

**THE EFFECT OF CHANGE MANAGEMENT ON ORGANIZATIONAL
PERFORMANCE: (A CASE STUDY ON SELECTED PRIVATE COMMERCIAL
BANKS IN ETHIOPIA, ADDIS ABABA)**

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June, 2020

DECLARATION

I hereby declare that this thesis entitled “The Effect of Change Management on Organizational Performance: A case Study on Selected Private Commercial Banks in Ethiopia, Addis Ababa”, submitted to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.



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Abstract

This study was driven to determine the effect of change management on the organizational performance: a case study on selected private commercial banks in Ethiopia, Addis Ababa. To know the overall understanding of employees towards the various dimensions of change management and its effect on organizational performance. The researcher applied quantitative research approach and explanatory research design. The researcher used purposive sampling technique to select four (4) private commercial banks from the existing sixteen (16) private commercial banks in Ethiopia and employees of the Banks are selected based on probability simple random sampling technique. Primary data was collected through structured questionnaires including open ended questions and structured interview and also secondary source was collected from different company profiles, books and websites which dictate regarding the study. To analyze the collected data from the respondents the researcher used SPSS version 23. The researcher used inferential statistic such as correlation analysis and multiple regressions to predict the relationship between four components of change management and organizational performance. Accordingly the Pearson correlation test conducted between change management dimension and organizational performance revealed that all independent variables have a positive relationship with dependent variable organizational performance, hence, communication and employee engagement took the first and second ranks on influencing the organizational performance while leadership and readiness for change significance was fall on third and fourth ranks. The regressions result confirmed that, the linear combination of all the components of change management considered under the present study was significantly contributed to the variance in the dependent variable organizational performance. The ANOVA test result also confirmed that, the prediction powers of the change management components are found to be statistically significant. From the Beta coefficient result, the researcher obtained that, employee engagement is found to be the most important variable in predicting the dependent variable organizational performance, followed by communication in private commercial banks. Even if leadership has a negative contribution, it is found to be statistically significant and also Even if readiness for change has a positive contribution, it is found to be statistically insignificant compared to the other variables. Finally, the researcher concluded that in the case of private commercial banks, change management has its own contribution in achieving organizational performance. The researcher recommended that in order to create awareness about the change in the minds of the employees the private banks managements has to work hard towards improving leadership quality, The leaders need to be committed to implement the change effectively, need to be responsible and accountable for implementation of change management and its effectiveness and also the banks management should understand their employees' knowledge and skills, their believe about the change are well planned in their organizations and will benefit the organizations in order to achieve its goal and objectives.

Key words: Leadership, Communication, Employee Engagement, Readiness for change, Organizational Performance.

CHAPTER ONE

1.1 INTRODUCTION

This chapter deals about background of the study, statement of the problem and objective of the study, significance of the study, research question, and Delimitation/limitation/ of the study, definition of terms and organization of the study.

1.2 Background of the Study

Change can be defined as any initiative, program, or project that has an objective of changing the business practices and requires the employees to do their jobs in a different way (ElKattan, 2017). Change is happening everywhere; its speed and complexity are increasing; and the future success of our organizations depends on how successful leaders are at leading that change. In today's marketplace, change is a requirement for continued success, and competent change leadership is a most desirable executive skill.

Organizations are spending tens of millions of dollars on change efforts such as information technology installations, supply chain and re-engineering, yet not obtaining their intended return on investment (Anderso, 2010). Furthermore, the very methods used in these failed efforts are causing tremendous resistance and burnout in people, loss of employee morale, and turmoil in the cultures of organizations.

Change, in management point of view, represents a transformation of the organization's strategy, or a cultural transformation in terms of a company as a result of environmental changes, structure, technology and people. It is necessary to take into account that there are differences between change management, resulting from changes in technology and changes based on different management styles, but these changes influence each other.

Change management is a very broad field, and approaches on managing change vary greatly, from one organization to another and from one project to another. In case of a change, on a complex structure of an organization are acting both external factors as well as internal ones. There are multiple acting external forces that serve to change: - market situation of the organization or the place that it occupies within the market; - technology that organization uses; - governmental laws and regulations; - economy (Romanescu Marcel Laurentiu, 2016). To overcome the incoming changes every organization needs to strength its capacity to manage the changes accordingly.

As the rate of economic growth increases, organizations become more complex. People, processes, rules, strategies, and basic units become more involving. Therefore, change in style and procedures of organizational management are inevitable (Eric Nyariki Osege, 2017).

The management of change is an important discipline in today's ever changing business environment. Change is never easy and managing it in a large corporate environment is even more challenging (S.A.Munshi (Dr.), 2014).

Today, financial institutions are responsible for the supply of money to the market through the transfer of funds from investors and depositors to the companies and individuals in the form of loans, deposits, and investments. While providing this services, there are many significant issues (promoting growth and profitability, going digital, developing reliable revenue in an age of regulation, creating valuable customer relationships, reimagining the workforce, a growing reliance on outsourcing, risk management, malware remains a threat, cyber security, new regulatory issues) facing financial institutions. Many of them involve the ability to respond to changes in not only the financial market, but in business practices at large.

Banks are dealing with both the positive and negative outcomes of a changing workforce, constant advancements in technology, and evolving regulations. Only those firms that can predict and plan for these changes will have the opportunity for great success in the future (BLM, 2018).

Financial institutions 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. The ability to select

change management initiatives that are aligned with the organization's strategic direction is fundamental for success.

In order to accelerate the economic growth process, the government of Ethiopia has embarked on a number of reforms to improve the efficiency and competitiveness of the banking sector. Over the last few years, there has been a tendency by Ethiopian banks to increase the number of their branches. This has in most cases been done with the objective of addressing all non-banking societies and to offer quality services to customers. There has been a change in assets composition, number of staffs, deposit amount, loan disbursement, ways of competitions, technological aspects and other thing due to increasing the country's economic conditions that have led to open a number of businesses and high effective demand for bank credit at both personal and corporate level.

Private Banks in Ethiopia has to change in line with their customers' demands, Government policy, political and economic condition of the country and rate of competitors unlike in the past where the business was drastically 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 on selected private commercial Banks 'performance.

1.3 Statement of the Problem

Organizational structure change, procedures and process of operation were the internal factor that had contributed to change management where competition, technological changes, customer expectation and government regulation were the major external factor that contributes to change management (Kivuva, 2012). The main factors behind an efficient process of change management are education, communication and establishment of open ongoing dialogue among all the stakeholders (Julia, 2012).

The complexity and nature of the company's strategy, leadership skill, relationship skills and financial skills were inevitable in all cases of change management and maintaining of sense of ownership from all stakeholders during the entire change management process increase the chances of success for the company (Nyachoti, 2014).

Bank performance is directly dependent on efficiency and effectiveness of change management and on the other hand tight controls in standards to prevent negative performances associated with change management. In order not to impair on their prosperity, financial institutions need to strike a balance between tight controls and standards in efficiency of change management. This is only possible if the effects of change management on financial institutions and its customers are well analyzed and understood (Richard, 2014).

Wandera Richard (Richard, 2014) conducted a descriptive research on change management in financial institution a case study of kenyan banks by using three variables, i.e. leadership, means employed by banks and effects of change management on the bank's performance and found that the Kenyan banks was positive and it acted as leverage for success and the change management practices used by the banks reduced the chance of resistance associated with adoption of new ideas, change influences a sense of belonging and commitment by employees to be more productive, the kenyan banks had a clear plan of managing change and that change management plans were known to all employees, the employees in the Kenyan banks were motivated to generate new ideas and employees were rewarded for the new ideas that get adopted by the banks.

On the other hand Abdul Ghafoor Awan (Phd.) and Fizza Saleem Qureshi conducted a research on the effect of change management on the performance of a business organization: a case study of banking sector in Pakistan and concluded that culture of an organization, working condition, structure of an organization, support from top management, good communication, feedback and efficient planning are play a vital role in the implementation of change management in an organization and it also affects the performance of the organization.

In every country commercial banks are the main economic institutions that facilitate the financial growth and economic development mainly serving the key purposes of providing financial intermediation and transaction services (Birhanu, 2015). Mehreteselassie Birhanu also states that Commercial banks are financial institutions that serve the general public in any society by rendering different services to its customers as they require. These commercial banks highly participate in the growth and development of a given country by lending money in many sectors of the economy, contributing to investments, employment creation and by increasing the process of economic growth.

As per preliminary observation made by the researcher, Today's financial institutions found in Ethiopia especially private banks were facing challenges because of Stiff competition among each other through niche potential customers, qualified and well experienced staffs, providing excellence customer service, political instability and economic condition of the country and other unconducive government policy declaration regarding to the sectors. Because of this most of the Ethiopian private banks were implementing strategic and road map plan for the next five to twelve years in order to achieve their long term goal or get competitive advantage on the market share. Though, because of lack of proper change management most strategic plan designed by the privates banks are not achieved its target goal or its organizational performance and they are enforced to revise their strategic and road map plan.

While the organization does not have a potential to manage changes properly it leads to increase employee turnover, dissatisfaction, customers and stakeholders' dissatisfaction, decreasing the overall performance and others. Thus the cumulative of these factors will have an impact on the overall performance of the organization and hence, this study will try to assess the effect of change management on organizational performance on selected private commercial banks and will suggest feasible solutions by using four variables, i.e. leadership, communication, employee engagement and readiness for change.

1.4 Research Questions

- What is the effect of leadership on organizational performance?
- What is the effect of communication on organizational performance?
- What is the effect of employee engagement on organizational performance?
- What is the effect of readiness for change on organizational performance?

1.5 Objective of the Study

1.5.1 General Objective

The general objective of this study is to determine the effect of change management on organizational performance of selected private commercial banks in Ethiopia.

1.5.2 Specific Objectives

This study will have the following specific objectives:

- To determine the effect of leadership on organizational performance.
- To analyze the effect of communication on organizational performance.
- To evaluate the effect of employee engagement on organizational performance.
- To evaluate the effect of readiness for change on organizational performance.

1.6 Significant of the Study

It is the hard fact that Ethiopia's Banking businesses are growing tremendously from time to time, which contribute to the emergence of stiff competition in the industry. The industry revolutions are also followed by continuous change in technology, people and process.

The result of this study will serve as:

- An insight to the banks to easily cope up with the changes by identifying the weak link of its change management and implementation process.
- Contribute to empirically inform decision makers, policy makers, planners and other concerned parties about the problem at hand and suggest means of tackling the problem as well and
- Contribute to shed light for further studies conducted by researchers and practitioners in the future.

1.7 Scope and Limitation of the Study

The focus of this study is to assess the effect of change management on organizational performance. Since it is difficult, costly and time consuming to conduct a census survey on all of the private commercial banks found in Ethiopia, to see the effect of change management on organizational performance in case of private banks, the researcher limited the scope of the study to only four private commercial Banks in Ethiopia (i.e. Dashen Bank, Awash Bank, Bank of Abyssinia and Nib International Bank). There are a lot of change management variables that effected the organizational performance, The study also be further limited in terms of variables

(only four change management dimensions and five pillars of organizational performance are selected i.e. leadership, communication, employee engagement & readiness for change and profitability, number of account holders, amount of deposit, loan and advances and employee improvement respectively) and the respondents of the research are also selected from head office departments and branches located in the metropolis of Addis Ababa.

1.8 Organization of the Study

The study has five independent chapters. The First Chapter deals with introductory concepts which encompassed background of the study, statement of the problem, research questions, and objectives of the study, significance of the study and delimitation/scope of the study. The Second Chapter is dealt with review of related literature where exhaustive theoretical concepts related to the various dimension of change management and their effect on organizational performance was describe in a very great detail. The Third Chapter described the methodology employed in order to conduct the study which includes the research design, types of data and data collection instruments, sample size and sampling techniques and data analysis techniques. The last two Chapters, Chapter Four and Five dealt with data analysis and discussion and summary and conclusion and recommendation respectively.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

The literature reviews in this chapter provide a critical summary of research on the four variables affecting change management in an organization. The literature review organized by putting concepts about change management and highlights in its scope, discussing the importance of change management in terms of achieving successful organizational performance, examining each variables effect on the organizational performance.

2.2 The Concept of Change Management

Change can be a time of exciting opportunity for some and a time of loss, disruption or threat for others. How such responses to change are managed can be the difference between surviving and thriving in a work or business environment. Change is an inherent characteristic of any organization and like it or not, all organizations whether in the public or private sector must change to remain relevant.(Government)

In today's hyper turbulent environment, organizations are challenged on regular basis to make strategic change in response to the dynamic economic demand, technological advancement and competitive activities. To be competitive and cope with the advancement in the market place organizations need to familiarize their structures and processes in a flexible way. Nowadays organizations change constantly and effectively change management is essential for organizational development and survival.

Many major companies are going through significant changes, including outsourcing, downsizing, reengineering, self-managed work teams, flattening organizations and doing routine

jobs with automation and computers. Today's organizations are in completely flux: changing their ways, concentrations, increasing or narrowing their activities and redesigning their products and services. It is expected that in the coming few years' organizations will not be the same as they are today. (Naveed Saif N. R., 2013)

Organizational change process is complex and has a high degree of reluctance on the part of employees and their collaborators. With the acquisition of knowledge, knowledge across the organization aims to facilitate organizational change process. Organizational change is a fact of life; it involves changes of organizational change process' mission, vision and/or process, with impact at both individual and organization level. Some organizations accept changes if they consider them as necessary and quickly adapt their behavior in a desire new direction but in most cases changes are considered unnecessary or very difficult and organizations do not adapt to the new context defined by the turbulent environment in which they operates.(Andreea Cristina Bejinariu, 2017)

Culture and organization change management are two important components of an organization that all organization developers and human resource managers must in to consideration when planning and executing any viable activity of the firm. This is because business environment is constantly changing and there is need to limit employee resistant to positive organizational change process. This can productively be achieved in an environment that promotes sharing of knowledge and conducive atmosphere that inculcates a culture of teamwork towards the attainment of organization strategic goals.(Onyango, 2014)

2.3 Theories of Change Management

A. Kurt Lewin's Three Phase Model

Lewin's change model which define three stages of change, unfreezing, change movement and refreeze. The first step of change processes it to unfreeze the current scenario of behavior as a technique of managing confrontation to change. Contingent on the level of organizational change envisioned, this stage might be on the individual level, selectively promoting, demoting or firing employees; on the structural level, developing highly empirical training programs on different organization designs as matrix management; or on the climate or interpersonal level, providing

data based response on how employee respond to certain management activities. Change may involve on any level, proper roadmap has to be created for such kind of interventions which makes organizational members address that levels requirement for change, enhance awareness in the employees of their personal behavioral patterns and allow response positively and more friendly to the change process.

The second stage, change movement involves the actual action steps need to be taken to which will move the organization to some other level of response. Perhaps representing new skills or new supervisory practices on the individual level, Structural level might include expected changes in real organizational structures, change in reporting of employees and reward systems that may affect the way people do their routine task. Lastly, on the climate or interpersonal level, expectation is to realize behavior patterns that specify better interpersonal trust and openness and less dysfunctional exchanges.

The third and final stage, refreezing involves making change stable and institutionalizing all those changes by forming systems that make such behavioral patterns comparatively more safe and secure against change. This stage may involve redesigning the organization ' s recruitment process to increase the likelihood of hiring applicants who share the organizations new management style and value system. During the refreezing stage, the firm ' s may also ensure that the new behaviors have become the operating norms at work, that the reward system actually reinforces those behaviors, or that a new more participative management style predominates.(Naveed Saif N. R., 2013)

Lewin's model is a concept of repeating cycles of three phases. The first is the thaw phase, where you try to overcome resistance to change. Then, you implement the changes through training and education, and finally, you refreeze them, which means that you finalize the changes and make them policy. This model is old, and it kind of burns a lot of time fighting resistance as a fixed cycle step, and it's actually mostly depreciated in modern times. However, it's the grandfather of most other theories, and as a result, it deserves its place on this list.(Smith, 2019)

B. McKinsey's 7-S Model

McKinsey 7S framework confirms that all parts of the organization work in coordination with each other. The core principle of the model is that there are seven internal characteristics of an organization which need to be united if it is to be successful. The elements precisely: Strategy; the plan formulated to sustain and construct competitive advantage. Structure: the way the organization is structured and who report to whom. System: the daily activities and procedures that staffs members engage in to get the job done. Shared value: called “super ordinate goals “when the model was first developed, these are the core values of the company that are evidenced in the corporate culture and the general work ethic. Style: the style of leadership adopted. Staff: the employees and their general capabilities. Skills: the actual skills and competencies of employees working for the company. Shared values are placed in the middle of the model, highlights that these values are central to the development of all the other critical components. The company's structure, strategy, system, style, staff and skills all originated from why the organization was originally created, and what it stands for. The original vision of the company was formed from the values of the creators. As the value change, so do all the other components.(Naveed Saif N. R., 2013)

This one's got less of an order and more of faceted holistic structure where you can organize the aspects you need to address in any order that works for your approach. Each of the facets begins with an S, including shared value, strategy, structure, systems, style, staff and skills.

This model is very open ended and really presents itself as a template outright. This one's not that widely liked because it's ambiguous and confusing, but it does serve as a good basis to build something more structured on, actually.

C. Katter's Eight Step Model

John Katter's model is an eight step process that goes as follows: Establish and drive up urgency for needing change, build a team dedicated to change, create vision and goals for change, communicate change needs, empower staff to implement changes themselves, create short term goals, maintain persistence, and finally, refreezing a la Lewin, by making changes permanent.

This is the easiest one to pick up, to understand and to implement.(Smith, 2019)The kotter stages because the underlying model they are easy to implement and analyzed, this model does not emphasize the acceptance of change but as an actual change of organization members and readiness for change. Sequential character model but also represents a disadvantage of long temple.(Andreea Cristina Bejinariu, 2017)

2.4 Change Management and Successful Performance

Change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome. Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change (site, n.d.). Change management can be defines as the process of continually reviewing an organization structure, directions, plans, objectives and also changing its mission and vision in order to capable of challenging and succeeding by defining the internal and external challenges.

The rapid growth in global, economic and technological advancement creates change an unavoidable aspect of organizational life. Though, change that is planned by its affiliated can be distinguished from change that takes place to an organization. It is normally originated and implemented by managers, usually with the help of an organization development practitioner who may be internal or hired from outside of the organization. Organizations can practice planned change to deal with problems, to learn from experience, to reframe joint perceptions, to familiarize with external environmental changes, to improve current performance, and to influence upcoming changes (Naveed Saif N. R., 2013).

To ensure the success of the change program it is appropriate to focus on organizational structure human relations and technology, and there must be balance between these aspects to improve the performance of employees and this in turn reflects the quality of productivity (Omar Al-Jaradat, 2013).

There was need for frequent organizational change to cope with the ever turbulent environment in which the firm operates. Failure to adapt and adopt change in the organization would lead to stagnation and therefore unfit to compete favorably with other actors in the industry. When firms

were leading and managing change they were creating a sense of urgency to reinforce the need for change, providing people with facts, figures and evidence to persuade them for change, selecting the right people to form the guiding coalition, getting the guiding coalition to work together as a team, creating clear and tangible vision for change, constructing effective strategies to deliver the vision, changing systems that get on the way of the changed vision, recruiting promote and develop the right people to promote change and ensuring the right people are chosen for the role of change development(Samuel, Kamugisha, 2013).

2.5Effect of Leadership on Organizational Performance

In this global competitive environment, effective leadership style is necessary to reduce the attrition rate. From the effective leadership styles only it is possible to achieve organizational goal productively. Leadership styles effect on the employee performance and productivity (Swamy, 2014).Leadership is associated with organizational culture, primarily through the processes of articulating a vision, and to a lesser extent through the setting of high performance expectations and providing individual support to workers; the key to choose the right approach to culture change is to know how organizations function. As social systems comprising work, people, formal and informal systems, organizations are resistant to change and designed to neutralize the impact of attempts at change. Leaders play a critical role in selecting and planning appropriate change management approaches. It is important that the leaders of the organization create an atmosphere of psychological safety for all individuals to engage in the new behaviors and test the waters of the new culture (Koustelios, 2014).

The leader as a person in charge or as a change agent can manage an organization or the process of organizational change more effectively and successfully if he/she is capable and competent. Rapid technological advancements, high expectations of customers, and ever changing market situations have compelled organizations to incessantly reassess and reevaluate how they work and to understand, adopt and implement changes in their business model in response of changing trends (Asghar, 2010).

Leaders in the banks need to focus on staff policies of the organization by paying close attention to the integration mechanisms of change for individuals within the organizations. They need to

not only communicate but also set objectives that aim at the attainment of a better correlation between the objectives of the organization and of staff management, through managers'' and employees'' improved communication and through their setting common objectives, whether individually or as a group(Richard, 2014).

2.6Effect of Employee Engagement on Organizational Performance

In many countries, employee's engagement has emerged as a potential factor for organizational performance. Many practitioners of human resource management have poorly understood measurement of employee motivation for activities and more precisely its commitment. Despite the association between employee engagement and job satisfaction, there is no relationship between employee engagement and job assignment, which is an important key factor for organization performance, job assignment is critical for engaging employees to ensure organizations' longevity and profitability (Kazimoto, 2016).

Employees are indispensable assets to any organization which requires due diligence to maintain. Given the right environment and treatment a genuine engagement sense sets in. The interdependence between the organization and its employees yields mutual benefit. Culturally the organizations need integrate this practice sustainably. As a continuous process of learning, improvements and actions such an engagement process requires to focus on satisfying employees' expectations (Diogene, 2017).

Low engagement affected commitment and motivation levels of staff. The low employee engagement levels were produced by job design, ineffective communication, management approach, participation and incentives in the form of recognition(ErajesvariePillay, 2018).Employee engagement is directly influenced by growth of the organization, value addition experienced by employees and employee perception of the organization(Patro, 2013).

An organizational change appears to be a complex situation that may affect an employee's engagement to various extents (Gruen, 2016). Employee engagement has been perceived as motivational factors towards organization's objectives achievement. The good environment that

is offered to the worker enables him/her to offer the best that the organization needs for its achievement of goals and objectives (Kazimoto, 2016).

An employee's level of engagement is influenced by her or his perception of how attractive and meaningful a job is. Leaders need to play an active role in making their employees jobs more interesting, challenging and rewarding and provide employees with the platform to identify ways of making their jobs more challenging and productive, thus encouraging employee involvement. Employee engagement does influence organizational performance by improving profits, bottom line, and productivity, employee's proactive nature of findings ways to improve revenue and improve customer services. On the other hand when employees are unhappy, not given the opportunity to speak, not recognized their efforts and not encouraged to participate in decision making, they do not exercise their full potential resulting in reduced individual performance and ultimately reduced organizational performance (ErajesvariePillay, 2018).

Employee engagement depends on four major conditions in the workplace such as organization's culture, continuous reinforcement of people focused policies, meaningful metrics and organizational performance (Patro, 2013). Employee Engagement is depend on six conditions such as Job design, culture, recognition communication, career, development, employee involvement and motivation (ErajesvariePillay, 2018).

2.7Effect of Communication on Organizational Performance

The fundamentals of communication: Communication is an action between at least two persons, where messages are delivered, received and reacted to among participants. It proves to be the most significant tools in social life and business management. Communication also plays a crucial role in organizations to generate and interpret messages between employees through both directional (one-way) and bidirectional (two-way) manner. The key to successful implementation of the change lies in effective communication. Effective communication has been seen as a two-way communication that serves several functions such as, information sharing, participation, compliance, and feedback. In order to maximize the productivity of persons involved in change and implement effective change, organizations should consider communication as a key lever in change management process and use it properly (Yazdanifard, 2012).

Employee communication is a key determinant of organization performance. This is based on the fact that it facilitates exchange of information and opinion with the organization and that communication helps in improving operational efficiency thus improving organization performance (Brenda Bery, 2015). Ineffective communication in an organization may result uncertainty, apprehension and dissatisfaction, these results to, poor productivity (Kelvin-Iloafu, 2016).

Any organizations management that is desirous of ensuring the success and efficiency of its workforce should be conscious of implementing effective communication programs to their employees for better performance. To enhancing the realization of organizational goals/performance effective communication process are an integral part of management strategy. Hence not theoretical, but practical participation of staff in matters that, affect their creativity and performance because the objectives of effective communication programs should be clearly stated so that all employee or workforce will be informed, since employees performed better when there are informed or communicated to than those who are not informed (NEBO, 2015).

2.8 Effect of Readiness for change on Organizational Performance

Because of increasingly dynamic environments, organizations are continually confronted with the need to implement changes in strategy, structure, process and culture. Many factors contribute to the effectiveness with which such organizational changes are implemented. One such factor is readiness for change. Readiness for change is similar to Lewin's concept of unfreezing is reflected in organizational members' beliefs, attitudes and intentions regarding the extent to which changes are needed and the organization's capacity to successfully make those changes.

Readiness is a state of mind about the need. Readiness for change is not a fixed element of individuals or systems. It may vary due to changing external or internal circumstances, the type of change being introduced, or characteristics potential adaptors and change agents. Thus, interventions to enhance readiness are possible. Change can occur under conditions of low readiness, of course, but behavioral science research indicates that the probability of success is

reduced when low readiness leads to low motivation to change or to active resistance (Anjani, 2013). Managing organizational effectively is a main challenge in the change management domain because of massive human involvement. The more employee readiness for organizational change that is perceived, more open and exert better and higher performance (Andrew, 2017).

2.9 Organizational Performance

An organization's performance determines its survival in any given economy. Organizational performance is the effectiveness of the organization in fulfilling its purpose. Performances of commercial banks are measured by the growth in number of accounts holders, customer deposits, profitability, and amount of loan and advance and employee productivity. Lately ability to leverage on alternative channels has gained significance in measuring the performance of commercial banks.

2.10 Definition of Terms

2.10.1 Change:- Business dictionary.com define change as 'The process of causing a function, practice, or thing to become different somehow compared to what it is at present or what it was in the past. Companies can undergo changes in a specific division, such as a marketing division, or as a whole'.

2.10.2 Change Management;-meaning the execution of business strategic plans and delivery of required change projects, through communication to stakeholders and partners, integration of multi disciple teams and management of people(Crawford, 2013).

2.10.3 Organizational Performance: -is quite simply the way in which the people who comprise your organization work together to encompass financial performance, product market performance and shareholders return.

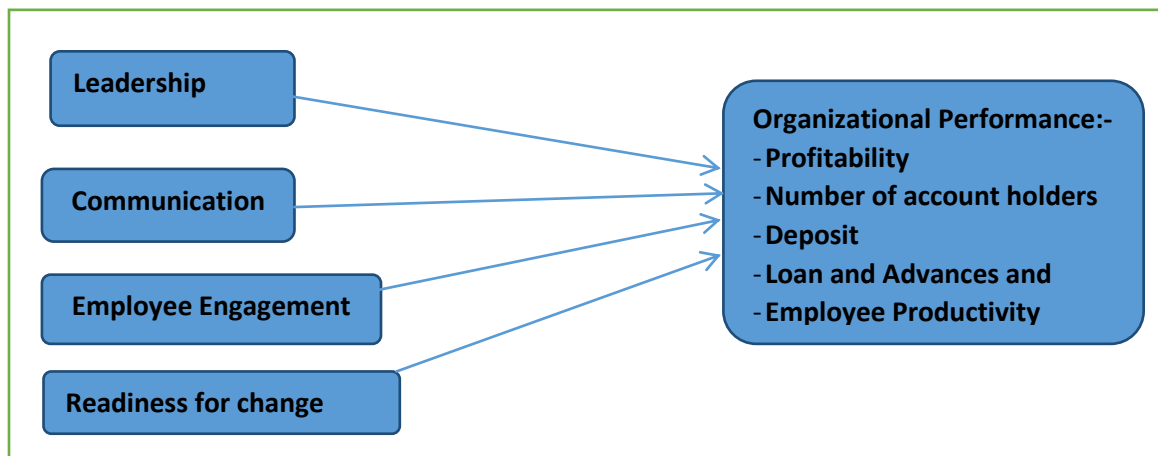
2.10.4 Financial Institutions: -A financial institution is an intermediary between consumers and the capital or the debt markets providing banking and investment services. These institutions are responsible for the supply of money to the market through the transfer of funds from investors to the companies in the form of loans, deposits, and investments.

2.10.5 Employee Engagement:- is an emotional state where employees feel passionate, energetic and committed to their work. This translates in to employees who give their hearts, sprits, minds and hands to deliver a high level of performance to the organization.

2.11 Conceptual Model of the Study

The conceptual model of the study will show the effect of change management dimensions such as leadership, Communication, Employee engagements and readiness for change which is considered as a predictor or independent variable for organizational performance. Below is the model depicting:

Figure 2:1 Conceptual Model of the Study



Source: (Farooq, 2016)

- Independent variables -Leadership, communication, employee engagement and readiness for change
- Dependent variable - Organizational performance (profitability, number of account holders, Deposit, Loan & advance and Employee Productivity)

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

The research was conducted to determine the effect of change management on organizational performance. A case study on selected private commercial banks of Ethiopia found in Addis Ababa premises. In this section, attention was given to discuss methodology that will be used to do the research. This includes the study area, research design, research approach, sample size and sampling techniques, Source and Tools/Instruments of Data Collection, validity test, ethical consideration and method of data analysis.

3.2 Description of the study area

Table 3.1: Shows the market share of the selected private commercial banks as of March 31, 2020.

Banks	Br. In Billions					
	Total Deposit	Loan & Advance	Paid up Capital	Total Asset	Gross Profit	Number of staffs
Awash Bank S.C	64,182	53,328	5,616	84,456	2,352	9,917
Dashen Bank S.C	50,486	40,840	3,017	64,674	1,748	9,976
Bank of Abyssinia S.C	40,792	33,031	3,147	47,512	1,290	6,314
Nib International Bank S.C	30,295	23,972	3,418	39,447	988	5,680

Source: - office of strategy department of each banks

3.3 Research Design

Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. (Creswel, 2009)

Among the various types of research design, the researcher was conducting an explanatory study, where emphasis is given on studying a situation or a problem in order to explain the relationship

between variables. Explanatory research was used because, it enable the researcher to critically examine the relationship between the independent variables of change management such as leadership, communication, employee engagement and readiness for change and the dependent variable organizational performance.

3.4 Research Approach

Research approach is a plan and procedure that consists of the steps of broad assumptions to detailed methods of data collection, analysis and interpretation.

The researcher was used both qualitative and quantitative research approach, where much emphasis was given for the quantitative research design (usually expressed as QUAN-QUAL). Creswell (2009) define quantitative research as a type of research that is 'explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics).' The researcher was focus heavily on quantitative research because, it is useful to quantify opinions, attitudes and behaviors and find out how the whole population feels about a certain issue, particularly for this study it is to know the overall understanding of staffs towards the various dimensions of change management and its effect on organizational performance.

Qualitative information was also being used to investigate the opinion of respondents, Directors and managers enterprise and change management of selected private commercial banks through conducting an open ended questions and interview.

3.5 Sampling Technique and Sample Size

3.5.1 Sampling Technique

The researcher was used purposive/judgmental sampling technique to select four (4) private commercial banks (i.e.Dashen Bank, Awash Bank, Bank of Abyssinia and Nib International Bank) from the existing sixteen (16) private commercial banks in Ethiopia. Those banks were considered for the study because, based on their market share as of March 31, 2019 they fall one up to four ranks by Gross profit, number of staffs, paid up capital, total capital, total deposit and compared to other private commercial banks in Ethiopia the said banks have a continuous change

in process, people and technology. In order to select the respondents, the researcher was used random sampling technique/stratified sampling technique, where the respondents have an equal chance of being selected. Random sampling technique was also help the researcher to be free from biases as the distribution of the questionnaire was made randomly. The researcher grouped the target population based on their current post in to managerial and non-managerial position, then distributed the questionnaires randomly based on their position.

3.5.2 Sample Size

In order to determine the sample size, the study was used a statistical formula developed by Daniel (1999).As cited by L.Naing, T.Winn B.N.Rusli (2006). The researcher was set its confidence level at 95% with 5% error term. Accordingly, using a Z-score value of 1.96 at this confidence level the following sample will be drawn:

$$n = \frac{Z^2 P(1 - P)}{d^2}$$

Where: n= sample size

Z= z-statistic for the level of confidence

P= expected prevalence or proportion (in proportion of one if 20% p=0.2)

d= precision (in proportion of one if 5% d=0.05)

$$n = \frac{1.96^2 * 0.2(1-0.2)}{0.05^2}$$

$$n = 245.86 \cong 246$$

For fair distribution of the questionnaire, the researcher was prorate the sample size (i.e. 246) to each banks based on their percentage contribution to the total population. Below are the total population for the study and percentage distribution for each Bank along with their respective sample respondents:

Table 3.2: Total population and percentage distribution for each selected private commercial Banks

Name of the Banks	Total No. of Employees	No. of clerical staffs found at Head office level and Addis Ababa Branches (Target population)	Percentage proportion	No of questionnaire distributed for each Bank (246*percentage)
Dashen Bank S.C	9,641	2,406	33%	81
Awash Bank S.C	8,520	2,131	29%	71
Bank of Abyssinia S.C	6,314	1,575	21%	54
Nib International Bank S.C	4,797	1,197	17%	40
Total	29,272	7,310	100%	246

Source; office of strategy department of each banks

3.6 Source of Data

The study mainly relied on primary source of data obtained from structured questionnaire. Besides, primary data was collected from employees of four selected private commercial Banks through open ended question and structured interview as a means of collecting supplementary information regarding the various dimensions of change management and to see their effect on the organizational performance. Furthermore, the study considers some information from secondary source of data like, Books, Web sites, journal articles, company manuals and data bases and etc., which will support the development of the study.

3.7 Data Collection Tools/Instruments

The survey uses mainly structured questionnaire as data collection instrument. It was designed, making detailed theoretical as well as empirical literature reviews. In questionnaire development process, publications of some research papers and websites were used.

The questionnaire has three sections; the first part lists the personal profile of the respondents, the second incorporates the main drivers of change management and organizational performance, and the overall questions; and the third section incorporate Open ended questions. The first section of the questionnaire contains demographic characteristics of the respondents such as gender, age, work experience, job position, educational level and monthly income. This helps the researcher to look the results using different demographic variables. The second section is

prepared in view of the constructors of change management and organizational performance, which comprises five categories. Of which, four constructs are the main drivers of change management and one constructs organizational performance. This part is designed in the form of Likert five scales, which ranges from strongly disagree to strongly agree. This enabled the study to easily convert the qualitative aspects of the data set into quantitative scales.

3.8 Method of Data Analysis

The study used descriptive and inferential statistics such as correlation analysis and multiple regressions to predict the relationship between four components of change management and pillars of organizational performance. The open ended questions and interview results are collected and compiled similar points for each questions and analyzed using a qualitative analysis approach. The data collected from primary source were coded and analyzed using SPSS (Statistical Package for the Social Science) version 23 software package and outputs presented in the form of tables, graphs and different types of charts.

3.9 Ethical Consideration

The ethical issues is going to be considered in the study: informed consent (by informing the respondents regarding that background of the study, including the importance of the data is going to be gathered from them) and issues of confidentiality (by ensuring that respondents that all of the information in this study will solely be used for the academic purpose only).

3.10 Reliability Test

Prior to the actual data collection reliability test was conducted on selected employees to check whether the data collection instrument was consistent and dependable in measuring what it intends to measure. Conventionally, the alpha test should be greater than seventy percent to say the instrument is internally consistent (Mohsen Tavakol, 2011). Accordingly 50 questionnaires which is more than 20% of the sample size was distributed and collected to measure the reliability of the instruments and the following result was obtained using Cronbach's Alpha on SPSS.

Table 3.3: Cronbach's Alphas of Change Management Constructs

Constructs	Cronbach's a	Items
Leadership	0.86	10
Communication	0.75	7
Employee Engagement	0.71	6
Readiness for change	0.75	6
Organizational Performance	0.83	7
Overall	0.78	36

Source: Own Survey, 2020

Hence, the survey got seventy eight percent overall reliability which much higher than the conventional cutting point, implying the test confirmed the reliability of the instruments.

CHAPTER FOUR

RESULT AND DISCUSION

4.1 INTRUDUCTION

This study sought to study the effect of change management on organizational performance focused on selected private Commercial Banks in Ethiopia. Hence, the study followed both quantitative and qualitative research design as its plan of action. A total of 246 questionnaires were distributed to the selected commercial banks, according to their percentage contribution to their employees. From the 246 questionnaire the researcher managed 242 questioners which were more than 98% of the response rate, which increased the quality of the study.

Pertinent to the methodology, descriptive statistic for analyzing the demographic data and correlation as well as multiple regressions for analyzing the basic constructs of change management dimensions such as, Leadership, Communication, Employee Engagement, and Readiness for change against the dependent variable of organizational performance was used.

The data collected from employees of the selected commercial Banks (Respondents), was first loaded into SPSS version 23, so that the required output of frequency distribution for demographic data, correlation and multiple regression for the basic questions of change management components and the dependent variable organizational performance was obtained.

In analyzing, correlation and multiple regressions, between the response variable and the predictor variables, the average of the response obtained from the respondents was taken into consideration. Data collected using a five point Likert scale was measured at an ordinal level and it is usually non parametric in nature.

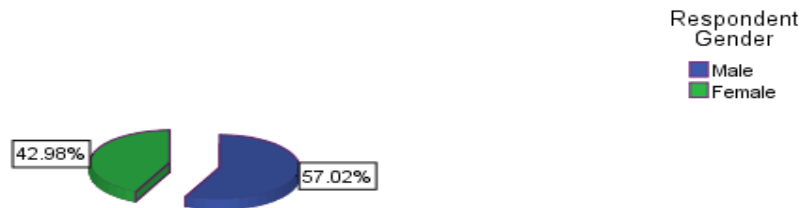
4.2 Respondents Profile

The study garnered demographic information of the respondents, comprising gender, age, year of service in the Bank, job position, educational level and monthly income, with the presumption of describing the demographic characteristics of the respondents is essential for the entire endeavor of the study.

4.2.1 Respondents Gender

Gender composition of the respondents indicates large proportions fifty seven percent of the respondents are male. This is expected given the fact that majority of employees in the Banks are male while, Female counterparts constituted the remaining forty three percent of the respondents as shown in Figure 4.1.

Figure 4.1: Respondents Gender

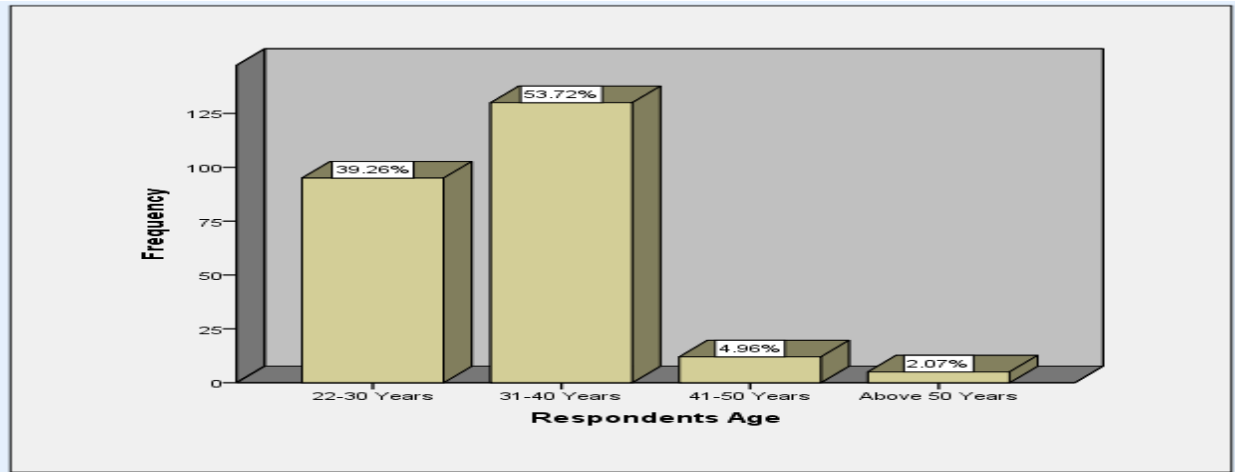


Source: own survey, 2020

4.2.2 Respondents Age

The study also gathered information about the respondent's age. Following this from the 242 respondents 53.72% were aged from 31-40 years, 39.26% were aged from 22-30 years, 4.96% were aged from 41-50 years and 2.07% were above 50 years. These results indicated that more than 92% respondents are at the age of 22-40 years, it implied that majority of the respondents are at the age of productivity and ready to accept and implement new things, as shown on Figure 4.2.

Figure 4.2 Respondents Age

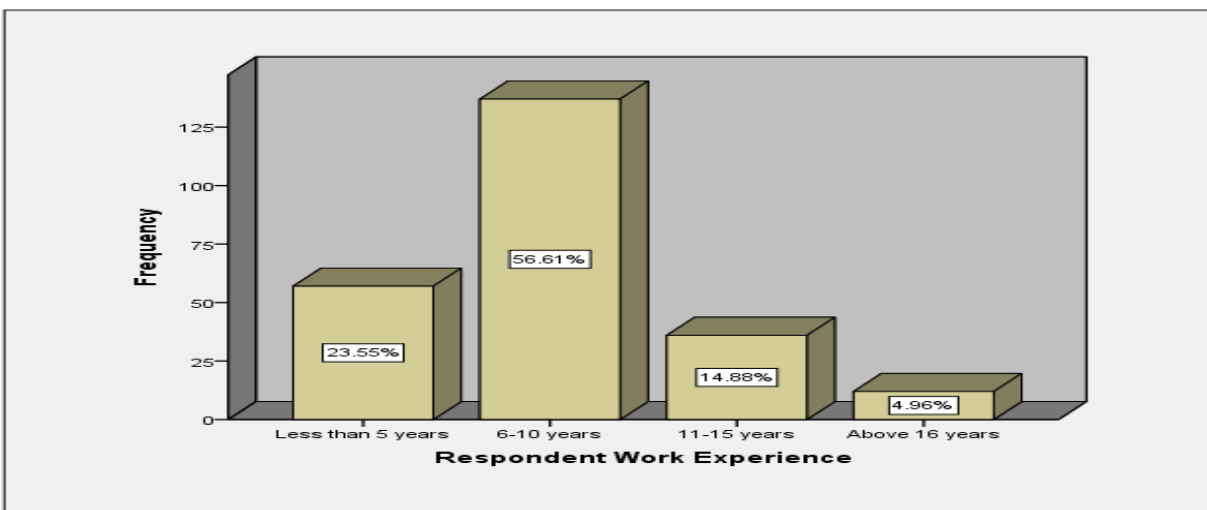


Source: own survey, 2020

4.2.3 Respondents Year of Service in the Banks

Figure 4.3 reveals that fifty seven percent of the respondents have served with their organization for 6-10 years, twenty three percent had been with their respective organization for less than 5 years, fifteen percent have served with their organization for 11-15 years and while five percent have served for above 16 years. These results indicate that above seventy four percent of the respondents had enough experience with their organizations and thus best positioned as respondents.

Figure 4.3 Respondents Year of Service in Banks

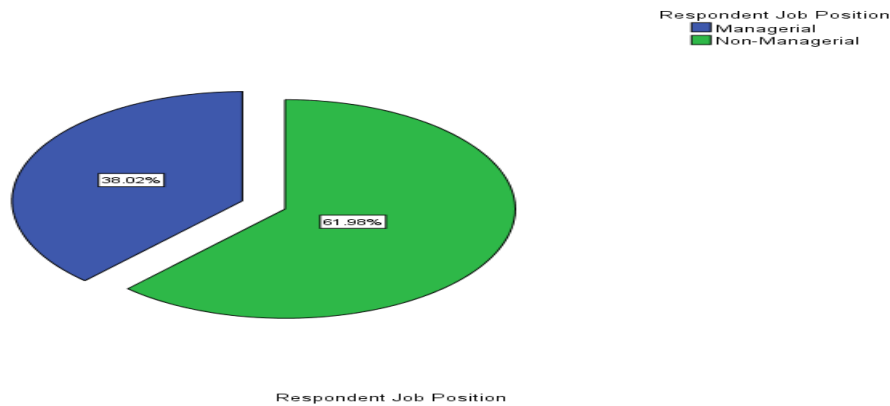


Source: own survey, 2020

4.2.4 Respondents Job Position

The result showed that thirty eight percent of the respondents held various managerial positions in their organizations and sixty two percent did not. Figure 4.4 depicted that both the managers and regular staff were sufficiently represented thus minimizing biasness in terms of responses.

Figure 4.4 Respondents Job Position

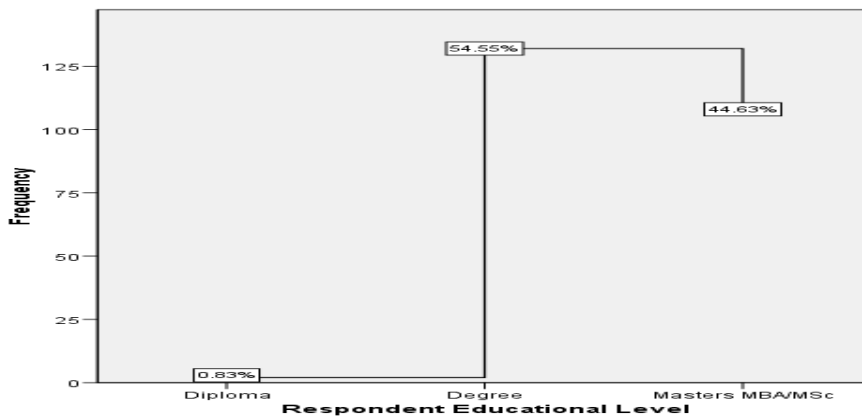


Source: own survey, 2020

4.2.5 Respondents Educational Level

Figure 4.5 reveals that 54.55% of the respondents had done their post-graduate studies, 44.63% had finished their undergraduate study and also 0.83% had finished their college studies. These results showed that more than 99% of the respondents were able to understand the questions asked and thus could answer them well.

Figure 4.5 Respondents Educational Level

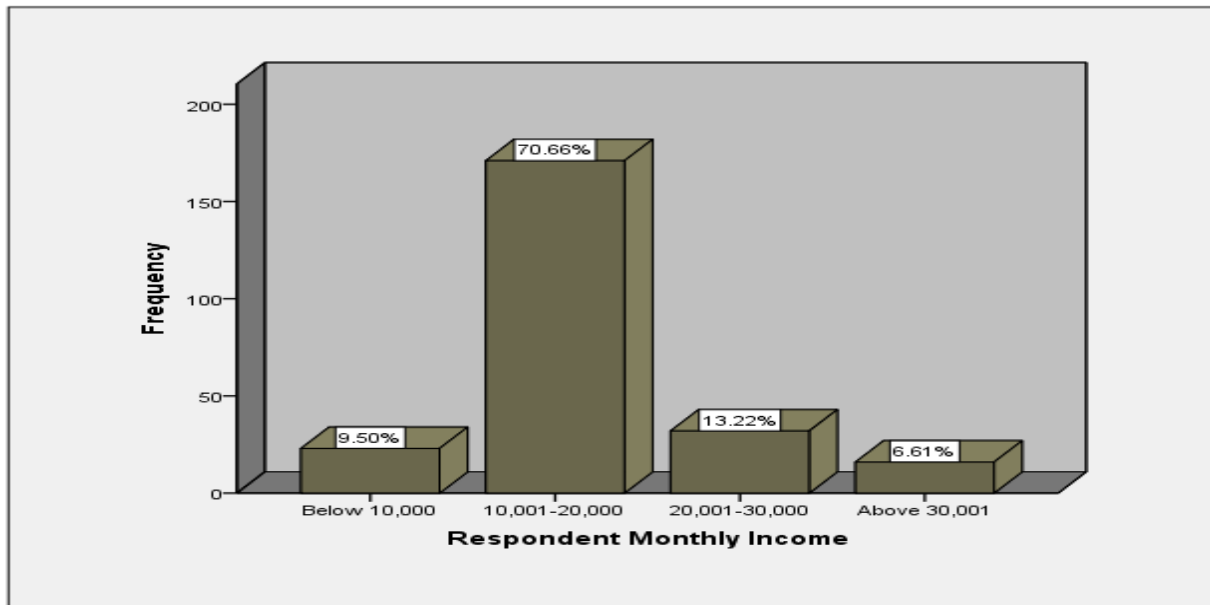


Source: own survey, 2020

4.2.6 Respondents Monthly Income

Figure 4.6 indicated that 70.66% of the respondents had got monthly income of 10,000.00-20,000.00 per month, 13.22% had got monthly income of Br. 20,001.00-30,000.00 per month, 9.50% had got monthly income of Br. Below 10,000.00 per month and while 6.66% of them had got monthly income of Br. above 30,000.00 per month.

Figure 4.6 Respondents Monthly Income



Source: own survey, 2020

4.3 Correlation Analysis

Pearson correlation test was conducted to check the magnitude of correlation between the dependent variable, organizational performance and the various independent variables of change management such as, Leadership, Communication, Employee Engagement and Readiness for change. The researcher also used the same test to prove or disprove the effect of independent variables on dependent variable.

Table-4.1: Shows Correlation Matrix between Organizational Performance and Change Management dimensions

	Organizational Performance	Leadership	Communication	Employee Engagement	Readiness for Change
Organizational Performance	1				
Leadership	.189**	1			
Communication	.487**	.508**	1		
Employee Engagement	.505**	.465**	.696**	1	
Readiness for change	.384**	.327**	.540**	.724**	1

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

Source: Own Survey, 2020

From the above correlation matrix, the researcher found the following results under each constructs:

4.3.1 Correlation between Organizational Performance and Leadership

The result of Pearson correlation test between the dependent variable organizational performance and the independent variable Leadership showed that, there is a positive relationship between the two variables at the significance level of (**R=0.189****), (**P<0.01**). Compared to the rest of the change management constructs considered under this study, leadership is proved to be the last in terms of its degree of correlativity with the dependent variable organizational performance.

4.3.2 Correlation between Organizational Performance and Communication

Pearson correlation test was conducted to know the degree of association between the dependent variable organizational performance and the independent variable communication. Hence, the result of the study showed that, both variables are positively correlated to one another at a significant level of (**R=0.487****), (**P<0.01**). From the change management constructs observed so far, communication is the second highly correlated variable with organizational performance next to employee engagement dimension in this study.

4.3.3 Correlation between Organizational Performance and Employee Engagement

The Pearson correlation result of the study, between the predicted variable of organizational performance and the predictor variable of employee engagement showed that, there is significant positive relationship between the two variable at a significant level of (**R=0.505****), (**P<0.01**). From the change management variables observed so far, employee engagement ranked as first highly correlated with organizational performance in the study.

4.3.4 Correlation between Organizational Performance and Readiness for Change

As usual, Pearson correlation test was conducted to check the degree of association between the dependent variable organizational performance and the independent variable readiness for change, which the last construct dimension of change management considered under this study. Accordingly, the test result of the study showed that, there is a significant positive relationship between the two variables at a significant level of (**R=0.384****), (**P<0.01**). Compared to the rest of the change management dimension considered under this study, readiness for change is proved to be the third in terms of its degree of correlativity with the dependent variable organizational performance.

4.4 Multiple Regressions

Depend on the number of variables, one can run either simple linear regression with one dependent or one independent variable or otherwise, run multiple regression to see the linear relationship between one dependent and two or more independent variables. This particular study put in place, linear multiple regressions to study, the effect of change management components (i.e. Leadership, Communication, Employee Engagement and Readiness for Change) on the dependent variable organizational performance. Hence, to be able to develop the regression line formula, the dependent and the independent variables are denoted as, (X1=Leadership, X2=Communication, X3=Employee Engagement and X4=Readiness for Change) and the dependent variable, Y=Organizational Performance.

Before running a multiple regression on the SPSS, the researcher conducted a test of basic assumptions that are required to be fulfilled while conducting multiple regression, which otherwise be impossible to do. The tests for the four assumptions of multiple regressions are presented hereunder:

4.4.1 Assumption 1- Multicollinearity

This assumption is the classical linear regression model is that the independent variables, X_i , are linearly independent of each other. If this assumption is not satisfied and the independent variables are thus multi-co linearity, the result is that the individual regression Coefficients for each variable are not identifiable. Because multicollinearity makes the regression coefficients quite unidentifiable, it is important, if the aim is to estimate the regression equation, to reduce it as much as possible.

Pair-wise correlation among the independent variables and the value of tolerance and variance inflation factor, (VIF) is considered to check multi-co linearity. Accordingly, the following result was obtained from this study.

Table-4.2: Shows the pair-wise correlation among the independent variables(X_1 , X_2 , X_3 and X_4).

	Organizational Performance	Leadership	Communication	Employee Engagement	Readiness for Change
Organizational Performance	1	.189**	.487**	.505**	.384**
Leadership	.189**	1	.508**	.465**	.327**
Communication	.487**	.508**	1	.696**	.540**
Employee Engagement	.505**	.465**	.696**	1	.724**
Readiness for change	.384**	.327**	.540**	.724**	1

Source: own survey, 2020

As it is portrayed in the above table, the bold values showed the pair-wise correlation result and hence none of them exceeded the tolerable range of 0.80 to the maximum. Provided with this, we can say that multicollinearity was not a problem in this particular study.

Another way of tracing the multi-co linearity problem is through looking in to the tolerance and variance inflation factor (VIF). The analysis result of the study showed the following:

Table-4.3: Shows Tolerance and VIF result

Model		Co linearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Leadership	.717	1.394
	Communication	.469	2.133
	Employee Engagement	.335	2.988
	Readiness for change	.473	2.115

Dependent Variable: Organizational Performance
Source: own survey, 2020

Hence, all the results of values of VIF are below 10 and tolerances are greater than 0.10 which mean that the problem of multi-co linearity was not a concern under this study.

4.4.2 Assumption 2- Independent of residuals

The Durbin-Watson statistic is used to test for independent of residuals. This particular test was obtained from the model summary part of the regression output. The table below showed the Durbin-Watson test of this study.

Table-4.4: Shows the Durbin-Watson test result

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.551 ^a	.303	.291	.58712	1.833

Predictors: (Constant), Readiness for change, Leadership, Communication, Employee Engagement.

Dependent Variable: Organizational performance.

Source: own survey, 2020

Under the study, Durbin-Watson is 1.833, close to 2 and within the acceptable range and hence, we assumed independence of residuals assumption.

4.4.3 Assumption 3- Homoscedasticity (Equal Variance)

This assumption can be checked by visual examination of a plot of the standardized residuals (the errors) by the regressions standardized predicted value. The following histogram and scatter plot was obtained from the average results of the dependent variable organizational performance and the independent variables of change management dimension to see whether Homoscedasticity is really a pressing problem of this particular study.

Figure 4:7 Shows histogram of variables

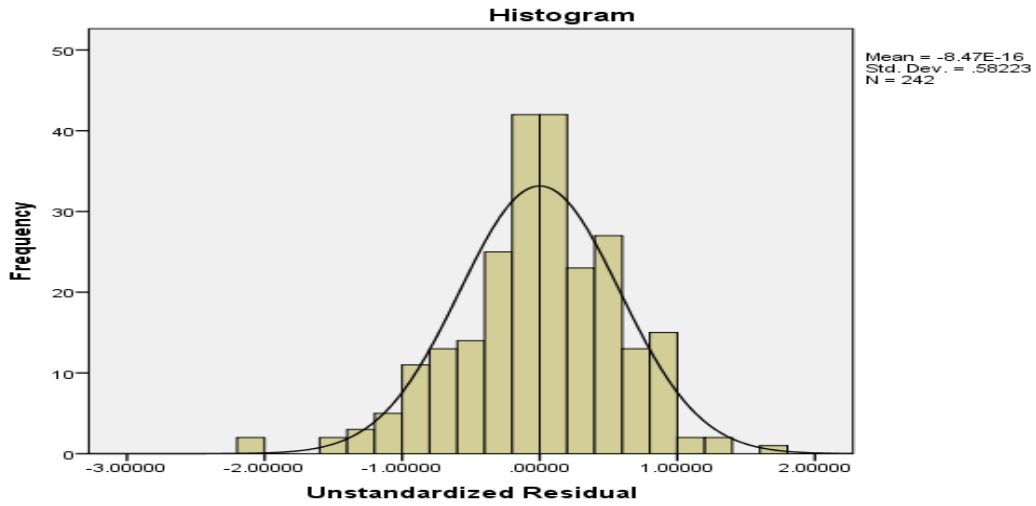
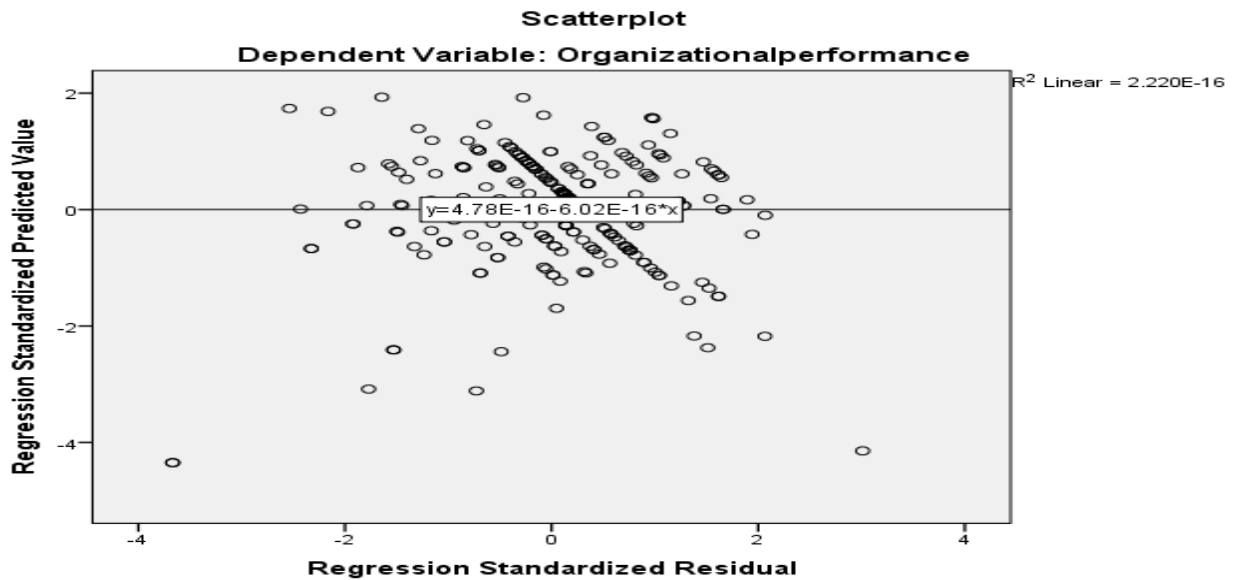


Figure 4:8: Shows scatter plot of variables



From the above graphs we can understand that the dependent variable organizational performance and independent variables of change management dimensions are almost close to normal or at equal variance and hence we concluded that the assumption of homoscedasticity was kept in this particular study.

4.5 Regression Analysis Results

Once all the multiple regression assumption was met, the researcher decided on the data and further processed it. Under this part, the researcher was mainly focused on the three most important elements of regression output, i.e. the Model summary, the ANOVA test and the Beta coefficient. The average response obtained from the customers of private banks under the dependent variable, organizational performance and each of the predictor variables, leadership, communication, employee engagement and readiness for change was used.

Table-4.5: Shows the model summary of the regression result

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.551 ^a	.303	.291	.58712	1.833

Predictors: (Constant), Readiness for change, Leadership, Communication, Employee Engagement.

Dependent Variable: Organizational performance.

Source: own survey, 2020

The regression model considered organizational performance as dependent variable and the change management score for the individual dimensions as the independent variables. A multiple regression analysis is conducted to evaluate how well the four dimensions predict organizational performance. As it is depicted under the model summary table, the linear combination of the four dimensions is significantly related to organizational performance ($R^2 = 0.551$, $F = 25.770$ and $P < 0.001$). This means that, 55.1 percent of the positive variance of organizational performance in the sample can be accounted for by the linear combination of the four dimensions of change management (i.e. leadership, communication, employee engagement and readiness for change.) in the private commercial banks.

Table-4.6: Shows the ANOVA of the regression result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.533	4	8.883	25.770	.000 ^b
	Residual	81.697	237	.345		
	Total	117.230	241			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Readiness for change, Leadership, Communication and Employee Engagement

Source; own survey, 2020

ANOVA (Analysis of variance), Used to compare whether the mean of one dependent variable differ significantly across the categories of another independent variables. ANOVA provides, the result of test of significance for R and R^2 using an F-statistic.

As it is depicted on the ANOVA table above, the **P-Value** of dependent variable organizational performance and independent variables of change management dimension of leadership, communication, employee engagement and readiness for change is well below **.05(P<0.001)**.

Therefore, we concluded that the R and R^2 between the dependent variable organizational performance and the independent variables of change management dimensions are statistically significant (different from zero), based on the opinion collected from employee of private commercial banks.

Table-4.7: Shows the Beta coefficient of regression result
Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.232	.207		10.788	.000
	Leadership	-.116	.057	-.131	-2.039	.043
	Communication	.289	.074	.309	3.904	.000
	Employee Engagement	.305	.084	.342	3.644	.000
	Readiness for change	.011	.070	.012	.155	.877

a. Dependent Variable: Organizational performance

Source: own survey, 2020

Under the Beta Coefficient table, the researcher was highly emphasized on the values of the standardized Beta coefficient in order to figure out the relative importance of each independent variable, in predicting the dependent variable and on the UN standardized Beta coefficient in order to formulate the linear regression equation.

A. Standardized coefficient

While interpreting the standardized beta coefficient, it is a must for the researcher to check whether there is a multi-co linearity problem or not, otherwise it is very difficult to identify the most contributing variable, since they are believed to measure the same thing. But, the assumption test result conducted so far confirmed that, multi-co linearity was not a problem in

this particular study and hence, we can measure the relative importance of each independent variables to the dependent variable of organizational performance.

From the above table we can understand that, employee engagement is found to be the most important dimension of change management in private commercial banks in determining the variation in organizational performance which accounted for 34.2% of the beta coefficient. The second most important element of change management that contributed most, to the positive variation in the dependent variable organizational performance is communication, accounted for 30.9% of the beta coefficient, the third element of change management that contribute the least and negative variation in the dependent variable organizational performance is leadership which contributed -13.1% of beta coefficient, while readiness for change dimension of change management contributed least to the variance in the response variable among the others, accounted for only 1.2% and it is statistically insignificant at p-value greater than Alpha, $(0.877 > 0.05)$.

4.6 Open Ended Questions Results

The researcher found that the internal and external factors are the main factors that initiate to implement change management in banking industry, capacity of the managements; the status of customer centric service, initiation comes from shareholders in order to grow their organization, employee dissatisfaction with the existing organizational situations and survival issues are the factors that listed under internal factors. While, market position of the organizations, demands to be advantageous on information technology and becoming globalized and also entering in to social trends, increase competition in the industry, dynamic change in the market, government policy, economic and political condition of the country are the major issues that listed on external factors.

The research also found that by implementing the change the organizations are advantageous by getting employees motivation through increasing knowledge and competency, provide a good foundation for the future planning, having competitive advantage on the market condition, providing quality service and getting good product, getting modernized in terms of attitude and service delivery, the brand value may sky rocket if it is implemented properly, able

to meet their target and budget accordingly, value adding business process and implementing new technology.

While implementing change management the organizations are facing different challenges; lack of timely transferring the knowledge of the change through training or by any other mechanism, weak management or absence of strict follow up and monitoring, resistance of change by employees by relating with benefits or rewards gain from the charge, lack of the required expertise related to change, he study found that Communication, resource to complete and support the change, management attitude towards the implementation of the change may not be permit the employees to contribute successfully, lack of commitment, competency and professionalism at some key position are the main problem encountered to implement the change.

The study revealed that, while implementing change management participation of employees from the beginning to end is best, change is not a onetime incidence rather it is continuous phenomenon. Hence, organization are expect to evaluate and adapt changes easily, all staffs member are not equally understand the change management, before implementation change management the management should be changed by themselves to laid down to ground the change unless it will be merit to the themselves.

4.7 Interview Results

As the researcher described under the methodology part, structured interview was conducted with Director –enterprise program management, change managers of selected commercial banks, in order to know their opinion regarding the effect of change management on organizational performance.

The first question brought forward to the directors and managers was, as whether there is a separate change management department established in the respective Banks or not. Accordingly, they confirmed that, there is a division called program management under enterprise program management department.

The second and third questions brought forward was to whether the division established for conducting change management activities with organizational performance got the necessary attention from the top management or not and whether change management is a vital issue in the banks or not. According to the department directors and division managers responded that due attention was given by top management and the division was very necessary in order to achieve the organizational performance in a good way.

The researcher was also asked a question on how they describe the importance of change management in achieving organizational performance in their banks. According to the department Directors and Managers, they understand the term bank's performance indicates the strategic aspirations and related corporate scorecards. All strategic initiatives are change initiatives to the organization and these initiatives shall be handled with relevant change management techniques. Hence, change management is very relevant to the corporate performance of the organization.

According to the Directors and Managers except few leadership members they don't think of the leadership members have the required on-hand experiences to implement change initiatives in order to achieve organizational performance. And also theoretically the bank's leaders has significant effect on organizational performance by implementing change management but practically they don't think; rather informal leader have much better impact on change implementation than positional leaders.

The Directors and Managers responded that employees are committed to achieve the bank's performance, but the reward mechanisms are directly related to the overall performance of the bank and many of the front line employees have targets to achieve and continuously strive to achieve these targets.

Finally, the Directors and Managers responded as there is a very low readiness for achieving the desired goals and objectives through managing change and also the overall communication of the banks in order to creating awareness about the banks goals and objective, mission and vision in order to achieve the desired bank performance is one of the major improvement area, while the communication on corporate statements is much better than other communications.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

Based on the data collected from employees of selected private commercial Banks and the analysis made so far, the following important summary of the finding was obtained.

- ❖ The reliability test conducted to check the dependability and consistency of the instrument showed, a Cronbach's Alpha of 0.78.
- ❖ Sex of the respondents showed, 57% are Male and the remaining 43% are Female respondents.
- ❖ The age of the respondents showed that, more than 92%, were above the age category of 22-40 years.
- ❖ The respondent's service in the selected private commercial banks showed that, 77% of the respondents had 6-16 years' experience with their organizations.
- ❖ The respondent's job position showed that, 38% of the respondents held various managerial positions in their organizations and 62% of them are non-managerial position.
- ❖ The educational qualification of the respondents showed, 54.55% had done their post-graduate studies, 44.63% had finished their undergraduate study and also 0.83% had finished their college studies.
- ❖ The monthly income of the respondents showed, 70.66% were earning a monthly income 10,000.00-20,000.00, 13.22% were earning a monthly income 20,001.00-30,000.00, 9.50% were earning a monthly income below 10,000.00 and 6.6% of the respondents were earning a monthly income above 30,000.00.
- ❖ Pearson correlation test between the dependent variable organizational performance and the predictor variable leadership showed, an $(R=0.189)$, $(P<0.01)$.

- ❖ Pearson correlation test between the dependent variable organizational performance and the predictor variable communication showed, an ($R=0.487$), ($P<0.01$)
- ❖ Pearson correlation test between the dependent variable organizational performance and the predictor variable employee engagement showed, an ($R=0.505$), ($P<0.01$).
- ❖ Pearson correlation test between the dependent variable organizational performance and the predictor variable readiness for change showed, an ($R=0.384$), ($P<0.01$).
- ❖ The homoscedasticity test conducted so far showed relatively there an equal variance across the population.
- ❖ The independence of residual test result showed a Durbin Watson of 1.833.
- ❖ The multicollinearity assumption test result showed that, the inter correlations between all the independent variables are well below the acceptable range of 0.80, the tolerance values of all greater than the acceptable range of 0.10 and the VIF value of all less than the acceptable range of 10.
- ❖ The model summary results showed that, a linear combination of all the independent variables considered under the study predicts ($R^2=0.551$), of the variance in the dependent variable organizational performance.
- ❖ The ANOVA test result showed that, the value of R and R^2 obtained under the model summary part was statistically significant at ($F=25.77$), ($P<0.001$).
- ❖ The standardized beta coefficient, of each independent variable showed, (Leadership=-0.131, Communication=0.309, Employee Engagement=0.342, Readiness for Change=0.12).

5.2 CONCLUSION

This study has pointed out the effect of change management on organizational performance, in the case of private commercial banks in Ethiopia. The study considered four change management components such as, Leadership, Communication, Employee Engagement and Readiness for change as independent variables and witnessed their effect on the response variable organizational performance. Reliability test was also conducted to check the consistency and dependability of the instruments and accordingly the Cronbach's Alpha value obtained from the respondents helped the researcher to concluded that, the instruments was proven to be reliable.

Today's market condition change management is the heart of all successful Financial Service Institutions. It can help to improve organizational performance and develop satisfied stakeholders. To succeed, every business needs to improve the way of leadership and communication and evaluate employee's engagement and readiness for change is a vital role in financial institutions. The need to understand the employees' perception about the change management activities of private banks is proved through this study. It is evident from the study that, employee engagement, Communication, readiness for change and leadership has a significant effect on private commercial banks in order to achieve organizational performance and create satisfied stakeholders.

Therefore, from the findings of the present study, the researcher concluded that:

- All the change management constructs considered under the present study was positively correlated with the response variable organizational performance Pearson correlation test and hence, the study concluded that for every unit increase in independent variable, the dependent variable organizational performance increased in private commercial banks. The study result shows that employee engagement, communication, readiness for change and leadership play a vital role in organizational performance as per their order of importance.
- From the model summary part of multiple regressions the study concluded that change management has significant effect on explaining the variance in the dependent variable organizational performance in private commercial banks.
- From the ANOVA test result, the study concluded that, the **R** and **R²** of the linear combinations of change management components were statistically significant in explaining the variance in the response variable organizational performance in private commercial banks.
- From the standardized Beta coefficient the study concluded that, Employee engagement and Communication of change management was the most important predictor of the response variable organizational performance in private banks, whereas, readiness for

change was the least contributor to positive variance and leadership was last and negative contributor to variance in private commercial banks.

Finally, considering the paramount importance of change management, especially in service providing company like private commercial banks in achieving its organizational performance and satisfying its stake holders interest, much attention has to be paid on the dimensions of change management especially on leadership and readiness for change, that may takes major parts in order to achieve and satisfy the organizational interest or plan and objectives in the futures.

5.3 RECOMMENDATION

In today's volatile and dynamic business environment where, companies are very sensitive in changing their preference across the market, managing change in proper way plays a great role in maintaining the continuity of organizations performance across the industry. So, in order for private commercial Banks, to be benefited the most out of it managing change, the following constructive suggestion was forwarded by the researcher, armed the response obtained from employees of private commercial Banks:

- It is obvious that, today's employees were very dynamic than ever. So, the private banks managements has to work hard towards improving leadership quality than players in the previous, in order to further create awareness about the change in the minds of its employees, which otherwise costs the Banks in losing achieving its goal or performance.
- Leaders those who found at different level in these banks need to focus on communicate with employees on the various phases of the change, like planning, coordinating, implementing and monitoring and also discuss with employees about what should be changed, more than they tell them what will change.
- The leaders need to not only communicate about the change but also committed to implement the change effectively, need to be responsible and accountable for implementation of change management and its effectiveness and also should manage the

risk of resistance to change through proper education and create awareness rather than enforce to accept the change.

- The researcher would like to recommend the banks management to understand their employees' knowledge and skills, their believe about the change are well planned in their organizations and will benefit the organizations in order to achieve its goal and objectives as well as the planned change will affect the satisfaction of the banks stakeholders.
- The Private Banks managements need to create mechanisms for the employees to know what the vision for the change looks like and to create awareness regarding the necessity of change and its degree of appropriateness and practicability in order to achieve the organizations performance by creating readiness mind on the employees.

Finally, this study focused on change management in private commercial banks and its case study was on four banks. The study results are limited to the banks located within the Addis Ababa metro policies. The next generation of researchers in this field interested in determining the effect of change management in financial institutions can replicate the same study in different banks including private and governmental found within the country as well as focus on other institutions that provide service to achieve a greater understanding in the change management field through empirical study.

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APPENDICES

Appendices-I

Questionnaires

This study is a requirement for the partial fulfillment for the degree of Masters in Business Administration (MBA)-General Management. The purpose of this research is to determine “**The Effect of Change Management on Organizational Performance (A Case Study on Private Commercial Banks in Ethiopia.**” Please note that any information that will be provided by you will be treated with confidentiality and it will not be used for any other purpose other than for this project. Your assistance is highly appreciated. I look forward to your prompt response.

Kindly answer all the questions by ticking (√) in the boxes or writing in the spaces provided.

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MBA Candidate

SECTION A: Respondent Profile

1. Gender?

Male Female

2. Your age range?

22-30 years 31-40 years
41-50 years above 51 years

3. For how long have you worked at your current organization?

Less than 5 years 6-10 years
11-15 years above 16 years

4. Job Position:- Managerial Non-Managerial

5. Educational Level:- Diploma Degree
Masters (MBA/MSc) Others _____

6. Monthly Income Below Birr 10,000.00 Birr 10,001-20,000.00
Birr 20,001-30,000.00 Birr 30,001.00 and above

SECTION B: Please tick the extent of your agreement level with the following statements.
(Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree)

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
I. Components of Change Management					
Role of Leadership in Managing Change					
1. Management discuss with employees about what should be changed; more than they tell them what will change.					
2. Risk of resistance to change is well managed through proper education rather than enforce to accept the change.					
3. Management was committed to implement the change effectively.					
4. Management communicate on the various phases of the change, like planning, coordinating, implementing and monitoring.					
5. All levels of management are actively involved and participate in change process.					
6. Management is responsible and accountable for implementation of change management and its effectiveness.					
Role of Communication in Managing Change					
7. I am familiar with the goals of the change.					
8. Everyone can give his/her opinion about the change.					
9. The information about the change is adequate.					
10. I discuss about the change with my immediate supervisors to understand change issues clearly.					
11. The change makes me feel insecure about my future in the organization.					
12. I make noticeable contribution to the change.					
Employee Engagement in Managing Change					
13. The organization care about the employees in order to achieve the change management in good ways.					
14. There are opportunities for my advancement in this organization.					
15. My supervisor helps me to understand how my work is important to the organization.					
16. My co-workers and I openly discuss about what needs to be done to be more effective.					

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
17. The amount of work I am expected to do is reasonable.					
18. I have the tools and resources I need to do my job.					
Readiness for Change in Managing Change					
19. I know what the vision for the change looks like.					
20. I am aware of the reasons why the changes are needed.					
21. The scope of the proposed change is appropriate and achievable					
22. I believed that the change will benefit the organization.					
23. I feel that I have the necessary skills and knowledge to make the changed work.					
24. I think change is usually well-planned in my organization.					
II. Pillars of Organizational Performance					
1. In my organization there is growth in deposits.					
2. In my organization there is growth in number of accounts holders.					
3. In my organization there is growth in number and amount of loans and advances.					
4. In my organization there is growth in the profitability.					
5. In my organization there is an increment of employee productivity.					

SECTION C: Please indicate your idea for the below open ended questions.

1. What were the factors or initiators that force the organization to implement change management?

2. What were the benefits obtained from the implementation of change management at your organization?

3. What were the challenges encountered while implementing the change management at your organization?

-
4. If you have other issues regarding the change management and its effect on organizational performance; please describe them below.

THANK YOU!

Interview questions

1. Is there a separate change management department in the Bank?
2. Considering the utmost significance of the department, do you think that it has got the necessary attention from the top management?
3. Do you think that, change management is a vital issue in the Bank?
4. How can you describe the importance of change management in achieving the bank's performance management?
5. How do you evaluate the banks' leadership in order to implement change and achieving organizational performance?
6. Do you think that the banks' leadership has significant effect on organizational performance by implementing change management?
7. Do you think that employees are committed to achieve the bank's performance? In what way?
8. How do you evaluate the bank's readiness for achieving the desired goals and objectives through managing change?
9. How do you evaluate the communication dimension of change management in the bank regarding creating awareness about the banks goals and objective, mission and vision in order to achieve the desired bank performance?

THANK YOU

Appendices-II

Part- I: - Respondents Profile

Respondent Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	177	73.1	73.1	73.1
Female	65	26.9	26.9	100.0
Total	242	100.0	100.0	

Respondents Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 22-30 Years	95	39.3	39.3	39.3
31-40 Years	130	53.7	53.7	93.0
41-50 Years	12	5.0	5.0	97.9
Above 50 Years	5	2.1	2.1	100.0
Total	242	100.0	100.0	

Respondent Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 5 years	57	23.6	23.6	23.6
6-10 years	137	56.6	56.6	80.2
11-15 years	36	14.9	14.9	95.0
Above 16 years	12	5.0	5.0	100.0
Total	242	100.0	100.0	

Respondent Job Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	1	.4	.4	.4
Managerial	52	21.5	21.5	21.9
Non-Managerial	189	78.1	78.1	100.0
Total	242	100.0	100.0	

Respondent Educational Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	2	.8	.8	.8
Degree	132	54.5	54.5	55.4
Masters MBA/MSc	108	44.6	44.6	100.0
Total	242	100.0	100.0	

Respondent Monthly Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 10,000	23	9.5	9.5	9.5
10,001-20,000	171	70.7	70.7	80.2
20,001-30,000	32	13.2	13.2	93.4
Above 30,001	16	6.6	6.6	100.0
Total	242	100.0	100.0	

PART-II:-Basic questions of change management dimensions and Organizational Performance

Management discusses with employees about what should be changed; more than they tell them what will change.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	14	5.8	5.8	7.0
Disagree	72	29.8	29.8	36.8
Neutral	54	22.3	22.3	59.1
Agree	88	36.4	36.4	95.5
Strongly Agree	11	4.5	4.5	100.0
Total	242	100.0	100.0	

Risk of resistance to change is well managed through proper education rather than enforce to accept the change.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	15	6.2	6.2	7.4
Disagree	60	24.8	24.8	32.2
Neutral	62	25.6	25.6	57.9
Agree	85	35.1	35.1	93.0
Strongly Agree	17	7.0	7.0	100.0
Total	242	100.0	100.0	

Management was committed to implement the change effectively.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	7	2.9	2.9	2.9
Strongly Disagree	16	6.6	6.6	9.5
Disagree	39	16.1	16.1	25.6
Neutral	45	18.6	18.6	44.2
Agree	116	47.9	47.9	92.1
Strongly Agree	19	7.9	7.9	100.0
Total	242	100.0	100.0	

Management communicates on the various phases of the change, like planning, coordinating, implementing and monitoring.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	7	2.9	2.9	2.9
Strongly Disagree	11	4.5	4.5	7.4
Disagree	44	18.2	18.2	25.6
Neutral	63	26.0	26.0	51.7
Agree	93	38.4	38.4	90.1
Strongly Agree	24	9.9	9.9	100.0
Total	242	100.0	100.0	

All levels of management are actively involved and participate in change process.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	1	.4	.4	.4
Strongly Disagree	13	5.4	5.4	5.8

Disagree	71	29.3	29.3	35.1
Neutral	58	24.0	24.0	59.1
Agree	73	30.2	30.2	89.3
Strongly Agree	26	10.7	10.7	100.0
Total	242	100.0	100.0	

Management is responsible and accountable for implementation of change management and its effectiveness.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	12	5.0	5.0	6.6
Disagree	19	7.9	7.9	14.5
Neutral	41	16.9	16.9	31.4
Agree	127	52.5	52.5	83.9
Strongly Agree	39	16.1	16.1	100.0
Total	242	100.0	100.0	

I am familiar with the goals of the change.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	1	.4	.4	.4
Strongly Disagree	7	2.9	2.9	3.3
Disagree	24	9.9	9.9	13.2
Neutral	69	28.5	28.5	41.7
Agree	115	47.5	47.5	89.3
Strongly Agree	26	10.7	10.7	100.0
Total	242	100.0	100.0	

Everyone can give his/her opinion about the change.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	5	2.1	2.1	2.1
Strongly Disagree	18	7.4	7.4	9.5
Disagree	68	28.1	28.1	37.6
Neutral	78	32.2	32.2	69.8
Agree	53	21.9	21.9	91.7
Strongly Agree	20	8.3	8.3	100.0
Total	242	100.0	100.0	

The information about the change is adequate.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	6	2.5	2.5	2.5
Strongly Disagree	17	7.0	7.0	9.5
Disagree	52	21.5	21.5	31.0
Neutral	74	30.6	30.6	61.6
Agree	86	35.5	35.5	97.1
Strongly Agree	7	2.9	2.9	100.0
Total	242	100.0	100.0	

I discuss about the change with my immediate supervisors to understand change issues clearly.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	16	6.6	6.6	7.9
Disagree	50	20.7	20.7	28.5
Neutral	64	26.4	26.4	55.0
Agree	93	38.4	38.4	93.4
Strongly Agree	16	6.6	6.6	100.0
Total	242	100.0	100.0	

The change makes me feel insecure about my future in the organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	8	3.3	3.3	3.3
Strongly Disagree	24	9.9	9.9	13.2
Disagree	81	33.5	33.5	46.7
Neutral	48	19.8	19.8	66.5
Agree	62	25.6	25.6	92.1
Strongly Agree	19	7.9	7.9	100.0
Total	242	100.0	100.0	

I make noticeable contribution to the change.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	12	5.0	5.0	6.2
Disagree	32	13.2	13.2	19.4
Neutral	72	29.8	29.8	49.2
Agree	109	45.0	45.0	94.2
Strongly Agree	14	5.8	5.8	100.0
Total	242	100.0	100.0	

The organization care about the employees in order to achieve the change management in good ways.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	22	9.1	9.1	10.7
Disagree	43	17.8	17.8	28.5
Neutral	70	28.9	28.9	57.4
Agree	91	37.6	37.6	95.0
Strongly Agree	12	5.0	5.0	100.0
Total	242	100.0	100.0	

There are opportunities for my advancement in this organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	6	2.5	2.5	2.5
Strongly Disagree	13	5.4	5.4	7.9
Disagree	26	10.7	10.7	18.6
Neutral	74	30.6	30.6	49.2
Agree	115	47.5	47.5	96.7
Strongly Agree	8	3.3	3.3	100.0
Total	242	100.0	100.0	

My supervisor helps me to understand how my work is important to the organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	13	5.4	5.4	7.0
Disagree	30	12.4	12.4	19.4
Neutral	48	19.8	19.8	39.3
Agree	134	55.4	55.4	94.6
Strongly Agree	13	5.4	5.4	100.0
Total	242	100.0	100.0	

My co-workers and I openly discuss about what needs to be done to be more effective.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	9	3.7	3.7	5.4
Disagree	29	12.0	12.0	17.4
Neutral	43	17.8	17.8	35.1
Agree	119	49.2	49.2	84.3

Strongly Agree	38	15.7	15.7	100.0
Total	242	100.0	100.0	

The amount of work I am expected to do is reasonable.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	4	1.7	1.7	2.9
Disagree	41	16.9	16.9	19.8
Neutral	53	21.9	21.9	41.7
Agree	110	45.5	45.5	87.2
Strongly Agree	31	12.8	12.8	100.0
Total	242	100.0	100.0	

I have the tools and resources I need to do my job.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	5	2.1	2.1	2.1
Strongly Disagree	2	.8	.8	2.9
Disagree	35	14.5	14.5	17.4
Neutral	37	15.3	15.3	32.6
Agree	143	59.1	59.1	91.7
Strongly Agree	20	8.3	8.3	100.0
Total	242	100.0	100.0	

I know what the vision for the change looks like.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	6	2.5	2.5	4.1
Disagree	28	11.6	11.6	15.7
Neutral	46	19.0	19.0	34.7
Agree	125	51.7	51.7	86.4
Strongly Agree	33	13.6	13.6	100.0
Total	242	100.0	100.0	

I am aware of the reasons why the changes are needed.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	5	2.1	2.1	3.3
Disagree	26	10.7	10.7	14.0
Neutral	44	18.2	18.2	32.2
Agree	130	53.7	53.7	86.0
Strongly Agree	34	14.0	14.0	100.0
Total	242	100.0	100.0	

The scope of the proposed change is appropriate and achievable.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	6	2.5	2.5	2.5
Strongly Disagree	8	3.3	3.3	5.8
Disagree	25	10.3	10.4	16.2
Neutral	72	29.8	29.9	46.1
Agree	113	46.7	46.9	92.9
Strongly Agree	17	7.0	7.1	100.0
Total	241	99.6	100.0	
Missing System	1	.4		
Total	242	100.0		

I believed that the change will benefit the organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	5	2.1	2.1	2.1

Strongly Disagree	6	2.5	2.5	4.5
Disagree	25	10.3	10.3	14.9
Neutral	35	14.5	14.5	29.3
Agree	128	52.9	52.9	82.2
Strongly Agree	43	17.8	17.8	100.0
Total	242	100.0	100.0	

I feel that I have the necessary skills and knowledge to make the changed work.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	5	2.1	2.1	2.1
Strongly Disagree	7	2.9	2.9	5.0
Disagree	20	8.3	8.3	13.2
Neutral	47	19.4	19.4	32.6
Agree	128	52.9	52.9	85.5
Strongly Agree	35	14.5	14.5	100.0
Total	242	100.0	100.0	

I think change is usually well-planned in my organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Strongly Disagree	13	5.4	5.4	6.6
Disagree	38	15.7	15.7	22.3
Neutral	79	32.6	32.6	55.0
Agree	88	36.4	36.4	91.3
Strongly Agree	21	8.7	8.7	100.0
Total	242	100.0	100.0	

In my organization there is growth in deposits.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	4	1.7	1.7	1.7
Strongly Disagree	2	.8	.8	2.5
Disagree	10	4.1	4.1	6.6
Neutral	32	13.2	13.2	19.8
Agree	149	61.6	61.6	81.4
Strongly Agree	45	18.6	18.6	100.0
Total	242	100.0	100.0	

In my organization there is growth in number of accounts holders.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	2	.8	.8	.8
Strongly Disagree	5	2.1	2.1	2.9
Disagree	4	1.7	1.7	4.5
Neutral	24	9.9	9.9	14.5
Agree	163	67.4	67.4	81.8
Strongly Agree	44	18.2	18.2	100.0
Total	242	100.0	100.0	

In my organization there is growth in number and amount of loans and advances.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	3	1.2	1.2	1.2
Disagree	9	3.7	3.7	5.0
Neutral	29	12.0	12.0	16.9
Agree	151	62.4	62.4	79.3
Strongly Agree	50	20.7	20.7	100.0
Total	242	100.0	100.0	

In my organization there is growth in the profitability.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	2	.8	.8	.8
Disagree	14	5.8	5.8	6.6
Neutral	27	11.2	11.2	17.8
Agree	154	63.6	63.6	81.4
Strongly Agree	45	18.6	18.6	100.0
Total	242	100.0	100.0	

In my organization there is an increment of employee productivity.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No Response	13	5.4	5.4	5.4
Strongly Disagree	8	3.3	3.3	8.7
Disagree	21	8.7	8.7	17.4
Neutral	59	24.4	24.4	41.7
Agree	111	45.9	45.9	87.6
Strongly Agree	30	12.4	12.4	100.0
Total	242	100.0	100.0	