations.

**Employee performance:** Refers to work quality, timeliness and effectiveness when performing work.

**Qualify of work:** Refers to performing work as stipulated in the job description, doing work consistent with professional norms, having speed when performing work, doing work with care and persistence, and maintenance of high standards of performance.

**Timeliness:** Refers to the use of high level of accuracy when performing work, understanding very well how work is done, being cautious when performing work, effectively using resources when doing work and having enough training to perform work effectively.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0. Introduction**

This chapter covered literature on the main constructs of the study from different publications and scholars. This chapter is subdivided into theoretical review, conceptual review and related empirical studies.

#### **2.1. Theoretical review**

This was guided by two theories, namely: Expectancy Theory by Vroom's (1964) and organizational learning theory by Argyris and Schon (1978)

##### **2.1.1. Expectancy theory**

This study was anchored on Vroom's (1964) Expectancy Theory which assumes that behaviour results from conscious choices among alternatives whose purpose is it to maximize pleasure and minimize pain. The relationship between people's behaviour at work and their goals is not as simple as was first imagined by other scientists. Vroom's theory is based upon the following three beliefs: valence, expectancy and instrumentality. Valence, refers to the emotional orientations people hold with respect to outcomes (rewards). The depth of the want of an employee for extrinsic (money, promotion, time-off, benefits) or intrinsic (satisfaction) rewards. Management must discover what employees' value. Expectancy; employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training or supervision employees need.

Instrumentality: Refers to the perception of employees whether they will actually get what they desire even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that. The expectancy theory says that individuals have different sets of goals and can be motivated if they believe that: there is a positive correlation between efforts and performance; favourable performance will result in a desirable reward: the reward will satisfy an important need; and the desire to satisfy the need is strong enough to make the effort worthwhile.

Many experts in the field of organizational behaviour hold the view that Expectancy theory is one of the most acceptable theories of motivation and there is substantial evidence to support the theory. Numerous studies have been done to test the accuracy of Expectancy Theory in predicting employee behaviour and direct tests have been generally supportive (Ivancevich et al, 2012). The managers can be benefited from the expectancy theory as it helps them to understand the psychological processes that cause motivation. The thinking, perceptions, beliefs, estimates of chances and probabilities and other such factors of employees strongly influence their motivation, performance and behaviour. It makes the process of understanding the organizational behaviour easier. Therefore, the managers can create a work environment, climate and culture that will increase the motivation levels of employees by understanding the factors that motivate and demotivate individual employees.

However, expectancy theory is not complete and all comprehensive. Like all other theories it also has a point of view and an angle. But it is better on many accounts and more realistic than many other theories of motivation. Managers may not rely only on the Expectancy Theory alone and use other theories of motivation. Managers may not rely only on the Expectancy Theory alone and use other theories as well, yet it is one of the most important theories of motivation. We must also understand that all theories in social sciences are limited and the Expectancy theory is no exception. The value of a theory lies in its ability to explain with high probability what it purports to explain. It must also be understood that human nature, behaviour, attitudes and of course motivation are more subjective than objective and can never be completely objectified or theorized. Therefore all theories of motivation suffer from this limitation (Armstrong, 2006).

### **2.1.2. Organizational learning theory**

This study was guided by organizational learning theory by Argyris and Schon (1978). The theory assumes that a change in the organization's knowledge occurs as a function of experience and knowledge includes both declarative knowledge or facts and procedural knowledge or skills and routines. Researchers have measured organizational knowledge in a variety of ways. One approach measures organizational knowledge by measuring cognitions of organizational members (Huff & Jenkins, 2002). Taking a behavioural approach, other researchers have focused on knowledge

embedded in practices or routines and viewed changes in them as reflective of changes in knowledge (Gherardi, 2006).

Another behavioural approach uses changes in characteristics of performance, such as its accuracy or speed, as indicators that knowledge was acquired and organizational learning occurred (Argote, Denomme & Fuchs, 2011). Acknowledging that an organisation can acquire knowledge without a corresponding change in behaviour, researchers have defined organizational learning as a change in the range of potential behaviours (Huber, 1991). Similarly, Pentland (1992) defined organizational knowledge as the capacity of an organisation to act competently. Researchers have also measured knowledge by assessing characteristics of an organization's products or services (Helfat & Raubitschek, 2000) or its patent stock (Alcacer & Gittleman, 2006).

Organizational learning occurs in a context which includes the organisation and the external environment in which the organisation is embedded (Glynn, Lant & Milliken, 1994). The environmental context includes elements outside the boundaries of the organization such as competitors, clients, educational establishments, and governments. The environment can vary along many dimensions, such as volatility, uncertainty, interconnectedness, and munificence. The environmental context affects the experience the organisation acquires. Orders for products or requests for services enter the organisation from the environment. The organizational context includes characteristics of the organisation, such as its structure, culture, technology, identity, memory, goals, incentives and strategy. The context also includes relationships with other organizations through alliances, joint ventures and memberships in associations.

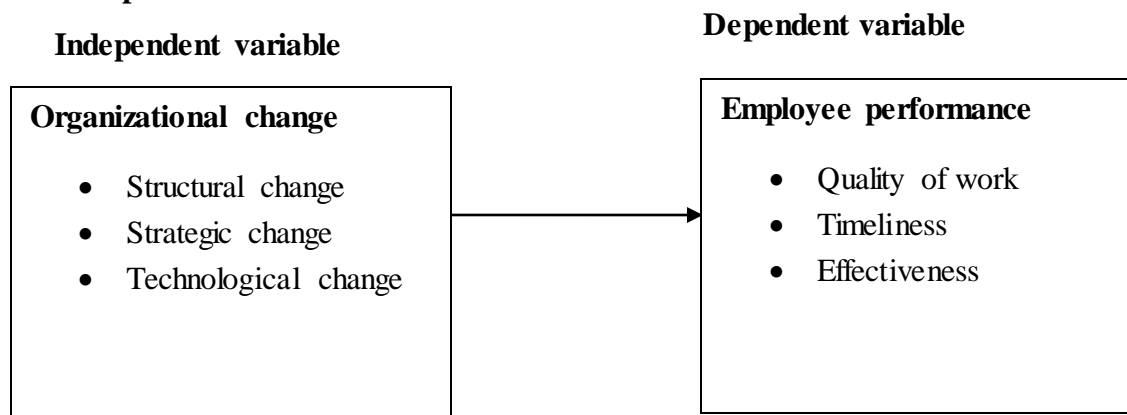
One of the primary drivers of organizational learning becoming an imperative for today's businesses is the need for enhanced learning processes as organisations move from relatively stable to relatively unstable environmental conditions in our globalised marketplace. As trends in market conditions, competition, customer demands, technology and other environmental areas evolve companies, too, must rejuvenate and reinvent themselves for long-term survival and success. Indeed, Azmi (2008) claims that nurturing learning is a top priority in today's business world because it contributes to competitive advantage through enhancing organizational performance and effectiveness (p. 58). Essentially, if organizational members share their tacit knowledge with



others in the organisation, this becomes one powerful resource that competitors cannot replicate. Senge (1990) substantiates this idea, noting that the ability to learn is expected to create the major source of competitive advantage for organisations in the future, and stressing that learning itself is seen as a prerequisite for the survival of today's organisations.

At the individual level, scholar William (2013) stresses the importance of humans everywhere Developing their capacity to think and act collaboratively. He asserts that, if people can come together and be encouraged to become conscious of the thought processes they use to form assumptions and beliefs, they can then develop a common strength and capability for working and creating things together. He concurs that the realities of today's business environment make organizational learning an imperative, claiming that the level of complexity in business today requires intelligence beyond the capacity of any individual, which demands that we tap the collective intelligence of groups of knowledgeable people.

## 2.2. Conceptual framework



**Figure 1: Conceptual framework**

**Source: adopted from McNamara(2011) and Iqbal et al (2015)**

The figure above shows the conceptual framework of the relationship between organizational change and employee performance. The independent variable was measured using structural change, strategic change and technological change. The dependent variable which is employee performance was measured using quality of work, timeliness and effectiveness. The relationship between the independent and dependent variable is that structural change in terms of changes in

employee job functions, elimination of job duplication, creation of new policies, periodic change that aligns with market demands and creation of new departments due to market shift will definitely cause improvement in the quality of work. Furthermore, strategic change in terms of changes in institution visions and objectives, consideration of culture and behaviours of employees before instituting a change, can cause improvement in employee performance when they meet deadlines, do their work in time and report to work on time. Similarly, implementation of technological changes such as customization of software or training or employees on how to use the new technology would improve employee performance by making them effective.

## **2.2. Conceptual Review**

### **2.2.1. Organisational change**

Organizational change is any action or set of actions resulting in a shift in direction or process that affects the way an organisation work (Leavitt, 2003). Change is the process of becoming different. It can be deliberate and planned by leaders within the organisation, or change can originate outside the organisation and beyond its control. Karanja (2015) argues that change may affect the strategies an organisation uses to carry out its mission, the processes for implementing those strategies, the tasks and functions performed by the people in the organisation, and the relationships between those people. However, Fisher (2001) posits that naturally, some changes are relatively small, while others are sweeping in scope, amounting to an organizational transformation.

Chun-Fang (2010) asserts that change is a fact of organizational life, just as it is in human life. Therefore, an organisation that does not change cannot survive long: much less thrive in an unpredictable world. Several factors may make organizational change necessary, including new competition in the marketplace or new demands by customers. According to Vemeulen et al, (2012), when organizational change is well planned and implemented, it helps assure the organization's continued survival. It can produce many tangible benefits, including improved competitiveness, better financial performance, and higher levels of customer and employee satisfaction. However, Mullins (2007) clarifies that not every individual in the organisation will benefit personally from change, some will be casualties of change, especially if jobs are cut or realigned. Mullins (2007) goes on to advise that change should make the organisation as a whole stronger and better equipped for the future.

According to Goo (2013), change is inevitable in organisational life and the rate of change is accelerating. Gradually, the process of change confronts almost every individual in his work and personal life. Understanding the nature of change and how it affects people contributes to an understanding of human behaviour in organisations. Organisations are concerned with what should be done to achieve sustained high levels of performance through people. Tahajuddin et al, (2013) believe that organisations are under tremendous pressure to pursue organisation change in order to survive in an environment of increasing change and turbulence. Management scholars know that the level of change may have a serious negative effect on employee attitudes and performance (Bordia et al, 2015)

According to Avey et al (2010), change requires coping or adaptive responses from the individual. When individuals perceive that they have little or no control over changes or challenges, it may affect their performance. Bai and zhou (2014) suggest that unless organisations recognize that change may give rise to stress reactions among employees, and as such implement internal organizational measures and conditions that are necessary for effective coping to occur, most change efforts will fail. Bartel et al (2011) acknowledges that as part of a change process, it is important for organisations to understand the effect that large-scale change can have in their members and to be prepared to deal with any resulting resistance in a constructive manner. Usually organizational change is provoked by some major outside driving forces. Typically, organisations must undertake organisations-wide change to evolve to a different level in their life cycle (Mulins, 2007).

Maya (2013) asserts that organizational change is often viewed as a necessary means to ensure that organizational strategies continue to be viable. On-going organizational changes are increasingly common in the workplace and embrace opportunities for growth and development as well as the potential for substantial costs and losses. Organizational has to always change the way of doing business in order to sustain growth, remain competitive and survive from the pressure by external and internal environment (Liu, 2010)

### **2.2.1.1. The Effect of structural change on employees performance**

Structural changes are those changes made to the organization's structure that might stem from internal or external factors and typically affect how the company is run (Rodrik, 2013). Structural changes include things such as the organization's hierarchy, chain of command, management systems, job structure and administrative procedures. Circumstances that usually create the need for structural change include mergers and acquisitions, job duplication, changes in the market and process or policy changes. According to Butts (2014), structural change within an organisation might stem from internal or external factors. Efficient change management requires the ability to identify what causes structural change within an organisation. the ability to identify the signs of oncoming organizational change can help management better prepare for the change and implement policies that will keep the company on a growth path (Lin, 2009)

According to Aggarwal (2015), acquiring or merging with another company has a profound effect on organisation structure. The deletion of duplicate departments manages cost, yet talent from both companies can be utilized in the resulting corporate structure. However, job functions will be altered to fit the business model of the company, and management positions may be eliminated as well. Furthermore, McMillan (2017) argues that multiple managers or executives within an organisation may create the need for change. Employees can either become frustrated with trying to please more than one manager, or employees may find ways to use opposing views by multiple managers to get what the employee needs. When employees encounter duplicate management positions, the structure of the organisation needs to be altered to eliminate the excess positions and bring departments into line with the proper individual manager.

Similarly, Rot (2016) points out that changes to the way the company does business can cause structural changes. If your company was used to allowing departments to be autonomous, then a change to a centralized way of doing business will create changes in company structure. If a new department has been created to address a company demand, the company structure must change to accommodate the new group. For example if the backlog of archived files becomes so large that an archiving department needs to be created, that can change the flow of information in your company and have a significant effect on corporate structure.

### **2.2.1.1. The effect of strategic change on employee performance**

Strategic change is defined as changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy (Naghibi & Hediye, 2011). In simple form, strategic change is a way of changing the objectives and vision of the company in order to obtain greater success. According to Nichols (2016) strategic change involves making changes to the overall goals, purpose, strategy or missions of an organisation.

Rezvani (2015) argues that it is a major upheaval to show the change can at times, place significant demands on an organisation that it must rethink its fundamental approach to business. Changes to things such as what products or services it offers, the target customer segments or markets it tries to reach, its position in the global economy and who it will partner with for manufacturers, distributors and other logistical needs are examples of strategic change. According to Naghibi, (2016), many companies fail to implement the plan correctly and completely, whereas the others fail to convey this change among employees and organisation. It does not matter how great your theory is or how useful your change may be for the organisation, as long as you cannot make it understood by people, it is worthless.

Degnagaard (2010) posits that there are some issues that managers who are responsible for strategic change should keep in mind. First of all, they have to consider the culture and behaviours of employees. It is obvious that changing something that people are used to for a long time is not easy to change. Secondly, when talking about a strategic change there must be good consideration about context compatibility between the change and organisation. the usual mistake in this case is to pull successful solutions from other situation to try in current one, which will not work, and thirdly, consider that change is about changing people. Organization will change by changing the attitude of managers and employees on the way they do their business.

### **2.2.1.3 The effect of technological change on employee performance**

Technological change is an increase in the efficiency of a product or process that results in an increase in output, without an increase in input (Bauer, 2004). The technology needs of a small company exist in an almost constant state of flux, adapting and changing based on business demands and advancements in the industry. Almost every business relies on technology for day-

to-day operations, from the decision of a solo entrepreneur to purchase a new laptop to a growing company's roll out of time-management software. Heeks (2015) argues that beyond the standard office laptop and smart phone, organisations implement information systems, custom software or specialized technology equipment to keep operations running smoothly. Advancements in technology have the potential to decrease the time needed to complete a task, or in some cases eliminate the need for a business process or job function. Typically, the desire for increased productivity drives upgrades to technology within an organisation, which can significantly influence company operations (Cascio, 2016).

According to Archer (2016) progressions in computers and technology improve the efficiency of a business. Organizational structure adapts to these changes by restructuring departments, modifying position requirements or adding and removing jobs. Employers often require training on new software programs or equipment as a job requirement if it becomes industry standard. Web-based business may add new departments or jobs to specialize in new areas of technology. On some occasions, implementing new forms of technology may render certain job duties obsolete in some industries.

Godwin (2014) posits that for employees, technological enhancement often reduce the number of tedious office tasks or improve efficiency. Changes in day-to-day operation may come in the form of an upgrade to desktop computers, faster office equipment or the introduction of a new information system. Business owners increasingly utilize comprehensive software platforms to streamline operations. For example, customer relationship management systems provide a cloud-based computing system for project management, assigning tasks and maintaining an accurate log of client communications.

According to Caliskan (2015), the decision to purchase or upgrade technology has the potential to put a big dent in company finances for large and small operations. To determine the timeframe and scale of adding new computers or software, business owners must weigh the cost of improvements against the perceived added value to the company. Concerns about cost can often lead small businesses to delay upgrades and purchases. However, technology that significantly improves with operations can offset cost with an increase in profit.

### **2.2.2. Employee performance**

Employee performance means employee productivity and efficiency as a result of employee growth (Khan & Jabbar, 2013). Furthermore, employee performance is defined by Sinha (2001) as depending on the willingness and the openness of the employee him/herself on doing their job. Employee performance will impinge on the organization's performance. Employee performance in the organisation is very important to determine company's success and profitability. According to Chien (2015), a successful organisation requires employees who are willing to do more than their usual job scope and contribute performance that is beyond goal's expectations. Furthermore, employees' performance is important in undertaking of the flexible performance to be critical to organizational effectiveness in an increasingly competitive environment (Aryee et al 2014).

Nowadays, most of the companies facing contemporary challenges are required to put more emphasis on enhancing employees' performance (Gruman & Saks, 2010). Hence, to engage in effective performance, management needs to allow employees to have more authority to design their job and roles. Thus, at the end, employees will discover their job more fit between employees' skills, needs and values. Furthermore, organizational policies and daily practices need to interact well to build priority areas in employees' performance (Gruman & Saks, 2010).

According to Tavakolia (2010), employees' performance will decrease due to the reason of downsizing innovations, restricting and mergers in the organisation. In addition, changing of the location, time, quality and quantity of the task and responsibilities might radically affect the work of life of the employees. Furthermore, Levay (2010) suggests that creation of organisation change will challenge the interests and values of the existing employees and build up crisis on the opposition to change.

In this study, employee performance was measured using quality of work, timeliness and effectiveness.

#### **2.2.2.1. Quality of work**

Quality of work is the value of work delivered by an individual, team or organisation (Spacey, 2017). This can include the quality of task completion, interactions and deliverables. Work quality

is a common consideration in managing the performance of programs, projects, vendors and individuals. According to Mohammed and Nimalathan (2011), quality work is service that is completed efficiently and with little direction and supervision. Employees who do quality work have beneficial characteristics, including professionalism, strong work ethic, self-dependable, responsible, honest and have integrity.

Altrasi (2014) argues that in order to maintain a quality business, many elements are implemented, such as improved quality of new employees, recognize and preserve higher-ranked employees and expand employee growth. Accurate job placement affects quality work as well. Staff underperforms when placed in the wrong position, or if a task has not been clearly communicated. When all options have been exhausted and the person is not producing quality work, the business may need to let them go (Tung et al, 2011).

#### **2.2.2.2. Timeliness**

Timeliness refers to timely delivery of work in terms schedules, meeting deadlines, that is, recognizes employees who complete work on time and meet deadline (Mohammad, 2013). According to Mbithe (2012), performance is associated with quality of output and timelines of output, present/attendance on the job, efficiency of the work completed and effectiveness of work completed. According to Kintayo (2014) timeliness of employees is affected by a number of factors which include among others, family responsibilities and conflicts, lack of material to complete task, limited skill in the job, poor work environment and job motivation.

“Time is money while effectiveness is life” this saying has been accepted by more and more people in China (Yongxin, 2012). Time is a unique and scarce resource; therefore, there is a close relationship between how to use time effectively at everyone’s work, study and life. Time remains as more important resource than other resources in the organisation, therefore, effective use of time influences organizational development and achievement of goals. According to Gupta (2012), effective exploitation and utilization of time has the positive effect on the regular function and development of the organisation. Therefore, for more exploitation of time within the organisation depends much on top management especially the way time is planned within the organisation calendar. Flexibility and reduction of bureaucratic style has the greater results which enable smooth flow of information in the organisation.



According to Rao (2015), time is an element of performance that cannot be separated. Therefore, performance of the organisation depends on individual performance, and they are judged in relation to the role and across a short period. Njagi (2012) verified more on the performance of individual in organisation setting as the output delivered by an individual in relation to a given role during a particular period of time under the set of circumstances operating at the point of time. Also, performance can be defined for a task, for a day, for a week, for a year or for life. These indicate that the term period for any performance is very important, thus, time sometimes remains as a target in different organisations.

Moreover, Shome et al (1996) state that time management is the process of structuring and organizing activities that result in better productivity and ensure high quality of living for individuals. This has an implication that making effective use of time; individuals will be in the position of performing high the tasks. Structuring involves scheduling; planning ahead by prioritizing activities has positive effects on the work performance within the organisation and individual themselves. Organizing involves adhering to one's plans, setting deadline can help someone to achieve his/her targets effectively. Therefore, time management has a direct relation with work performance.

#### **2.2.2.3. Effectiveness**

Effectiveness is the ability of an employee to meet the needs of the organisation with the resources available. Effectiveness oriented companies are concerned with output, sales, quality, creation of value added, innovation, cost reduction. It measures the degree to which a business achieves its goals or the way outputs interact with the economic and social environment. Usually effectiveness determines the policy objectives of the organization or the degree to which an organisation realizes its own goals (zheng, 2010).

Meyer and Herscovitch (2014) analyzed employee effectiveness through organizational commitment. Commitment in the workplace may take various forms, such as relationship between leader and staff, employee's identification with the organisation, involvement in the decision making process, psychological attachment felt by an individual. Shiva and Suar (2010) agree that

superior performance is possible by transforming staff attitudes towards organisation from lower to a higher plane of maturity, therefore human capital management should be closely bound with the concepts of the effectiveness.

According to Heilman and Kennedy (2011), employee effectiveness helps to assess the progress towards mission fulfillment and goal achievement. In order to improve employee effectiveness, management should strive for better communication, interaction, leadership, direction, adaptability and positive environment.

### **2.3. Related literature**

Several studies related to organizational change and employee performance have been done. Karanja (2015) concluded a study on the effects of organizational change on employee performance of postal Corporation of Kenya. From the findings, the study revealed that employee performance has been positively influenced by organizational change. The variable that has changed the most and influenced employee performance positively is technology. This is because it has provided an internship programme which, as a result, has provided more job opportunities. This has motivated even the existing staff leading to greater performance. When public organisations are pursuing changes, it is recommended that organisations highlight the urgency and necessity of those changes in simple, easy-to understand terms.

A study by Ahmed, Rehman, Asad, Hussain and Bilal (2013) on the impact of organizational change on employee performance in the banking sector of Pakistan using descriptive statistics and correlation analysis techniques found that organizational change has a positive significant impact on employee's performance in banking sector of Pakistan. The study suggested that further research be conducted in various sectors in order to observe the overall impact of organizational change towards employee performance.

Khan and Jabbar (2013) conducted a study on the determinants of employee's performance in corporate sector in Pakistan. The study looked at work-life conflicts, compensation, leadership and working conditions as main contributory factors towards employees' job performance. The study found that working conditions had weak correlation with employee performance while work-life

conflict had negative effect on employee performance. However, leadership and compensation had strong and significant effect on employee performance.

Kansal and Singh (2016) conducted a study on the impact of organizational change on employee performance in Maruti Suzuki. Chisquare was used to test the effect of the two variables on each other. The findings of the study revealed that organizational change had a significant effect on employee performance from among the gender, departments and designations. The study concluded that creating positive attitude philosophy and practice leads to performance, quality, and service in an organisation. Change creates a deeper impact on employee's attitude which reflects in the performance of employees.

Wanza and Nkuraru (2016) investigated the effects change management on the performance of employees in relation to technological changes, organizational leadership, structure and culture. The study adopted a case study research design. The target population was 403 employees. A sample size of 121 employees was selected using simple random sampling technique. Primary data was collected using questionnaires and interview schedules. Analysis was done using descriptive statistics and presented using graphs and tables. The study found that structural changes and organizational leadership influenced university employees' performance positively. The study further revealed that technological changes have a great impact on employees' performance due to the rapid technological changes that the world is rapidly adjusting that eases employee's work load and to increase efficiency and effectiveness at work place. A strong organizational culture creates synergy and momentum that encourages teamwork and enhances employee performance. The study concluded that structural changes, leadership, technology and organizational culture influences the performance of employees positively.

Tefera and Mutambara (2016) conducted a study on the effect of organizational changes on employees' motivation at a country club in Kwazulu Natal. The quantitative research method with descriptive analysis was administered on a sample of eighty country club employees. The key findings of the study revealed that the management had not created opportunities for employees to participate. Employees felt that they could have made contribution if they were consulted. Employees felt demotivated because of poor communication. Even though the employees felt that

the organizational change would help the club to achieve its goals, the club was not able to achieve its financial targets. Employees felt more motivated after the organizational change and the challenge for the management was to ensure that the employees were kept motivated.

## **2.5. Gaps of the study**

Several studies related to organizational change and employee performance have been done in countries such as Kenya, Pakistan, etc. and they include the ones of Karanja (2015), Ahmed et al (2013), and Khan and Jabbar (2013) have been conducted in the area of organizational change and employee performance but none of them looked at organizational change in terms of structural change, strategic change and technological change; or employee performance in terms of quality of work, timeliness and effectiveness. This therefore presents a content gap that the current study intended to fill. Furthermore, none of the above studies have been done in Burundi banking sector hence presenting a contextual gap that the current study intended to cover.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0. Introduction**

This chapter covered the research design, study population, sample size, sampling procedure, data collection method, data collection instruments, validity and reliability, data collection procedure, data analysis, ethical consideration and anticipated limitations.

#### **3.1. Research design**

This study adopted a Cross-sectional design. Cross-sectional design is a type of observational study that analyses data collected from a population or a representative subset at a specific point in time (Sekaran, 2003). Furthermore, cross-sectional design allows for the study of the population at one specific time and the difference between the individual groups within the population to be compared. It also provides for the examination of the co-relationship between the studies variables (Amin, 2005).

Furthermore, the study relied more on quantitative approach. Quantitative approach is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure, such as; graphs or statistics that generates or uses numerical data.

#### **3.2. Study population**

The study targeted a population of 163 employees from four selected commercial banks in Bunjumbura (annual Reports, 2017). The target population included; managers (that is general managers (4), departmental managers/supervisors (31), and technical staff (128)

#### **3.3. Sample size**

The sample size of this study was determined using Slovene's formula:

$$n = \frac{N}{1 + N(\alpha)^2}$$
$$n = \frac{163}{1 + 163(0.05)^2}$$
$$n = \frac{163}{1.4075}$$

$$n = 116$$

Where; n = sample size; N = target population;  $\alpha = 0.05$  level of significance

**Table 3.1: Target population and sample size**

| Commercial banks                                       | Target population and calculation of sample size |                             |                   |                             | Sample size          |                   |
|--|--|-----------------------------|-------------------|-----------------------------|----------------------|-------------------|
| Category of respondents                                | Managers/Supervisors                             |                             | Operational staff |                             | Managers/ Supervisor | Operational staff |
| Banque de credit de Burundi                            | 8  | $\frac{8}{163} \times 116$  | 31                | $\frac{31}{163} \times 116$ | 6                    | 22                |
| Banque Commercial de Burundi                           | 7  | $\frac{7}{163} \times 116$  | 28                | $\frac{28}{163} \times 116$ | 5                    | 20                |
| Banque Burundaise Pour le Commerce et l'investissement | 9  | $\frac{9}{163} \times 116$  | 33                | $\frac{33}{163} \times 116$ | 6                    | 23                |
| Interbank Burundi                                      | 11   | $\frac{11}{163} \times 116$ | 36                | $\frac{36}{163} \times 116$ | 8                    | 26                |
| Sub total  | 35   |                             | 128               |                             | 25                   | 91                |
| Overall total  | 163  |                             |                   |                             | 116                  |                   |

**Source: Human Resource Department (2017)**

### 3.4. Sampling procedure

For the commercial banks, the study used purposive sampling to select the banks basing on their duration in the business and size (i.e. in terms of network branches). On the other hand, purposive sampling was used to select the general managers and departmental managers/supervisors using expert judgment on the relevance of their knowledge to the research topic; while simple random sampling was used to select the technical staff to avoid biases (Bryman & Bell, 2007). This was achieved by the researcher writing the names of the technical staff/operation staff in different pieces of papers. The papers were then put in a bowl and shaken to randomize them. The

researcher then randomly selected the names of the respondents from the pieces of papers and until he was satisfied with the numbers of respondents that he needs.

### **3.5. Data sources**

This study used only primary data sources collected using questionnaires. The primary data was used because it has obvious information about the results of an observation.

### **3.6. Data collection methods**

The study employed questionnaire survey as a data collection method. The questionnaire survey was done objective by objective targeting all the selected respondents from the commercial banks. The data collection tool that was employed in this method was questionnaires (closed questionnaire) covering the topic of organizational change and employee performance. The questionnaire was preferred because it is easy to administer, saves time and allows for doubts to be clarified on spot from many respondents (Sekaran, 2003).

### **3.7. Data Collection Instruments**

This study employed questionnaires as the data collection instrument.

#### **3.7.1. Questionnaire**

The questionnaire was the main research instrument for this study. A questionnaire was used because it is easier to administer, less costly, and ensures greater depth of response (Mugenda & Mugenda, 2003). This study employed close questionnaires. The questions were confined to a given set of options and then respondents were asked to choose the option that they agree or disagree with. To achieve this, a five likert scale was used, where 1 = strongly disagree; 2 = disagree, 3=not sure, 4 = agree; and 5=strongly agree. The five likert scale was preferred by the researcher because it captures all the ideas, views and opinions of the respondents. Furthermore, the questionnaire was divided into three sections, namely section A, B and C. section A captured information about the profile of the respondents, that is, gender, age, education, and work experience. Section B captured information about organizational change which was measured using; structural change (5 items), strategic change (5 items), and technological change (5 items).

Section C captured information regarding employee performance and was measured using: quality of work (5 items), timeliness (5 items) and effectiveness (5 items.)

### **3.8. Validity and Reliability**

#### **3.8.1. Validity**

According to Mugenda (2008), validity refers to the degree to which a research instrument evaluates what it is supposed to measure. While Amin (2005) asserts that validity establishes the relationship between data and constructs within the study, Hair et al, (2010) on the other hand also contends that validity is a way of establishing if a questionnaire measures an item in a useful way. In other words, it is used to determine how consistently the selected variables measure some constructs in a given study. Furthermore, it estimates how accurate the collected data represents a given construct in the study. This study used face validity and content validity.

Face validity indicates that the items are the ones that are intended to measure a concept. In other words, face validity is a basic and a very minimum index of content validity (Sekaranm 2003). Expert opinion and judgement were sought. Before piloting the research instruments, its face validity test was done through presentation to 6 panelists of supervisors and other academic experts outside the panel. It was after the incorporation of their corrections and suggestion, then the research instrument was used for pilot test.

The questionnaire was modified in line with their recommendations. Furthermore, content validity index (CVI) was used; where CVI value greater than 0.70 was considered valid otherwise not valid (Amin, 2005).

$$CVI = \frac{\text{items declared valid by experts}}{\text{totla number of items}}$$

$$CVI = \frac{24}{30} 0.80$$

The above CVI results imply that the instruments were valid.



### 3.8.2. Reliability

In order to ensure that the research instrument is reliable and can consistently produce reliable data when administered, the researcher determined its reliability by measuring the internal consistency of the instrument. This reliability analysis was conducted in a pilot survey prior to official data collection so as to ensure that the instruments provide reliable data for the study. Test-retest method of measuring reliability was used by the researcher to ensure that the instruments provide consistent measurements. Ten different sample (technical staff members from KCB, Burundi) were selected and the instruments were administered on them twice with a two week's interval, and the obtained results were correlated using Pearson Linear Correlation Coefficient (PLCC). The PLCC results of 0.89 and 0.88 which were at 0.05 level of significance respectively indicated that the instruments were reliable.

Furthermore, Cronbach's alpha was used to determine the reliability of the instruments. Cronbach's alpha measures the internal consistency that is, how closely related a set of items are as a group. The higher the  $\alpha$  – value, the more reliable the instruments will be considered. According to Amin (2005), if a  $\alpha \geq 0.70$ , then the items will be considered as reliable. Hence the results of this study indicated higher internal consistency, signifying that the Cronbach's results were reliable, in other words, the respondents were knowledgeable of the questions, understood them very well and answered them to the best of their knowledge. Table 3.2. gives the summary of the Cronbach's alpha findings.

**Table 3.2: Cronbach's Alpha Results**

| Variables tested      | Number of items | Cronbach's alpha |
|-----------------------|-----------------|------------------|
| Organizational change | 15              | 0.851            |
| Employee performance  | 15              | 0.873            |

*Source: Primary data, 2018*

### 3.9. Data Gathering procedure

An introduction letter was obtained from the College of Economics and Management of Kampala International University Uganda for the researcher to solicit approval to conduct the study from the management of the selected commercial banks in Bujumbura, Burundi. During the

administration of the research instruments to the selected respondents; they were properly and adequately oriented on the study and why it is being carried out. The respondents were requested to sign the informed consent form. They were also guided on how to fill the questionnaires, and the importance of answering every item of the questionnaire without leaving any part unanswered. The respondents were requested to kindly respond to the questionnaire on time. After retrieving them back, they were thoroughly checked to ensure that all items were adequately answered by the respondents.

### 3.10. Data Analysis

After retrieving back the questionnaire and collecting the required data, it was then prepared for analysis by using Statistical Package for Social Sciences (IBM SPSS, version 22.0) software. In this process, the data underwent the process of data editing which involved checking the filled questionnaires for any omissions or mistakes; then data coding which involved giving each item of the questionnaire or variable a code to be used when imputing the data into the computer, and lastly data entry into the computer for analysis.

Before analyzing data, the researcher checked it for errors by looking for values that fall outside the range of possible values. This was achieved by scanning through the data critically and running frequencies for each of the variables to detect any anomalies.

After data processing, the researcher analysed it. The analysis was conducted in the following manner: the frequency and percentage distribution were used to determine the profile of the respondents; descriptive statistics, such as mean and standard deviations were used to establish the central tendency and measure of dispersion of organizational change and employee performance respectively.

Regression analysis was used to determine the effect of structural change on employee performance (eqn 1); the effect of strategic change on employee performance (eqn 2)' and the effect of technological change on employee performance (eqn 3).

$$EP_i = \alpha_o + b_1(STC_i) + \varepsilon_i \dots \dots \dots (1)$$

$$EP_i = \alpha_o + b_2(SC_i) + \varepsilon_i \dots \dots \dots (2)$$

$$EP_i = \alpha_o + b_3(TC_i) + \varepsilon_i \dots \dots \dots (3)$$

Where, STC = structural change; SC = Strategic change, TC = technological change;  $\varepsilon_i$ = Error Term, EP = employee performance;  $\alpha_o$ = intercept line; b = Regression line.

The hypothesis was tested at 0.05 level of significance. Decision rule was that  $p = 0.05$ , therefore if  $p \leq 0.05$ , then the null hypothesis was rejected, otherwise it was accepted.

Multiple regression analysis was used to determine the predictors of employee performance by the variables in organizational change (i.e. structural change, strategic change, and technological change)

$$EP_i = \alpha_o + b_1STC_i + c_2SC_i + d_3TC_i + \varepsilon_i \dots \dots \dots (4)$$

### 3.11. Ethical Considerations

After confirming the validity and reliability of the research instruments, the researcher got an introduction letter from the College of Economics and Management to seek permission to collect data from the commercial banks in Burundi. Prior to commencing the survey in this study, all participants were made aware of the research significance and type of information being collected. The researcher explained to the participants that their participation in the study was based on their own interest, and that they were under no obligation to be coerced to participate, and that they could decline to participate at any time. Their right to withdraw at any time during the survey was explicitly stated. Furthermore, data confidentiality was observed and no name of any participant was included in the final write up of this study.

### 3.12. Limitations of the Study

The reliability of the results (test-retest) was not adequate enough to provide a better explanation for the consistency of the results of this study instruments. However, the study tried to address this

weakness by using Cronbach's alpha that measured the internal consistency of the items, with the intent of finding out how closely related a set of items areas as a group.

This study was limited by unresponsive respondents and those who withdrew after the study process had kick-started. The researcher however, tried to mitigate this by consulting other eligible respondents within the commercial banks if they were willing to be included in the study, those who obliged were included in the study.

The researcher had no control over honesty of the respondents and personal biases. However, the researcher tried to mitigate this by persuading the respondents to be as honest as possible since the result of the study would be provided to them so as to establish the effect of organizational change on employee performance and use the recommendations for their own benefit.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.0. Introduction**

This chapter presents the analysis of the data gathered and interpreted thereof. It gives the demographic characteristics of the respondents and variables used.

#### **4.1. Response rate**

The researcher distributed 116 questionnaires but was able to retrieved only 104 questionnaires that were correctly filled and answered. This gave a retrieved rate of 90%; according to Amin (2004), if the response rate is more than 70%, this is enough to carry on and continue with data analysis.

#### **4.2. Demographic characteristics of the respondents**

This section determines the demographic characteristics of the respondents. To achieve it, questionnaires were distributed to capture these responses. Frequencies and percentage distribution tables were employed to summarise the demographic characteristics of the respondents in terms of gender, age, education level and work experience. Table 4.1. gives the summary of the findings.

**Table 4.1: Demographic Characteristics of the respondents**

| <b>Gender</b>            | <b>Frequency</b> | <b>Percent (%)</b> |
|--------------------------|------------------|--------------------|
| Male                     | 66               | 63.5               |
| Female                   | 38               | 36.5               |
| <b>Total</b>             | <b>104</b>       | <b>100.0</b>       |
| <b>Age</b>               |                  |                    |
| 20-29 years              | 16               | 15.4               |
| 30-39 years              | 64               | 61.5               |
| 40-49 years              | 16               | 15.4               |
| 50 years and above       | 8                | 7.7                |
| <b>Total</b>             | <b>104</b>       | <b>100.0</b>       |
| <b>Educational level</b> |                  |                    |
| Diploma                  | 26               | 25.0               |
| Bachelor Degree          | 64               | 61.5               |
| Master Degree            | 14               | 13.5               |
| PhD                      | 0                | 0.0                |
| <b>Total</b>             | <b>104</b>       | <b>100.0</b>       |
| <b>Work Experience</b>   |                  |                    |
| Less than 1 year         | 16               | 15.4               |
| 1-5 years                | 22               | 21.2               |
| 6-10 years               | 48               | 46.2               |
| More than 10 years       | 18               | 17.3               |
| <b>Total</b>             | <b>104</b>       | <b>100.0</b>       |

*Source: Primary data, 2018*

The results presented in table 4.1 revealed that majority, 63.5% of the respondents were male, while the female were represented by 36.5%. The dominance of the male respondents in the study was because the men are considered more innovative and strong hearted in promoting organizational change than their female counterparts hence preference by the banking institutions. Furthermore, the men are preferably more hardworking than their female counterparts whose performance is easily hampered by emotional stress, depression, and sexual harassment.

Furthermore, the results presented in table 4.1 revealed that majority, 61.5% of the respondents were within the age group of 20-29 years and 40-49 years respectively, while the respondents who were 50 years and above were represented by 7.7%. The dominance of the respondents within the

age group of 30-39 years was because banking institutions prefer employing staff who are mature and are knowledgeable about organizational change and whose performance are outstanding.

In addition, table 4.1 revealed that majority, 61.5% of the respondents had Bachelor Degree Qualifications, followed by 25% who had Diploma Qualifications, while Master Degree Qualification were represented by 13.5% however, none of the respondents had a PhD Qualification. The dominance of the respondents with Bachelor Degree Qualifications was because the banking institutions prefer to employ staff who are skilled and competent in handling organizational change through good work performance.

Last but not least, 46.2% of the respondents had work experience of 6-10 years, followed by 21.2% who had work experience of 1-5 years while respondents with less than 1 year work experience and more than 10 years of work experience were represented by 15.4% and 17.3% respectively. The dominance of the respondents with 6-10 years of work experience is because the banking institutions prefers employing staff who have wide experience in the banking sector and the knowledge of how employee performance can be improved even in the event of organizational change.

#### **4.3. The Descriptive Statistics for Organisational Change**

The independent variable of this study was organizational change and was measured using structural change, strategic change and technological change. This section is intended to measure the central tendency (mean) and measure of dispersion (standard deviations) of the variables. A five Likert Scale of 1-5 was used to provide a vivid interpretation of the result. Table 4.2 gives the summary of the findings.

| <b>Scale</b> | <b>Mean Range</b> | <b>Response</b>   | <b>Interpretation</b> |
|--------------|-------------------|-------------------|-----------------------|
| 5            | 4.21-5.00         | Strongly agree    | Very Satisfactory     |
| 4            | 3.41-4.20         | Agree             | Satisfactory          |
| 3            | 2.61-3.40         | Not sure          | Fairly satisfactory   |
| 2            | 1.81-2.60         | Disagree          | Unsatisfactory        |
| 1            | 1.00-1.80         | Strongly disagree | Very satisfactory     |

**Table 4.2. The Descriptive Statistics for Organisational Change**

| <b>Structural change</b>  | <b>Mean</b> | <b>Std. deviation</b> | <b>Interpretation</b> |
|---|-------------|-----------------------|-----------------------|
| This bank realigns job functions to fit new company structure   | 4.08        | .832                  | Satisfactory          |
| This bank eliminates duplicate positions when a change occurs   | 4.06        | .868                  | Satisfactory          |
| This bank creates new policies and procedures to create change.   | 3.90        | .909                  | Satisfactory          |
| This bank periodically changes the way it does business by creating new departments when the need arises              | 3.88        | 1.073                 | Satisfactory          |
| This bank responds to the market shift by creating new departments that can produce whatever the market is demanding. | 3.33        | 1.056                 | Fairy Satisfactory    |
| <b>Average mean</b>   | <b>3.85</b> | <b>0.948</b>          | <b>Satisfactory</b>   |
| <b>Strategic change</b>   |             |                       |                       |
| This bank makes changes to its visions and objectives so as to achieve greater success.                               | 4.12        | .874                  | Satisfactory          |
| This bank considers the culture and behaviours of employees before implementing a change                              | 4.02        | .912                  | Satisfactory          |
| This bank makes changes to improve its position in the industry market  | 3.96        | .965                  | Satisfactory          |
| This bank makes changes to the services it offers to align with customer demands.                                     | 3.85        | .868                  | Satisfactory          |
| This bank makes changes to the markets it tries to reach to serve all customer groups                                 | 3.79        | 1.155                 | Satisfactory          |
| <b>Average mean</b>   | <b>3.96</b> | <b>0.955</b>          | <b>Satisfactory</b>   |
| <b>Technological change</b>   |             |                       |                       |
| This bank makes changes in its technology based on business demands and advancement in work environment.              | 4.06        | 1.032                 | Satisfactory          |
| This bank ensures that employees are trained on how to use the new technology.  | 3.92        | 1.040                 | Satisfactory          |
| This bank embraces technological advancement to improve the quality of its services.                                  | 3.92        | 1.077                 | Satisfactory          |
| This bank uses specialized and customized software to keep its operations running smoothly.                           | 3.71        | .910                  | Satisfactory          |
| This bank incorporates technological advancement to improve the speed of employees at work.                           | 3.65        | 1.059                 | Satisfactory          |
| <b>Average mean</b>   | <b>3.85</b> | <b>1.024</b>          | <b>Satisfactory</b>   |
| <b>Overall average mean</b>   | <b>3.89</b> | <b>0.975</b>          | <b>Satisfactory</b>   |

*Source: Primary data, 2018*



The results presented in table 4.2 revealed that structural change as an element of organizational change was assessed by the respondents as satisfactory (average mean = 3.85, Std = 0.9476). this was attributed to the fact majority of the respondents agreed that their bank realign job functions to fit new company structure (mean = 4.08, Std = 0.832), eliminate duplicate positions when a change occurs (mean = 4.06, Std = 0.868), and create new policies and procedures to create change (mean = 3.90, Std = 0.909). in addition, respondents agreed that their banks periodically change the way they do business by creating new departments when the need arises (mean = 3.88, Std = 1.073) or in response to market shift so as to meet market demand (mean = 3.33, Std = 1.056)

The above results imply that the commercial banks in Burundi apply structural changes in order to improve the quality of work among employees. This is because they do their best to ensure that they eliminate job duplications by creating new departments and making sure employees understand very well their roles and job descriptions. When such a significant strategy is employed, the bank can be able to favourably compete in the market and meet customer demands in an ever dynamic market.

Furthermore, strategic change as an element of organizational change was assessed by the respondents as satisfactory (Average mean = 3.96, Std = 0.955). this was attributed to the fact that majority of the respondents agreed that their banks make changes to their visions and objectives so as to achieve greater success (mean = 4.12, Std = 0.874). Similarly, respondents agreed that their banks consider the culture and behaviours of employees before implementing a change (mean = 4.06, Std = 0.912). In addition, respondents agreed that their banks make changes to improve their position in the industry market (mean = 3.96, Std = 0.965) by making changes to the services it offers to align with customer demands (mean = 3.85, Std = 0.868) so as to serve all customer groups (mean = 3.79, Std = 1.155).

The above results imply that the commercial banks in Burundi employ strategic changes with the intent of serving their customers better. In other words, when management strategically considers the culture and behaviours of employees before implementing a change, it will make the employees feel respected and valued and will do everything within their power to ensure that they provide the best of services to different groups of clients to their satisfaction. Therefore, with satisfied employees and customers, the bank's position in the market will drastically improve.

Similarly, table 4.2 revealed that technological change as an element of organizational change was assessed by the respondents as satisfactory (average mean = 3.85, Std = 1.024). this was attributed to the fact that majority of the respondents agreed that their banks make changes in their technologies based on business demands and advancement in work environment (mean = 3.85, Std = 1.024). in addition, respondents agreed that their banks ensure that employees are trained on how to use the new technology (mean = 3.92, Std = 1.040). Furthermore, respondents agreed that their banks embrace technological advancement to improve the quality of its services (mean 3.92, Std =1.077). in the same vein, respondents agreed that their banks use specialized and customized software to keep their operations running smoothly (mean = 3.71, Std = 0.910). The respondents also agreed that their banks incorporate technological advancement to improve the speed of employees at work (mean = 3.65, Std = 1.059).

The above results imply that the commercial banks of Burundi employ technological changes in their operations in order to improve the quality of services, the speed of service delivery, and smooth operations of the institution. However, it is worth noting that this technological advancement can only be beneficial to the banking institutions if the employees are well trained and oriented on how to incorporate such technologies in their daily work. Nonetheless, technological advancement is well appreciated for providing a notch high in how services can be delivered to the satisfaction of the customers.

All in all, organizational change was assessed by the respondents as satisfactory (overall average mean = 3.89, Std=0.975). This was attributed to the fact that all the elements of organizational change, i.e. structural change, strategic change and technological change were assessed by the respondents as satisfactory.

#### **4.4. The Descriptive Statistics for Employee Performance**

The dependent variable of this study was employee performance and was measured using quality of work, timeliness and effectiveness. This section is intended to measure the central tendency (mean) and measure of dispersion (standard deviations) of the variables. A five Likert Scale of 1-

5 was used to provide a vivid interpretation of the results. Table 4.3 gives the summary of the findings.

| Scale | Mean Range | Response          | Interpretation      |
|-------|------------|-------------------|---------------------|
| 5     | 4.21-5.00  | Strongly agree    | Very Satisfactory   |
| 4     | 3.41-4.20  | Agree             | Satisfactory        |
| 3     | 2.61-3.40  | Not sure          | Fairly satisfactory |
| 2     | 1.81-2.60  | Disagree          | Unsatisfactory      |
| 1     | 1.00-1.80  | Strongly disagree | Very satisfactory   |

**Table 4.3 The Descriptive Statistics for Employee Performance**

| Quality of Work  | Mean        | Std. Deviation | Interpretation      |
|--|-------------|----------------|---------------------|
| I complete the assigned duties and responsibilities as stipulated in the job description | 3.92        | 1.077          | Satisfactory        |
| I do my work consistent with the norms of the profession.                                | 3.90        | 1.084          | Satisfactory        |
| I have speed when performing my duties   | 3.77        | 1.125          | Satisfactory        |
| I do my work with care and persistence   | 3.73        | 1.184          | Satisfactory        |
| I maintain very high standards in performance.   | 3.04        | 1.350          | Fairly Satisfactory |
| <b>Average mean</b>  | <b>3.67</b> | <b>1.164</b>   | <b>Satisfactory</b> |
| <b>Timeliness of work</b>  |             |                |                     |
| I prioritize tasks effectively   | 4.10        | .909           | Satisfactory        |
| I make effective use of time at work   | 3.69        | 1.107          | Satisfactory        |
| Supervisors of this bank give adequate time to employees to accomplish their tasks.      | 3.69        | 1.223          | Satisfactory        |
| I do my work within the time assigned for it.  | 3.40        | 1.296          | Fairly Satisfactory |
| I do report to work on time as stipulated in the staff rules and regulations.            | 3.37        | 1.115          | Fairly Satisfactory |
| <b>Average mean</b>  | <b>3.65</b> | <b>1.130</b>   | <b>Satisfactory</b> |
| <b>Effectiveness of work</b>   |             |                |                     |
| I use high level of accuracy when performing work.                                       | 3.98        | .892           | Satisfactory        |
| I understand very well what I am doing   | 3.98        | .965           | Satisfactory        |
| I am conscious of the costs involved when performing my duties                           | 3.96        | .787           | Satisfactory        |
| I effectively use the available resources to accomplish tasks.                           | 3.83        | 1.092          | Satisfactory        |
| I have enough training to perform my work effectively.                                   | 3.72        | 1.047          | Satisfactory        |
| <b>Average mean</b>  | <b>3.89</b> | <b>0.966</b>   | <b>Satisfactory</b> |
| <b>Overall average mean</b>  | <b>3.74</b> | <b>1.087</b>   | <b>Satisfactory</b> |

**Source: Primary data, 2018**

The results presented in table 4.3 revealed that quality of work as an element of employee performance was assessed by the respondents as satisfactory (average mean = 3.67, Std = 1.164).

this was attributed to the fact that majority of the respondents agreed that they complete the assigned duties and responsibilities as stipulated in the job description (mean = 3.92, Std = 1.077), they do their work consistent with the norms of the profession (mean = 3.90, Std=1.084), have speed when performing their duties (mean=3.77, Std=1.125), do their work with care and persistence (mean =3.73, Std = 1.184), and maintain very high standards in performance (mean = 3.04, Std=1.350).

The above results show that the employees of the surveyed commercial banks in Bujumbura demonstrate provision of quality work. This is because they work according to their job descriptions and professionally give in their best input into the work so that a high standard is achieved. It must be acknowledged that quality work promotes customer satisfaction and improves an overall organizational performance because of increase in sales and profits.

Furthermore, the study revealed that timeliness as an elements of employee performance was assessed by the respondents as satisfactory (average mean = 3.65, Std.=1.130). This was attributed to the fact that majority of the respondents agreed that they prioritize tasks effectively (mean = 4.10, Std = 0.909), and make effective use of time at work (mean = 3.69, Std = 1.107). Similarly, respondents agreed that supervisors of their banks give adequate time to employees to accomplish their tasks (mean = 3.69, Std=1.223). in addition, respondents agreed that they do their work within the time assigned for it (mean = 3.40, Std = 1.296) and do report to work on time as stipulated in the staff rules and regulations (mean = 3.37, Std = 1.115).

The above results imply that he employees of the surveyed commercial banks in Bujumbura respect and value their jobs and make sure time is of great priority when delivering their services. This is true because when employees are able to come to work in time, perform the duty expected of them in time and deliver their services in a manner that prioritizes time, then it will please the management and can easily attract incentives intended to motivate the said employee.

The results presented in table 4.3 revealed that effectiveness as an element of employee performance was assessed by the respondents as satisfactory (average mean = 3.89, Std = 0.966). This was attributed to the fact that majority of the respondents agreed that they use high level of

accuracy when performing work (mean = 3.98, Std = 0.892), while others agreed that they understand very well what they are doing (mean = 3.98, Std = 0.965). Furthermore, respondents agreed that they are conscious of the costs involved when performing their duties (mean = 3.96, Std = 0.878) hence effectively use the available resources to accomplish tasks (mean = 3.83, Std = 1.092). In the same vein respondents agreed that they have enough training to perform their work effectively (mean = 3.72, Std = 1.047).

The above results imply that the employees of the surveyed commercial banks in Bujumbura work hard to make sure that they are effective in their work. This they achieve by observing costs involved, dispensing high level of accuracy, and effectively using the resources available at their disposal. However, such effectiveness is only possible in the event that the employees are well trained and are expert in what they do. Other than that, effectiveness cannot be achieved. However, in this study, employees have demonstrated a substantive level of effectiveness in their work.

#### **4.5. The effect of Structural Change on Employee Performance in Commercial Banks in Bujumbura**

The first objective of this study was to determine the effect of structural change on employee performance in commercial banks in Bujumbura. Table 4.4 gives the summary of the findings.

**Table 4.4: The effective of structural change on employee performance in Commercial Banks in Bujumbura**

| Model             | R                 | R square | Adjusted<br>R Square           | Std.<br>Error of<br>the<br>Estimate | Change Statistics     |          |                              |     |                  |      |                   |  |
|-------------------|-------------------|----------|--------------------------------|-------------------------------------|-----------------------|----------|------------------------------|-----|------------------|------|-------------------|--|
|                   |                   |          |                                |                                     | R<br>Square<br>Change | F Change | df1                          | df2 | Sig. F<br>Change |      |                   |  |
| 1                 | .754 <sup>a</sup> | .568     | .564                           | .41132                              | .568                  | 134.174  | 1                            | 102 | .000             |      |                   |  |
| Model             |                   |          | Sum of squares                 |                                     | df                    |          | Mean square                  |     | F                | Sig. |                   |  |
| 1                 | Regression        |          | 22.700                         |                                     | 1                     |          | 22.700                       |     | 134.174          |      | .000 <sup>b</sup> |  |
|                   | Residual          |          | 17.257                         |                                     | 102                   |          | .169                         |     |                  |      |                   |  |
|                   | Total             |          | 39.957                         |                                     | 103                   |          |                              |     |                  |      |                   |  |
| Model             |                   |          | Unstandardized<br>coefficients |                                     |                       |          | Standardized<br>coefficients |     | t                |      | Sig.              |  |
|                   |                   |          | B                              |                                     | Std. Error            |          | Beta                         |     |                  |      |                   |  |
| 1 (Constant)      |                   |          | 1.078                          |                                     | .233                  |          |                              |     | 4.619            |      | .000              |  |
| Structural Change |                   |          | .691                           |                                     | .060                  |          | .754                         |     | 11.583           |      | .000              |  |

a. Dependent variable: Employee performance

The results presented on table 4.4 revealed that structural change significantly affects employees performance by causing a variance of 56.8% ( $R^2=0.568$ ,  $P=0.000$ ). This rejects the null hypothesis that there is no significant effect of structural change on employee performance and upholds the alternative hypothesis. This implies that when the banks realign employee job functions, eliminate job duplications, create new policies and shiftily respond to market changes, then there will be a high likelihood that employee performance will as well improve. Furthermore, the study revealed that the regression model was the best fit for predicting the effect of structural change on employee performance ( $F=134.174$ ,  $P=0.000$ ). similarly, the study revealed that every unit change in structural change will significantly affect the variance in employee performance by 75.4% ( $Beta = 0.754$ ,  $P = 0.000$ ).

#### **4.6. The Effect of Strategic Change on Employee Performance in Commercial Banks in Bujumbura**

The second objective of this study was to determine the effect of strategic change on employee performance in commercial banks in Bujumbura. Table 4.5 gives the summary of the findings.

**Table 4.5: The Effect of Strategic Change on Employee Performance in Commercial Banks in Bujumbura**

| Model | R                 | R square                    | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |        |                   |               |
|-------|-------------------|-----------------------------|-------------------|----------------------------|-------------------|----------|--------|-------------------|---------------|
|       |                   |                             |                   |                            | R Square Change   | F Change | df1    | df2               | Sig. F Change |
| 1     | .687 <sup>a</sup> | .472                        | .466              | .45496                     | .472              | 91.034   | 1      | 102               | .000          |
| Model |                   | Sum of squares              |                   | df                         | Mean square       |          | F      | Sig.              |               |
| 1     | Regression        | 18.843                      |                   | 1                          | 18.843            |          | 91.034 | .000 <sup>b</sup> |               |
|       | Residual          | 21.113                      |                   | 102                        | .207              |          |        |                   |               |
|       | Total             | 39.957                      |                   | 103                        |                   |          |        |                   |               |
| Model |                   | Unstandardized coefficients |                   | Standardized coefficients  |                   | t        |        | Sig.              |               |
|       |                   | B                           | Std. Error        | Beta                       |                   |          |        |                   |               |
| 1     | (Constant)        | 1.007                       | .290              |                            |                   | 3.474    |        | .001              |               |
|       | Strategic Change  | .691                        | .072              | .687                       |                   | 9.541    |        | .000              |               |

a. Dependent Variance: Employee Performance

The results presented on table 4.5 revealed that strategic change significantly affects employees performance by causing a variance of 47.2% ( $R^2 = 0.472$ ,  $P = 0.000$ ). This rejects the null hypothesis that there is no significant effect of strategic change on employee performance and upholds the alternative hypothesis. This implies that when commercial banks in Burundi make changes to their visions and objectives, consider the culture and behaviours of employee before making changes, and make changes with the intent of meeting customer demands, it is most likely that employee performance will improve too. Furthermore, the study revealed that the regression model was the best fit for predicting the effect of strategic change on employee performance ( $F = 91.034$ ,  $p = 0.000$ ). Similarly, the study revealed that every unit change in strategic change will significantly affect the variance in employee performance by 68.7% ( $Beta = 0.687$ ,  $p = 0.000$ ).

#### 4.7. The Effect of Technological Change on Employee Performance in Commercial Banks in Bujumbura

The third objective of this study was to determine the effect of technological change on employee performance in commercial banks in Bujumbura. Table 4.6 gives the summary of the findings.

**Table 4.6: The Effect of Technological Change on Employee Performance in Commercial Banks in Bujumbura**

| Model                | R                 | R square | Adjusted R Square           | Std. Error of the Estimate | Change Statistics |          |                           |     |               |      |                   |  |
|----------------------|-------------------|----------|-----------------------------|----------------------------|-------------------|----------|---------------------------|-----|---------------|------|-------------------|--|
|                      |                   |          |                             |                            | R Square Change   | F Change | df1                       | df2 | Sig. F Change |      |                   |  |
| 1                    | .717 <sup>a</sup> | .514     | .509                        | .43623                     | .514              | 107.967  | 1                         | 102 | .000          |      |                   |  |
| Model                |                   |          | Sum of squares              |                            | df                |          | Mean square               |     | F             | Sig. |                   |  |
| 1                    | Regression        |          | 20.546                      |                            | 1                 |          | 20.546                    |     | 107.969       |      | .000 <sup>b</sup> |  |
|                      | Residual          |          | 19.410                      |                            | 102               |          | .190                      |     |               |      |                   |  |
|                      | Total             |          | 39.957                      |                            | 103               |          |                           |     |               |      |                   |  |
| Model                |                   |          | Unstandardized coefficients |                            |                   |          | Standardized coefficients |     | t             |      | Sig.              |  |
|                      |                   |          | B                           |                            | Std. Error        |          | Beta                      |     |               |      |                   |  |
| 1 (Constant)         |                   |          | 1.042                       |                            | .263              |          |                           |     | 3.959         |      | .000              |  |
| Technological Change |                   |          | .700                        |                            | .067              |          | .717                      |     | 10.391        |      | .000              |  |

a. Dependent Variance: Employee Performance

The results presented on table 4.6 revealed that technological change significantly affects employees performance by causing a variance of 51.4% ( $R^2=0.514$ ,  $p=0.000$ ). This rejects the null hypothesis that there is no significant effect of technological change on employee performance, and upholds the alternative hypothesis. This implies that when commercial banks in Burundi make changes in their technology based on business demands and advancement in work environment or embrace technological advancement to improve the quality of services, then it is a sure deal that employee performance will as well improve. Furthermore, the study revealed that the regression model was the best fit for predicting the effect of technological change on employee performance ( $F=107.969$ ,  $p=0.000$ ). Similarly, the study revealed that every unit change in technological change will significantly affect the variance in employee performance by 71.7% ( $Beta = 0.717$ ,  $p=0.000$ ).



**Table 4.7: Multiple Regression Analysis of the Effect of Organisational Change Variables on Employee Performance**

| Model                | R                 | R square | Adjusted R Square           | Std. Error of the Estimate | Change Statistics         |          |      |                                 |               |
|----------------------|-------------------|----------|-----------------------------|----------------------------|---------------------------|----------|------|---------------------------------|---------------|
|                      |                   |          |                             |                            | R Square Change           | F Change | df1  | df2                             | Sig. F Change |
| 1                    | .833 <sup>a</sup> | .695     | .692                        | .34591                     | .695                      | 231.930  | 1    | 102                             | .000          |
| Model                |                   |          | Unstandardized coefficients |                            | Standardized coefficients | T        | Sig  | 95.0% Confidence Interval for B |               |
|                      |                   |          | B                           | Std. Error                 | Beta                      |          |      | Lower Bound                     | Upper Bound   |
| 1 (Constant)         |                   |          | .160                        | .237                       |                           | .676     | .500 | -.309                           | .629          |
| Structural Change    |                   |          | 4.26                        | .066                       | .465                      | 6.471    | .000 | .296                            | .557          |
| Strategic change     |                   |          | .132                        | .083                       | .132                      | 1.605    | .112 | -.031                           | .296          |
| Technological change |                   |          | .367                        | .073                       | .376                      | 5.052    | .000 | .223                            | .511          |

a. Dependent Variance: Employee Performance

The results in table 4.7 revealed that organizational change factors affects the changes in employee performance by a variance of 69.5% ( $R^2=0.695$ ,  $p=0.000$ ). This implies that a combination of structural change, strategic change and technological change contribute significantly to the improvement of employee performance. Furthermore, the study revealed that every change in organizational change factors would significantly cause a variance of 83.3% on employee performance (Beta = 0.833,  $p=0.000$ ).

Further, the results revealed that structural change is the highest predictor of employee performance, causing a variance of 46.5% (Beta =0.465,  $p=0.000$ ), followed by technological change which causes a variance of 37.6% in employee performance (Beta = 37.6,  $p=0.000$ ), and lastly, strategic change which causes a variance of 13.2% in employee performance (Beta = 132,  $p=0.012$ ). This implies that for a single unit change in structural change, there will be a significant variance of 46.5% in employee performance. Likewise for a single unit change in technological change, there will be a significant variance of 37.6% variance in employee performance.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0. Introduction**

This chapter presents the discussion of the study guided by the study objectives. The discussion of this study findings were done by reviewing related literature, and comparing and contrasting with other previous studies. The study was later concluded and appropriate recommendations accruing from the findings were made.

#### **5.1. Discussion of the Findings**

##### **5.1.1. The Effect of Structural Change on Employee Performance in Commercial Banks in Bujumbura**

The first objective of this study was to determine the effect of structural change on employee performance in commercial banks in Bujumbura. The study revealed that structural change significantly affects employee performance. The null hypothesis that there is no significant effect of structural change on employee performance was rejected and the alternative hypothesis was upheld. This was attributed to the fact that the commercial banks employed structural change by aligning employee job functions to fit new company structure and eliminating duplicate job positions by creating new departments. This type of change was helpful in changing the way business is done and creating a market shift that meets customer demands.

Aggarwal (2015) agrees with the above findings when he found that acquiring or merging with another company has a profound effect on organisation structure. This is because the deletion of duplicate departments manages cost, yet talent from both companies can be utilized in the resulting corporate structure. However, the author explains that job functions will be altered to fit the business model of the company, and management positions may be eliminated as well.

McMillan (2017) contends with Aggarwal (2015) when in his study he found that multiple managers or executives within an organisation may create the need for change. Employees can either become frustrated with trying to please more than one manager, or employees may find ways to use opposing views by multiple managers to get what the employee needs. McMillan

advises that when employees encounter duplicate management positions, the structure of the organisation needs to be altered to eliminate the excess positions and bring departments into line with the proper individual manager.

In the same vein, Root (2016) points out that changes to the way the company does business can cause structural changes. For example, if the company was used to allowing departments to be autonomous, then a change to a centralized way of doing business will create changes in company structure. If a new department has been created to address a company demand, the company structure must change to accommodate the new group. For example, if the backlog of archived files becomes so large that an archiving department needs to be created, that can change the flow of information in your company and have a significant effect on corporate structure.

#### **5.1.2. The Effect of Strategic Change on Employee Performance in Commercial Banks in Bujumbura**

The second objective of this study was to determine the effect of strategic change on employee performance in commercial banks in Bujumbura. The result revealed that strategic change significantly affects employee performance. The null hypothesis that there is no significant effect of strategic change on employee performance was rejected and the alternative hypothesis upheld. This was attributed to the fact that the commercial banks in Burundi employ strategic changes with the intent of serving their customers better. That is to say, when management strategically considers the culture and behaviours of employees before implementing a change, it will make the employees feel respected and valued and will do everything within their power to ensure that they provide the best of services to different groups of clients to their satisfaction. Therefore, with satisfied employees and customers, the bank's position in the market will drastically improve.

The study by Rezvani (2015) agrees that changes to things such as what products or services an organisation offers, the target customer segments or markets it tries to reach, its position in the global economy and who it will partner with for manufacturers, distribution and other logistical needs are important in making sure that the banking institution stays afloat in the business arena. According to Naghibi (2016), many companies fail to implement the plan correctly and completely, whereas the others fail to convey this change among employees and organisation. It

does not matter how great the theory is or how useful the change may be for the organisation, as long as management cannot make it understood by people, it is worthless.

Degnegard (2010) agrees with Rezvani (2015) when he posits that there are some issues that managers who are responsible for strategic change should keep in mind. First of all they have to consider the culture and behaviours of employees. It is obvious that changing something that people are used to for a long time is not easy to change. Secondly, when talking about a strategic change there must be good consideration about context compatibility between the change and organisation. The usual mistake in this case is to pull successful solutions from other situation to try in current one, which will not work, and thirdly, consider that change is about changing people. Organisation will change by changing the attitude of managers and employees on the way they do their business.

The above studies show that planning and implementing strategic change is an important aspect to the management role. In business, strategy planning is often seen as key to future success or even survival. With the world changing at a rapid pace, commercial banks in Bujumbura need to be dynamic and flexible to stay in business. They need to foresee the future and be ready to adapt to the potential changes that will come their way. This is because a strategy is a long-term plan to achieve specific objectives or goals. In other words, strategic change seeks to improve a company's competitive position through improving certain elements such as its cost position and differentiation from competitors.

### **5.1.3. The Effect of Technological Change on Employee Performance in Commercial Banks in Bujumbura**

The third objective of this study was to determine the effect of technological change on employee performance in commercial banks in Bujumbura. The study revealed that technological change significantly affects employee performance. The null hypothesis that there is no significant effect of technological change on employee performance was rejected and the alternative hypothesis was upheld. This was attributed to the fact that technology advancement was embraced for purposes of improving the speed at which business is done, improving quality of work, and rightfully satisfying customers.

Archer (2016) contends that progressions in computers and technology improve the efficiency of a business. This the author argues that organizational structure adapts to these changes by restricting departments, modifying position requirements or adding and removing jobs. Archer (2016) further explains that employees often require training on new software programs or equipment as a job requirement if it becomes industry standard. For instance web-based business may add new departments or jobs to specialize in new areas of technology.

Godin (2014) agrees with Archer (2016) when he posits that technological enhancement often reduce the number of tedious office tasks or improve efficiency. Godin further expounds that changes in day-to-day operation may come in the form of an upgrade to desktop computers, faster office equipment or the introduction of a new information system. Therefore, business owners have increasingly utilized comprehensive software platforms to streamline operations.

According to Caliskan (2015), the decision to purchase or upgrade technology has the potential to put a big dent in company finances for large and small operations. To determine the timeframe and scale of adding new computers or software, business owners must weigh the cost of improvements against the perceived added value to the company. Concerns about cost can often lead small businesses to delay upgrades and purchases. However, technology that significantly improves with operations can offset cost with an increase in profit.

All in all, technology is improving workflow and processes in the financial services industry. This is because tasks once handled with paper money, bulky computers, and human interaction are now being completed entirely on digital interfaces. Almost every type of financial activity – from banking to payments to wealth management and more – is being re-imagined by the banking sector hence giving the platform for better customer satisfaction.

## **5.2. Conclusion**

The study revealed that structural change significantly affects employee performance. This is because structural changes such as changes in employee job functions, elimination of job duplication, creation of new policies, periodic change that aligns with market demands and

creation of new departments due to market shift causes improvement of performance through quality of work.

Furthermore, the study revealed that strategic change significantly affects employee performance. This is attributed to the fact that strategic change in terms of changes in institution visions and objectives, consideration of culture and behaviours of employees before instituting a change, can cause improvement in employee performance when they meet deadlines, do their work in time and report to work on time.

Similarly, the study revealed that technological change significantly affects employee performance. This implies that implementation of technological changes such as customization of software or training of employees on how to use the new technology would improve employee performance by making them effective.

Generally, the study concludes that organizational change significantly affects employee performance. In other words, organizational change in terms of structural change, strategic change and technological change have profound effect on employee performance and therefore much emphasis should be made to make sure that they are put into consideration.

### **5.3. Recommendations**

#### **5.3.1. The Effect of Structural Change on Employee Performance in Commercial Banks in Bujumbura**

The study revealed that structural change significantly affects employee performance among the commercial banks in Bujumbura. The study therefore recommends that the management of commercial banks should periodically change the way business is done in a manner that timely responds to the ever dynamic customer demands. This can be achieved by changing company policies, creating new departments or changing employ to roles and functions.

### **5.3.2. The Effect of Strategic Change on Employee Performance in Commercial Banks in Bujumbura**

The study revealed that strategic change significantly affects employee performance among the commercial banks in Bujumbura. The study therefore recommends that the management of commercial banks should practice appropriate strategic changes that enable them to offer services that meet the expectations of different groups of customers. This can be achieved by changing the visions and objectives of the company and considering the culture and behaviours of different groups of employees when effecting a change.

Furthermore, management should regularly train their employees so that they are knowledgeable and remain competent in the event that a change has occurred. This kind of training should include periodic seminars, workshops, symposiums, or in-service studies.

### **5.3.3. The Effect of Technological Change on Employee Performance in Commercial Banks in Bujumbura**

The study revealed that technological change significantly affects employee performance among the commercial banks in Bujumbura. The study therefore recommends that the management of commercial banks should embrace technological advancement in enhancing their business operations. This will enable them to meet customer needs by providing fast and quality services. Technological change in the institution should be implemented by making use of customized software, and security sensitive applications that ensure safety of customer personal information.

Furthermore, employees must be rightfully trained and facilitated in order to effectively use the new technology. This should be done by training employees to install the software, troubleshoot it in case of a malfunction, upgrade or effectively maintain it.

## **5.4. Contribution to Knowledge**

Several studies including the ones of Karanja (2015), Ahmed et al (2013), and Khan and Jabbar (2013) have been conducted in the area of organizational change and employee performance but none of them looked at organizational change in terms of structural change, strategic change and technological change; or employee performance in terms of quality of work, timeliness and

effectiveness and their results of been mixed. This study therefore adds to the body of knowledge that structural change, strategic change and technological change all have significant effect on employee performance in the banking sector of Burundi.

### **5.5. Areas for Further Studies**

There is need for future study to use longitudinal research design covering a period of 5 years to establish how organizational change affects employee performance in a banking institution. This would provide substantive ground for conclusion compared to the current cross-sectional design.

Furthermore, it would also be necessary to carry out a comparative study to establish the effect of organizational change on employee performance across the financial sector of Burundi, that is, the commercial banks, microfinance and savings and credit corporative organisations (SACCOs).



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## **APPENDIX I: TRANSMITTAL LETTER**

I am a Masters candidate for Business Administration and Management at Kampala International University undertaking a research study on the topic “**Organizational Change and Employee Performance in commercial Banks in Bujumbura, Burundi**”. In view of this, I request you to participate in this study. Kindly answer this questionnaire without leaving any question unanswered. Please be assured that the information you give will be treated with utmost confidentiality and will be used for academic purpose only. Before answering this questionnaire kindly read and sign the attached informed consent.

Thank you very much in advance.

Yours faithfully

.....

**Methode**

## APPENDIX II: INFORMED CONSENT

I am giving my consent to be part of the research study of Mr. Methode on the topic **“Organizational Change and Employee Performance in commercial banks in Bujumbura, Burundi”**.

I have been assured of privacy, anonymity and confidentiality and that I will be given an option to refuse participation and right to withdraw my participation any time.

I have been informed that the research is voluntary and that the result will be given to me if ask for it.

Initial .....Date .....

## APPENDIX III: QUESTIONNAIRES

### Section A: General Information

**Instruction:** please tick [✓] the option that best describes you

#### 1. Gender

a) Male ☐

b) Female ☐

#### 2. Age

a) 20-29 years ☐

b) 30-39 years ☐

c) 40-49 years ☐

d) Above 50 years ☐

#### d) Educational Level

a) Certificate ☐

b) Diploma ☐

c) Bachelor Degree ☐

d) Master's Degree ☐

e) PhD ☐

#### 4. Work Experience

a) Less than 1 year ☐

b) 1-5 years ☐

c) 6-10 years ☐

d) More than 10 years ☐

## Section B: Organizational Change

**Instruction:** Please indicate to what extent you agree or disagree with each of the following statement about organizational change in your company by ticking (√) the appropriate number in each row. Where 1=you strongly disagree; 2=you disagree; 3=you are not sure; 4=you agree and 5=you strongly agree

| #        | Organizational Change   | 1 | 2 | 3 | 4 | 5 |
|----------|---|---|---|---|---|---|
| <b>A</b> | <b>Structural change</b>  |   |   |   |   |   |
| 1        | This bank eliminates duplicate positions when a change occurs.  |   |   |   |   |   |
| 2        | This bank realigns job functions to fit new company structure.  |   |   |   |   |   |
| 3        | This bank responds to the market shift by creating new departments that can produce whatever the market is demanding. |   |   |   |   |   |
| 4        | This bank creates new policies and procedures to create change.   |   |   |   |   |   |
| 5        | This bank periodically changes the way it does business by creating new departments when the need arises.             |   |   |   |   |   |
| <b>B</b> | <b>Strategic Change</b>   |   |   |   |   |   |
| 1        | This bank makes changes to its visions and objectives so as to achieve greater success.                               |   |   |   |   |   |
| 2        | This bank makes changes to the services it offers to align with customer demands.                                     |   |   |   |   |   |
| 3        | This bank makes changes to the markets it tries to reach to serve all customer groups.                                |   |   |   |   |   |
| 4        | This bank makes changes to improve its position in the industry market.   |   |   |   |   |   |



|          |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|
| 5        | This bank considers the culture and behaviors of employees before implementing a change.                 |  |  |  |  |  |
| <b>C</b> | <b>Technological Change</b>  |  |  |  |  |  |
| 1        | This bank ensures that employees are trained on how to use the new technology.                           |  |  |  |  |  |
| 2        | This bank makes changes in its technology based on business demands and advancement in work environment. |  |  |  |  |  |
| 3        | This bank uses specialized and customized software to keep its operations running smoothly.              |  |  |  |  |  |
| 4        | This bank incorporates technological advancement to improve the speed of employees at work.              |  |  |  |  |  |
| 5        | This bank embraces technological advancement to improve the quality of its services.                     |  |  |  |  |  |

### Section C: Employee Performance

**Instruction:** Please indicate to what extent you agree or disagree with each of the following statement about employee performance in your company by ticking (√) the appropriate number in each row. Where 1=you strongly disagree; 2=you disagree; 3=you are not sure; 4=you agree and 5=you strongly agree

| #        | Employee Performance  | 1 | 2 | 3 | 4 | 5 |
|----------|---|---|---|---|---|---|
| <b>A</b> | <b>Quality of Work</b>  |   |   |   |   |   |
| 1        | I maintain very high standards in performance.  |   |   |   |   |   |
| 2        | I have speed when performing his/her duties.  |   |   |   |   |   |
| 3        | I complete the assigned duties and responsibilities as stipulated in the job description. |   |   |   |   |   |
| 4        | I do my work with care and persistence.   |   |   |   |   |   |
| 5        | I do my work consistent with the norms of the profession.                                 |   |   |   |   |   |
| <b>B</b> | <b>Timeliness of Work</b>   |   |   |   |   |   |
| 1        | I do my work within the time assigned for it.   |   |   |   |   |   |
| 2        | I do report to work on time as stipulated in the staff rules and regulations.             |   |   |   |   |   |
| 3        | Supervisors of this bank give adequate time to employees to accomplish their tasks.       |   |   |   |   |   |
| 4        | I make effective use of time at work.   |   |   |   |   |   |
| 5        | I prioritize tasks effectively.   |   |   |   |   |   |
| <b>C</b> | <b>Effectiveness of Work</b>  |   |   |   |   |   |
| 1        | I effectively use the available resources to accomplish tasks.                            |   |   |   |   |   |
| 2        | I am conscious of the costs involved when performing my duties.                           |   |   |   |   |   |
| 3        | I use high level of accuracy when performing work.  |   |   |   |   |   |
| 4        | I understand very well what I am doing.   |   |   |   |   |   |
| 5        | I have enough training to perform my work effectively.                                    |   |   |   |   |   |

**The End**

**Thank you for your time and cooperation**

## APPENDIX IV: MAP OF BUJUMBURA

