

## Research Article

## Effect of Organizational Change on Employee Performance among selected Commercial Banks in Bujumbura, Burundi.

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**Abstract:** This study explored the effect of organizational change on employee performance among selected commercial banks in Bujumbura, Burundi. Objectives that guided the study include: (i) to determine the effect of structural change on employee performance in commercial banks in Bujumbura; (ii) to determine the effect of strategic change on employee performance in commercial banks in Bujumbura; and (iii) to determine the effect of technological change on employee performance in commercial banks in Bujumbura. The study adopted a cross-sectional design, the target population was 163 employees and the sample size was 116, however, only 104 successfully participated in the study. The main research instruments included questionnaires. The study revealed that structural change significantly affects employee performance by causing a variance of 56.8% ( $R^2 = 0.568$ ,  $P=0.000$ ). Furthermore, it was established that strategic change significantly affects employee performance by causing a variance of 47.2% ( $R^2 = 0.472$ ,  $P.0.000$ ). Lastly, the study revealed that technological change significantly affects employee performance by causing a variance of 51.4% ( $R^2 = 0.514$ ,  $p = 0.000$ ). The study drew the conclusion that organizational change had a significant effect on employee performance. The study gave the following recommendations: the management of commercial banks should periodically change the way business is done in a manner that timely responds to the ever dynamic customer demands. The management of commercial banks should practice appropriate strategic changes that enable them to offer services that meet the expectations of different groups of customers. Additionally, management should frequently train their employees so that they are knowledgeable and remain capable in the event that a change has occurred. In the same vein, the management of commercial banks should embrace technological advancement in enhancing their business operations. This study contributed to the body of knowledge that structural change, strategic change and technological change all have significant effect on employee performance in the banking sector of Burundi.

**Keywords:** employee performance, Bujumbura, Burundi .

### 1. INTRODUCTION

The expected transformation of the economic environment advances in technology, and aggressive national and international markets have generated enormous pressure on commercial banks to manage the work force. High retention workplaces are using employee attitude assessment to determine the atmosphere of the workforce. All the organizational leaders now conduct some form of assessment periodically to assist with establishing development opportunities for employees within the organisation (Irakoze, 2016). Furthermore, in an effort to motivate workers, commercial banks have put in place a number of practices such as performance based pay, employee

security agreement, practices to help balance family and job, as well as various forms of information sharing (Irakoze, 2016).

In a global knowledge economy, organisations across Europe and Asia in countries such as United Kingdom, German, France, Italy, China and Japan rely heavily on their employees to survive (Gebregziabher, 2015). They can only win a competitive advantage through their employees. The product or service of any organisation is provided to customers with the involvements of people. However, as Mathis and Jackson (2010) pointed out, people are not only essential resources that an organisation has but also

Quick Response Code



Journal homepage:

<http://www.easpublisher.com/easiebm/>

Article History

Received: 14.03.2019

Accepted: 30.03.2019

Published: 16.04.2019

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DOI: 10.36349/easiebm.2019.v02i04.008

problematic ones to manage. Implying that human resources management is essential for organizational competitiveness and the realization of its mission. The work of charity (2011) testifies the fact that employee performance management is important as managing financial resources and program outcomes because employee performance or the lack thereof has a profound effect on both the financial and program components of any organisation. Though there are several factors that contribute to productivity, job performance is perceived to be the most significant one. Therefore one of the indicators in enhancing and improving the banking industry is job performance.

Across Africa, performance of employees in the banking sector has been a major apprehension because of skills limitations in the areas of ICT, innovation, and management therefore making most of the African banks from countries like South Africa, Nigeria, Kenya, Uganda, Burundi and others as opposed to using management by foreigners due to human resource globalization (African Development Bank, 2015). In Burundi, the banking industry is undergoing structural changes in the areas of innovation and technology and it is affecting the performance of the employees. The new technology has affected employees because they lack the skills, qualification, education, experience to successfully cope hence many have ended up losing their jobs instead (Nkurunziza, *et al.*, 2015).

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

The poor employee performance has over the years affected the organizational performance of several commercial banks in Bujumbura. A case scenario is when in 2015 five (5) commercial banks lost up to \$20,000 due to mismanagement, while in 2016; four (4) commercial banks were able to meet only 68% of their goals due to employee turnover (Central Bank of Burundi Annual Report, 2016). In Burundi, poor employee performance contributes up to 3.2% average financial losses among commercial banks. On the basis of the said, this study sought to ascertain the level to which organizational change affects employee performance in commercial banks in Bujumbura, Burundi. Particularly: (i) to ascertain the effect of

structural change on employee performance in commercial banks in Bujumbura, Burundi, (ii) to ascertain the effect of strategic change on employee performance in commercial banks in Bujumbura, Burundi, and (iii) to ascertain the effect of technological change on employee performance in commercial banks in Bujumbura, Burundi.

## 2.0 RELATED LITERATURE

### 2.1 Organizational Change

Organizational change is any initiative or set of actions resultant to a shift in direction or progression that affects the way an organisation operates (Leavitt, 2003). Change is the process of becoming different. It can be on purpose and intended by the management within the organisation, or change can originate external to the organisation and beyond its control. Karanja (2015) argues that change can affect the strategies an organisation adopts to carry out its mission, strategy implementation, tasks and functions performed by the people within the organisation, as well as the relationships between those people. Chun-Fang (2010) asserts that change is a fact of organizational existence. Therefore, he argues that an organisation that does not change cannot survive in the contemporary business environment. Many factors can make organizational change necessary, including evolving competition in the market or new customer demands. According to Vemeulen *et al.*, (2012), when organizational change is well deliberate it helps assure the organization's continued survival. It can produce several benefits, including enhanced competitiveness, improved financial performance, and higher customer and employee satisfaction. Bai and Zhou (2014) suggest that unless organisations recognize that change may give rise to stress reactions among employees, and as such implement internal organizational measures and conditions that are necessary for effective coping to occur, most change efforts will fail. Imberman (2009) asserts that organizational changes are necessary to ensure that organizational strategies remain feasible. Continuing organizational changes are increasingly becoming the norm in the workplace, ensuring opportunities for growth and development.

#### 2.1.1 Structural change on employee performance

Structural changes are those made to the organization's structure that might originate from internal or external factors (Rodrik, 2013). Structural changes include the organization's hierarchy, chain of command, management systems, and administrative procedures. Conditions that necessitate structural change include mergers and acquisitions, changes in the market, job duplication, and policy changes. According to Lozano, Nummert & Ceulemans (2016), structural change within an organisation might be initiated by factors internal or external to the organisation. Competent change management calls for the ability to recognize what causes structural change within an organisation. The aptitude to identify the signs of

eventual organizational change can help management better set up for the change and employ policies that will keep the company on the path to growth (Lin & Liu, 2012). According to Aggarwal (2015), mergers and acquisitions have profound effect on organisation structure. Furthermore, McMillan (2017) argues that several managers or executives within an organisation may create the need for change. Employees can either become aggravated with trying to please more than one manager, or employees may find ways to use opposing views by multiple managers to get what the employee needs. When employees are faced with duplicate management positions, the structure of the organisation needs to be adjusted to eradicate the excess positions. Rot (2016) points out that adjustment to how the company does business can stimulate structural changes. If the company was used to departments being autonomous, then a change to a centralized way of doing business will generate changes in company structure. Similarly, if a new department has been created to suit company demand, the company structure has to change to incorporate the new group.

### **2.1.2 Strategic change on employee performance**

By definition strategic changes are changes in the content of a firm's strategy in terms of competitive advantages, scope, resource deployments, and synergy (Naghibi & Hediye, 2011). Simply put, strategic change is a way of altering the objectives and vision of the company in order to achieve greater success. According to Nichols (2016) strategic change includes making modifications to the overall purpose, goals, strategy or missions of an organisation. Rezvani (2015) suggests that it is a major disturbance due to the fact that this type of change can place significant demands on an organisation to the extent of rethinking its fundamental approach to business. Examples of strategic changes include changes to products or services it offers, the target customer segments or markets it tries to reach, its position in the global economy and who it will partner with for manufacturers, distributors and other logistical needs. According to Naghibi, (2016), many companies fail to implement change correctly and completely, whereas the others fail to communicate change to employees in the organisation. Regardless of how prolific the change will be, it will amount to nothing without good and effective communication to bring employees onboard. Degnegaard (2010) suggests that there are some issues that managers who are responsible for strategic change should keep in mind: (i) they have to consider the culture and behaviours of employees because changing something that people are used to for a long time is not easy; (ii) when talking about a strategic change, there must be good deliberation concerning context compatibility between the change and organization; a mismatch can lead to a lot of problems; (iii) consider that change is about changing people. Organization will change by altering the outlook of managers and employees in relations to how the business operates.

### **2.1.3 Technological change on employee performance**

Technological change is an increase in the efficiency of a product or process that results in an increase in output, without an increase in input (Bauer & Bender, 2004). The technology needs of a small company exist in an almost constant state of flux, adapting and changing based on business demands and advancements in the industry. Almost every business in the contemporary environment relies on technology at every level of its activities. Heeks (2015) argues that beyond the standard office information communication technology (i.e. laptop and smart phone), organisations employ information systems, custom software or specialized technology equipment to enhance efficiency in operations. Innovations in technology have the capabilities to decrease the time needed to finish a task, or in some cases phase out the need for a business process or function. Generally, the desire to amplify productivity initiates upgrades to technology within an organisation, which can considerably influence company operations (Cascio & Montealegre, 2016). It is a fact according to Archer (2016) that progressions in computers and technology advance the efficiency of a business. Employers often necessitate training on new software programs or equipment as a job requirement if it becomes industry standard. Online business may add new departments or jobs to specialize in new areas of technology within the business. Sometimes, implementing new technology may render certain jobs obsolete in some industries. Godwin (2014) also confirms that for employees, technological augmentation often decrease the number of mind-numbing office tasks and improve efficiency. Technological changes in day-to-day operation may take the form of an upgrade to desktop computers (software and hardware), faster office equipment or the introduction of a new information system. Business owners increasingly utilize all-inclusive software platforms to modernize operations. According to Caliskan (2015), the decision to purchase or upgrade technology can be costly for both large and small operations. This calls for weighing the cost of the upgrade or adoption against the perceived added value to the company. Cost implications can often lead small businesses to delay adoption or upgrades. However, technology that significantly improves with operations can offset cost with an increase in profit in the long run.

### **2.2 Employee Performance**

Employee performance suggests employee productivity and efficiency as a result of employee growth (Khan & Jabbar, 2013). Sinha (2001) defined employee performance as depending on the willingness and the openness of the employee to do the job. Employee performance in the organisation is very important to determine company's success and profitability. According to Chien (2015), a successful organisation requires employees who are willing to do

more than their usual job scope and contribute performance that exceed goal's expectations. Employees' performance is imperative for performance to yield organizational effectiveness in an increasingly competitive environment (Aryee *et al.*, 2014). In the contemporary business environment, most of the companies facing challenges are obligated to put more emphasis on enhancing employees' performance (Gruman & Saks, 2011). It is argued that to engage in effective performance, management needs to empower employees to design their job and roles. In so doing employees will discover job more fit between employees' skills, needs and values. (Gruman & Saks, 2011). According to Tavakolia (2010), employees' performance will drop due to downsizing innovations and mergers in the organization, as well as changing of the location, time, quality and quantity of the task and responsibilities.

### 2.3 Organizational change on employee performance

Several studies related to organizational change and employee performance have been done. Karanja (2015) concluded a study on the effects of organizational change on employee performance of postal Corporation of Kenya; the findings revealed that employee performance is been positively influenced by organizational change. The variable that changed the most and influenced employee performance positively is technology.

This is because it the organizations (Postal Corporation) provided an internship programme which, as a result, has generated more job opportunities. This has motivated even the existing staff which has resulted in greater performance. When public organisations are pursuing changes, it is recommended that organisations highlight the urgency and necessity of those changes in simple, easy-to understand terms (Karanja, 2015). A study by Ahmed, Rehman, Asad, Hussain and Bilal (2013) on the impact of organizational change on employee performance in the banking sector of Pakistan adopted descriptive statistics and correlation analysis techniques. The study found that organizational change has a positive significant impact on employee's performance in banking sector of Pakistan. The study suggested that further research be conducted in various sectors in order to scrutinize the overall influence of organizational change on employee performance. Khan and Jabbar (2013) conducted a study on the determinants of employee's performance in corporate sector in Pakistan. The study found that working conditions had weak correlation with employee performance while work-life conflict had negative effect on employee performance. However, leadership and compensation, had strong and significant effect on employee performance. Kansal and Singh (2016) conducted a study on the impact of organizational change on employee performance in Maruti Suzuki. The findings of the study revealed that organizational change had a considerable effect on employee

performance from among the gender, departments and designations. The study concluded that creating a positive attitude and practice leads to improved performance in an organisation. According to the study change creates a greater effect on employee's attitude which was confirmed by the performance of employees. Tefera and Mutambara (2016) conducted a study on the effect of organizational changes on employees' motivation at a country club in Kwazulu Natal. The key findings of the study discovered that the management had not created opportunities for employees to participate. Employee felt left out in the decision making process which contributed to their demotivation. This is exacerbated by the poor communication in the organisation. Though employee perceived that organisational change will help attain the organisational goals, the club was not able to achieve its financial targets. However, employees felt more motivated after the organizational change and the challenge for the management was to ensure that the employees were kept motivated. Wanza and Nkururu (2016) investigated the effects change management on the performance of employees in relation to technological changes, organizational leadership, structure and culture. The study found that structural changes and organizational leadership influenced university employees' performance positively. The study further revealed that technological changes have a great impact on employees' performance due to the rapid technological changes across the globe that helps to ease work and enhance efficiency. Wanza and Nkururu (2016) asserted that a strong organizational culture creates synergy and drive that facilitates teamwork and enhances employee performance. The study concluded that structural changes, leadership, technology and organizational culture effects the performance of employees positively.

### 3.0 METHODOLOGY

This study adopted a cross-sectional design (Sekaran, 2003). The study targeted a population of 163 employees from four selected commercial banks in Bunjumbura (annual Reports, 2017). The target population included; managers (that is general managers (4), departmental managers/supervisors (31), and technical staff (128). This study employed close questionnaires. The questions were confined to a given set of options and then respondents were asked to choose the option that they agree or disagree with. To achieve this, a five likert scale was used, where 1 = strongly disagree; 2 = disagree, 3=not sure, 4 = agree; and 5=strongly agree. Before piloting the research instruments, its face validity test was done through presentation to 6 panelists of supervisors and other academic experts outside the panel. It was after the incorporation of their corrections and suggestion, that the research instrument was used for pilot test. The questionnaire was modified in line with their recommendations. Furthermore, content validity index

(CVI) was used; where CVI value greater than 0.70 was considered valid otherwise not valid (Amin, 2005).

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

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

The CVI results imply that the instruments were valid. This reliability analysis was conducted in a pilot survey prior to official data collection so as to ensure that the instruments provide reliable data for the study. Test-retest method of measuring reliability was used by the researcher to ensure that the instruments provide consistent measurements. Ten different samples (technical staff members from KCB, Burundi) were selected and the instruments were administered on them twice with a two week’s interval, and the obtained results were correlated using Pearson Linear Correlation Coefficient (PLCC). The PLCC results of 0.89 and 0.88 which were at 0.05 level of significance respectively indicated that the instruments were reliable. Furthermore, Cronbachs alpha was used to determine the reliability of the instruments. Cronbach’s alpha measures the internal consistency that is, how closely related a set of items are as a group. The higher the  $\alpha$  – value, the more reliable the instruments will be considered. According to Amin (2005), if a  $\alpha \geq 0.70$ , then the items will be considered as reliable. Hence the results of this study (Organizational change;  $\alpha = 0.851$  and Employee performance;  $\alpha = 0.873$ ) indicated higher internal consistency, signifying that the Cronbach’s results were reliable, in other words, the respondents were knowledgeable of the questions, understood them very well and answered them to the best of their knowledge. The researcher distributed 116 questionnaires but was able to retrieved only 104 questionnaires that were correctly filled and answered. This gave a retrieved rate of 90%; according to Amin (2004), if the response rate is more than 70%, this is enough to carry on and continue with data analysis.

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

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

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

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

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

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

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

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

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

**4.0 RESULTS AND DISCUSSION**

**4.1 Demographic characteristics of Respondents**

Majority, 63.5% of the respondents were male, while the female were represented by 36.5%. A bulk, 61.5% of the respondents were within the age group of 20-29 years and 40-49 years respectively, while the respondents who were 50 years and above were represented by 7.7%. The dominance of the respondents within the age group of 30-39 years was because banking institutions prefer employing staff who are mature and are knowledgeable about organizational change and whose performance are outstanding. The mass of 61.5% of the respondents had Bachelor Degree Qualifications, followed by 25% who had Diploma Qualifications, while Master Degree Qualification were represented by 13.5% however, none of the respondents had a PhD Qualification. Last but not least, 46.2% of the respondents had work experience of 6-10 years, followed by 21.2% who had work experience of 1-5 years while respondents with less than 1 year work experience and more than 10 years of work experience were represented by 15.4% and 17.3% respectively.

## 4.2 Descriptive Statistics

### 4.2.1 Organisational Change

The independent variable which is Organisational Change was measured using Structural change, Strategic change and Technological change.

**Table 4.1: Descriptive Statistics on Organisational Change**

Organisational Change	Mean	Std. Deviation	Interpretation
Structural change	3.85	0.948	Satisfactory
Strategic change	3.96	0.955	Satisfactory
Technological change	3.85	1.024	Satisfactory
<b>Mean</b>	<b>3.89</b>	<b>0.975</b>	<b>Satisfactory</b>

#### Legend

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

According to table 4.1, organizational change was assessed by the respondents as satisfactory (overall average mean = 3.89, Std = 0.975). This was attributed to the fact that all the elements of organizational change, i.e. structural change, strategic change and technological change were assessed by the respondents as satisfactory.

### 4.2.2 Employee Performance

The dependent variable of this study was employee performance and was measured using quality of work, timeliness and effectiveness. This section is intended to measure the central tendency (mean) and measure of dispersion (standard deviations) of the variables. A five Likert Scale of 1-5 was used to provide a vivid interpretation of the results. Table 4.2 gives the summary of the findings.

**Table 4.2: Descriptive Statistics for Employee Performance**

Employee Performance	Mean	Std. Deviation	Interpretation
Quality	3.67	1.164	Satisfactory
Timeliness	3.65	1.130	Satisfactory
Effectiveness	3.89	0.966	Satisfactory
<b>Mean</b>	<b>3.74</b>	<b>1.087</b>	<b>Satisfactory</b>

#### Legend

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

The results presented in table 4.2 revealed that quality of work as an element of employee performance was assessed by the respondents as satisfactory (average mean = 3.67, Std = 1.164). Furthermore, the study revealed that timeliness as an elements of employee performance was assessed by the respondents as satisfactory (average mean = 3.65, Std = 1.130). The results presented in table 4.2 revealed that effectiveness as an element of employee performance was assessed by the respondents as satisfactory (average mean = 3.89, Std = 0.966). The results in table 4.2 imply that the employees of the surveyed commercial banks in Bujumbura work hard to make sure that they are effective in their work. This they achieve by observing costs involved, dispensing high level of accuracy, and effectively using the resources available at their

disposal. However, such effectiveness is only possible in the event that the employees are well trained and are experts in what they do. Other than that, effectiveness cannot be achieved. However, in this study, employees have demonstrated a substantive level of effectiveness in their work.

### 4.3 Regression Analysis

This section captures the results of regression analysis to determine the effect of the independent variables on the dependent variables. The first objective of this study was to determine the effect of structural change on employee performance in commercial banks in Bujumbura. Table 4.3 gives the summary of the findings.

### 4.3.1 Structural change on employee performance

**Table 4.3: The effective of structural change on employee performance in Commercial Banks in Bujumbura**

Variable	Unstandardized beta (B)	Std. Error (SE B)	Standardized beta (β)	t	p
(Constant)	1.078	0.233		4.619	0.000
Structural Change	0.691	0.060	0.754	11.583	0.000
<b>R<sup>2</sup></b>	0.568				
<b>Adjusted R<sup>2</sup></b>	0.564				
<b>F</b>	134.174				
<b>Observations</b>	104				

The results in table 4.3 revealed that structural change significantly affects employees performance by causing a variance of 56.8% ( $R^2=0.568$ ,  $P=0.000$ ). This rejects the null hypothesis that there is no significant effect of structural change on employee performance and upholds the alternative hypothesis. This implies that when the banks realign employee job functions, eliminate job duplications, create new policies and shiftily respond to market changes, then there will be a high likelihood that employee performance will as well improve. Furthermore, the study revealed that the regression model was the best fit for predicting the

effect of structural change on employee performance ( $F=134.174$ ,  $P=0.000$ ). Similarly, the study revealed that every unit change in structural change will significantly affect the variance in employee performance by 75.4% ( $Beta = 0.754$ ,  $P = 0.000$ ).

### 4.3.2 Strategic change and employee performance

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

**Table 4.4: The Effect of Strategic Change on Employee Performance in Commercial Banks in Bujumbura**

Variable	Unstandardized beta (B)	Std. Error (SE B)	Standardized beta (β)	t	p
(Constant)	1.007	0.290		3.474	0.001
Strategic Change	0.691	0.072	0.687	9.541	0.000
<b>R<sup>2</sup></b>	0.472				
<b>Adjusted R<sup>2</sup></b>	0.466				
<b>F</b>	91.034				
<b>Observations</b>	104				

The results presented on table 4.4 revealed that strategic change significantly affects employees performance by causing a variance of 47.2% ( $R^2 = 0.472$ ,  $P = 0.000$ ). This rejects the null hypothesis that there is no significant effect of strategic change on employee performance and upholds the alternative hypothesis. This implies that when commercial banks in Burundi make changes to their visions and objectives, consider the culture and behaviours of employee before making changes, and make changes with the intent of meeting customer demands, it is most likely that employee performance will improve too. Furthermore, the study revealed that the regression model was the best fit for predicting the effect of strategic change on

employee performance ( $F. 91.034$ ,  $p=0.000$ ). Similarly, the study revealed that every unit change in strategic change will significantly affect the variance in employee performance by 68.7% ( $Beta = 0.687$ ,  $p = 0.000$ ).

### 4.3.3 Technological Change on Employee Performance

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

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

Variable	Unstandardized beta (B)	Std. Error (SE B)	Standardized beta (β)	t	p
(Constant)	1.042	0.263		3.959	0.000
Technological Change	0.700	0.067	0.717	10.391	0.000
<b>R<sup>2</sup></b>	0.514				
<b>Adjusted R<sup>2</sup></b>	0.509				
<b>F</b>	107.969				
<b>Observations</b>	104				

The results presented on table 4.5 revealed that technological change significantly affects employees performance by causing a variance of 51.4% ( $R^2=0.514$ ,  $p=0.000$ ). This rejects the null hypothesis that there is no significant effect of technological change on employee performance, and upholds the alternative hypothesis. This implies that when commercial banks in Burundi make changes in their technology based on business demands and advancement in work environment or embrace technological advancement to

improve the quality of services, then it is a sure deal that employee performance will as well improve. Furthermore, the study revealed that the regression model was the best fit for predicting the effect of technological change on employee performance ( $F=107.969$ ,  $p=0.000$ ). Similarly, the study revealed that every unit change in technological change will significantly affect the variance in employee performance by 71.7% ( $Beta = 0.717$ ,  $p=0.000$ ).

#### 4.4 Organisational Change on Employee Performance

**Table 4.6: The Effect of Organisational Change Variables on Employee Performance**

Variable	Unstandardized beta (B)	Std. Error (SE B)	Standardized beta (β)	t	p
(Constant)	0.160	0.237		0.676	0.500
Structural Change	4.26	0.066	0.465	6.471	0.000
Strategic change	0.132	0.083	0.132	1.605	0.112
Technological change	0.367	0.073	0.376	5.052	0.000
<b>R<sup>2</sup></b>	0.695				
<b>Adjusted R<sup>2</sup></b>	0.692				
<b>F</b>	231.930				
<b>Observations</b>	104				

The results in table 4.4 revealed that organizational change factors affects the changes in employee performance by a variance of 69.5% ( $R^2=0.695$ ,  $p=0.000$ ). This implies that a combination of structural change, strategic change and technological change contribute significantly to the improvement of employee performance. Furthermore, the study revealed that every change in organizational change factors would significantly cause a variance of 83.3% on employee performance ( $Beta = 0.833$ ,  $p=0.000$ ).

Further, the results revealed that structural change is the highest predictor of employee performance, causing a variance of 46.5% ( $Beta = 0.465$ ,  $p=0.000$ ), followed by technological change which causes a variance of 37.6% in employee performance ( $Beta = 0.376$ ,  $p=0.000$ ), and lastly, strategic change which causes a variance of 13.2% in employee performance ( $Beta = 0.132$ ,  $p=0.112$ ). This implies that for a single unit change in structural change, there will be a significant variance of 46.5% in employee performance. Likewise for a single unit change in technological change, there will be a

significant variance of 37.6% variance in employee performance.

#### 5.0 CONCLUSIONS AND RECOMMENDATIONS

The study revealed that structural change significantly affects employee performance. This is because structural changes such as changes in employee job functions, elimination of job duplication, creation of new policies, periodic change that aligns with market demands and creation of new departments due to market shift causes improvement of performance through quality of work. Furthermore, the study revealed that strategic change significantly affects employee performance. This is attributed to the fact that strategic change in terms of changes in institution visions and objectives, consideration of culture and behaviours of employees before instituting a change, can cause improvement in employee performance when they meet deadlines, do their work in time and report to work on time. Similarly, the study revealed that technological change significantly affects employee performance. This implies that implementation of technological changes such as customization of software or training of employees on how to use the



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

The study therefore recommends; (i) that the management of commercial banks should periodically change the way business is done in a manner that timely responds to the ever dynamic customer demands. This can be achieved by changing company policies, creating new departments or changing employ to roles and functions. (ii) that the management of commercial banks should practice appropriate strategic changes that enable them to offer services that meet the expectations of different groups of customers. This can be achieved by changing the visions and objectives of the company and considering the culture and behaviours of different groups of employees when effecting a change. Furthermore, management should regularly train their employees so that they are knowledgeable and remain competent in the event that a change has occurred. This kind of training should include periodic seminars, workshops, symposiums, or in-service studies. (iii) that the management of commercial banks should embrace technological advancement in enhancing their business operations. This will enable them to meet customer needs by providing fast and quality services. Technological change in the institution should be implemented by making use of customized software, and security sensitive applications that ensure safety of customer personal information. Furthermore, employees must be rightfully trained and facilitated in order to effectively use the new technology. This should be done by training employees to install the software, troubleshoot it in case of a malfunction, upgrade or effectively maintain it.

Several studies including the ones of Karanja (2015), Ahmed *et al.*, (2013), and Khan and Jabbar (2013) have been conducted in the area of organizational change and employee performance but none of them looked at organizational change in terms of structural change, strategic change and technological change; or employee performance in terms of quality of work, timeliness and effectiveness and their results have been mixed. This study therefore adds to the body of knowledge that structural change, strategic change and technological change all have significant effect on employee performance in the banking sector in Burundi.

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