

**EFFECTS OF CHANGE MANAGEMENT ON EMPLOYEE PERFORMANCE IN
CO-OPERATIVE BANK OF KENYA LIMITED**

BY

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DECLARATION

I Doreen Kendi Kinoti hereby declare that this MBA research project is my original work and has not been presented to any other college, university or any other institution for any academic award such certificate, diploma or degree.

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DEDICATION

This project is dedicated to God for His Great providence in my life and to my family members and friends for their support and encouragement. Special appreciations to my loving parents, Mr Samuel Kinoti and Mrs Rosemary Kinoti for their ceaseless encouragement to further my education.

I also dedicate this work and give special thanks to Samuel M Matheri for the support and encouragement to continue with the studies despite the challenges faced. To my Daughter Shayna Wambui who has been my best cheerleader during my study To my Late brother Paul who saw me like his hero and kept pushing me to never give up, thank you. To my other brother Dennis, when things got tough I would give him a call and he would encourage me, thank you. To my loving sister Dorothy and Carol for their continued nudge for me to represent the girl child in the family.

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To my classmate the journey was tough but the moral and material support you accorded me was well appreciated.

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ABSTRACT

Recognizing the need for change and leading organizations through that change is one of the most challenging for any leadership. Change is the only constant in today's life for individuals and organizations. Some changes can be reversible while others are not hence the risk involved in managing change. Change management should be effective, for example have the ability to move freely, have the ability to influence others, and directing the working forces in the target systems and administrative units (Burnes, 2002). Bernstein, (2009) argue that all organizations are currently undergoing some type of change. Many of these change programs arise from management such as culture change, business process engineering, empowerment and total quality. Banks are operating in a very dynamic marketplace today and this requires the ability to choose the right change opportunities while demonstrating the necessary degree of flexibility to meet the fluid requirements of the organization over time (Barbaroux, 2011). The ability to select change management initiatives that are aligned with the organizations strategic direction is fundamental for success. The objective of the study was to evaluate the effects of change management on employee performance in Co-operative Bank of Kenya limited. The study used case study research design. The main reasons for case study based research is that allowed the researcher to answer "how" and "why" issues in order to understand the nature and complexity of the processes taking place (Amit & schoemaker, 1993) in change management in banks. In-depth interviews were conducted with interviewees who are head of key departments in Head office charged with change implementation. Key departments were; IT, Operations, Human resource, Finance and Marketing. The presentation of findings was of qualitative form. Qualitative implies an emphasis on the qualities of entities, processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency. The study found that the way in which a manager makes decisions, delegates' responsibility and interacts with employees could affect the entire organization. The study also found that embrace on technology had improved the organizations operations by offering a technology platform, which significantly improved employee performance. The study concluded that the kind of leadership style incorporated at Co-operative bank is autocracy, which has a touch of democracy as well, as senior management at times consults the employees in decision-making but makes the final decision itself. In addition, changes in organizational structures promote employee performance, due to effective supervisory relationships and work flow, which consequently influence productivity. Based on the findings the study recommended it is important for the management to embark on creating awareness on the new developments on how services and products are delivered among the targeted customers and orientation of the new technology and developments on employees. This can easily be achieved through in-house training and organizing open forums among the employees, customers and stakeholders.

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ABBREVIATIONS AND ACRONYMS

IFC : International Finance Corporation

CBK : Central bank of Kenya.

HFCK: Housing Finance Corporation of Kenya

ATM : Automated Teller Machines

NGO : Non-governmental organizations

ICT : Information and Communication Technology

IO : Industrial organization

SCA : Sustained competitive advantage

NSE : Nairobi Securities Exchange

RBV : Resource based view

VRIN: valuable, rare, inimitable, and non-substitutable

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Recognizing the need for change and leading organizations through that change is one of the most challenging for any leadership. Change is the only constant in today's life for individuals and organizations. Some changes can be reversible while others are not hence the risk involved in managing change. Change management should be effective, for example have the ability to move freely, have the ability to influence others, and directing the working forces in the target systems and administrative units (Burnes, 2002). Bernstein, (2009) argue that all organizations are currently undergoing some type of change. Many of these change programs arise from management such as culture change, business process engineering, empowerment and total quality.

This study was guided by stakeholder theory and resource based theory. Stakeholder theory is significant in identifying critical stakeholders in the environment of the change management practices in order to define developments for strategy. Moreover, in the contexts of business ethic and corporate social responsibility, stakeholder analysis has been used to identify important areas of concern. The resource-based theory stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly to imitate (Mullins, 1999).

Banks are operating in a very dynamic marketplace today and this requires the ability to choose the right change opportunities while demonstrating the necessary degree of

flexibility to meet the fluid requirements of the organization over time (Barbaroux, 2011). The ability to select change management initiatives that are aligned with the organizations strategic direction is fundamental for success. According to Thompson (1997), strategic change arises out of the need for organization to exploit existing or emerging opportunities and deal with threats in the market. The banking industry has not been left behind in this process.

Since 2011, the Co-operative Bank of Kenya has spent considerable time in refocusing the corporate business within the performing sectors of the economy and business process improvement to remain competitive in the industry and be able to meet needs of their customers. On the technological front, Co-operative Bank selected Aurionpro's iCashPro Internet Banking Suite as a platform for its online banking. This change proved the bank's commitment to bringing banking closer to Kenya and its people. The Misys Bank Fusion banking platform came into effect in 2013 as well. This banking platform allows Co-op Bank's clients to access mobile banking and all the latest banking technology.

1.1.1 Change Management

Change management as defined by (Lewis and Seibold, 2008) is a process involving unfreezing, moving, and refreezing values, practices, and procedures within organizations. Unfreezing refers to the creation of a perceived discrepancy between the existing and ideal state of an organization that generates a desire for change and lowers people's resistance to change. Moving refers to the various processes such as training, education, and restructuring that lead to the development of new behaviors, attitudes, and beliefs. Refreezing regards reestablishing a new state of equilibrium within the organization by stabilizing the new patterns through a variety of support mechanisms.

Moran and Brighton (2011) defined change management as the process of continually renewing an organization direction, structure and capabilities to serve the ever-changing needs of external and internal customers. Burnes (2004) like many others scholars asserted that change is a present feature of organizational life, both at the operational and strategic level. Due to its importance, change management is becoming imperative and needs appropriate managerial skills and strategy.

Most organizational managers today would agree that change has become a constant phenomenon, which must be attended to and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations, which are unprepared or unable to respond (Burnes, 2004).

When change is announced in an organization, there is a general hope and feeling among the staff that the outcomes will be favorable to them (Kimaku, 2010). The norm indicates that most employees expect a positive outcome and their management will consider their needs. This also applies to new ideas, products or service. Therefore, trust becomes a key factor in determining how employees think, feel and act in respect to the current change (Sikasa, 2004). He further states that trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or confront

that other party. Eriksson and sundgren (2005) introduce another angle on the issue of change management where they lay emphasis on organizational culture. Mostly, culture is ignored and assumed to have a life of its own. Behavior determines a large part of the expected outcome of change. According to Davis and Holland (2002) Culture comprises the shared values, understandings, assumptions, and goals that are learned from earlier generations, imposed by present members of an organization, and passed on to succeeding generations.

This is hugely exhibited during on job training, where a new worker is instructed that the processes are carried out in a certain way and the same should be upheld. Limitations in change management are associated with the management's perceptions of the need for change, the opportunity to change and the way to change Hoffman and Woody (2008). Change agents, usually managers and change recipients, usually employees need to work together to drive change (Gakere et al., 2012). This is usually not easy to achieve as change recipients are known to bring up unreasonable obstacles or barriers that block the change process. This assumption gives away change recipients as a weak link, hence easily blamed for failures.

1.1.2 Employee Performance

Employee performance is attitude towards work-related conditions, or aspects of the job. Senge, (1990) was of the view that employee performance is more of a response to a specific job. Employee performance is an important element from organizational perspective, as it leads to higher organizational commitment of employees and high commitment leads to overall organizational success and development (senge, 1990).

Employee performance has been found to be associated with organizational trust and help increase employee performance (Arnett *et al.*, 2002). Employee performance also serves as a significant predictor in organizational commitment and retention (Kim *et al.*, 2004). When employees are satisfied with their job, they are more willing to provide service that exceeds customers' expectations and positively influence customers' attitude towards their service. In contrast, employees who are dissatisfied with their job are likely to have more occupational stress and be less productive (Skinner and Champion (2008). Thus, highly committed, high performing ,and happy employees are valuable resources to the hotel sector.

1.1.3 Banking Industry in Kenya

The Companies Act (Cap 286), the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK), governs the Banking industry in Kenya. The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance's docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. It is noted in the Central Bank of Kenya (2010a) that the banking system in Kenya has remained stable from 2001 and has recorded remarkable increase in levels of profitability.

The overall audited performance of the banking sector measured in terms of capital adequacy, asset quality, liquidity and earnings remained fair, based on the Central Banks (CBKs) internal rating system. The sector however, has continued to be faced with a number of challenges. These include reduced business activity arising from slowdown in

economic growth, and attempts made during the year aim at re-introducing interest rate controls. The stock of non-performing loans still poses a major challenge. The total number of banking institutions has decreased because of liquidations and mergers Otiso, (2008). The increasingly advanced levels of information technology embraced by banks in Kenya have had a positive impact in the sector, though this has led to a massive reduction in the workforce.

The new and dynamic information systems adopted by most banks have enabled them to process data faster and efficiently. This, coupled with increased use of Automated Teller Machines (ATMs) and on-line banking, has freed bank staff from the mundane manual processing tasks (Central Bank of Kenya, 2009). Over the last few years, there has been a tendency by some banks to reduce the number of their branches. This has in most cases been done with the objective of cutting down costs through staff reduction and to offer quality services to customers (Central Bank of Kenya, 2009). There has been a change in assets composition due to harsh economic conditions that have led to the closure of a number of businesses and low effective demand for bank credit at both personal and corporate level. The banks in Kenya have to change in line with their customers' demands, unlike in the past where the business was never changing. There is a strong need to align operations in line with the various environmental turbulence levels and thus there is need to study the effect of change management in the Kenyan Banks' performance.

1.1.4 Co-operative Bank of Kenya Limited

The Co-operative Bank of Kenya Limited ('the Bank') is incorporated in Kenya under the Company's Act (cap 486), and licensed to do the business of banking under the Banking Act. The Bank was initially registered under the Co-operative Societies Act(cap 460) at the point of founding in 1965 and later in 2008 it was incorporated under the Companies Act. The Bank was listed on NSE on 22 December 2008 with Coop Holdings Co-operative Society Limited having a majority share with a 64.56% stake.

The Bank runs four subsidiary companies, namely: Co-op Trust Investment Services Limited, Co-operative Consultancy Services (K) Limited, merchant and investment banking subsidiary and the Kingdom securities Limited. The bank On August 7th, 1997 suffered a major setback from a terrorist bombing that completely destroyed the Bank's Head office, Co-operative House. The impact of the attack was felt in the subsequent years where the bank reported losses until the year; 2000.Since then, the bank has maintained a sustainable growth in profitability despite the harsh economic environment. The number of branches, ATMs, customers, employees, Dividends and earnings per share and Capital has grown tremendously. Co-operative Bank efforts and resources are channeled towards providing an efficient, personal and stress free banking experience to corporate, foreign missions, NGOs and the quality end of the personal banking market.

Co-operative Bank like any other bank faces challenges in trying to introduce change. The problem is compounded because first, the management wants to introduce change in the Information and Communication Technology (ICT) management structure, and secondly, the existing structure is working very well. The banks face stiff competition

and the only way to survive is by being updated on the latest Information Communication Technology (ICT) since it is an integral part of the banking institutions. ICT is considered a major focus as a strategic key in the attainment of the comparative advantage. Co-operative Societies and Unions own 84%, while individual members of co-operatives own the remaining 16%, making Co-operative Bank the largest private indigenous bank in Kenya. In 1977, the bank opened its first subsidiary: Co-operative Finance Limited. In 1989, the bank converted to a fully-fledged commercial bank and increased its products menu. Co-operative Bank has always focused on making improvements to the community, Kenya's economy, and the welfare of Kenyans in general. This is evident in the many programmes the bank has initiated over the years. (Central Bank of Kenya, 2006)

In 2012, the International Finance Corporation (IFC), a private sector lending branch of the World Bank Group, gave Co-operative Bank a loan of 60 million USD. The funds from this loan were meant to boost the bank's small- and medium-sized enterprise finance programme, to promote economic inclusion in East Africa. In 2013, Co-operative Bank selected Aurionpro's iCashPro Internet Banking Suite as a platform for its online banking. This internet-banking suite provides superior online services for its customers. Online statements, reporting capabilities, fund transfers, and electronic payments all allow members of Co-operative Bank to access services through multiple channels, making banking easier and more convenient than ever before.

The Misys Bank Fusion banking platform came into effect in 2013 as well. This banking platform allows Co-op Bank's clients to access mobile banking and all the latest banking technology. As of June 2013, Co-operative Bank of Kenya was the third-largest financial

services provider in Kenya, by asset value, behind Kenya Commercial Bank and Barclays Bank of Kenya. In 2014, Co-operative Bank increased its secondary school scholarships to just over 2,800 students in the next four years. Bright but financially disadvantaged children from all over Kenya can receive the scholarships. Co-operative societies identify the children that qualify for the programme and take their names to a regional forum where delegates decide which children are most deserving of a scholarship.

1.2 Research Problem

Many organizations are occasionally faced with challenges that force them to adjust or change (Burnes, 2004). Development organizations, in particular, regularly have to go through change processes when having to respond to new development scenarios or simply as part of their expansion or restructuring processes. Increasing market pressures force companies to implement drastic organizational changes in order to remain competitive. Commercial banks overall performance is affected by individual and group performance of its employees. The sector now faces major challenges in preventing the loss of employees to its competitors. These challenges have, therefore, created the need to change in the management to be more supportive to the newer technology, while, at the same time, finding innovative ways of retaining talent (KIPPRA, 2010).

The problem in banks therefore is that of strategic change management implementation. Change management is a functional area of management that is hardly known or appreciated by most managers. It follows therefore that skills required to effectively manage change are lacking. Strong management change is a critical component of the

overall human resource management function in the Banks. Banks in Kenya have been experiencing high staff turnover in recent times. Studies have been conducted on strategic change management for example Kibwana(2012) on strategic change management practices at local authorities in the Coastal Province of Kenya. Mwirigi (2012) also studied management of strategic change by commercial banks in Kenya and Mutwiri (2012) on Strategic Management Practices at Kenya Airports Authority.

Tiso (2008) did a case study of Africa Merchant Assurance Company (AMACO), Bwibo (2000) studied Non-Governmental Organizations in Kenya, and Sikasa (2004) carried out a study on customer perception of change management practices at Housing Finance Corporation of Kenya (HFCK). Maingi (2005) studied strategic change management in Kenya while; Mbogo (2003) conducted a study of change management at Kenya Commercial Bank Limited. A lot has been done in Co-operative bank for example Kasaka (2007) researched on expansion strategies adopted by co-operatives bank in Kenya. The study by Mundari (2003) had sought to determine credit management techniques applied by co-operatives bank of Kenya. Mania (2003) conducted a survey on risk based capital standards and the riskiness of bank portfolio in Kenya. Gwengi (2010) assessed credit risk techniques in commercial banks.

The study by Ngare (2008) was a survey of credit risk management practices by co-operatives bank of Kenya. However, while the above research outcome provides valuable insights on change management, they have not induced a clear relationship between change and employee performance in Commercial banks in Kenya. Given the gaps poised by the above empirical studies, this study poses the research question: “what is the

relationship between change management and employee performance in commercial banks in Kenya?” All the same the organization change and employee performance have been studied over the past decades; and considered as an immersed topic for achieving organizational excellence, there is no empirical research conducted on the effects of change management on employee performance from emerging country perspective like Kenya. Since Banks have been extending their operations in emerging countries, this would be critical to examine how change management affects employee performance and productivity. This study seeks ask to the following questions; are there change management practices in cooperative bank of Kenya? and does change management affect employee performance?

1.3 Objectives of the Study

The main objective of this study was to evaluate the effects of change management on employee performance in Co-operative Bank of Kenya limited.

The study sought to achieve the following specific objectives

- i. To determine effect of leadership change on Employee Performance in Co-operative bank of Kenya
- ii. To determine effect of change in technology on employee performance in Co-operative bank of Kenya
- iii. To determine effect of change in organization structure on employee performance in co-operative bank of Kenya

1.4 Value of the Study

The study will help in theory development by giving insights to the best practices to adopt to manage change in the banking industry. Other studies on change management have been done mostly in developed world and in other sectors other than the banking industry. This study will highlight insights of best practices to adopt to manage change. The study also acts as the study acts as a guide in coming up with frameworks of critical factors that influence strategic change management. Such frameworks are available for future theory building and empirical testing.

The research will be useful to future researchers, students and academicians in understanding the effect and importance of the different changes in the management on performance. By exploring how this study will reveal new findings and adding to the existing knowledge. The study will be beneficial to the researcher in pursuit of knowledge about challenges of change management and the practices to adopt to manage the challenges of change within the organization. The result adds value to the literature available in implementing change management initiatives especially in public sector in Kenya.

The study findings are expected to benefit management in Co-operative Bank of Kenya to obtain effective performance from their workers by using new approaches to change management. The study will also be useful to leaders and managers in organizations by employing leadership styles in relevant situations effectively. This would help reduce social accidents, wastage of and internal conflicts in the working environment. The findings of the study is important to Co-operative Bank of Kenya, as it guides to identify

and analyze changes that are aimed at increasing organizational efficiency, increase initiative and manage strategic change better in the future

1.5 Chapter Summary

This chapter gives an overview of the background information of the research study, effects of change management on employee performance in Co-operative bank of Kenya limited, which shows an understanding and genesis of the problem. It further highlights the research problem, which is strategic change management implementation at Co-operative bank of Kenya. The chapter then narrows down to the objectives of the study which are in line with the variables of the study, namely effect of leadership change on Employee Performance in Co-operative bank of Kenya, effect of change in technology on employee performance in Co-operative bank of Kenya and effect of change in organization structure on employee performance in Co-operative bank of Kenya. The chapter finally looks at the significance of the study: change management on employee performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews both theoretical and empirical literature related to change management on employee performance. To understand these factors, relevant theoretical underpinnings and empirical studies are reviewed. The chapter goes on to review the independent variables in relation to the dependent variable. It also identifies knowledge gaps that are as a result of analyzing the theoretical and empirical literature.

2.2 Theoretical Framework

The theoretical framework introduces and describes the theories that explain why the research problem under this study exists. Theories that underpin this study are stakeholder theory, which states is an instrument to identify critical stakeholders in the environment of the change management practices in order to define developments for strategy and resource based theory which states it explicitly looks for the internal sources of sustained competitive advantage (SCA) and aims to explain why firms in the same industry might differ in performance.

2.2.1 Stakeholder Theory

Freeman (1984) founded this theory. In one of his latest definitions Freeman (2004) defines stakeholders as “those groups who are vital to the survival and success of the corporation” Stakeholder theory is an instrument to identify critical stakeholders in the environment of the change management practices in order to define developments for strategy. Moreover, in the contexts of business ethic and corporate social responsibility,

stakeholder analysis has been used to identify important areas of concern. Using a range of influencing mechanisms, organizations in public sector may be able to take advantage of their position as high-saliency stakeholders to influence corporate managers and investment funds. They can develop power, urgency, and legitimacy.

Stakeholder theory considers economics and ethics issues that make companies take social responsibilities and present fairness to everyone involved in business, with the result that directors will run corporations for benefiting all stakeholders. Thus, the theory can be considered as a good combination between economy and ethics that enables the corporations to grow and promote service.

Stakeholder theory has been criticized on both theoretical and empirical grounds. Williamson (1993), the father of transaction cost economics, has argued that the direct principal-agent relationship between owners and managers is distorted with the addition of other stakeholders to the equation. Lewis (1958) suggests that stakeholder theory is intrinsically incompatible with all legitimate business objectives and undermines basic property rights and corporate responsiveness. Nonetheless, stakeholder theory provides important insights into the ways in which firms and their managers interact with, governments, and other actors.

2.2.2 Resource Based Theory

The resource-based theory was developed as a complement to the industrial organization (IO) view with Gibbert (2006) and Mwachiro(2013) as some of its main proponents. With its focus on the structure conduct-performance paradigm, the IO view puts the determinants of an organization's performance outside the organization, in its industry's

structure. Being positioned against this view, the resource-based theory explicitly looks for the internal sources of sustained competitive advantage (SCA) and aims to explain why firms in the same industry might differ in performance. As such, the RBV does not replace the IO view; rather it complements it (Barney, 2002; Peteraf 2003).

The resource-based theory stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities, which are valuable and costly to imitate (Mullins, 1999). Building on the assumptions that strategic resources are heterogeneously distributed across firms and that these differences are stable overtime, Barney (1992) examines the link between firm resources and sustained competitive advantage. If the theory is used it is expected to enhance competitive advantage through maximum utilization of unique resources and capabilities.

The theory has strength of promoting resources uniqueness in ensuring platform for sustained competition. The critique of the theory is that the RBV lacks substantial managerial implications or 'operational validity' (Priem & Butler, 2001). It seems to tell managers to develop and obtain valuable, rare, inimitable, and non-substitutable (VRIN) resources and develop an appropriate organization, but it is silent on how this should be done (Connor, 2002; Miller, 2003). Gibbert (2006) argues the notion of resource uniqueness –the melding of heterogeneity and immobility –denies the RBV any potential for generalization, where one cannot generalize about uniqueness.

2.3 Empirical Review

The section provides research findings from other researchers and academics on change management on employee performance, leadership change on employee performance, change in technology on employee performance and change in organization structure on employee performance

2.3.1 Change Management on Employee Performance

Stassen (2008) presented a model to determine the effect of change management on employee performance. He took a random sample of 20 firms using regression analysis and found that when there are changes within the organization, people tend to blame organization or the top management as normally top management are the one who implement the force of changes such as stiffer competition, shifts in the new market place or new technology thus affecting employee performance.

Change in the workplace is an issue that every leader, manager, and employee has to deal with at some point in his or her career. That is why it is important to understand the impacts of change. Workers are expected to be committed to continuous change, (Bianco& John Schermerhorn, 2006) and accomplish it without any lessening of day-to-day performance, meaning employee must perform well and change at the sometime. Continuously working hard and trying to change in order to meet high expectations will bring workers stress and exhaustion. Even those who think that they are motivated enough to carry the job, can be overwhelmed and loose interest in need of pause and refreshment. They may need to take a break before being able to face uncertain future again (Bianco & Schermerhorn, 2006).

The recently completed a study of Fedor, et al. (2006) on organizational change and its impact on employee performance. Their study investigated thirty-two different public and private organizations. They divided employee performance into two parts employee performance according to the change initiative and employee performance according to the organization. Results indicated that both employee performance types were impacted by a three-way interaction of the overall favorableness positive/negative of the change for the work unit members, the extent of the change in the work unit, and the impact of the change on the individual's job performance.

There is completed a study of 164 employees that determined variables that predicted an individual's commitment to an organizational change by Cummings and worley (2005) . Their results highlight the impact perceptions of procedural justice have on understanding organizational commitment. Cummings and worley (2005) determined that communication and job security were both direct and indirect predictors of trust and openness. Participation was a direct and indirect predictor of trust but only direct predictor of openness and hence employee performance.

2.3.2 Leadership change on employee performance

According to a meta-analysis carried out by Rouse (2010) on the impact of leadership change on employee performance, he argued that there is positive relationship between leader communication and employee performance. The study showed that when there is ineffective communication and relationship among employees and supervisors, it will generate a climate that reduces personal commitment impeding employee performance and hence organizational change and growth (Darling & Beebe, 2007; Ericson-Lidman&

Strandbert, 2007; Lau & Liden, 2008; Schuttler, 2010). When there is poor communication during the changes, the employees will become demoralized and less productive which this will give the employers the opportunity to increase punitive consequences for non-performance (Kirkpatrick, 1985). The causal relationship between leadership change and employee performance and found that the employees 'performance have been affected by the leadership change, this was examined by Walumbwa et al. (2008). The researchers found out that leaders who manage well risks would have direct effect of improvement of the employee's performance because the leader can manage well and lead his employees to overcome the problem effectively and efficiently.

The long run relationship between leadership change and employee performance, Co integration results show that leaders who want the best result should not only rely on a single leadership style Politis, (2006). In other words, no leadership styles are preferred in any situation in an organization. Hence, a combination or mix leadership style can improve and maintain an organization's process and increases employee's commitment and increases in the job performance. Different leadership style and behavior may affect the employee performance towards the tasks accomplishment and job performance (Vigoda, 2007). Therefore, leadership style adopted by a leader is strongly related to employees' job performance. Transformational leadership, the leader's ability to gather the employees, encourages and supports them to achieve the organization's goals.

The relationship between leadership change and employee performance state that employees with high quality relationship with their leader will practice a better job performance and satisfaction than those with low quality relationship (Davis and Holland

2002). Hence, the supervisor support in the workplace is importance for the supervisor-employee relationship. It means that, if it has a high quality relationship, the employees will contribute to organizational effectiveness through the effect of those high-quality relationships.

2.3.3 Change in Technology on Employee Performance

A study by Dauda and Akingbade, (2011) using panel data from 13 countries found that technology change can only lead to increased productivity or improve performance when combined with other resources effectively by human resources or when done effectively, and use technology productively and ethically. Advancement makes employees more effective and firm more efficient. Technological advancement can improve employee and firm performance as well (Li & Deng, 1999). Employee can more rapidly acquire new knowledge and further advancement competencies through training. Others involved in this discussion would emphasize that the intervention strategy needs to be driven by vision and strategy (Beckhard & Harris 2008), and that the arrows linking the components should be double headed, reflecting the interactive nature of the components in the change process.

According to a study carried out by Robertson, (2007) technological advancement has enormous influence on employee performance. Technological advancement is important factor for influencing the improvement of performance. Most of studies have repeatedly shown a positive relationship between a firm's technological advancement and performance, and concluded that technological advancement is important for employee performance. Many industries, nations in the developed, and developing countries have

established research and development units, departments and organizations to enable them to cope with technological change. Machuki and Aosa (2011) examined the issue of the existence of threshold effects in the relationship between technology change and employee performance using a new econometric technique that allows for appropriate estimation procedures and inference. They further explained that changes in technology and physical setting to the ways change can be accomplished significantly affect the level of employee performance.

In their paper titled technology change and employee performance the Cameron and Green, (2005) argued that the degrees of aggregation of technological innovation by organization and nation determine its performance and development. This is related to management and control of internal and systems and its response to external system. Significant improvement in output, productivity and growth are achieved when they use new technology. Increased productivity and general economic growth in most developed nations have been attributed to increasing technology and technological innovation.

2.3.4 Change in Organization Structure on Employee Performance

According to Styhre (2009) more recent form of the digital media or electronic systems such as computerized system and new machine system that bring about change require new forms of communication and well control in organization, in order to have a good adoption can good adoption of organizational change and link to increase employees' performance. To overcome these problems, well communication about employees' appraisal system should implement to provide employees better understanding about their performance. Besides, it is also a great opportunity to alert the gap between the

actual and desired performance in the organizational goals. Hence, when the performance appraisals are done correctly, company may weigh the costs versus benefits of the employees 'performance. Pepper, (2006) in his qualitative study to determine the effect of organization structure change on employee performance found that organizational changes such as acquisition of the company will create variety of communication problems that threaten not only employees 'performance, but also the success of the communication from the top to bottom of the organizations (Pearce & robinson, 2002).

In a purposive study by Gibbert, (2006) using random sampling technique, he argued that he broader the change, the more employees exposed to change and the more their performance is affected. Broader and more extensive changes could generate greater feedback effects as well as feelings of unfairness and injustice, which are harder to overcome for both employees and organizations. The broader the change, the more significant the perception of change is likely to be and hence the greater the impact on employee performance.

2.4 Summary of Empirical Review and Knowledge Gaps

This following table provides a Summary of empirical review and knowledge gaps.

Table 2.1 Summary of Empirical Review and Knowledge Gaps

Study	Focus	Methodology	Findings and Conclusions	Research Gap
Mugo, S. (2014)	Change management practices and employee performance Of Kenya revenue authority	The study used a case study which is qualitative in nature.	Management should be competent in change management so that it can help employees to be able to embrace the changes quickly and improve efficiency therefore improving performance.	The study does not mention the various change practices that the management should be competent in.
Rouse (2010)	impact of leadership change on employee performance	quantitative explanatory research design, inferential statistics	study showed that ineffective communication and relationship among employees and supervisors, generates a climate that reduces personal commitment impeding employee performance and organizational change and growth	The study focused on the leadership aspect alone visavis employee performance
Dauda and Akingbade (2010)	examined change in technology on Employee performance	A quantitative method was used, employing a cross sectional research design	Technology change can only lead to increased productivity or improve performance when combined with other resources effectively by human resources or when done effectively.	The study did not further define what other resources are.
Styhre (2009)	Impact of Change in Organization Structure On Employee	Qualitative method, expo factor, design , descriptive statistics	form of the digital media or electronic systems such as computerized system and new machine system that bring about change require new forms of communication and well control in organization, in	The study focuses on technological change solely as what brings about organizational change

	e Performa nce		order to have a good adoption and effect organizational change	
	Factors influenci ng change managem ent practices atCFCSta nbic Bank	case study research design.	change management practices have benefited the bank ,as change management practices have helped the bank develop a competitor focus through widespread use of competitive intelligence thus provide employees with skills they need to work effectively	The study does not highlight the best practices to adopt to manage change.
Roberts on, (2007)	organizat ional change and its impact on employee performa nce	Qualitative and quantitative descriptive survey research	Technological advancement has enormous influence on employee performance in individual's job performance. It is an important factor for influencing the improvement of performance	The study concentrated on technology alone as the only component that influences employee performance.
Mabok o, (2006)	Relations hip between strategic change managem ent and employee performa nce	case study research design	changes in management of operation have resulted in motivational impact and gives employees a corporate challenge and goal worthy of Commitment.	The study focuses more on management changes visavis employee performance.
Gibbert , (2006)	effect of change in organizat ion structure on Employee e performa nce	Qualitative method, Case study design , descriptive statistics	The broader the change, the more employees are exposed to change and the more their performance is affected	The study does not mention what brings about change that consequently affects employee performance.

Source : Researcher 2015

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the methodology and procedures that were followed when carrying out the proposed study. The purpose of this section was to provide a description of the research area or setting, procedures used in collecting, in the collection, processing and analysis of data.

3.2 Research Design

Case study research design formed the core of this research study. The main reasons for case study based research is that it allowed the researcher to answer “how” and “why” issues in order to understand the nature and complexity of the processes taking place (Amit & schoemaker, 1993) in change management in banks.

According to Creswell (2002), the case study is an in-depth exploration of a bounded system based on extensive data collection and recommends the case study as the methodology if the problem to be studied relates to developing an in-depth understanding of a case or bounded system. It provides rich and thick details in understanding of reality, which in turn will enhance the analysis process in incorporating the views of the actors under the study (carnall, 2007).

3.3 Data Collection

The data collection instruments used in this study was developed by the researcher. In-depth interviews were conducted with interviewees who were head of key departments in

Head office charged with change implementation. Key departments are; IT, Operations, Human resource, Finance and Marketing.

Questions were issued in advance to help the interviewees recall facts, refer and to generally prepare for the interview as shown in the appendix. The interviewees were briefed in advance of questions to help them recollect facts and refer where necessary before the actual interview date. Secondary data was obtained from human resource management and the ex-staff.

3.4 Data Analysis

The presentation of findings was of qualitative form. Qualitative implies an emphasis on the qualities of entities, processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency. Qualitative methods allow detailed analysis. Considering the kind of data intended as per the interview guide, conceptual and qualitative content analysis was the best method.

Qualitative content analysis is often used to analyze interview transcripts in order to reveal or model people's information related behaviors and thoughts. Content analysis is a method of analyzing written, verbal or visual communication messages. Content analysis is a technique for making inference by systematically and objectively identifying specified characteristics of message and using the same to relate to trends (Nachmias & Nachmias, 1996).

CHAPTER FOUR

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1. Introduction

This chapter presents the findings and interpretation on the effects of change management on employee performance in Cooperative Bank of Kenya and discussion. The focus was on analyzing the data collected from all the respondents in the organization and giving a clear interpretation of the results. Qualitative data was subjected to content analysis and the researcher made inferences from the views of the respondents in order to come up with this report.

4.2. Demographic Information

The study sought to collect information from the head of key departments in Head office charged with change implementation. Respondents stated they each had different working positions, with majority holding marketing and finance positions and others held positions in IT, operations and human resource. In addition to this, they worked in different departments thus provided clear information on change implementation at Co-operative Bank. Majority of them were in retail banking and deposit operations department compared to those in electronic banking and mortgage departments, with majority of them having worked for a period of 5 to 9 years hence were well conversant with change implementation practices at Co-operative Bank.

4.3 Leadership Change on Employee Performance

The study asked the interviewees various questions regarding effects of leadership change on Employee Performance at Co-operative Bank and obtained various responses. This was meant to show the influence leadership change has had on employee performance in the entire organization.

4.3.1 Forms of Leadership at Co-operative Bank

The respondents were requested to indicate the forms of leadership that exist at co-operative bank. The respondents revealed the leadership style is autocratic in the bank because the board members have the centralized authority to make decisions and dictate methods for how the things are to be done. Further, they stated that autocracy has a touch of democracy as well, as senior management at times consults the employees in decision-making but makes the final decision itself. The Bank values its employees and therefore it has included leadership development programs for the senior management of the bank, which resulted, into professionalism, credibility and trust in their skills and all other parties involved.

The respondents further stated the autocratic from of Leadership mixed with democracy, has been key in driving a sustainable growth model. As it brought about a turnaround in the bank from loss making to one of East Africa's fastest-growing and most profitable banks. Achieving year-on-year growth in results, substantial growth in customer base and expansion of services into South Sudan and setting up numerous bank-led initiatives to benefit the community.

4.3.2 Change in Leadership and Employee Performance at Co-Operative Bank

The study sought to establish whether change in leadership influenced employee performance at Co-operative Bank. The findings indicated that majority of the respondents were of the opinion that change in leadership influenced employee performance. Respondents revealed that change in leadership brought about change in policies, procedures, organization structure, workflows and operational activities, which consequently affected employee performance.

They further said that positive changes that lead to the growth of the organization affected them positively in terms of higher productivity. However, other respondents stated, some employees are highly resistant to leadership change due to the human nature of organizations such as behavior, habits, group norms and because of organizational inertia. Problems arise when leadership change is forced on people and, therefore, change must be realistically achievable and measurable.

4.3.3 Leadership Problems and Employee Performance at Co-operative Bank

Respondents were requested to indicate the various leadership problems and how they influenced employee performance at Co-operative Bank. They revealed that the way in which a manager makes decisions, delegates' responsibility and interacts with employees could affect the entire organization.

When probed further, they stated several leadership problems as: bureaucratic leaders, some heads of departments may completely dismiss employee input because they do not want to make any changes to the way things are done while other autocratic leaders do not seek input from employees tend to alienate their staff and diminish the employee feeling of involvement.

4.3.4. Leadership Change Enhancement at Co-operative Bank

The respondents were also asked to suggest various ways in which leadership change can be enhanced in their organization to ensure proper employee performance at co-operative Bank. Respondents revealed that managers and supervisors should help in turning talent into performance.

As employee engagement influence by the kind of leadership employed would render them (employees), more satisfied, more committed and more likely to stay to the organization, and more productive. They further said, managers and supervisors could increase productivity because of the employees' commitment that, in turn, can increase the amount of discretionary effort employees give to the job.

4.4 Change in Technology on Employee Performance

The study asked the interviewees various questions relating to change in technology on employee performance. This was meant to indicate the effect change in technology has had on employee performance at Co-operative Bank and thus help the organization in future management of technology adopted at the organization.

4.4.1 Various Technological Developments Adopted at Co-Operative Bank

The respondents were also asked to point out various technological developments that had been adopted at the bank. They respondents cited several technological developments as: a switching system that enabled customers transfer money conveniently and hence provided a host of e-services by automating their systems; cutting-edge ICT systems that included a robust new core banking system; bank fusion universal banking (BFUB), a pervasive service network comprising 135 branches, over 550 ATM's, over 400 front

office Sacco outlets (FOSA's that offer most of the products and services available in the bank) and over 7,000 agencies (commonly referred to as Kwa Jirani, meaning Co-operative Bank services at the neighbors).

It has been revealed from the study that the turnaround was successful and Co-operative Bank became a profitable enterprise contributing to the country's economic growth by banking the public as well as giving returns to its shareholders. Interviewees further revealed the bank successfully pioneered a retail-banking model that went beyond investment in conventional bank-owned channels, such as branches, ATM's, agencies and electronic banking.

4.4.2 Change in Technology and Employee Performance at Co-Operative Bank

On the question of whether change in technology significantly improved employee performance at co-operative bank; the study found that embrace on technology had improved the organizations operations by offering a technology platform, which significantly improved employee performance.

The respondents were of the opinion that technological practices adopted provided appropriate learning and development opportunities, setting of target, recognizing, and rewarding of achievement, also led to employee's involvement in the development of the business and flexible working procedures, policies that encouraged equality and diversity.

4.4.3 Challenges Faced By Co-operative Bank in Adopting New Technology

The study found out that despite the benefits accrued from adopting technology in the organization, they experienced challenges too. Interviewers revealed that technological challenges relate to electricity disruptions, systems failure such as software or hardware malfunctioning which can cause interruption of services delivery or information loss and also lack of understanding on how to operate the technology by employees.

They further explained services such internet Banking had a negative perception in terms of security. The respondents said customers perceived that there were many security risks when using the internet. They felt the privacy was a concern, feeling all their financial information could be in jeopardy.

4.4.4 Bank's Responsibility to Enhance Technology Change

The respondents were requested to state what can be done by Co-operative bank to ensure that technology change improves employee performance. The interviewee were of the opinion that employee is one of the most essential resource in any other organization that is working towards meeting its goals.

They further stated that Co-operative Bank should increase the level of training and skills of an employee to hasten adoption of new technology and hence improve employee performance. It is therefore important for Co-operative Bank to research on the aspects of employee in their place of work and their impacts to the performance and development of the bank.

4.5 Change in Organization Structure on Employee Performance

The study asked the interviewees various questions relating to change in organization structure on employee performance and obtained various responses.

4.5.1 Aligning Organization Structure to the Mission and Vision of the Bank

The study sought to establish what role the management plays in ensuring that the organization structure is aligned to the mission and vision of the bank. The interviewees stated that the management ensures the efficiency and effectiveness of the internal control system by identifying control objectives, devising and reviewing appropriate policies and procedures, while establishing relevant control procedures. Significant policies and procedural manuals were already in place. Moreover, policies and procedures are periodically reviewed and revised and necessary amendments and updates introduced in line with the mission and vision of the bank.

4.5.2 Change in Organizational Structure and Employee Performance

On the question of whether changes in organizational structure influence employee performance at Co-operative Bank, the study found out majority of the respondents were of the opinion that organizational structure does influence employee performance in their organization. Respondents stated organizational structures promote employee performance, due to effective supervisory relationships and work flow, which consequently influence productivity.

They further clarified roles of the employees are well defined such that each member knows what they are supposed to do and whom they report to. Employee performance management at Co-operative bank involves goal-setting activities and periodic reviews

by managers in the reporting hierarchy. Defined policies and procedures were in place and were consistently enforced throughout the organization as without policies and procedures change in organizational structure would influence employee performance negatively.

4.5.3 How Organizational Structure can Enhances Employee Performance

The respondents were requested to state what should be done to ensure that change in organizational structure enhances employee performance at Co-operative bank. Interviewees stated change in organization structure should be flexible enough to respond quickly to changes, challenges and uncertainty.

This flexibility should be enhanced by the creation of core groups and by using part-time, temporary and contract workers to handle extra demands. In addition to this, respondents also stated that, the management should evaluate how change is implemented, how each job description is made and the strategic plan to improve employees' productivity.

4.6 Discussion of Findings

The findings indicate the leadership style at Co-operative bank is basically autocratic because the board members have the centralized authority to make decisions and dictate methods for how the things are to be done. Further, they stated that autocracy has a touch of democracy as well, as senior management at times consults the employees in decision making but makes the final decision itself.

The Bank values its employees and therefore it has included leadership development programs for the senior management of the bank which resulted into professionalism,

credibility and trust in their skills and all other parties involved. However they revealed there are certain heads of departments who are autocratic and Laissez-faire. Similarly, Politis, (2006); Vigoda, (2007). Indicated that the long run relationship between leadership change and employee performance, Co integration results show that leaders who want the best result should not only rely on a single leadership style.

The study also found that embrace on technology had improved Co-operatives bank operations by offering a technology platform which significantly improved employee performance. The respondents were of the opinion that technological practices adopted provided appropriate learning and development opportunities, setting of target and recognizing and rewarding of achievement, also led to employees involvement in the development of the business and flexible working procedures, policies that encouraged equality and diversity. This is in accordance to (Li & Deng, 1999) who stated technological advancement can improve employee and firm performance as well. Dauda and Akingbade, (2011) using panel data from 13 countries found that technology change can only lead to increased productivity or improve performance when combined with other resources effectively by human resources or when done effectively.

The study also found that organizational structures at Co-operative bank promote employee performance, due to effective supervisory relationships and work flow, which consequently influence productivity. They further clarified roles of the employees are well defined such that each member knows what they are supposed to do and whom they report to. Employee performance management at Co-operative bank involves goal-setting activities and periodic reviews by managers in the reporting hierarchy. Defined policies and procedures were in place and were consistently enforced throughout the organization.

According to Styhre (2009) forms of communication and well control in organization, in order to have a good adoption, good adoption of organizational change and link to increase employees' performance. To overcome these problems, well communication about employees 'appraisal system should implement to provide employees better understanding about their performance.

Cameron and Green, (2005); Robertson, (2007) found that significant improvement in output; productivity and growth are achieved when they use new technology. Increased productivity and general economic growth in most developed nations have been attributed to increasing technology and technological innovation. Similar to the study findings the technological turnaround was successful and Co-operative Bank became a profitable enterprise contributing to the country's economic growth by banking the public as well as giving returns to its shareholders. Technological advancement has enormous influence on employee performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section provides the summary of findings, conclusions and recommendations from chapter four of the study. It further provides a recommendation on areas for further studies.

5.2 Summary of Findings

According to the findings, the respondents revealed the leadership style is basically autocratic in the bank because the board members have the centralized authority to make decisions and dictate methods for how the things are to be done. Further they stated that autocracy has a touch of democracy as well, as senior management at times consults the employees in decision making but makes the final decision itself.

The Bank values its employees and therefore it has included leadership development programs for the senior management of the bank, which resulted, into professionalism, credibility and trust in their skills and all other parties involved. The findings also indicated that majority of the respondents were of the opinion that change in leadership influenced employee performance, as they revealed change in leadership brought about change in policies, procedures, organization structure, work flows and operational activities which consequently affected employee performance.

The study also found that the way in which a manager makes decisions, delegates' responsibility and interacts with employees could affect the entire organization. When probed further they stated the following as the leadership problems that consequently

affect employee performance: bureaucratic leaders, some heads of departments may completely dismiss employee input because they do not want to make any changes to the way things are done while other autocratic leaders do not seek input from employees tend to alienate their staff and diminish the employee feeling of involvement.

The study also established the following as the technological developments adopted at Co-operative Bank: a switching system that enabled customers transfer money conveniently and hence provided a host of e-services by automating their systems, cutting-edge ICT systems that included a robust new core banking system, bank fusion universal banking (BFUB), a pervasive service network comprising 135 branches, over 550 ATM's, over 400 front office Sacco outlets (FOSAs that offer most of the products and services available in the bank) and over 7,000 agencies (commonly referred to as Kwa Jirani, meaning Co-operative Bank services at the neighbors). It has been revealed from the study that the turnaround was successful and Co-operative.

The study also found that embrace on technology had improved the organizations operations by offering a technology platform, which significantly improved employee performance. The respondents were of the opinion that technological practices adopted provided appropriate learning and development opportunities, setting of target, recognizing, and rewarding of achievement, also led to employee's involvement in the development of the business and flexible working procedures, policies that encouraged equality and diversity.

The study also found that interviewees were of the opinion Co-operative Bank should increase the level of training and skills of an employee to hasten adoption of new

technology and hence improve employee performance. It is therefore important for Co-operative Bank to research on the aspects of employee in their place of work and their impacts to the performance and development of the bank. Also technological challenges that relate to electricity disruptions, systems failure such as software or hardware malfunctioning which can cause interruption of services delivery or information loss were some challenges accrued from adopting technology.

The study revealed that the management ensures the efficiency and effectiveness of the internal control system by identifying control objectives, devising and reviewing appropriate policies and procedures, while establishing relevant control procedures. Significant policies and procedural manuals were already in place. Moreover, policies and procedures are periodically reviewed and revised and necessary amendments and updates introduced in line with the mission and vision of the bank.

The study also found that organizational structures promote employee performance, due to effective supervisory relationships and work flow which consequently influence productivity. They further clarified roles of the employees are well defined such that each member knows what they are supposed to do and whom they report to. Employee performance management at Co-operative bank involves goal-setting activities and periodic reviews by managers in the reporting hierarchy. Defined policies and procedures were in place and were consistently enforced throughout the organization.

Finally, the study established that that change in organization structure should be flexible enough to respond quickly to changes, challenges and uncertainty. This flexibility should be enhanced by the creation of core groups and by using part-time, temporary and

contract workers to handle extra demands. In addition to this, respondents also stated that, the management should evaluate how change is implemented, how each job description is made and the strategic plan to improve employees' productivity

5.3 Conclusion of the Study

The study concludes that the kind of leadership style incorporated at Co-operative bank is autocracy, which has a touch of democracy as well, as senior management at times consults the employees in decision making but makes the final decision itself. Respondents were of the opinion that changes in leadership influenced employee performance, as they revealed change in leadership brought about change in policies, procedures, organization structure, workflows and operational activities, which consequently affected employee performance.

The study also concludes that the turnaround of activities brought about by technological changes was successful, technological changes include: a switching system that enabled customers transfer money conveniently and hence provided a host of e-services by automating their systems, cutting-edge ICT systems that included a robust new core banking system, bank fusion universal banking (BFUB), a pervasive service network comprising 135 branches, over 550 ATM's, over 400 front office Sacco outlets (FOSAs that offer most of the products and services available in the bank) and over 7,000 agencies (commonly referred to as Kwa Jirani, meaning Co-operative Bank services at the neighbors). Embrace on technology had improved the organizations operations by offering a technology platform, which significantly improved employee performance. However there were technological challenges that relate to electricity disruptions,

systems failure such as software or hardware malfunctioning which can cause interruption of services delivery or information loss and also lack of understanding on how to operate the technology by employees.

The study finally concludes that change in organizational structures promote employee performance, due to effective supervisory relationships and work flow which consequently influence productivity. As respondents clarified roles of the employees are well defined such that each member knows what they are supposed to do and whom they report to. Employee performance management at Co-operative bank involves goal-setting activities and periodic reviews by managers in the reporting hierarchy. However the interviewees revealed that change in organization structure should be flexible enough to respond quickly to changes, challenges and uncertainty.

5.4 Suggestions of the study

Based on the findings, the study recommends it's important for the management to embark on creating awareness on the new developments on how services and products are delivered among the targeted customers and orientation of the new technology and developments on employees.

This can easily be achieved through in-house training and organizing open forums among the employees, customers and stakeholders too, also improvement of the kind of leadership style, where employees are involved more in decision making process. However, most organizations take up change management with an aim of success, most programs fail due to lack of sustained management commitment and leadership, resistance to change and unrealistic scope.

5.5 Implications of the study

The study sought to investigate effects of change management on employee performance in Co-operative bank of Kenya limited. Based on the findings, the study has the following implications:

Implication to Managers and executives

Managers and executives need to improve on communication and awareness of strategy and focus on building competencies in the organization during change management so as to increase the chances of successful implementation, visibility, importance and credibility.

Implication to Stakeholders

There needs to be stakeholder involvement in all stages of planning and implementation to bring a sense of ownership by all parties so that they can feel the strategy has not been forced on them. This will also increase the chances of successful implementation of the selected strategy.

Implication to banking Institutions

There needs to be a comprehensive market research conducted prior to developing of strategies to be adopted. The market research should objectively identify the challenges experienced by the organization which will assist the planners in developing strategies to respond to the challenges. The developed plans will be unique to the organization and in response to the identified challenge.

5.6 Limitations of the Study

Time constraints since the project was to be done within a short time frame. Some heads of departments were too busy to give the interviewee adequate time to interrogate deeper the responses given. There was also lack of cooperation with some of interviewees who were uncooperative.

The study was also limited by suspicion from Co-operative bank management staff on what the information will be used for but this was overcome by persuasion that the information is for academic purposes and will be treated with the highest form of confidentiality.

5.7 Suggestions for Further Research

This study recommends that more studies should be done to study the effect of change management by other banks in the region and their influence on employee performance.

A study may also be carried out to find out how respective customers and stakeholders too are affected by change adopted in an organization. A detailed study of ways to maintain and sustain change should be carried out. Similar studies can be carried out in other banks to compare findings as this study was carried out in only one bank.

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APPENDICES

APPENDIX 1: Introduction Letter

University of Nairobi,
P.O Box 30197,
Nairobi.

Date.....

Dear Sir/Madam/

RE: LETTER OF INTRODUCTION

I am a student at University of Nairobi taking a Masters of Arts degree course in Business administration. As a requirement for the fulfillment of the Masters degree, I intend to carry out research on effects of change management on employee performance in co-operative bank of Kenya limited. Kindly spare some of your time to assist with the information required for the purpose of research. The information given will be handled with utmost confidentiality.

Yours faithfully

Doreen Kendi Kinoti

Appendix II: Interview Guide

Effects of change management on employee performance in Co-operative Bank of Kenya limited

Section A: Demographic Information

1. Name of the respondent (Optional)

2. What is your position in the organization

3. In which department are you working?

4. How long have you worked at the bank?

a) Less than 5 years []

b) 5 to 9 years []

c) 10 to 14 years []

d) 15 years and above []

Section B: Effect of leadership change on Employee Performance

5. Which forms of leadership exist in co-operative bank?

.....

.....

6. Do you think change in leadership influence employee performance in your organization?

Explain

.....
.....

7. Indicate the various leadership problems and how they influence employee performance in your organization

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.....

8. Suggest various ways in which leadership change can be enhanced in your organization to ensure proper employee performance at co-operative Bank

.....
.....

Section C: Change in technology on employee performance

9. What various technological developments have been adopted by the bank?

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10. Does Change in technology significantly improve employee performance at co-operative bank? Explain

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11. What challenges does the organization face in adopting new technology?

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12. What can be done by the bank to ensure that technology change improves employee performance?

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Section c: Change in organization structure on employee performance

13. What role does the management play to ensure that organization structure is aligned to the mission and vision of the bank?

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14. Does change in organizational structure influence employee performance in your organization?

Explain

.....

.....

.....

15. What should be done to ensure that change in organizational structure enhances employee performance at the bank?

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