EFFECTS OF OPERATIONS CHANGE ON EMPLOYEE PERFORMANCE IN THE KENYAN BANKING INDUSTRY: A CASE OF SELECTED BANKS IN EMBU COUNTY

BY

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DECLARATION

This research project is my original work and has not been presented for an award of a degree in any other University.

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TABLE OF CONTENTS

DECLARATION................................................................................................................ii

ACKNOWLEDGEMENT .................................................................................................. iii

LIST OF TABLES.......................................................................................................... viii

LIST OF FIGURES......................................................................................................... ix

OPERATIONAL DEFINITION OF TERMS .................................................................. x

ABBREVIATIONS AND ACRONYMS ......................................................................... xi

ABSTRACT...................................................................................................................... xii

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study ....................................................................................... 1

1.2 Statement of the Problem ..................................................................................... 4

1.3 Objectives of the Study ....................................................................................... 6

1.3.1 General Objectives ......................................................................................... 6

1.3.2 Specific Objectives ......................................................................................... 6

1.4 Research Questions ............................................................................................. 6

1.5 Significance of the study .................................................................................... 7

1.6 Scope of the Study .............................................................................................. 7

1.7 Limitations of the Study .................................................................................... 7
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction ................................................................................................................................. 8
2.2 Theoretical review ......................................................................................................................... 8
  2.2.1 Teleological Process Theory (Planned Change) .................................................................... 9
  2.2.2 Life Cycle Process Theory (Regulated Change) ..................................................................... 11
  2.2.3 Dialectic Process Theory (Confictive Change) ..................................................................... 12
  2.2.4 Evolutionary Process Theory (Competitive Change) ............................................................. 13
  2.2.5 Summary of theoretical review ............................................................................................... 14
2.3 Empirical review .......................................................................................................................... 15
  2.3.1 Work Culture and Employee Performance ......................................................................... 16
  2.3.2 Service Orientation and Employee Performance ................................................................. 17
  2.3.3 Performance Targets and Employee performance ............................................................... 18
  2.3.4 Technological change and Employee performance .............................................................. 19
2.4 Summary of Literature ............................................................................................................... 21
2.5 Conceptual Framework ............................................................................................................... 22

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction ................................................................................................................................. 23
3.2 Research Design .......................................................................................................................... 23
3.3 Target Population ....................................................................................................................... 23
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction ........................................................................................................... 28
4.2 Response Rate ........................................................................................................ 28
4.3 Pilot Test Results ................................................................................................... 29
4.4 Gender of Respondents ......................................................................................... 30
4.5 Age Distribution ................................................................................................... 31
4.6 Duration of Employment ....................................................................................... 31
4.7 Work Culture ......................................................................................................... 32
4.8 Service Orientation ............................................................................................... 33
4.9 Performance Targets ............................................................................................. 34
4.10 Technology ............................................................................................................ 35
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction ................................................................................................................ 37

5.2 Summary of Findings ............................................................................................... 37

5.2.1 Change in work Culture .................................................................................... 38

5.2.2 Change in Service Orientation ......................................................................... 38

5.2.3 Change in Performance Targets ...................................................................... 38

5.2.4 Change in Technology ...................................................................................... 39

5.3 Conclusions ........................................................................................................... 39

5.4 Recommendations ................................................................................................. 40

5.5 Suggestions for further Research ......................................................................... 40

REFERENCES ............................................................................................................. 41

APPENDICES

Appendix 1: Questionnaire ............................................................................................ 51

Appendix 3  Budget ......................................................................................................... 57

Appendix 4: Work Plan .................................................................................................. 58
LIST OF TABLES

Table 1: Population distribution .......................................................... 24
Table 2: Sample Size ............................................................................. 24
Table 3: Response Rate .......................................................................... 28
Table 4: Reliability Results ................................................................. 30
Table 5: Change in Work Culture ......................................................... 33
Table 6: Change in Service Orientation ............................................. 34
Table 7: Change in Performance Targets .......................................... 35
Table 8: Change in Technology ............................................................ 36
LIST OF FIGURES

Figure 1: Conceptual Framework................................................................. 17
Figure 2: Gender .................................................................................. 30
Figure 3: Age....................................................................................... 31
Figure 4: Duration of Employment.......................................................... 32
OPERATIONAL DEFINITION OF TERMS

**Change Management** – this is a structured approach to shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at helping change stakeholders to accept and embrace changes in their business environment or individuals in their personal lives (Goulet and Singh, 2002).

**Employee performance** – this is a rating system used in most corporations to determine the abilities and output of an employee (Madsen, et al., 2005).
ABBREVIATIONS AND ACRONYMS

CBK: Central Bank of Kenya

NBK: National Bank of Kenya

KCB: Kenya Commercial Bank

KBA: Kenya bankers’ Association
ABSTRACT

Organizational change within a company or agency can come about for different reasons. Changes can be made to improve productivity or because of new management. Changes can be initiated by both external forces, factors outside of an agency, or by internal forces, initiated by an agency itself. Due to the importance of change in organisations and in consideration of the varied reactions of employees to change, this study aimed to examine the effects of operations change on employee performance in the Kenyan banking industry. Specifically, the study sought to determine how changes in work culture, service orientation, focus on targets and technology affects employee performance in the Kenyan banking industry with a specific focus on banks in Embu County. The target population of this study were the five main banks in Embu County according to asset base. The five banks have a total of 128 employees. The sample was selected from each of the sections. Stratified and purposive sampling was used to select 50% of the employees in each section from the five selected banks. The sample therefore constituted 64 employees. Primary data was collected using questionnaires where the researcher dropped the questionnaires to the respondents and picked them after a period of two week. After collection of data and testing for reliability, the questionnaires were coded and analyzed with the aid of SPSS. The study then used descriptive statistics and inferential statistics to establish the relationship between the variables and employee performance. The study found that changes in operations affected employee performance in various ways. The study found that a positive work culture influences the performance of employees in a positive manner, better service orientation leads to better performance of employees in the organisation, focus on performance targets influences employee performance to a certain level then the influence turns to negative if the targets are unrealistic. The study also found that better technology leads to better performance of employees in the organisation. The study recommends that the management of the bank should evaluate any operations changes before they institute them in order to ensure it affects employee performance in a positive way. The study also recommends that the management of the bank should consult employees before they can institute any changes in order to reduce any chances of resistance to change. Finally, the study recommends that the management of the bank should first educate employees on proposed changes before introducing them in order to ensure positive reception and avoid a negative effect on employee performance.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The financial services industry has undergone dramatic change over the past two decades. Following the sweeping deregulation of the 1980s, banks were faced with new and competitive operating environments and as a consequence, strived both to increase operating efficiencies and develop new income streams through various structural and strategic change initiatives (Sturdy and Grey, 2003). Implicit in such dramatic change is the relatively new orientation by banks towards marketing and more recently the adoption of relationship banking principles (Berry, 1997). The summary effect of these changes has been the creation of a climate in which the role of the bank employee has changed from teller to seller and where such employees represent a key facilitator in the implementation of relationship banking.

Change is concerned with shifting from one stage to another or breaks down existing structures and create new one (Chonko, 2004). The causes of change might be technology, communication, general instability, mergers, reengineering organizational growth or by institutional and market volatility. But it requires quite attention to control the situation because of variety of impacts on employees. Literature reveals that, change is a source of feeling of threats, uncertainty, frustration, alienation, and anxiety (Ashford, 1998). Thus, it is imperative to know the employees perception regarding the changes before initiating process. Many researchers like Eby, Adams, Russell, & Gaby (2000) focused on employee’s attitudes and behaviours to effective change programs. In this regards, Desplaces (2005) advocated that extent of certain individual and workplace characteristics may lead to develop positive attitudes
and behaviours for change readiness. These factors are associated with personal, social, environmental, cultural, and organizational services.

Change in the workplace is an issue that every leader, manager, and employee has to deal with at some point in their career. This makes it important therefore, to understand the impacts of change. Change can provoke a variety of emotions in employees, especially those who are directly involved. It is important for the change agents to acknowledge these feelings. These emotions can include fear of failure, self-doubt, loss and anxiety. Employees can also be resistant to change. Resistance to change is any attempt to maintain the status quo when there is pressure to change (Connor, 2003). Causes of resistance can include a lack of awareness, lack of familiarity with the solution, rejection of the change, and lack of interest (Jones, 2004). Additionally, some employees are more open to change than others (Denhardt, 2006).

The literature on organizational change is wide, covering, among other issues, the factors that lead managers to initiate change, the efficacy of different modes of implementing change, resistance to change among employees, and the effects of change on performance and employee attitudes to the organization and to the job (Poole and Ven, 2004). What many researchers agree on is that organizations are increasingly engaging in multiple changes simultaneously and that these are often not discrete events but rather part of an on-going process (Kiefer, 2005; Pettigrew, Woodman and Cameron, 2001). Moreover, the effects of these multiple and on-going changes produce complex and often ambivalent results. For example, change can lead to both an improvement in product quality and productivity but also to lower morale and commitment among the workforce (Gilmore, Shea and Useem, 1997). It is also possible that assessment of the impact of organizational change may be incomplete or even faulty if measured too soon.
after the changes (George and Jones, 2007). Hence there is a widespread call by researchers in
the field for longitudinal research that captures the complexity and evolutionary nature of
employee responses to organizational change (Piderit, 2000).

and the various prudential guidelines issued by the Central Bank of Kenya (CBK), govern the
Banking industry in Kenya. The banking sector was liberalised in 1995 and exchange controls
lifted. The CBK, which falls under the Minister for Finance’s docket, is responsible for
formulating and implementing monetary policy and fostering the liquidity, solvency and proper
functioning of the financial system. The CBK publishes information on Kenya’s commercial
banks and non-banking financial institutions, interest rates and other publications and
guidelines. The banks have come together under the Kenya Bankers Association (KBA), which
serves as a lobby for the banks’ interests and addresses issues affecting its members (CBK,
2012).

In 2009, the Central Bank of Kenya (CBK) commenced measures to open up banking channels
to non-bank agents. An amendment to the Banking Act (passed as part of the Finance Act 2009)
allowed banks to start using agents to deliver financial services. Using small shops, petrol
stations, pharmacies and other retail outputs as agents could have a dramatic impact on
improving access to financial services, especially in rural areas. The rise of mobile telephony
and the global success of Mobile Money Transfer in Kenya provide the ideal platform for the
rollout of Agency Banking (Wambugu, 2011). With 22 million subscriber handsets in the
country, the banking sector need not rollout alternate expensive infrastructure. By using mobile
phones to provide financial inclusion this low-cost model will also provide employment
opportunities to many businesses that will be engaged as agents through transaction commissions (Wainaina, 2011). These changes have ensured that there are shorter queues in the banks and therefore reducing pressure on employees who are then able to offer better and more personalised service to customers.

According to the Central Bank of Kenya, there are 43 licensed commercial banks in Kenya. Three of the banks are public financial institutions with majority shareholding being the Government and state corporations. The rest are private financial institutions. Of the private banks, 27 are locally owned commercial banks while 13 are foreign owned commercial banks. The Kenyan banking industry has been undergoing dramatic operational transformation in recent years. Mergers and acquisitions, increased competition, and new regulatory requirements have driven banks to rethink their retail strategies. It has become important for banks to leverage technology to optimize sales and fulfilment processes, manage distribution channels, and streamline operations to acquire, satisfy and thereby retain customers (CBK, 2012).

1.2 Statement of the Problem
Introduction of changes in the various commercial banks has had various effects on the banks. Each change has consequences and implications and one of the most important results of every process of change is positive influence on performance. One of the major ways it has affected the banks is in terms of the performance of employees who may either react positively or negatively to the changes introduced The Kenyan banking industry has been undergoing dramatic operational transformation in recent years. Mergers and acquisitions, increased competition, and new regulatory requirements have driven banks to rethink their retail
strategies. It has become important for banks to leverage technology to optimize sales and fulfilment processes, manage distribution channels, and streamline operations to acquire, satisfy and thereby retain customers (CBK, 2012). However, the effects of these changes on employee performance have not yet been studied empirically (Jimmieson, 2003).

Most of the research on change management takes an organizational rather than an individual perspective. Such research tends to either examine organizations’ strategic adaptation to environmental changes (Romanelli and Tushman, 1994), or processes and procedures used for implementing single changes in organizations (Quirke, 1996; Miller, Johnson and Grau., 1994). Other studies include, Fedor and Herold (2004) who carried out a study on organizational change and its impact on employee commitment and Gachoka and Wairire (2007) who carried out a study on organizational justice and the management of change on out placed employees in Kenyan state corporations. Most of the studies that attempt to explain the relationship between change management have been carried out in developed economies. Very little studies have been carried out in the emerging markets and in Kenya specifically. Since major changes were introduced in the Kenyan banking industry, no empirical study has been carried out to determine its effects on employee performance. It is therefore important to carry out a study to determine the effects of change on employee performance in the Kenyan banking industry. This is the gap the present study seeks to bridge.
1.3 Objectives of the Study

1.3.1 General Objectives

The general objective of this study was to examine the effects of operations change management on employee performance in the Kenyan banking industry.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

i. To determine the effect of change in work culture on employee performance in the Kenyan banking industry.

ii. To establish the effect of change in service orientation on employee performance in the Kenyan banking industry.

iii. To assess the effect of focus on performance targets on employee performance in the Kenyan banking industry.

iv. To establish the effect of change in technology on employee performance in the Kenyan banking industry.

1.4 Research Questions

The study aimed to answer the following research questions:

i. How does change in work culture affect employee performance in the Kenyan banking industry?

ii. How does change in service orientation affect employee performance in the Kenyan banking industry?

iii. How does focus on performance targets affect employee performance in the Kenyan banking industry?
iv. How does change in technology affects employee performance in the Kenyan banking industry?

1.5 Significance of the study
The study sought to add to the body knowledge of strategic management by focusing on the effects of change management in a developing country. Further, it sought to add knowledge on the effects of change on employee performance in the banking industry in Kenya. Commercial banks in Kenya will benefit from the study as it will help them in understanding the effects of change to their employees. This will help them identify the best strategies to introduce and manage change.

Researchers and academicians in the field of finance, economics and banking will find this study a useful guide for carrying out further studies in the area.

1.6 Scope of the Study
The study was limited to commercial banks in Embu County. The study covered the issues of organisational change and the effect of operations change on employee performance.

1.7 Limitations of the Study
There are a number of limitations that affected the outcome of the study. First, data was collected from a section of employees from a few selected commercial banks in Embu County. This limited the applicability of findings to the entire industry. The study focused on commercial banks only. Thus, the application of these results as far as effects of operations change management are concerned may be limited to commercial banks only. Any attempt to apply the results on other industries should be approached with care since the primary focus of this study is the effects of operations change management on employee performance in commercial banks in Kenya.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature on operations change in organisations and the effects on employee performance. First, theories that relate to organisational change and operations change are discussed. Secondly, empirical reviews of studies that have been carried out on organisational change management and employee performance are presented. Then a summary of the review is made where the gaps in literature to be filled by this study are identified. Lastly a conceptual framework that guides the study is presented.

2.2 Theoretical review

The process of change in an organisation causes uncertainty and anxiety among employees because it brings about an unknown future situation. Employees can be affected by different factors like individual’s life experiences, socio-demographic characteristics, knowledge and skills, attitudes, behaviours and organization’s internal and external environment as well as social factors. These factors cause employees to develop different feelings, thoughts and beliefs towards change. In this regards, change management agents are solely concerned with the issues of how to deal with the employees so that they can actively accept and participate in the change process (Goulet and Singh, 2002).

Employee’s response towards change may be either active or passive and can be critical for management during the change management process. Employee’s active role during the change management process may show positive attitudes and behaviours for the organization. This
could be as a result of employees’ commitment to the organization and career in relation to individual’s psychological and financial needs. Madsen, Miller and John, (2005) examined employees’ commitment to the organization and found positive relations. In fact, career commitment is related to an individual’s attitudes and behaviours towards his or her career. Literature reveals that if an employee is committed to his or her career, then they can exert more efforts with high level of progress and skills to work into the organization (Colarelli and Bishop, 1990).

There are different change modes that can be used by organisations that will be discussed in the theoretical review. These are: planned change model which views development as a repetitive sequence of goal formulation, implementation, evaluation and modification of an envisioned goal; Regulated change model which depicts the process of change as progressing through a prescribed sequence of stages and activities over time; conflictive change model which explains stability and change in terms of the relative balance of power between opposing entities; competitive change model which shows that change unfolds as a recurrent and probabilistic progression of variation, selection, and retention activities; and the Attraction-Selection-Attrition model which argues that individuals have diverse attitudes in the same environment (e.g., organization) which eventually leads to change (Goulet and Singh, 2002).

2.2.1 Teleological Process Theory (Planned Change)

A teleology or planned change model views development as a repetitive sequence of goal formulation, implementation, evaluation, and modification of an envisioned end state based on what was learned or intended by the people involved. This sequence emerges through
purposeful social construction among individuals within the organizational entity undergoing change. Teleological processes of planned change break down because participants do not recognize the need for change, they make erroneous decisions, or they do not reach agreement on goals or actions (Burke, Lake, & Paine, 2010).

Models of planned change assume that people initiate efforts to change when their action thresholds are triggered by significant opportunities, problems, or threats. Teleological processes often fail because only a minority of participants recognize the need for change. A satisfactory result is a function of a person’s aspiration level, which is a product of his or her past successes and failures. When there is little difference between perceptions of current situations and aspiration levels, the need for change is hardly recognized. Cognitive psychologists have shown that when exposed over time to a set of stimuli that change very gradually, individuals do not perceive the gradual changes, they unconsciously adapt to the changing conditions (Hulin & Judge, 2003).

Teleological change processes also break down when there is a lack of consensus on plans or goals among organizational participants. Socialization activities provide a way of building consensus because teambuilding, training sessions, and social gatherings, for example, facilitate frequent interactions that in turn lead to shared understandings, common norms, and cooperative attitudes (Maloney, Shah and Zellmer-Bruhn, 2010). Involvement in goal formulation also enhances consensus.
2.2.2 Life Cycle Process Theory (Regulated Change)

A life cycle model depicts the process of change as progressing through a prescribed sequence of stages and activities over time. Activities in a life cycle model are prescribed and regulated by natural, logical, or institutional routines. In most organizational applications of a life cycle model, the rules prescribing the change process are based on routines learned in the past for managing recurrent changes in efficient and effective ways (Feldman and Pentland, 2003), or they may be externally induced (Rogers, 2003). Life cycle theory is not simply a model of passive compliance to mandated change by an entity; it also considers how proactive individuals adapt to their environments and make use of rules to accomplish their purposes.

In deviating from prescribed change routines, local adaptations are typically viewed as breakdowns by those who design and mandate a change routine (Rogers, 2003). Prescriptions for change are perceived differently by planners, who design a change program, and doers, who implement it but do not participate in its development (Ford, Ford and D’Amelio, 2008). Breakdowns happen when planners are separated from doers because learning fails when events are caused and consequences are felt by different people.

Consistent with the not-invented-here syndrome, people are more likely to implement and comply with changes that they can adapt to fit their local situations (Lichtenthaler & Ernst, 2006). Cialdini (2009) synthesized an extensive number of psychological experiments indicating that people are more likely to comply with requests from others when a reason is provided for the request, reciprocity exists, an initial commitment is made, social proof exists that many similar others are complying, requests come from individuals they know and like,
requests come from a legitimate authority, or the opportunity is scarce, limited, or difficult to attain.

Finally, Piderit (2000) and Ford et al. (2008) called into question the common assumptions of resistance to change. They noted that change managers tend to dichotomize individuals' responses into those who support or resist the proposed change and to view the latter as being disobedient. Piderit (2000) and Ford et al. (2008) discussed a number of reasons why employees resist a prescribed change, including constructive intentions to correct errors that may prevent implementation. The ambivalence employees feel toward an organizational change initiative does not necessarily represent opposition as disobedience; instead, it may reflect the complexity of most organizational changes as having both positive and negative characteristics.

2.2.3 Dialectic Process Theory (Conflictive Change)

Dialectical theories explain stability and change in terms of the relative balance of power between opposing entities. Stability is produced through struggles and accommodations that maintain the status quo between oppositions. Change occurs when challengers gain sufficient power to confront and engage incumbents. Change is generated through the resolution of conflict between the current thesis and an antithesis, which results in a synthesis. Conflict is the core generating mechanism of dialectical change. Dysfunctional methods of conflict resolution tend to impede dialectical change processes and may lead to undesirable win-lose outcomes (Andrew and Kangyong, 2011).
To be a constructive force, conflict has to be resolved effectively. Studies at individual and group levels suggest that problem solving and open confrontation of conflicts are more likely to lead to expressions and debates of different opinions; this in turn facilitates the resolution of differences and conflicts (Jehn & Bendersky 2003; Peterson & Behfar, 2003). In addition, Behfar, Peterson, Mannix and Trochim (2008) found that high-performing teams explicitly discuss reasons for decisions reached and assign work to members who have the relevant task expertise rather than using other common means such as volunteering, default, or convenience. Gelfand, Leslie and Keller, (2008) found that a collaborative conflict culture can foster adaptation to change, given that there is an emphasis on active listening to others’ points of view and seeking the best solutions for all parties involved; in contrast, organizations with conflict avoidant cultures are likely to be less adaptive to change because norms against open discussion and the lack of information sharing can prevent effective solutions to disagreements, and, therefore, may impede conflictive change processes.

2.2.4 Evolutionary Process Theory (Competitive Change)

Evolutionary change unfolds as a recurrent and probabilistic progression of variation, selection, and retention activities. Variations, the creation of novel forms, are often viewed as emerging by blind or random chance. Selection occurs principally through competition among forms; customers or higher level decision makers select those forms that are best suited for the resource base of an environmental niche. Retention involves the forces and routines that perpetuate and maintain certain organizational forms (Aldrich & Ruef, 2006).
Initial applications of evolutionary theory adopted a Darwinian view of evolution at the organizational population level of analysis (Carroll & Hannan, 1989; Hannan & Freeman, 1989). Later, many organizational scholars shifted their level of analysis to the organization or units within it to apply an evolutionary theory of change that recognizes the roles of managerial choice and action. Burgelman (1991), Miner (1994), and Baum and Rao (2004) adopted a Lamarckian view of evolution, which argues that organizations learn, adapt, and acquire novel variations at different times throughout their life span. Burgelman (1991), for example, examined strategy making as an intra-organizational evolutionary process of variation, selection, and retention. He viewed variations as deriving from managers’ initiatives to compete for scarce resources, selection processes being exerted through corporate resource allocation mechanisms, and retention taking the form of corporate strategy that defines the areas in which the firm has learned it can operate successfully.

Evolutionary processes, both at the population and intra-organizational levels, are subject to two common types of breakdowns: (1) a small number of homogeneous variations and selection criteria and (2) lack of competition for scarce resources. An evolutionary model of change emphasizes the need for a heterogeneous pool of variations and competition for scarce resources (Baum & Rao, 2004).

### 2.2.5 Summary of theoretical review

The review has covered four major theories of organisational change and employee performance. These are the theory of planned change, the theory of regulated change, the theory of conflictive change and the theory of competitive change. This study will be based on the four
theories as they are all related to the operations change activities carried out by the Kenya Commercial Bank of Kenya.

2.3 **Empirical review**

Many studies have been undertaken, particularly in the United States, on the effects of change on both individuals and organisations as well as how best to manage this change (Easterlin, 2003; Kahneman & Krueger, 2006). The research shows that individuals, groups and organisations tend to perceive change as a threat to their wellbeing and existence. Individuals associate change with loss of jobs, whilst organisations see change as increased costs and risk. Individuals and organisations respond to change in ways that are not suitable and that eventually lead to counter productivity (Easterlin, 2003).

Major changes in individuals’ situations are powerful enough to produce significant changes in these individuals’ attitudes and sense of well-being (Grunberg, Moore, Greenberg and Sikora, 2008). This view has been challenged in the research literature by studies showing that people tend, in the long run, to adapt to extraordinary and even traumatic life circumstances like the death of a close relative or the onset of a severe disability and return to their “set” psychological state or their former levels of life satisfaction (Easterlin, 2003; Kahneman & Krueger, 2006). Kahneman and Krueger (2006) suggest that adaptation to highly difficult circumstances occurs as time causes a shift of attention away from the difficult situation or event (e.g., a mass layoff) as it loses its novelty and toward other, less painful situations and activities.
2.3.1 Work Culture and Employee Performance

Employees are the backbone of the industry, and are also an important resource to the organization. Therefore employee’s behaviour and culture has to be managed well in the organization. Culture carries the specific integrated values of norms, behaviour, discipline, code of conduct and empathy and, interpersonal relationship between each other, the good approach towards customers and their colleagues, help employees to handle the problem, and ensuring company norms, values (Umikeer, 1999). If employee’s behaviour and culture is good it helps them to manage turn-around time and adjust with the new task. Good employee’s behaviour and culture in essence that helps company to achieve its organizational objectives and goals (Olu, 2009).

Naik & Angadi (2011) carried out a study on the impact of employee’s behaviour and culture on organizations productivity in pharmaceutical industries of Bangalore. 100 questionnaires were distributed to the employees and among them 80 were valid. Responses were subjected to chi square test for relationship between employee’s culture and organizational productivity. 90% of the employees strongly agreed that there is a relationship between employee behaviour and culture on employee productivity and continuous performance in the organization. The study helps to ascertain employee’s behaviour and cultural effect on the productivity of the organization and helps to formulate recommendations to improve the productivity in organisations.

Secord and Beckman (1969) defined attitudes as certain regularities of an individual’s feelings, thoughts and predispositions to act toward some aspect of his environment. According to
Wilson (2001), attitudes toward change in general consist of a person’s cognitions about change, affective reactions to change, and behavioural tendency toward change. Arnold, Cooper and Robertson (1995) indicated that attitudes reflect a person’s tendency to feel, think or behave in a positive or negative manner towards the object of the attitude. Researchers have therefore, identified various employees’ responses to an organizational change ranging from strong positive attitudes to strong negative attitudes (Piderit, 2000). Therefore, change can be received with excitement and happiness or anger and fear while employees’ response to it may range from positive intentions to support the change to negative intentions to oppose it.

Organisational culture and behaviour greatly influence employee attitudes towards change. Positive attitudes to change were found to be vital in achieving organizational goals and in succeeding in change programmes (Eby et al., 2000). Although change management literature has provided practice with frameworks and methodologies to understand and manage change, the results are quite disappointing. The brutal fact, as Beer & Nohria (2000) described it, is that 70 per cent of all change initiatives fail. The number one reason why organization change initiatives fail is resistance to change (Deloitte & Touche, 1996), which is closely linked with the development of negative attitudes to change. Employee attitudes toward change can impact their morale, productivity and turnover intentions (Eby et al., 2000).

2.3.2 Service Orientation and Employee Performance

The impact of service orientation may be viewed as a roadblock that businesses must navigate in order to reduce negative effects generated from interaction with consumers. A vast majority of the attention paid to the consequences of service orientation has concentrated on its
relationship with business performance (Homburg, Hoyer and Fassnacht, 2002; Lytle and Timmerman, 2000; Di Mascio, 2010). However, relatively little academic research has focused on the role of service orientation in influencing employees and customer response. Moreover, the research is scant in addressing other possible consequences, such as the effect of service orientation on the operational level of employees (Wua, Liang, Tung and Chang, 2008). These impacts of service orientation can be applied only after the basis limitation impacts have been applied but before the operational level of employees are tested.

Studies have found that employees are genuinely proud of their roles and abilities to service customers (Bitner, Booms and Mohr 1994), partly due to their control over their jobs. Employees use a variety of discretionary tactics to manage their encounters with customers, including ignoring, avoiding, rejecting, educating, rewarding, reacting, distracting, overacting, and exerting physical control over elements of the service environment (Kotter, 2003). Therefore, in these types of situations employees may have more personal control or discretion over the type and extent of behaviour they exhibit, as well as how, when, where, and at whom the behaviour is directed. This could hold true whether or not such employee behaviour is role prescribed. For example, although providing service is a basic job requirement, employees may be able to deliberately manipulate the level of service provided; too much service may be just as detrimental as too little service, if it is not responsive to customers' desires (George and Jones, 1991).

2.3.3 Performance Targets and Employee performance

Most organisations use performance targets to influence the performance of their employees. The results these organisations obtain are not always the ones expected (Greve, 2003). There is
often disquiet about whether performance targets have the right impact on people’s behaviour and organisational performance. This issue makes managers question the true value of performance targets as a motivational technique (Greve, 2003). For this reason, it is important that the purpose and effects of performance targets are reviewed in order to address the problems that management professionals are encountering (Locke, 2004).

Advocates of goal setting argue that for goals to be successful, they should be specific and challenging. Locke and Latham, (2002, 2006) find that specific, challenging goals motivate performance far better than “do your best” exhortations. According to these findings, specific goals provide clear, unambiguous, and objective means for evaluating employee performance. Specific goals focus people’s attention; lacking a specific goal, employee attention may be dispersed across too many possible objectives (Locke and Latham, 2006). In turn, because challenging goals, or stretch goals, create a discrepancy between one’s current and expected output, they motivate greater effort and persistence (Ordonez, et al, 2009).

2.3.4 Technological change and Employee performance

Employee performance is intimately linked to technological change and technological innovation. Technological change could be effectively managed through human resource joint approach. Individuals can innovate and achieve great technological breakthrough but the complexities of modern technology require effective combination of different innovations based on different aspects of technology. Hence human resources need to work as an individual and as a team and combine their innovation for production of new technology, goods and services. Individual innovation is meaningful and workable when combined with that of others. The collective innovation is also impossible without individual innovation, hence the two are
separate, but could only work in the production process when they are combined and effectively managed to produce result, (Bridges, 2003). Managers need to provide enabling work environment that enhances collaboration and team-networking to encourage employee initiative to innovate for organisational survival and competitiveness.

Dauda & Akingbade, (2011) carried out a study on technological change and employee performance in selected manufacturing industry in Lagos state of Nigeria. They also sought to determine effective methods of using technological innovation for improved performance in the Nigerian manufacturing industry. Two hypotheses were formulated to determine the relationship between technological change and employee skill; and between technological change and employee performance. Questions based on the hypotheses were formulated and 1256 questionnaires were distributed to 30 manufacturing industry in beverages, textile, steel, cement and chemical industry in Nigeria. Findings revealed that employee performance has a significant relationship with technological change. The paper recommends that employee performance and skills should be considered in the management of technological change for profitability, competitiveness and survival of firms.

Wright, et al, (1997) carried out a longitudinal survey to examine the impact of an information technology system on the job and employee attitudes in a parts distribution centre for a Fortune 500 company. Data were collected prior to, during, and following the implementation of an automated information technology system. Results of both the within subjects (N=24) and between subjects (N=58) analyses indicated that the automated technology reduced motivational and increased mechanistic aspects of the job as well as reduced employee attitudes.
2.4 Summary of Literature

The literature review has presented the various effects of operations change on employee performance in the banking industry in Kenya. But these effects have not been empirically examined in the context of Kenya commercial Bank. This is where the present study comes in to fill the gap.
2.5 Conceptual Framework

Work Culture
- Attitude
- Employee absence
- Behaviour

Service Orientation
- Discretion
- Personalised service
- Response rate

Focus on Targets
- Goal setting
- Rewards
- Punishment

Technology
- Computer skills
- Ease of use
- System breakdowns

Employee Performance
- Proficiency
- Customer relations
- Work habits
- Attendance
- Timeliness

Independent Variables

Source: Author (2012)

Figure 1: Conceptual Framework
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology. First, a presentation of the research design is provided. This is followed by an explanation on the target population, description of research instruments, a description of data collection procedures and a description of data analysis procedures.

3.2 Research Design

The method of analysis that most captured the objectives of this study was descriptive analysis and the study design was therefore appropriately named a descriptive design. In this manner, the study was able to describe the relationship between the variables in the study. This was therefore the appropriate research design in this study. This study design is named based on the classification by method of analysis as espoused in Mugenda and Mugenda (2003).

3.3 Target Population

The target population of this study were the five main banks in Embu County according to asset base. The five banks have a total of 128 employees as shown in Table 1 below
<table>
<thead>
<tr>
<th>Section</th>
<th>Co-op Bank</th>
<th>KCB</th>
<th>Equity Bank</th>
<th>NBK</th>
<th>Barclays Bank</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Credit section</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>Cash</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Business banking</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Personal banking</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Customer service</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Micro credit</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Sales</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>24</td>
<td>32</td>
<td>20</td>
<td>24</td>
<td>128</td>
<td>100</td>
</tr>
</tbody>
</table>

### 3.4 Sample

The sample was selected from each of the sections. Stratified and purposive sampling was used to select 50% of the employees in each section from the five selected banks. The sample therefore constituted 64 employees.

<table>
<thead>
<tr>
<th>Section</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Credit Section</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Cash</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Business Banking</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Personal Banking</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Customer Service</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Micro credit</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Sales</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100</td>
</tr>
</tbody>
</table>
The sample size was considered appropriate for the study since Mugenda and Mugenda (2003) contend that a sample size should be at least 10% of the population or at least 30 respondents. Thus the sample size used here meets the criteria.

3.5 Research Instruments

A questionnaire was used for data collection. The questions were both open and closed. The closed ended questions helped capture the results that could be quantified during analysis and were based on a likert scale. The open ended questions helped in eliciting responses that were qualitatively analysed and helped capture the issues that are relevant to the study but cannot be captured by structured questions. The questionnaire is shown in Appendix 1.

3.6 Pilot Test

The researcher carried out a pilot test to pre-test and validate the questionnaire. The pilot study was carried out at the Kenya Commercial Bank Branch in Embu. The pilot study enabled the researcher to be familiar with research and its administration procedure as well as identifying items that required modification. The result helped the researcher to correct inconsistencies arising from the instruments, which ensured that they measure what is intended. The pilot test subjects were not part of the main research sample.

3.6.1 Reliability Test

According to Walliman, Nicholas (2001), reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method. The questionnaires were tested for reliability using the Cronbach reliability test where the alpha coefficients were measured. Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures.
3.6.2 Validity Test

To establish the validity of the research instruments the researcher sought opinions of experts in the field of study especially the lecturers in the department of Business and Commerce. This facilitated the necessary revision and modification of the research instrument thereby enhancing validity.

Content validity which was employed by this study is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Mugenda and Mugenda (1999) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field.

3.7 Data Collection

For purposes of this study, primary data was obtained through a questionnaire that was structured to meet the objectives of the study. The researcher sought an authorisation letter from the management of the selected banks to collect data from the study respondents. The researcher dropped the questionnaires to the respondents and collected them after a period of one week in order to allow them to go through it at their own time and respond to the questions appropriately.

3.8 Data Analysis

After collection of data and testing for reliability, the questionnaires were coded and analyzed with the aid of the Statistical Package for Social Sciences (SPSS). Then, the study used descriptive statistics and inferential statistics to establish the relationship between the variables and employee performance. The descriptive statistics here were the percentages, mean and standard deviations.
3.9 Ethical considerations

Due to sensitivity of some information collected, the researcher holds a moral obligation to treat the information with utmost propriety. Since the respondents might be reluctant to disclose some information, the researcher reassured the respondents of confidentiality of the information given.
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter is a presentation of results and findings obtained from field responses and data, broken into two parts. The first section deals with the background information of the respondents, while the other sections present findings of the analysis, based on the objectives of the study where both descriptive and inferential statistics have been employed in this analysis and discuss the issues in the best way possible.

4.2 Response Rate

From the data collected, out of the 64 questionnaires administered, 61 were filled and returned. This represents a response rate of 95.3%. This response rate is considered satisfactory to make conclusions for the study. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% rated very good. This implies that based on this assertion; the response rate in this case of 70% is good. The results are shown in Table 3.

<table>
<thead>
<tr>
<th>Questionnaires administered</th>
<th>Questionnaires filled and returned</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>64</td>
<td>61</td>
</tr>
</tbody>
</table>

Table 3: Response Rate
4.3 Pilot Test Results

To establish validity, the research instrument was given to two experts who were experienced in change management research to evaluate the relevance of each item in the instrument in relation to the objectives. The same were rated on the scale of 1 (very relevant) to 4 (not very relevant). Validity was determined by use of content validity index (CVI). CVI was obtained by adding up the items rated 3 and 4 by the experts and dividing this sum by the total number of items in the questionnaire. A CVI of 0.877 was obtained. Oso and Onen (2009), state that a validity coefficient of at least 0.70 is acceptable as a valid research hence the adoption of the research instrument as valid for this study.

The questionnaires used had likert scale items that were to be responded to. For reliability analysis Cronbach’s alpha was calculated by application of SPSS. The value of the alpha coefficient ranges from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multi-point formatted questionnaires or scales (i.e., rating scale: 1 = poor, 5 = excellent). A higher value shows a more reliable generated scale. Cooper and Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient. The pilot study involved questionnaires from ten respondents. Since, the alpha coefficients were all greater than 0.7, a conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study. These results are shown in Table 4.
Table 4: Reliability Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Culture</td>
<td>0.78</td>
<td>4</td>
</tr>
<tr>
<td>Service Orientation</td>
<td>0.85</td>
<td>4</td>
</tr>
<tr>
<td>Performance Targets</td>
<td>0.81</td>
<td>4</td>
</tr>
<tr>
<td>Technology</td>
<td>0.79</td>
<td>4</td>
</tr>
</tbody>
</table>

4.4 Gender of Respondents

The study sought to find out the gender of the respondents. This was done in order to determine the bias in responses from either gender. From the findings as indicated in Figure 1, majority (55.6 %) of the respondents were male.

![Figure 2: Gender](image-url)

- Male: 56%
- Female: 44%
4.5 Age Distribution

The study also established the age distribution of the respondents. The results shown in Figure 2 indicate that most of the respondents 56% were aged between 26-30 years while the rest 44% were aged between 31-35 years.

![Age Distribution Chart]

Figure 3: Age

4.6 Duration of Employment

The study also established the duration of employment distribution of the respondents. The results shown in Figure 3 indicate that most of the respondents 44.4% had worked in the bank for 5-7 years, another 44.4% for 2-4 years while only 11.1% had worked in the bank for less than 2 years.
4.7 Work Culture

The study sought to determine whether there were changes in work culture and whether these changes affected employee performance. The results in Table 5 show that there was change in work culture in the previous one year with a mean of 4.24 and a standard deviation of 0.457296. The results also show that change in work culture affects employee performance and this scored a mean of 4.48 and a standard deviation of 0.55541. Management rarely consults employees before they institute changes in work culture with a mean of 2.68 and a standard deviation of 0.62 and lastly, employees are rarely resistant to changes in work culture with a mean of 2.58 and a standard deviation of 0.65.
Table 5: Change in Work Culture

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There has been change in work culture in a period of the last one year</td>
<td>4.24</td>
<td>0.457296</td>
</tr>
<tr>
<td>Change in work culture affects employee performance</td>
<td>4.48</td>
<td>0.55541</td>
</tr>
<tr>
<td>Management consults employees before instituting changes in work culture</td>
<td>2.68</td>
<td>0.620065</td>
</tr>
<tr>
<td>Employees are resistant to change in work culture</td>
<td>2.58</td>
<td>0.652468</td>
</tr>
</tbody>
</table>

4.8 Service Orientation

The study sought to determine whether there were changes in service orientation and whether these changes affected employee performance. The results in Table 6 show that there was change in service orientation in the previous one year with a mean of 4.53 and a standard deviation of 0.62957. The results also show that change in service orientation affects employee performance and this scored a mean of 4.65 and a standard deviation of 0.62874. Management rarely consults employees before they institute changes in service orientation with a mean of 2.23 and a standard deviation of 0.63752 and lastly, employees are rarely resistant to changes in service orientation with a mean of 2.61 and a standard deviation of 0.63341.
Table 6: Change in Service Orientation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There has been change in service orientation in a period of the last one year</td>
<td>4.53</td>
<td>0.62957</td>
</tr>
<tr>
<td>Change in service orientation affects employee performance</td>
<td>4.65</td>
<td>0.62874</td>
</tr>
<tr>
<td>Management consults employees before instituting changes in service orientation</td>
<td>2.23</td>
<td>0.63752</td>
</tr>
<tr>
<td>Employees are resistant to change in service orientation</td>
<td>2.61</td>
<td>0.63341</td>
</tr>
</tbody>
</table>

4.9 Performance Targets

The study sought to determine whether there were changes in performance targets and whether these changes affected employee performance. The results in Table 7 show that there was change in performance targets in the previous one year with a mean of 4.55 and a standard deviation of 0.62685. The results also show that change in targets affects employee performance and this scored a mean of 4.62 and a standard deviation of 0.62457. Management rarely consults employees before they institute changes in performance targets with a mean of 2.79 and a standard deviation of 0.63174 and lastly, employees are rarely resistant to changes in performance targets with a mean of 2.87 and a standard deviation of 0.63879.
Table 7: Change in Performance Targets

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There has been change in performance targets in a period of the last one</td>
<td>4.55</td>
<td>0.62685</td>
</tr>
<tr>
<td>year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in targets affects employee performance</td>
<td>4.62</td>
<td>0.62457</td>
</tr>
<tr>
<td>Management consults employees before instituting changes in performance</td>
<td>2.79</td>
<td>0.63174</td>
</tr>
<tr>
<td>targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are resistant to change in performance targets</td>
<td>2.87</td>
<td>0.63879</td>
</tr>
</tbody>
</table>

4.10 Technology

The study sought to determine whether there were changes in technology and whether these changes affected employee performance. The results in Table 8 show that there was change in technology in the previous one year with a mean of 4.89 and a standard deviation of 0.024875. The results also show that change in technology affects employee performance and this scored a mean of 4.93 and a standard deviation of 0.023216. Management rarely consults employees before they institute changes in technology with a mean of 2.85 and a standard deviation of 0.02284 and lastly, employees are rarely resistant to changes in technology with a mean of 2.12 and a standard deviation of 0.021786.
Table 8: Change in Technology

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There has been change in technology in a period of the last one year</td>
<td>4.89</td>
<td>0.024875</td>
</tr>
<tr>
<td>Change in technology affects employee performance</td>
<td>4.93</td>
<td>0.023216</td>
</tr>
<tr>
<td>Management consults employees before instituting changes in technology</td>
<td>2.85</td>
<td>0.022874</td>
</tr>
<tr>
<td>Employees are resistant to change in technology</td>
<td>2.12</td>
<td>0.021786</td>
</tr>
</tbody>
</table>
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary, conclusions, recommendations and suggestions for further research. The main objective of this study was to examine the effects of operations change management on employee performance in the Kenyan banking industry.

5.2 Summary of Findings

The purpose of this study was to examine the effects of operations change management on employee performance in the Kenyan banking industry. It was guided by the following objectives: To determine the effect of change in work culture on employee performance in the Kenyan banking industry, to establish the effect of change in service orientation on employee performance in the Kenyan banking industry, to assess the effect of focus on performance targets on employee performance in the Kenyan banking industry and to establish the effect of change in technology on employee performance in the Kenyan banking industry. In this study, a survey research design was used. The target population was five commercial banks in Embu County. It is from these that the respondents were drawn. The researcher used stratified and purposive sampling to select 50% of the employees in each section from the five selected banks. The sample therefore constituted 64 respondents. The researcher used questionnaires for data collection. The data collected was analysed using descriptive statistics but with the help of software analysis platform, Statistical Package for Social Sciences (SPSS). The findings were presented in the form of pie charts and frequency tables which allowed for ease in
comprehension and clarity as well as making it easy to comprehend the results. The banks that were used in the study were KCB, Equity bank, Cooperative bank, National bank and Barclays bank.

5.2.1 Change in work Culture

The results show that there was change in work culture in the previous one year with a mean of 4.24 and a standard deviation of 0.457296. The results also show that change in work culture affects employee performance and this scored a mean of 4.48 and a standard deviation of 0.55541. Management rarely consults employees before they institute changes in work culture with a mean of 2.68 and a standard deviation of 0.62 and lastly, employees are rarely resistant to changes in work culture with a mean of 2.58 and a standard deviation of 0.65.

5.2.2 Change in Service Orientation

The results show that there was change in service orientation in the previous one year with a mean of 4.53 and a standard deviation of 0.62957. The results also show that change in service orientation affects employee performance and this scored a mean of 4.65 and a standard deviation of 0.62874. Management rarely consults employees before they institute changes in service orientation with a mean of 2.23 and a standard deviation of 0.63752 and lastly, employees are rarely resistant to changes in service orientation with a mean of 2.61 and a standard deviation of 0.63341.

5.2.3 Change in Performance Targets

The results show that there was change in performance targets in the previous one year with a mean of 4.55 and a standard deviation of 0.62685. The results also show that change in targets
affects employee performance and this scored a mean of 4.62 and a standard deviation of 0.62457. Management rarely consults employees before they institute changes in performance targets with a mean of 2.79 and a standard deviation of 0.63174 and lastly, employees are rarely resistant to changes in performance targets with a mean of 2.87 and a standard deviation of 0.63879.

5.2.4 Change in Technology

The results show that there was change in technology in the previous one year with a mean of 4.89 and a standard deviation of 0.024875. The results also show that change in technology affects employee performance and this scored a mean of 4.93 and a standard deviation of 0.023216. Management rarely consults employees before they institute changes in technology with a mean of 2.85 and a standard deviation of 0.02284 and lastly, employees are rarely resistant to changes in technology with a mean of 2.12 and a standard deviation of 0.021786.

5.3 Conclusions

The study found that changes in work culture affect employee performance. The study therefore concludes that a positive work culture influences the performance of employees in a positive manner.

The study found that changes in service orientation affect employee performance. The study therefore concludes that better service orientation leads to better performance of employees in the organisation.
The study found that changes in performance targets affect employee performance. The study therefore concludes that focus on performance targets influences employee performance to a certain level then the influence turns to negative if the targets are unrealistic.

The study found that changes in technology affect employee performance. The study therefore concludes that better technology leads to better performance of employees in the organisation.

5.4 Recommendations

The study recommends that the management of the bank should evaluate any operations changes before they institute them in order to ensure it affects employee performance in a positive way.

The study also recommends that the management of the bank should consult employees before they can institute any changes in order to reduce any chances of resistance to change.

Finally, the study recommends that the management of the bank should first educate employees on proposed changes before introducing them in order to ensure positive reception and avoid a negative effect on employee performance.

5.5 Suggestions for further Research

There is need to carry out a quantitative study in order to find out the effects of operations changes on the performance of employees.
REFERENCES


http://digitalcommons.ilr.cornell.edu/cahrs.wp/152

APPENDICES

Appendix 1: Questionnaire

Part 1: Introduction Letter

Dear Respondent,

I am an MBA student at the School of Business Kenyatta University I’m currently undertaking my research project entitled “Effects of operations change on employee performance in the Kenyan banking industry: A case of selected banks in Embu County”.

The attached questionnaire is for gathering data, which will be useful in the mentioned research. You have been selected as one of the respondents in this study. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein.

Please note that the information sought is purely for academic purposes and will be treated with utmost confidentiality.

I look forward to your co-operation.

Yours faithfully,

Divinah N. Nyambane
Part 2: Questionnaire

Answer these questions as truthfully as possible. There is no right or wrong answers. The responses will be kept confidential.

Section 1: General Information

1. Please indicate your gender?
   Male ( )
   Female ( )

2. What age category do you belong in?
   Below 25 years ( )
   26-30 years ( )
   31-35 years ( )
   36-40 years ( )
   41-45 years ( )
   46 or above ( )

3. Which Branch do you work in?

4. What is your designation?

5. How long have you been working in the bank?
   Less than 2 years ( )
   2-4 years ( )
   5-7 years ( )
   8-10 years ( )
   Over 10 years ( )
Section 2: Study Questions

Use the key 1-5 for all sections as outlined in the questionnaire

1) Strongly disagree 2) Moderately disagree 3) Neutral 4) Moderately agree 5) Strongly agree

Work Culture Effects

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. There has been change in work culture in a period of the last one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Change in work culture affects employee performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Management consults employees before instituting changes in work culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Employees are resistant to change in work culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. To what extent do you believe that change in work culture affects employee performance?

Very large extent ( )

Moderately large extent ( )

Am neutral ( )

Moderately low extent ( )

Very low extent ( )

11. How does your bank's work culture influence your performance?

......................................................................................................................................................................................
Changes in service orientation

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. There has been change in service orientation in a period of the last one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Change in service orientation affects employee performance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>14. Management consults employees before instituting changes in service orientation</td>
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<tr>
<td>15. Employees are resistant to change in service orientation</td>
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</tr>
</tbody>
</table>

16. To what extent do you believe that change in service orientation affects employee performance?
   - Very large extent (  )
   - Moderately large extent (  )
   - Am neutral (  )
   - Moderately low extent (  )
   - Very low extent (  )

17. How does change in service orientation affect your performance?

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54
**Focus on performance targets**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
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<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>18.</td>
<td>There has been change in performance targets in a period of the last one year</td>
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<td>19.</td>
<td>Change in performance targets affects employee performance</td>
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<td>20.</td>
<td>Management consults employees before instituting changes in performance targets</td>
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<tr>
<td>21.</td>
<td>Employees are resistant to change in performance targets</td>
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</tr>
</tbody>
</table>

22. To what extent do you believe that focus on performance targets affects employee performance?

- Very large extent ( )
- Moderately large extent ( )
- Am neutral ( )
- Moderately low extent ( )
- Very low extent ( )

23. How does change in performance targets affect your performance?

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Change in Technology

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
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<th>5</th>
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<tbody>
<tr>
<td>24.</td>
<td>There has been change in technology in a period of the last one year</td>
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<td>25.</td>
<td>Change in technology affects employee performance</td>
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<td>26.</td>
<td>Management consults employees before instituting changes in technology</td>
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<td>27.</td>
<td>Employees are resistant to change in technology</td>
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</tr>
</tbody>
</table>

8. To what extent do you believe that change in technology affects employee performance?

- Very large extent ( )
- Moderately large extent ( )
- Am neutral ( )
- Moderately low extent ( )
- Very low extent ( )

9. How does change in technology affect your performance?

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Appendix 3  Budget

The following is a budget proposal of the total amount of money to be spent:

<table>
<thead>
<tr>
<th>Item/Activity</th>
<th>Estimated Cost (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationery</td>
<td>4,000</td>
</tr>
<tr>
<td>Printing &amp; Photocopying</td>
<td>8,000</td>
</tr>
<tr>
<td>Transport</td>
<td>3,000</td>
</tr>
<tr>
<td>Binding</td>
<td>3,000</td>
</tr>
<tr>
<td>Data analysis</td>
<td>5,000</td>
</tr>
<tr>
<td>Internet</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td><strong>33,000</strong></td>
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</tbody>
</table>
Appendix 4: Work Plan

The Research is proposed to take approximately 12 weeks including the report writing.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Number of weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Data collection</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Data analysis</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Result writing</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Report writing</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Compilation and presentation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total number of weeks</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>