

**ORGANIZATIONAL CHANGE AND PERFORMANCE OF NCBA BANK IN  
MOMBASA COUNTY, KENYA**

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## DECLARATION

This is my main work and is not seconded to other institutions/universities for research purposes. Without express consent from the authors and/or Kenyatta University, no part of this project may be duplicated.

Signature.....

Date .....

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I certify that I am the designated supervisor and that this research is being done under my direction.

Signature.....

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## **DEDICATION**

I dedicate this work to my parents; Mr & Mrs. J.M Murithi, my siblings; Dennis Murithi and Macknon Murithi, and to my future generation.

## **ACKNOWLEDGEMENT**

First, I want to sincerely thank my supervisor, Dr. Lawrence Wainaina, for his passion, patience, insightful remarks, valuable information, wise counsel, and never-ending ideas, all of which have been of great assistance to me throughout the study and writing of this project. I would not have been able to complete this project without his assistance and direction. I also want to express my gratitude to Kenyatta University for accepting me into the Postgraduate program.

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## ABBREVIATIONS AND ACRONYMS

<b>CBK</b>	Central Bank of Kenya
<b>CRM</b>	customer relationship management
<b>DTMs</b>	Deposit-Taking Microfinance Institutions
<b>HPO</b>	high-performance organization
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>NIM</b>	Net Interest Margin
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>SME</b>	Small and Medium Enterprises
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TAM</b>	Technology Acceptance Model
<b>TRA</b>	Theory of Reasoned Action

## OPERATIONAL DEFINITION OF TERMS

<b>Organizational Change</b>	Changes in management structures and business processes in response to changes in the environment in which the bank operates. The changes include structural, technological, strategic, and remedial.
<b>Organizational Performance</b>	Bank's success in achieving its objectives, strategies, and operations. It is defined in terms of profitability, employee productivity, and service delivery.
<b>Remedial changes</b>	Occur when a problem is identified, and a solution needs to be implemented. It is defined by focus, adaptations, and flexibility.
<b>Strategic change</b>	A method of altering the company's goals and vision to improve performance. It is described in terms of policy changes, changes in objectives, and leadership changes.
<b>Structural changes</b>	Include the hierarchy of the organization, the chain of command, management systems, and administrative procedures. It is defined in terms of job restructuring, staff rationalization, and new teams/departments.
<b>Technological change</b>	Improvement in the efficiency of a product or process that occurs without increasing the input. It is described in terms of new technologies, training on new skills, and innovations.

## ABSTRACT

Kenya's banking sector has contributed significantly to the growth and development of the economy. However, there has been a steady decline in banks' financial results as reflected in their profit margins. As a result, the goal of this research is to see how organizational change affects NCBA performance in Mombasa County, Kenya. In particular, the study aimed to determine the effect of structural, technological, strategic, and remedial changes on organizational performance. It is based on Lewin's Change Management Model, as well as Kotter's change management theory, the idea of reasoned action, and the technology adoption model. The research design that was employed was descriptive targeting 11 branches of NCBA bank in Mombasa County. The unit of observation included managers from the following departments: human resources, marketing, finance, operations, and information technology. Given the small size of the target population, a census of all the 11 branches of NCBA bank in Mombasa County was conducted. Questionnaire was used to collect primary data. Correlation analysis was used to determine the relationship between variables. Linear regression analysis was used to determine the effect of predictors on the outcome construct. Findings were recorded using frequency tables and graphs. Results indicated that structural changes and performance of NCBA bank were positively and significantly related ( $\beta=0.231$ ,  $p=0.019$ ). Further results showed that technological changes and the performance of NCBA bank were positively and significantly related ( $\beta=0.357$ ,  $p=0.000$ ). In addition, results displayed that strategic changes and performance of NCBA bank were positively and substantially related ( $\beta=0.373$ ,  $p=0.000$ ). Further results showed that remedial changes and performance of NCBA bank were positively and substantially related ( $\beta=0.364$ ,  $p=0.000$ ). The study concluded that job restructuring, job redesign, and decentralization of duties enhanced the operations of the bank. The study concluded that the adoption of new technologies as well as digitization of operations in the organization enhanced the organization's operations and further improved the organizational performance. The study concluded that adopting appropriate mechanisms for implementing change and creating appropriate policies and procedures for dealing with change improved NCBA bank performance. Therefore, the study suggests that banks implement structural adjustments to improve their performance. Further, the banks should decentralize employee duties to boost employee productivity. The study also suggests that banks should employ new technology to improve their efficiency. Additionally, banks ought to spend more money training staff members in technical abilities that will increase productivity. The study recommends that bank managers should adopt proper strategies for implementing change as well as make their employees aware of the changes. This will make it easier to adopt the change. This study makes an important contribution to policy, research, and practice.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Organizational performance assesses how well a business achieves its goals (Arnold, 2014). Essentially, it entails comparing the efficiency, performance, correctness, completeness, cost, and speed of an operation to specified standards. Bourne, Melnyk, Faull, Franco, Kennerley, and Micheli (2015) observed that organizational performance refers to the organization's actual results, outcomes, or accomplishments as compared to its planned outcomes.

Being different is the process of change. Change may be planned and anticipated by the organization's management, or it may occur beyond the organization's control. According to Karanja (2015), change can affect an organization's strategies for accomplishing its goals as well as how those strategies are implemented, the jobs and responsibilities of the people working there, and the relationships among them. In addition, increased competition, operational costs, and innovativeness has caused most organizations to accept change since they have come to realize that if they do not accept change, they will perish.

For an organization to be successful whether public or private, it must embrace the concept of change management or face extinction. Due to the continually changing environment in which organizations operate, Yang et al. (2011) observed that organizational change entails examining and adapting management structures and business processes. Companies are affected by these developments as they strive for maximum efficiency. According to Vemeulen et al. (2012), well-intentioned organizational transformation helps to ensure the organization's long-term viability. This can lead to increased competitiveness, financial success, and customer and staff satisfaction, among other benefits.

To address the constantly changing needs of both internal and external consumers while also increasing organizational efficiency, Nyandoro (2015) claims that the change management process entails continuously updating the organization's direction, structure, and talents. Strategic changes in the creation of high-quality products and services, optimal strategy, introduction of cutting-edge technology, and availability of appropriate systems are all essential sources of competitive advantage and organizational success, according to

organizational managers. for the organization's human resource acquisition and management (Kotter, 2017).

Therefore, the failure of the organization to accept and respond to changes has an impact on the work of the organization. According to Makri and Scandura (2010), failing to respond to change can result in a loss of market share to competitors, a deterioration of shareholder support, a loss of staff, and possibly several deaths. Organizations must learn to deal with change in an increasingly turbulent and harsh competitive environment. Executives must prepare properly and find a balance between minimizing employee opposition and company costs during the change management process to maximize efforts to influence change (Makri & Scandura, 2010).

Due to their creditworthiness, Pakistan's financial institutions have contributed to global economic advancement in recent decades. Consumers are encouraged to borrow more, resulting in greater costs, while businesses are encouraged to borrow and invest more through bank loans, according to Yasir (Saeed, Ramzan, & Hamid, 2018). The banking sector, which makes up 95 percent of Pakistan's financial sector, has aided the country's favorable economic growth (Aurangzeb, 2012). Innovation, investment banking, and credit schemes are thought to play a significant role in the development of the national economy.

At the regional level, South African banks tend to be in good capital and liquidity positions, which are closely linked to their risk and conservative governance. Although the banking sector in the region is very diverse, some issues have crossed boundaries in recent years. First, the weakening of public finances in some countries puts pressure on the sector as banks have to finance budget deficits, sometimes at the expense of lending to the private sector. Second, slow economic growth has increased the number of non-performing loans in the majority of markets. Third, increasing banking supervision and regulation. Fourth, concerns about anti-money laundering and countering terrorist financing have led to a decline in international correspondence, which has limited the region's access to the international financial system. It is easier for large companies to manage credit and for small companies, the difference is especially noticeable in Lesotho, Malawi, Namibia, and Zambia. Credit constraints are weakly related to financial sector development, as countries such as Botswana, Mauritius, and South Africa have a lower proportion of firms with limited creditworthiness (European Investment Bank, 2020).

The Kenya Bankers Association (2020) report on the state of the banking sector shows that total assets continue to grow, albeit slightly; Growth of 9.2% at the end of 2019. The rise in loans to the private sector was the main driver of the expansion, while it was still much below the double-digit levels seen previous to 2017. Non-performing loans remained higher, with the percentage of gross loans still higher in the double digits. At the end of 2019, the share of non-performing loans in gross loans was 12.6%, a near-constant rate from 12.7% in 2018. This reflects the fact that the volume of non-performing loans was suppressed at a time when credit growth was being suppressed. The report also notes that bank earnings have remained broadly flat since 2018, with the growth rate increasing slightly to 5.2% in 2019 compared to 4.8% in 2018.

### **1.1.1 Organizational Performance**

A record of the outcomes of specific work functions or activities over some time is called performance (Bernardin, 2010). AL-Gharaibeh and Malkawi (2013) agree that productivity is a behavior that produces results. Implementation is the result of three key factors including knowledge of facts and so-called declarative knowledge); Knowledge of how something is done and skills to do it (procedural knowledge and ability and motivation to act, constant effort and motivation). According to Wairimu and Karanja (2016), productivity is associated with product or service quality, innovation, employee engagement, retention, customer satisfaction, and employee-management relationships, whereas market success is linked to organizational marketing skills and overall revenue growth. Overall profitability and performance are important factors to consider.

Harash, Al-Tamimi, and Al-Timimi (2014) show that there are many performance measures that business organizations rely on to assess their success. Financial and non-financial metrics are the most common types of metrics, yet they all strive to analyze the achievement of company objectives. Based on monetary measures, financial metrics or indicators describe corporate efficiency. Return on assets (ROA) return on equity (ROE), and net interest margin are examples of financial metrics (NIM). Divide annual net income by asset value to get the return on investment (ROI). The profit contribution from business equity, on the other hand, is computed by dividing net income by total equity. Another prominent statistic is the net interest margin (NIM), which is the interest on investment income. Non-financial metrics or indicators, on the other hand, are not focused on monetary performance indicators.

The most important non-financial indicators on which commercial banks work are customer satisfaction, customer reach, and bank market share. Market share is essentially a portion of the market share of the company. In other terms, market share refers to the portion of the market that a corporation control (Aguinis, 2009). The customer spectrum is defined as the organization's rising number of customers attracted and absorbed over time. The level of satisfaction a consumer has with a company's service providing is referred to as customer satisfaction. Indicators of customer satisfaction are used to assess how well a company's goods or services satisfy or surpass those of its clients (Shoaib, 2011). Profitability, staff productivity, and service delivery of a firm were used as measures of performance in this study.

### **1.1.2 Organizational Change**

According to Jamal and Saif (2011), staying successful in business requires organizational reform. Organizational transformation may also be characterized as the process of analyzing and altering the management structure and business processes because of the constantly shifting environment in which the firm operates. Achieve the company's objectives, vision, and mission while simultaneously gaining a competitive edge, this involves a more cost-effective cost structure, quicker product creation, quicker technological adoption, and aligned organizational capabilities (Abdow, 2019). Organizational change, according to Sharma (2020), is a change that has a major impact on the organization. Organizational transformation is defined as significant changes in staffing, company goals, service offerings, and operations. Strategic transformative change, human-centered organizational change, structural change, and corrective change are the four forms of organizational change identified by Sharma (2020). Osunsan et al. (2019) also identified three types of change; structural changes, strategic changes, and technological changes. This study will focus on structural changes, strategic changes, remedial changes, and technological changes.

Internal and external causes in the organization might cause structural changes in the corporation. As a result, effective change management necessitates the capacity to detect what drives organizational structural changes. Structure modifications include organizational hierarchies, the chain of command, management systems, and administrative procedures. Mergers and acquisitions, market changes, duplication, and regulation changes, on the other hand, necessitate structural modifications (Lozano, Zahlt & Ceulemans, 2016). Furthermore,



the capacity to anticipate probable signals of organizational change aids management in better preparing for change and implementing policies that aid the company's growth (Lin & Liu, 2012). Structural change is defined in terms of job restructuring, staff rationalization, and new teams/departments.

A method of changing a company's goals and vision to improve performance is known as strategic change. Through a procedure called strategic transition, a company's strategy's content in terms of competitive advantage, scope, resource usage, and synergy may change (Naghibi & Hediye, 2011). According to Nichols (2016), strategic shifts involve changes in the overall goals, objectives, strategies, or missions of the organization. According to Goksoy, Ozsoy, and Vayvay (2012), this type of shift can put considerable demands on a company, forcing it to reevaluate its core approach to business and destabilizing it. Changes in the product or service offered, the target customer group or market it plans to reach, the company's position in the global economy and the manufacturers, distributors, and other logistics partners with whom it will interact are all instances of strategic shifts. Strategic change is measured in terms of policy changes, leadership changes, and incremental change.

Technological transformation, according to Osunsan et al. (2019), is defined as a rise in the efficiency of a product or process that leads to higher production without an increase in investment. Almost every company in today's world uses technology at every level of its operations. A company's technological requirements are its requirements for adaptation and change in response to business needs and industrial progress. Beyond ordinary office information and communication technologies, corporations use information systems, specialized software, or technological equipment to increase operational efficiency (Heeks, 2015). Technological change is described in terms of new technologies, training on new skills, and innovations.

Remedial changes occur as a result of a reaction. This type of modification occurs when a problem is discovered and a solution must be implemented. They expect action right away because this change is supposed to fix the problem. Even though reactionary change is undesirable, it is inescapable. The advantage of corrective adjustment is that it allows for quick and easy evaluation of success. Examples of corrective changes include: managing talent loss, managing customer communication problems, and providing more training for

new employees (Sharma, 2020). Remedial change is defined by focus, adaptation, and flexibility.

### **1.1.3 Commercial Banks in Kenya**

The Companies Act, Banking Act, Central Bank of Kenya Act, as well as various regulatory directives issued by the Central Bank of Kenya, all govern the banking sector in Kenya. The CBC, which answers to the Ministry of Finance, is in charge of developing and carrying out the monetary policy as well as assisting liquidity, solvency, and the efficient financial system functioning. As not-for-profit institutions, commercial banks tend to use various performance improvement strategies to attract and retain more customers. The recent shift in economic, political, and social change has forced Kenyan commercial banks to focus on change management to meet their objectives. CRM, reorganization, mergers and acquisitions, regulations, policy reforms, business process restructuring, and the development of alternative distribution channels such as e-banking, as well as new roles, new jobs, management practices, corporate identity, and cultural change, have all been implemented by commercial banks (Wambui, 2014).

Kenya's banking system includes 44 banks (43 commercial banks and 1 mortgage financing company), two foreign bank representative offices, five Microfinance Institutions for Deposits (DTM), and 126 bureaus of change. Thirty-one banking institutions are locally owned, and thirteen are foreign-owned. In this study, NCBA is the only bank examined. A commercial bank in Kenya is called NCBA Bank Kenya Plc. In September 2019, the Commercial Bank of Africa and the National Industrial Credit Bank will combine. In Kenya, the Commercial Bank of Africa has 34 branches, with additional branches in Tanzania, Uganda, and Rwanda. The National Industrial Credit Bank has 42 locations in Kenya, as well as Tanzania, and Uganda. This study will focus on NCBA Bank Kenya Plc branches in Mombasa County.

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

The banking segment in Kenya has made a substantial contribution to the country's economic growth and development. However, there has been a steady decline in banks' financial results as reflected in their profit margins. Commercial banks' profit margins stood at 21.99 percent in 2012, a drop from 23.10 percent in 2011. Profit margins also declined from 20.94 percent

in 2013 to 20.88 percent in 2014 and further declined to 17.39 percent in 2015. The situation was worsened by the introduction of interest rate capping in 2016, where commercial banks recorded a 2.3 percent profit margin (CBK, 2016). Before the merger, NIC and CBA reported a ROA of 3.1 and 3.4 percent respectively. After the merger, which happened on October 2019, NCBA reported a ROA of 2 percent as of December 2019. Further, the bank reported a ROA of 1.4 percent in December 2020, which is an indication of a decline in NCBA profitability following the merger. The drop in profitability indicates that there is a crisis in the banking business, particularly at NCBA (CBK, 2020).

In situations where organizations operate when changes in technology, markets, information systems, the global economy, social values, workforce demographics, and political climate occur, change management is widely used. Organizations are compelled to develop practices to manage strategic changes such as mergers and acquisitions, adjusting to new technology, restructuring, and a focus on downsizing to remain competitive in the long run. This helps them to achieve better performance (Murimi, 2020).

Organizational change and its effectiveness have been studied in the past. The performance of the Kenyan Commercial Bank Group's strategic change management approaches is examined by Wambui (2014). The results of this research suggest that strategic change management approaches and bank performance are linked. This study, on the other hand, concentrates on the Kenya Commercial Bank Group, whereas the current study concentrated on NCBA Bank. Nyandoro (2015) investigates Kenyan commercial banks' change management approaches and performance. Corporate governance, strategic planning, dedicated leadership, and stakeholder communication all have an impact on commercial bank performance. The study, however, had a different focus from the current one. The impact of organizational reform on the operation of the Kenyan judiciary is examined by Gitia (2018). According to the findings, the organizational transformation had a good and considerable impact on the Kenyan judiciary's operations. The research focused on the judiciary and not commercial banking. The purpose of this study was to investigate how organizational change affects NCBA performance in Mombasa County, Kenya.

### **1.3 General Objective**

To examine the effect of organizational changes on the performance of NCBA Bank in Mombasa County, Kenya.

#### **1.3.1 Specific Objectives**

- i. Determine the effect of structural changes on the performance of the NCBA Bank in Mombasa County
- ii. Assess the effect of technological changes on the performance of the NCBA Bank in Mombasa County
- iii. Analyse the effect of strategic changes on the performance of the NCBA bank in Mombasa County
- iv. Establish the effect of remedial changes on the performance of the NCBA in Mombasa County

#### **1.4 Research Questions**

- i. How is the structural change affecting the performance of NCBA Bank in Mombasa ?
- ii. What is the impact of technological change on the performance of NCBA Bank in Mombasa?
- iii. What is the effect of strategic change on the performance of NCBA Bank in Mombasa?
- iv. What is the impact of remedial change on the performance of the NCBA in Mombasa?

#### **1.5 Significance of the Study**

The survey results will be useful to Kenyan commercial banks, other organizations, lawmakers in the banking and financial services sector, and scholarships. Commercial bank

management will be able to make policies about change management to improve the performance of commercial banks.

Regulatory authorities like the Central Bank of Kenya might find this research relevant as the findings of this study may inform policy settings especially in promoting organizational change for improved performance in commercial banks. In addition, the regulatory authority in the commercial banks will use this study in designing the regulatory framework that will help the service industries to have organizational change that will boost their performance.

This research will be useful for scientists and academics. Students and researchers will be interested in conducting future research in this area as this research will provide a comprehensive literature review on the impact of organizational change on NCBA work in Mombasa County, Kenya.

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

This study examined the influence of organizational changes on the performance of NCBA Bank in Mombasa, Kenya. NCBA Bank has 11 branches in Mombasa County. This research specifically focused on four organizational change components: structural change, technological change, strategic change, and remedial change. The target group was 11 branches in the Mombasa area. This study was conducted in 2021. The specific respondents were all the managers working in the 11 branches in Mombasa.

### **1.7 Limitation of the Study**

Several obstacles arose through the research. Thus, it was difficult to access respondents who were NCBA managers. To reach potential respondents, the researcher sought permission from the NCBA leadership to receive a cover letter and the necessary permission to collect data. The conservative attitude of some banks and their employee confidentiality obligations regarding disclosure have made data collection difficult. Furthermore, given the information requested in the survey, assessing the objectivity of respondents' responses to research tools was problematic. This constraint was circumvented by gaining formal authorization from the bank to conduct the survey and ensuring respondents that their data was kept confidential and used solely for academic reasons.

## **1.8 Organization of the Study**

The study's history, problem description, aims, significance, scope, and limitations were all explored in chapter one. Chapter two examines literature with a theoretical and empirical focus. The procedures used for this research are described in the third chapter. Data analysis is covered in chapter four, and a summary of the findings, recommendations, and conclusions are outlined in chapter five.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The appropriate literature was discussed in this section in terms of theoretical overview, empirical literature, and a conceptual structure.

#### **2.2 Theoretical Review**

A good theoretical background goes a long way in informing various studies and their variables by providing testable hypotheses for the studies. A good theory needs to present the principles that are arguably able to provide a theoretical link that can be tested and validated practically. Therefore, the current study was grounded on Lewin's Change Management Model, Kotter's change management theory, Theory of Reasoned Action, and the Technology Acceptance Model as discussed below:

##### **2.2.1 Lewin's Change Management Model**

The theory was introduced by Kurt Lewin (1947) and stipulates that the concept of change management is based on three main steps: Unfreeze, change and then refreeze. The model has faced developments to being referred to as Lewin's three-step model (Hendry, 1996; Elrod & Tippett, 2002; Morgeson, Aguinis & Ashford, 2017). Before the implementation of change, the freezing stage has to be initiated since naturally, individuals will resist change. Therefore, there is a need to raise awareness about how the current status quo or level of acceptance is in some ways constraining the organization. Therefore, the old ways of working, processes, culture, and organizational structures have been carefully examined to give employees a clear picture of why it is necessary to change the current situation (Morgeson, Aguinis & Ashford, 2017). Change is then, implemented since the entire family is aware of the need to progress. This phase of change, also called transition, is characterized by the implementation of the change. This is when the mechanics are put in place and the rubber meets the road and the employees are taught new processes, new technological innovations among others. Training,

coaching, education, communication, support, and time play a pivotal role here and patience is likewise exercised (Cummings, Bridgman & Brown, 2016).

The last step is then re-frozen, symbolizing the act of re-freezing, re-freezing, and re-freezing a new state after the transformation. If authorized, modifications to organizational policies, objectives, structures, proposals, or personnel are re-frozen as the new state of affairs. It's critical to connect notes to the stage you've reached to avoid going back to old habits (Burnes, 2020). It is important to link notes to the stage reached and to prevent a return to the old ways (Burnes, 2020).

Therefore, this theory best informs the goal of the influence of remedial change on firm performance. Remedial change characterizes the planned process to remedy current situations of the firm such as to increase efficiency or reduce burnout. Likewise, it is more focused, urgent, and visible because it addresses current major problems. Therefore, the theory found a clear and applicable connection to inform how the 3 steps of the Lewin Model affect the management view to improve the status quo of NCBA in Mombasa County.

### **2.2.2 Kotter's change management theory**

Kotter (1996) proposed the theory, which provides an eight-step method for bringing about big change and is currently one of the most extensively used change management models. Strategic initiatives, according to Cotter, are concentrated and coordinated activities that, if conceived and done swiftly and well enough, can help you realize your vision. This initiative is characterized by communicative, aspirational, creative, pictorial, flexible, achievable, imaginary, and simple characteristics (Pollack & Pollack, 2015).

Assembling a governing coalition, defining a vision and plan, articulating the goal for change, enabling wide change, producing short-term profits, concentrating profits and enacting greater change, and establishing innovative cultural paradigms are among the steps listed by Kotter (Kotter, 1996). Large-scale change can only occur when many employees gather around the same opportunities and move in the same direction (Pfeifer, Schmitt & Voigt, 2005). By removing barriers like inefficient processes and age-old norms, leaders give employees the freedom they need to work across boundaries and make a real impact. Wins are the main factors that influence results and must be gathered, organized, and presented (early, frequently, and clearly) to monitor progress and spur the desire for change. To ensure



that a new behavior is repeated over time, leaders need to define and communicate the relationship between that behavior and organizational success (Rajan & Ganesan, 2017).

It should be noted that several ways in which processes are labeled, such as heavy emphasis on leadership (Pillay et al., 2012) and a top-down view of change (Choi et al., 2011). Cotter's approach is also described as focusing on organizational culture and a typical pattern of change in the private sector. Therefore, this theory can be applied in the current context as it informs leadership positions in directing and directing the change process. In this way, it supports the relationship between strategic change and organizational output.

### **2.2.3 Theory of Reasoned Action**

Ajzen and Fishbein (1980) created the theory of reasoned action, which hypothesizes a connection between attitude and behavior. The theory has been extended and modified by other social behavioural theories such as the Technology acceptance model (Davis, 1986) and the Theory of planned behaviour (Ajzen, 1991). The theory is premised on the three principles: behavioural intentions, attitude as well as subjective norms of an individual which influence their behavioural intentions and then predict the actual enactment of the observable behavioural response (Yzer, 2013). People with positive attitudes toward behavior, perception of desirable personal norms, and more behavioral control are more likely to have a stronger intention to engage in behavior. And vice versa (Ajzen, 1991).

According to Pikkarainen et al. (2004), the theory assumes that people behave rationally and systematically collect and analyze information. It was also found that based on this rational decision-making, people will assess the risk of the action and decide on the next step (Hale, Householder, & Greene, 2002). Subjective norms are also under the influence of beliefs, therefore, an individual's beliefs about other individuals' expectations and the motivation to fulfill them are based on his/her subjective norms. In the context of change, TRA states the individual will evaluate the change and this will be based on their behavioural intentions, attitude as well as subjective norms towards the kind of change being enforced or put forward. Organizational change implementation should be viewed as a crucial leadership role (Negin & Yazdanifard, 2015). Therefore, the theory revolves around the ability of managers to assess the behavioural intentions, attitudes, and norms of the staff and thus, be able to guide them through the process of change. From this vantage point, its transformative quality

is crucial in influencing group behavior and interpersonal interactions to achieve desired outcomes (Harb & Sidani, 2019).

The current postulated link to analyse the impact of structural change on the success of NCBA bank in Mombasa County, Kenya is best informed by the theory. It is from the tenets of TRA (behavioural intentions, attitude, and subjective norms) that the study found roots to inform the leadership, structural or managerial role in effecting, directing, and ensuring change is successfully implemented.

#### **2.2.4 Technology Acceptance Model (TAM)**

The TAM was introduced by Fred Davis to explain the concepts behind users' acceptance of current technological developments (Davis, 1986). The theory has based on the weaknesses of TRA to explain the relationship between user behavioural intentions, attitudes & subjective norms, and digitization (Fishbein & Ajzen, 1975). Since then, the hypothesis has expanded to account for numerous elements of technological occurrences. The technology acceptance model (Maranguni & Grani, 2015) has become the most widely used approach for examining the elements that influence customer acceptance of technology. Therefore, the theory provides two principles that encourage consumer acceptance of changes in technological developments (perception of usability and perceived ease of use of technology itself). According to Davis' thesis, one's attitude toward technology assimilation and use influence one's behavioral intention to use a system, which influences actual system use (Venkatesh & Davis, 2000).

The model applies to this study because it reinforces the TRA by setting the groundwork for consumer acceptance of technological innovations such as digital money transfers, online payments, automated production systems, social media communication, and digital marketing, to name a few. Given the importance of technological milestones in the financial sector, this model best informs and advises bank managers and employees to embrace the technological wave since it has been theoretically and empirically acknowledged to reduce the cost of operation, improve financial inclusion, and therefore, enhance success.

## **2.3 Empirical Review**

An empirical review is any study in which the results of a study are accurately derived from objective, and therefore verifiable, empirical evidence. They are based on literature that is experimental, analytical, or observation where proven evidence is key. Such research is often conducted to answer a specific question or to test a hypothesis (Nakano & Muniz Jr, 2018).

### **2.3.1 Structural Change and Performance**

Jumane and Njoroge (2018) looked into how the Parliamentary Service Committee's structural change management affected staff performance. A target population of 914 employees was chosen utilizing stratified and simple random selection approaches for this study, which followed a descriptive research strategy. Structured change management had a considerable favorable impact on staff performance at Panwaslu, according to the questionnaire and interview guidelines. However, this study focuses on organizational change in the NCBA's activity, whereas the current study focuses on the Parliamentary Service Committee and so offers a contextual gap.

Kim and Rhee (2017) examined the impact of structural and behavioral ancestry on changes in the performance of the feature film industry in the United States between 1986 and 2006. This study underlines the significance of progressively investigating structural and behavioral ancestry ties to comprehend when and how social actors make change decisions. must possess the flexibility to succeed in a dynamic environment. The study, however, targeted the U.S. feature film industry, and thus the findings present little generalizability to NCBA bank in Kenya.

Gitia (2018) employed a descriptive survey research approach to investigate the impact of organizational change on the Kenyan judiciary's performance. The study relied on primary data acquired through questionnaires and targeted 260 respondents. The study established that through organizational structural change, cultural change, and changes in communication channels, among others, organizational change influenced the performance of the Kenyan Judiciary. This study used a descriptive research methodology to fill the methodological gap, whereas the current study uses an explanatory research strategy.

Habyarimana and de Waal (2020) examined the impact of the Rwandan bank's organizational restructuring process on its effectiveness. Attached is a High-Performance Organization (HPO) diagnosis, which includes a questionnaire and interviews with senior management of the bank. The results show that efforts to restructure banks in Rwanda have not resulted in better organizational outcomes. Therefore, implementing structural changes does not automatically lead to higher organizational efficiency. The study was only concentrated on the case of Rwanda bank and thus the findings cannot be representative enough of the case of NCBA bank in Mombasa County.

At the Busia District Referral Hospital, Anyango and Chrispen (2019) investigated the impact of structural modifications on organizational performance. By employing a descriptive research methodology and a structured questionnaire to gather primary data from 112 employees at the Busia District Referral Hospital, this study concludes that structural changes at the hospital have a major impact on organizational performance. Therefore, the implementation of change programs leads to job restructuring at the workplace. Introduction in change programs likewise, leads to change in organization structure in Busia County. The results also revealed that restructuring and redesigning of jobs in change programs influenced organizational performance. The results were useful, but the study used a descriptive study design that was inadequate for determining the relationship between the variables. This research will use an explanatory research design.

### **2.3.2 Technological Change and Performance**

Mutie (2018) investigates the impact of technological innovation on the performance of Kenyan government entities. A cross-sectional descriptive design was used in this investigation. A questionnaire was used to obtain primary data. A substantial favorable association between digital tools and services and government agency organizational performance was also discovered in this study. It was also demonstrated that innovations based on information technology had a favorable and significant association with the operational effectiveness of governmental organizations. Finally, cross-sectoral process integration has a favorable and considerable impact on Kenyan government agencies' organizational performance. However, this study has a background gap as it focuses on government agencies in Kenya while little attention was paid to the NCBA Bank in Mombasa County.

The performance of large and mid-sized hotels in Kenya was the subject of an investigation by Joyce and Kiprono (2017). This study follows an explanatory research design, with 1,769 employees forming the target population of 5 five-star hotels. The sample included 225 employees who were surveyed, and the findings revealed that technological development had a major impact on firm performance. This means that changes in technology and leadership allow the company to improve its performance. This study only focuses on large and medium-sized hotels in Nairobi County. By projecting the findings to the NCBA bank in Mombasa County, the current study aims to fill the gap.

Through absorption capacity, organizational innovation, and internal work flexibility, Garca-Sánchez, Garca-Morales, and Martn-Roja (2018) look at the impact of technological changes in assets on organizational productivity. A quantitative survey was done based on information gathered from 160 European technology companies through face-to-face interviews and a standardized questionnaire. The study's findings show that a favorable impact on the prospective acceptance and realization process encourages organizational performance improvement by enhancing technology abilities and competency of technological wisdom. The realized absorption capacity is influenced by the potential absorption capacity, which influences not just internal work flexibility, but also organizational creativity and efficiency. Furthermore, organizational productivity is influenced by internal work flexibility as a result of organizational innovation. The study, however, only based its findings on the sample of 160 European technology companies, thus, presenting a contextual gap.

Durowoju (2017) investigated how technology advancements in Lagos affect the performance of small and medium-sized enterprises. A descriptive survey of 153 respondents was performed with all of them being managers or owners of SMEs in the Lagos metropolitan region. This study finds that the performance of SMEs in Lagos is positively and statistically significantly impacted by technological innovation. Human resources, culture, and creativity must all be valued and rewarded to successfully manage change through technology. SME performance will improve in the short and long term as a result of this. It also minimizes unneeded employee resistance to reforms as a result of workplace deviant conduct. The target of Medium Enterprises performance in Lagos State provides insight into the relationship under investigation; however, SMEs present unique findings that cannot be contextualized to NCBA bank in Mombasa County.

Adeniji, Adeyeye, Iyiola, Olokundun, Borishade, Falola, and Salau (2018) investigated the effects of technology change on employee cognitive attitudes and organizational performance using a descriptive research methodology. The results indicated that technical developments had a good and considerable impact on the performance of the chosen industrial businesses. The impact of technology change on employees' cognitive attitudes and performance in a sample of manufacturing organizations is particularly beneficial, highlighting the importance of technological development for productivity. However, this study has a methodological omission because it adopts a descriptive research design.

### **2.3.3 Strategic Change and Performance**

Murimi (2020) investigated the success of banks in Kenya and the effects of strategic change management approaches. According to the report, the bank has implemented strategic technological practices such as the methodical integration of both banks into the unified NCBA banking system to secure long-term operations. Moreover, the results show that the training culture consists of using the strengths of the employees of both banks for jobs, services, and acceptance of new brands in the market. Likewise, communication is an important factor between management and employees to ensure horizontal and vertical unity. As a result, strategic change management strategies have been discovered to have a favorable impact on organizational performance. However, by relying solely on interview instructions, the study exposes a methodological flaw. Interviews have the drawback of delivering skewed results. The current study aimed to close the gap by establishing objectivity using questionnaires.

Mutisya (2016) looked into the link between strategic shifts and organizational performance in Kenyan marine firms. The study employed a cross-sectional approach to target 38 registered shipping companies. Planned changes, developmental changes, incremental changes, and transformative changes are the four types of strategic changes in shipping businesses, according to the study, and there is a connection between organizational performance and strategic change. This shows that there is a statistically proven link between successful organizational change and strategic change. However, the study only focused on the case study of shipping firms in Kenya with little focus on the banking sector specifically the NCBA bank in Mombasa County.

Mngoda (2019) established the impact of strategic change on firm performance. To obtain primary data, the survey used a descriptive survey approach, which included questionnaires and interview plans. Data analysis and interpretation were based on descriptive statistics and statistical inference, especially multilinear regression and factor analysis. The results show that managing strategic change in organizations is statistically significant in predicting organizational effectiveness only when leadership supports them, stakeholders are involved, and only when senior management is committed to change. Therefore, strategic change management explains any differences in the performance of many organizations. However, the study only focused on the case of Nzoia Sugar Company in Kenya. The findings, however, have little focus on the banking sector specifically the NCBA bank in Mombasa County.

Hussein (2018) looks into how Telkom Kenya Limited's performance is affected by strategic change management techniques. According to a descriptive survey of 3 executives, 9 middle-level employees, and 30 lower-level employees with a 20% representation, strategic alliances have a significant impact on organizational effectiveness (out of 207 employees in the company). According to the report, strategic relationships are a crucial factor in organizational effectiveness. Furthermore, the findings show that reengineering products and services have a considerable impact on organizational effectiveness. This demonstrates that product/service reengineering and organizational training culture have a major impact on productivity.

#### **2.3.4 Remedial Change and Performance**

Ebongkeng (2018) sought to evaluate the impact of organizational change in a bid to remedy the performance of microfinance institutions SOFINA. A questionnaire for collecting information on the effect of change in performance treatment has been used because the results show that organizational changes affect employees and customers of Sofia. It concluded that the situation in financial institutions is essential with the effect of change in the organization and promoting the valuable value of colleagues and maximizing profits. However, the study presented a conceptual gap in that the study did not operationalize the aspect of remedial change.

Flvik, Knardahl, and Christensen (2019) tried to explain how different types of organizational transformation affect the psychological work environment. The study showed that all 11 factors had a statistically significant relationship with restructuring organizational change, corrective change, downsizing, and partial closure. This implies that organizations have to include the aspect of remedy to alleviate the situation of poor or stagnating performance. The findings, however, present the elements of a conceptual gap since the study did not clearly and quantitatively operationalize the variables to show how remedial change affects performance.

Kimhi and Oliel (2019) explored the relationship between change management and organizational performance in certain manufacturing companies in Anambra, Nigeria, using a descriptive study methodology and primary data from 286 persons. The research showed that change management techniques significantly improved organizational performance in Anambra manufacturing companies. The ability of leaders and managers in Anambra's industrial organizations to adapt to change has a favorable impact on organizational performance. As a result, it's been discovered that change management improves organizational effectiveness significantly. The focus of the study on Nigerian manufacturing companies presents a mismatch in the generalizability of the findings to financial institutions; therefore, the study presents a contextual gap. This study also considered the existence of a methodological gap in the form of a descriptive survey, which was considered insufficient to explain the relationship between variables.

Kuipers and Procter (2018) sought to understand teams' performance in organizational change. This research takes a quantitative approach to examine the process of creating and maintaining a proactive, flexible, adaptable, corrective, and flexible organization. Teams need to manage their performance effectively. Analysis of data from a questionnaire distributed to senior management in 134 companies in Germany revealed that an organization's ability to change is positively related to the implementation of its change project. Higher turbulence weakens the drive for change, which requires proactivity, flexibility, adjustment, treatment, and flexibility. However, this study largely drew on a case study of 134 companies in Germany and created a gap.



## 2.4 Summary of Research Gaps

The previous section's assessment of research offered literature and key evidence on the impact of organizational transformation on the performance of various firms in many sectors. This was attributed to the main four types of organizational change, that is structural change, technological change, strategic change as well as remedial change. However, the study noted that there are very few studies that have focused on the case of NCBA Bank in Mombasa, Kenya. To close the underlying gap, this served as the foundation for the current investigation.

**Table 2.1: Summary of Literature Review and Research Gaps**

Author & Year	Focus of the Study	Research Gap	Focus of this Study
Jumanne and Njoroge (2018)	The impact of structural change management on the Parliamentary Service Commission's employee performance	The study targeted the Parliamentary Service Commission thus presenting a contextual gap	This research focused on the NCBA bank in Mombasa County
Kim and Rhee (2017)	Impact of structural and behavioral precursors of change on US feature film industry performance between 1986 and 2006	The study, however, targeted the U.S. feature film industry, and thus the findings present little generalizability to NCBA bank	This research concentrated on the NCBA bank in Mombasa County
Gitia, (2018)	The impact of organizational changes on the Kenyan judiciary's performance	This research had a methodological gap in using a descriptive study design	This study used explanatory research design
Habyarimana and de Waal (2020)	The effects of the organizational restructuring process of Rwanda bank on its effectiveness	The study was only concentrated on the case of Rwanda bank and thus the findings cannot be representative enough of the case of NCBA bank in Mombasa County.	The current study focused on the NCBA bank in Mombasa County
Anyango and Chrispen (2019)	The impact of structural changes on organizational performance at a Busia County referral hospital	The findings were valuable, however, the study relied on a descriptive research approach that was insufficient for determining the variables' relationships.	This study used explanatory research design

Mutie (2018)	The impact of technological developments on governmental entities' oversight performance in Kenya	The study however, presents a contextual gap since the focus is on government agencies in Kenya while little emphasis has been addressed on the case of NCBA bank in Mombasa County.	This current study focused on the NCBA bank in Mombasa County
Kiprono, Joyce, and Michael (2017)	The influence of strategic change management on Nairobi's major and medium-sized hotels' performance	The study only focused on Nairobi's major and medium-sized hotels.	This study focused on the NCBA bank in Mombasa County
García-Sánchez, García-Morales and Martín-Roja (2018)	The impact of technological change in assets on organizational performance.	The study focused on European technology companies	This study focused on the NCBA bank in Mombasa County
Durowoju (2017)	The impact of technological development on the success of Lagos State's small and medium-sized businesses.	The target of Medium Enterprises performance in Lagos State provides insight into the relationship under investigation, however, SMEs present unique findings that cannot be contextualized to NCBA bank in Mombasa County.	This study focused on the NCBA bank in Mombasa County
Adeniji, Adeyeye, Iyiola, Olokundun, Borishade, Falola and Salau (2018)	The effects of technology transformation on employee cognition and organizational effectiveness	The study however, presented a methodological gap since it adopted a descriptive survey design.	This study used explanatory research design
Murimi (2020)	Investigated the success of banks in Kenya and the effects of strategic change management approaches.	However, the study presents a methodological gap by using only interview guides. Interviews have the disadvantage of presenting biased responses.	This study focused on the NCBA bank in Mombasa County
Mutisya (2016)	Looked into the link between strategic shifts and organizational performance in Kenyan marine firms.	However, the study only focused on the case study of shipping firms in Kenya with little focus on the banking sector specifically the NCBA bank in Mombasa County.	This study focused on the NCBA bank in Mombasa County
Mngoda (2019)	Impact of strategic change on firm performance	However, the study only focused on the case of Nzoia Sugar Company in Kenya. The findings, however, have little focus on the banking sector specifically the NCBA	This study focused on the NCBA bank in Mombasa County

		bank in Mombasa County.	
Hussein (2018)	Looks into how Telkom Kenya Limited's performance is affected by strategic change management techniques	The study adopted a descriptive research design	This study used explanatory research design
Ebongkeng (2018)	The impact of organizational change in a bid to remedy the performance of micro finance institutions SOFINA	However, the study presents a conceptual gap in that the study did not operationalize the aspect of remedial change.	This study focused on how structural change, technological change, strategic change, and remedial change influence the performance of NCBA bank in Mombasa County
Fløvik, Knardahl and Christensen (2019)	The impact of various organizational changes on the psychological and social climate at work	The findings, however, present the elements of a conceptual gap since the study did not clearly and quantitatively operationalize the variables to show how remedial change affects performance. As a result, by deliberately engaging the variable toward organizational transformation.	This study focused on how structural change, technological change, strategic change, and remedial change influence the performance of NCBA bank in Mombasa County
Kimhi and Oliel (2019)	The relationship between change management and organizational performance in certain manufacturing companies in Anambra, Nigeria	The study indicated a methodological gap since it adopted a descriptive survey study that is considered inadequate in explaining the connection between variables.	This study used explanatory research design
Kuipers and Procter (2018)	To understand teams' performance regarding organizational change	However, the study largely concludes the case of 134 firms in Germany thereby indicating a contextual gap.	The current study focused on the NCBA bank in Mombasa County

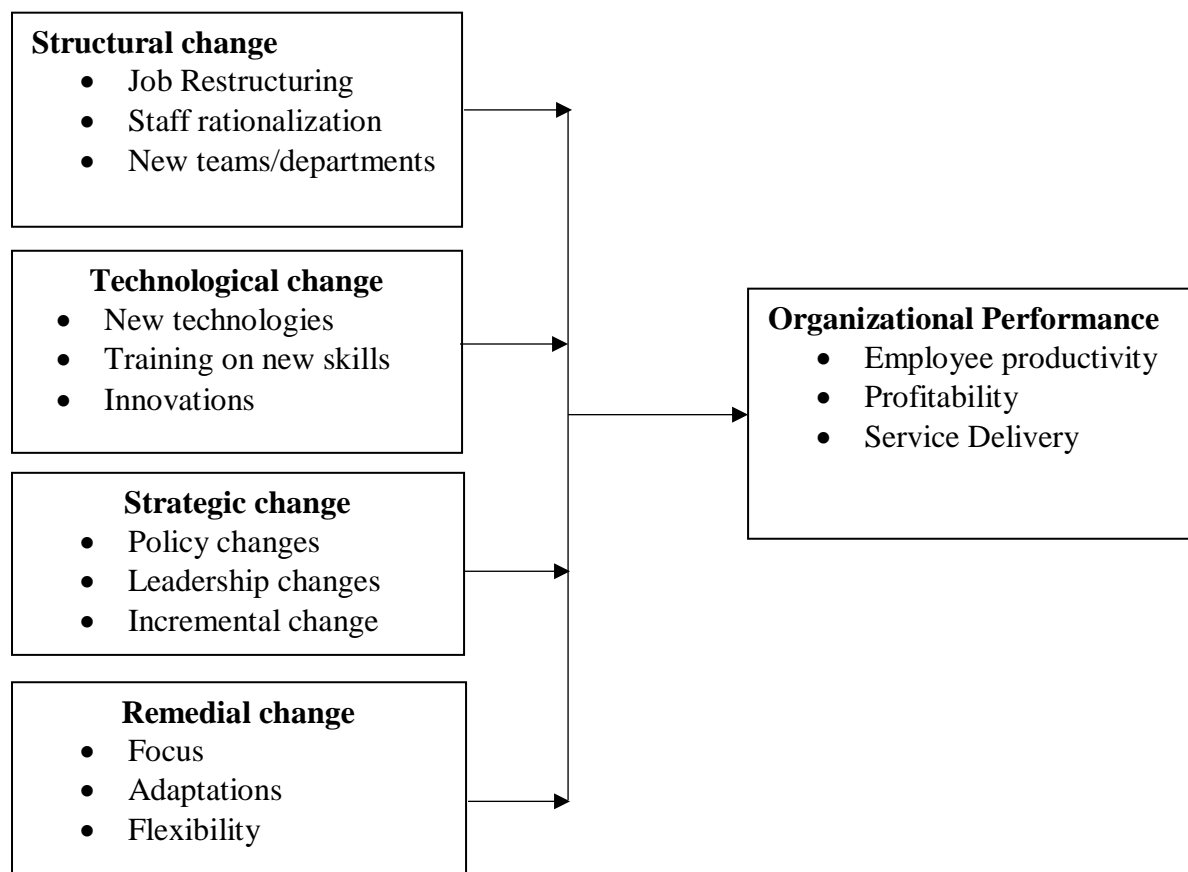
Source: Researcher (2021)

## 2.5 Conceptual Framework

The framework illustrates what the study expects to find through and maps out the conceptualized relationship between the variables of the study (Potschin-Young et al., 2018). Figure 2.1 indicated the anticipated link between structural change, technological change, strategic change, remedial change, and organizational performance.

**Independent Variables**

**Dependent Variable**



**Figure 2.1: Conceptual Framework**

Source: Researcher (2021)

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The methods that were used in the current investigation were outlined in this section. Key approaches included the target population, data gathering method, and data analysis.

#### 3.2 Research Design

The plan for conducting research is called research design. An explanatory research design was used in this study (Etikan & Bala, 2017). It aids in the explanation of the cause-and-effect relationship between factors. The goal of this research was to see how organizational changes affect NCBA Bank's performance in Mombasa, Kenya. As a result, an explanatory study design aided in the determination of the link between the variables.

#### 3.3 Target Population

The target group included people with similar characteristics (Sakaran and Bogi, 2010). This study's target population was 11 branches of NCBA bank in Mombasa County. The unit of observation included managers from the following departments: human resources, marketing, finance, operations, and information technology. The choice of these department managers was justified since they were involved in decision-making about organizational changes. Given the small size of the target population, censuses of all the 11 branches of NCBA bank in Mombasa County were conducted.

**Table 3.1: Target Population**

<b>Departments</b>	<b>Number</b>
Marketing	11
Finance	11
Operation	11
IT	11
Human Resource	11
<b>Total</b>	<b>55</b>

**Source: NCBA (2021)**

### **3.4 Data Collection Instrument**

The current study utilized a semi-structured questionnaire in obtaining data from the respondents. The choice of the instrument is because it is cost-effective and also makes it easier to collect data from many respondents (Sutton & Austin, 2015). The questionnaire contained closed and open questions. It was classified into two parts; the first part contained questions relating to the background information of the respondents. Part two, on the other hand, included questions on the research variables. The following five-point Likert scale was used: 1-strongly disagree, 2-strongly disagree, 3-neutral, 4-agree, and 5-strongly agree are the five options.

### **3.5 Pilot Study**

Pilot testing assisted in determining the data instrument's reliability and validity (Dikko, 2016). The tool was issued randomly to 10 percent of the sample population. These were managers at the Equity Bank branch in Mombasa County. Mugenda and Mugenda (2003) support the use of 5-10% of the sample respondents for the pilot.

#### **3.5.1 Validity of the Research Instrument**

The study determined the instrument's face, content, and construct validity (Remenyi, 2015). Face validity was ensured by making sure that the responders respond to the questions. Content validity was ensured by adopting comments from the supervisor about the tool. Construct validity was guaranteed by ensuring that the tool contains questions in line with the study variables.

#### **3.5.2 Reliability of the Research Instrument**

Using Cronbach's alpha, the instrument's dependability was evaluated (Cronbach, 1951). Data from the pilot was used to generate the coefficient with the aid of SPSS software. Items with values higher than 0.7 were adopted for further analysis using the threshold of 0.7.

### 3.6 Data Collection Procedures

The questionnaires were distributed to the respondents using a drop-and-pick technique by the researcher (Groves, 2009). The technique allowed responders enough time to fill the instrument. The researcher contracted one research assistant to help with the administration of the questionnaires. The data collection period was two weeks.

### 3.7 Data Analysis and Presentation

SPSS software was used to evaluate the data. To describe the characteristics of the researched variables, descriptive statistics like means and percentages were computed. Correlation analysis was used to ascertain how the variables related to one another. Linear regression analysis was applied in determining the impact of the predictors on the dependent construct. Tables and graphs captured the results. The study estimated the following linear regression model.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Y= NCBA Bank Performance

X<sub>1</sub> = Structural change

X<sub>2</sub> = Technological change

X<sub>3</sub> = Strategic change

X<sub>4</sub> = Remedial change

β<sub>0</sub>= Constant

β<sub>1</sub> β<sub>2</sub> β<sub>3</sub> and β<sub>4</sub> = regression coefficients

ε = error term

### **3.8 Ethical Considerations**

The investigator obtained an authorization letter from Kenyatta University as well as a researcher permit from NACOSTI. The data from the field was handled confidentially and was reported without any bias. Further, the participants were requested to voluntarily participate in the survey. The collected data was used for academic purposes only.





## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 Introduction

The general objective of the study was to determine the effect of organizational changes on the performance of NCBA Bank in Mombasa County, Kenya. The chapter summarizes the findings from the data collected with the questionnaire. Both descriptive and inferential statistics were employed in the study to analyze the data. The researcher used descriptive statistics, such as frequencies, percentages, means, and standard deviation, to offer summaries of the research findings. The association between the study variables was established using correlation and regression analysis. The researcher also linked the study findings to the literature review.

#### 4.2 Response Rate

**Table 4.1: Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Returned	45	81.82%
Unreturned	10	18.18%
<b>Total</b>	<b>55</b>	<b>100%</b>

A response rate of 81.82% was demonstrated by the 45 surveys that were given and that were completed and returned on time. A high response rate is necessary for the analysis, which is backed by Kothari (2011), who claimed that a response rate of 50% is considered suitable, a rate of 60% is considered good, and a response rate of more than 70% is considered exceptional. Therefore, a response rate of 81.82% is excellent for the study.

#### 4.3 Reliability Test

This section presents reliability results using Cronbach Alpha.

**Table 4.2: Reliability Test**

<b>Construct</b>	<b>Cronbach's Alpha</b>	<b>Items</b>
Structural change	0.898	6
Technological change	0.732	5
Strategic Change	0.878	6
Remedial change	0.745	5
Organizational performance	0.867	6

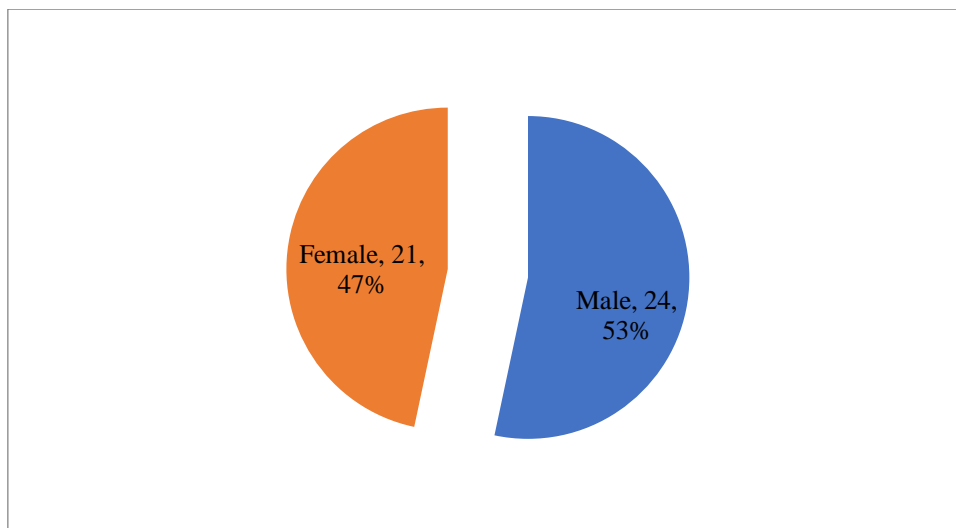
The data collection instrument for structural change, technological change, strategic change, remedial change (independent variables), and performance (dependent variable) was the questionnaire which returned highly reliable results ranging from 0.732 to 0.898. These results, therefore, indicate that the questionnaire as a research instrument was highly dependable.

#### **4.4 Demographic Characteristics**

This section presents demographic information results including gender, age, and education level.

##### **4.4.1 Gender**

Figure 4.1 indicates the outcome of gender

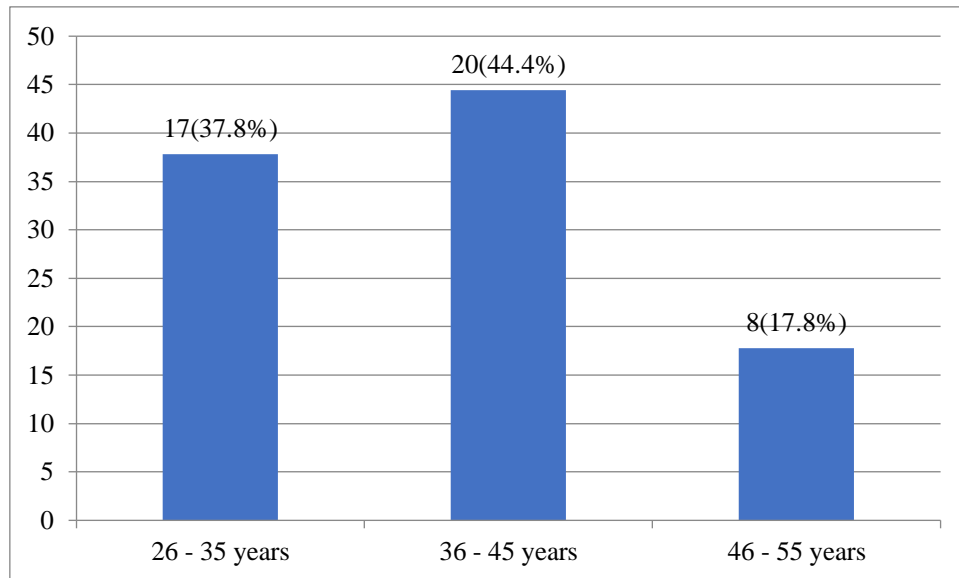


**Figure 4.1: Gender of the Respondents**

Figure 4.1 showed that 24(53%) of the participants were male while 21(47%) were female. This depicts a good gender balance in the NCBA bank and compliance with Kenya, 2010 constitutional prescription of 1/3 gender rule for any organization.

#### 4.4.2 Age

Figure 4.2 shows results on age.

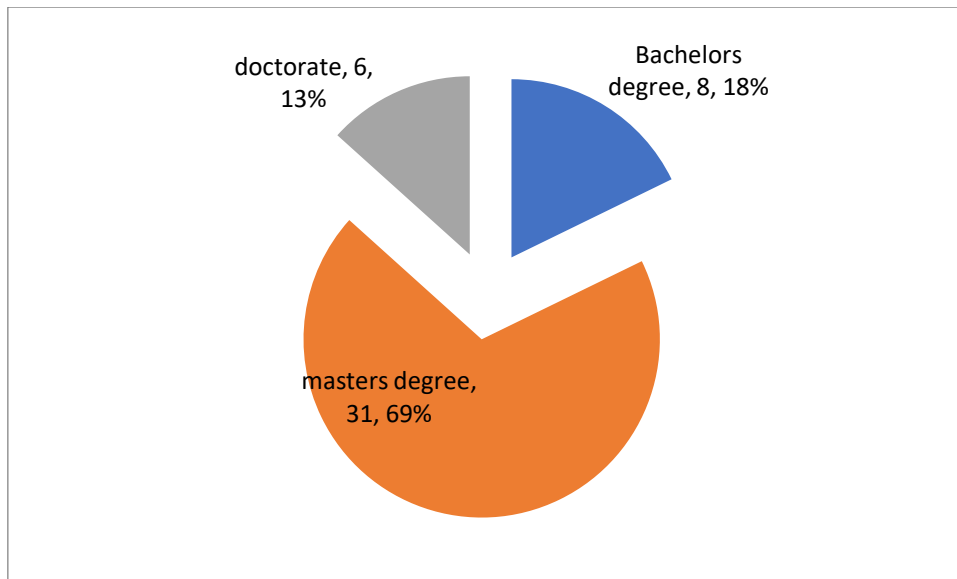


**Figure 4.2: Age of the Respondents**

Figure 4.2 shows that 20 (44.44%) of the participants were between the ages of 36 and 45, 17 (37.8%) were between the ages of 26 and 35, and only 8 (17.8%) were between the ages of 46 and 55. This suggested that the majority of NCBA Bank employees were in their middle years, making them capable of raising the bank's productivity.

#### 4.4.3 Education Level

Figure 4.3 indicates the outcome on education level.



**Figure 4.3: Level of Education**

Figure 4.3 shows that 31(69%) of the participants had a master's degree, 8(18%) had a bachelor's degree and 6(13%) had a doctorate. This suggests that the majority of NCBA bank workers were well-educated and hence could boost the banks' performance utilizing the skills they had acquired.

#### **4.5 Descriptive Analysis**

##### **4.5.1 Structural Changes and Performance of NCBA Bank**

The first objective was to determine the impact of structural changes on the performance of the NCBA Bank in Mombasa County. The data was collected from the participants who were requested to indicate their levels of agreement with various structural change statements, using a five-point Likert scale. The data was further grouped, with 4 & 5 being grouped as agree, 1 & 2 being classified as disagreeing and 3 was indicated as neutral. Results were presented in Table 4.3.

**Table 4.3: Structural Changes**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>M</b>	<b>SD</b>
Job restructuring has helped enhance operations in the Bank	1 (2.2%)	7 (15.6%)	2 (4.4%)	18 (40%)	17 (37.8%)	3.96	1.13
Job redesign has helped enhance efficiency in the Bank	2 (4.4%)	8 (17.8%)	2 (4.4%)	16 (35.6%)	17 (37.8%)	3.84	1.24
Decentralization of duties has helped enhance operations in the Bank	3 (6.7%)	3 (6.7%)	2 (4.4%)	16 (35.6%)	21 (46.7%)	4.09	1.18
The creation of departments has helped ease management in the bank	4 (8.9%)	5 (11.1%)	2 (4.4%)	11 (24.4%)	23 (51.1%)	3.98	1.36
Staff rationalization has helped identify labor gaps in the Bank	2 (4.4%)	5 (11.1%)	3 (6.7%)	17 (37.8%)	18 (40%)	3.98	1.16
Massive staff recruitment has helped curb staff shortage in the Bank	2 (4.4%)	6 (13.3%)	2 (4.4%)	15 (33.3%)	20 (44.4%)	4.00	1.21
<b>Average</b>						<b>3.98</b>	<b>1.21</b>

The participants, 35 (77.8%) agreed that workplace restructuring had helped them improve their bank operations (mean = 3.96, std.dev = 1.13). This suggested that job restructuring helped to place the employees in positions they can work well thus enhancing the operations of the organization. These findings agreed with Waal (2020) who indicated that the organizational restructuring process enhanced banks' effectiveness. Additional results show that the majority of respondents 33 (73.4%) agree that job restructuring has helped them improve their bank performance (mean = 3.84, std. dev = 1.24). This infers that job redesign helped to incorporate the employees' complaints in the job as well as the gaps that could have been there thus enhancing firm performance. The study findings agreed with Anyango and Chrispen (2019) whose findings revealed that restructuring and redesigning of jobs in change programs influenced organizational performance.

Of the participants, 37(82.3%) agreed that decentralization of duties had helped enhance operations in the Bank ( $m=4.09$ ,  $sd=1.18$ ). This suggested that decentralization of duties minimized the burden on one employee thus enhancing the productivity of the employees. The study findings agreed with Jumanne and Njoroge (2018) who found that structured change management had a considerable favorable impact on staff performance.

Results show that the majority of respondents 34 (75.6%) agree that the establishment of a department has helped simplify administration in banks (mean = 3.98, std. dev = 1.36). This infers that the creation of departments helped the management to manage the work in the organization more easily. The study findings agreed with Jumanne and Njoroge (2018) who found that structural changes enhanced performance. The participants, 35 (77.8%) agreed that staff rationalization helped them identify staff shortages in banks (mean = 3.98, standard deviation = 1.16). This implied that staff rationalization helped to determine the gaps that are there in various departments and thus enhancing firm performance. The study findings agreed with Gitia (2018) who established that through organizational structural change, cultural change, and changes in communication channels, among others, organizational change influenced performance. Additional results show that the majority of respondents 35 (77.8%) agree that massive hiring has helped limit staff shortages in banks (mean = 3.98, std. dev = 1.36). This infers that employing more staff enables the bank to minimize the workload on one employee thus improving employee productivity. The study findings agreed with Gitia (2018) who established that through organizational structural change, cultural change, and changes in communication channels, among others, organizational change influenced performance.

The respondents were further asked to describe the structural change that had happened in the organization. The respondents indicated that their bank had established new departments to enhance the employees' efficiency. The bank had also engaged in the diversification of services such as investing in bonds to minimize risks and enhance performance. The study findings agreed with Gitia (2018) who established that organizational structural change influenced performance.

#### 4.5.2 Technological Changes and Performance of NCBA Bank

The second objective was to establish the impact of technological changes on the performance of the NCBA Bank in Mombasa County. Using a five-point Likert scale, respondents were asked to rate how much they agreed or disagreed with various assertions about technological advancement. The data was further grouped, with 4 & 5 being grouped as agree, 1 & 2 being classified as disagree and 3 being indicated as neutral.

**Table 4.4: Technological Changes**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>M</b>	<b>SD</b>
Adoption of new technologies has helped enhance operations in the Bank	3 (6.7%)	6 (13.3%)	3 (6.7%)	12 (26.7%)	21 (46.7%)	3.93	1.30
Training in new technical skills has helped boost employee productivity in the Bank	4 (8.9%)	5 (11.1%)	4 (8.9%)	9 (20%)	23 (51.1%)	3.93	1.37
Innovation has enhanced product and service diversification in the Bank	1 (2.2%)	6 (13.3%)	3 (6.7%)	16 (35.6%)	19 (42.2%)	4.02	1.12
Digitization of operations has enhanced data storage and retrieval in the Bank	3 (6.7%)	2 (4.4%)	4 (8.9%)	12 (26.7%)	24 (53.3%)	4.16	1.19
The use of technology has enhanced service delivery to customers.	5 (11.1%)	5 (11.1%)	2 (4.4%)	16 (35.6%)	17 (37.8%)	3.78	1.36
<b>Average</b>						<b>3.96</b>	<b>1.27</b>

Of the participants, 33(73.4%) agreed that the adoption of new technologies has helped enhance operations in the Bank (m=3.93, sd=1.30). This suggested that new technologies make work efficient thus enhancing the performance of the firm. The study findings agreed with Joyce and Kiprono (2017) whose findings indicated that changes in technology and



leadership allow the company to improve its performance. Additional results show that the majority of respondents 33 (73.4%) agree that workplace transformation has helped increase the productivity of bank employees ( $m = 3.93$ ,  $sd = 1.37$ ). This suggested that training employees on technical skills enabled them to be more efficient in their work thus enhancing employee productivity. The study findings agreed with Adeniji et al. (2018) who demonstrated that technical advancements influenced the performance of the selected industrial enterprises in a positive and significant way.

Majority of respondents 35 (77.8%) agreed that innovation had increased product and service diversification in banks (mean = 4.02, std.dev = 1.12). This implies that innovation enables the bank to develop new goods and services, which improves bank diversification. The study's findings corroborated those of Mutie (2018), who discovered a strong and favorable association between information technology-based innovations and performance.

Results show that the majority of respondents 36 (80.0%) agree that digitizing business processes has improved data storage and retrieval in banks (mean = 4.16, std. dev = 1.19). This implied that digitization of operations enabled the banks to store information safely and orderly and thus easy retrieval. The respondents 33 (73.4%) agreed that the use of technology had improved service delivery to customers (mean = 3.78, std.dev = 1.36). This meant that using technology made it simple for staff to work productively, improving service delivery. The study's findings corroborated those of Mutie (2018), who discovered a strong and favorable association between information technology-based innovations and performance.

The respondents were further asked to describe the technological change that had happened in their organization. The respondents indicated that their bank had automated their processes and minimized paperwork in all their operations. The respondents further indicated that their bank had been involved in digital account opening which has increased the number of new customers. The study's findings corroborated those of Mutie (2018), who discovered a strong and favorable association between information technology-based innovations and organizational performance.

#### **4.5.3 Strategic Changes and Performance of NCBA Bank**

The third objective was to establish the impact of strategic change on the performance of the NCBA Bank in Mombasa County. The data was collected from the respondents who were

requested to indicate their levels of agreement with various strategic change statements, using a five-point Likert scale. The data was further grouped, with 4 & 5 being grouped as agree, 1 & 2 being classified as disagree and 3 was indicated as neutral.

**Table 4.5: Strategic Change**

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>M</b>	<b>SD</b>
The bank has adopted business reengineering practices	3 (6.7%)	7 (15.6%)	6 (13.3%)	10 (22.2%)	19 (42.2%)	3.78	1.33
The bank has a good system in place for adopting change.	4 (8.9%)	6 (13.3%)	1 (2.2%)	10 (22.2%)	24 (53.3%)	3.98	1.39
Employees are permitted to progressively accept change	3 (6.7%)	5 (11.1%)	4 (8.9%)	10 (22.2%)	23 (51.1%)	4.00	1.30
The bank has promoted staff collaboration.	2 (4.4%)	5 (11.1%)	4 (8.9%)	8 (17.8%)	26 (57.8%)	4.13	1.24
The bank has created guidelines and practices for dealing with change.	2 (4.4%)	5 (11.1%)	4 (8.9%)	16 (35.6%)	18 (40%)	3.96	1.17
The bank leadership always communicates change initiatives	4 (8.9%)	4 (8.9%)	2 (4.4%)	12 (26.7%)	23 (51.1%)	4.02	1.32

Of the participants, 29 (64.4%) agreed that their bank had implemented business reengineering practices (m= 3.78, sd = 1.33). This suggested that most banks had business reengineering practices that enhanced their performance. The study findings agreed with Hussein (2018) who demonstrated that product/service reengineering has a major impact on productivity.

Of the respondents, 34 (75.5%) agree that there is an appropriate mechanism for implementing changes in the bank (m = 3.98, sd = 1.39). This suggested that most NCBA had good strategies for implementing change in the organization. The study's findings supported Mutisya's (2016) findings that statistically speaking, there is a direct and positive correlation between strategic change and organizational performance.

The respondents, 33 (73.3%) agreed that employees are allowed to accept changes gradually ( $m= 4.00$ ,  $sd = 1.30$ ). This implied that managers of the NCBA bank were skilled and thus allowed their employees to adopt changes gradually. The study findings agreed with Murimi (2020) who indicated that strategic change management strategies had a favorable impact on performance.

Moreover, the results showed that the majority of respondents 34 (75.6%) agreed that their bank had introduced teamwork among employees ( $m= 4.13$ ,  $sd = 1.24$ ). This implied that most banks had encouraged their employees to work as a team which enhanced their performance. Results show that the majority of respondents 34 (75.6%) agree that their bank has developed policies and procedures to manage change ( $m= 3.96$ ,  $sd = 1.17$ ). This implied that NCBA managers had come up with a good system that could allow change easily. These results were in line with those of Mngoda (2019), who discovered that well-structured policies and procedures for change are necessary for organizational change.

The participants 33 (77.8%) agreed that their bank management always communicated change initiatives (mean = 4.02, std.dev = 1.32). This infers that the NCBA managers had a good communication system with the employees and thus they could communicate any change initiative. These findings agreed with Murimi (2020) who indicate that communication was an important factor between management and employees to ensure horizontal and vertical unity.

The respondents were further asked to describe the strategic change that had happened in their organization. The respondents indicated that their banks had improved the decision-making process by involving employees in key decision-making in the organization. These findings agreed with Kim and Rhee (2017) who indicated that the decision-making process enhanced organizational performance.

#### **4.5.4 Remedial Changes and Performance of NCBA Bank**

The fourth objective was to establish the impact of remedial change on the performance of the NCBA Bank in Mombasa County. With the help of a five-point Likert scale, participants were asked to rate how much they agreed with various assertions about necessary changes. The data was further grouped, with 4 & 5 being grouped as agree, 1 & 2 being classified as disagree and 3 being indicated as neutral.

**Table 4.6: Remedial Change**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>S5</b>	<b>M</b>	<b>SD</b>
Identification of a problem leads to the implementation of a remedial change in the bank.	2 (4.4%)	8 (17.8%)	3 (6.7%)	10 (22.2%)	22 (48.9%)	3.93	1.30
There is a focus on addressing emerging issues in the bank	1 (2.2%)	8 (17.8%)	2 (4.4%)	13 (28.9%)	21 (46.7%)	4.00	1.21
The bank has mechanisms to facilitate adaptation to emerging challenges	3 (6.7%)	10 (22.2%)	1 (2.2%)	10 (22.2%)	21 (46.7%)	3.80	1.41
There is flexibility in dealing with arising challenges in the bank	3 (6.7%)	9 (20%)	3 (6.7%)	14 (31.1%)	16 (35.6%)	3.69	1.33
Emerging challenges are dealt with immediately in the bank	3 (6.7%)	4 (8.9%)	2 (4.4%)	11 (24.4%)	25 (55.6%)	4.13	1.25

The participants, 32(71.1%) agreed with the statement that the identification of a problem leads to the implementation of a remedial change in the bank (mean=3.93, std.dev=1.30). This infers that the identification of a problem helped the managers to come up with ways to solve the problem. The results of the study supported Kimhi and Oliel's (2019) finding that remedial change management significantly impacted organizational performance in a subset of manufacturing businesses. Additional results show that most of the 34 respondents (75.6%) agree that the focus is on solving problems that arise in the bank (m = 4.00, sd = 1.21). This means NCBA bank managers are proactive in dealing with issues that arise. The findings of this study are consistent with those of Kimhi and Oliel (2019), who demonstrated

that organizational performance is positively impacted by leaders' and managers' capacity for change adaptation in Anambra industrial firms.

In addition, the results showed that the majority of respondents 31 (66.9%) agreed that their bank had a mechanism to facilitate adaptation to new challenges ( $m = 3.80$ ,  $sd = 1.41$ ). This implied that NCBA bank had paid down good strategies to solve emerging challenges. The results of the study supported Kimhi and Oliel's (2019) finding that remedial change management significantly impacted organizational performance in a subset of manufacturing businesses.

The respondents 30 (66.7%) agree that there is flexibility in facing new challenges in the bank ( $m = 3.69$ ,  $sd = 1.33$ ). This implied that the NCBA managers were flexible to address arising challenges in the bank. These findings agreed with Ebongkeng (2018) who indicated that the flexibility of managers enhanced organizational performance.

Of the participants, 36 (80.0%) agreed that any challenges that arose were immediately resolved at the bank ( $m = 4.13$ ,  $sd = 1.25$ ). This implied that NCBA bank managers were proactive to address emerging challenges. The research's conclusions were in line with those of Kimhi and Oliel (2019), who discovered that corrective change management significantly impacted organizational performance in a subset of manufacturing businesses.

The respondents were further asked to describe the remedial changes that had happened in their organization. The respondents indicated that their banks had appointed a business remedial officer in the bank. The research's conclusions were in line with those of Kimhi and Oliel (2019), who discovered that corrective change management significantly impacted organizational performance in a subset of manufacturing businesses.

#### **4.5.5 Performance of NCBA Bank**

The study's outcome variable was the performance of the NCBA Bank in Mombasa County. The participants were requested to indicate their levels of agreement with various performance statements, using a five-point Likert scale. The data was further grouped, with 4 & 5 being grouped as agree, 1 & 2 being classified as disagree and 3 was indicated as neutral.

**Table 4.7: NCBA Bank Performance**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>M</b>	<b>SD</b>
The bank has increased its profitability	3 (6.7%)	7 (15.6%)	1 (2.2%)	10 (22.2%)	24 (53.3%)	4.00	1.35
There is an increase in employee productivity in the bank	3 (6.7%)	5 (11.1%)	2 (4.4%)	9 (20%)	26 (57.8%)	4.11	1.30
The number of consumers at the bank has increased.	3 (6.7%)	5 (11.1%)	2 (4.4%)	11 (24.4%)	24 (53.3%)	4.07	1.29
The bank has increased the volume of operations	3 (6.7%)	2 (4.4%)	2 (4.4%)	19 (42.2%)	19 (42.2%)	4.09	1.12
There is an improvement in service delivery to customers	4 (8.9%)	6 (13.3%)	2 (4.4%)	14 (31.1%)	19 (42.2%)	3.84	1.35
The bank has achieved a competitive advantage over its rivals in the market	4 (8.9%)	5 (11.1%)	2 (4.4%)	13 (28.9%)	21 (46.7%)	3.93	1.34

The results showed that the majority of respondents 34 (75.5%) agreed that their bank had increased profitability ( $m = 4.00$ ,  $sd = 1.35$ ). This suggested that most NCBA branches in Mombasa county were recording an increase in profits. These findings agreed with Ngu (2021) who indicated that most banks such as NCBA were recording increasing profits in the last 5 years.

Additional results showed that the majority of respondents 35 (77.8%) agreed that the productivity of bank employees increased ( $m = 4.11$ ,  $sd = 1.30$ ). This suggested that most NCBA branches in Mombasa county were recording an increase in employee productivity. The participants, 35 (77.8%) agreed that their bank had an increasing number of customers in

the bank (mean = 4.07, std. dev = 1.29). This suggested that most NCBA branches in Mombasa county were recording an increase in several customers. These findings agreed with Ngui (2021) who indicated that most banks such as NCBA were recording an increasing number of customers in the last 5 years.

The participants 38 (84.4%) reported that their bank experienced an increase in business volume ( $m = 4.09$ ,  $sd = 1.12$ ). This suggests that most NCBA branches in Mombasa county were recording an increase in the volume of operations. These findings agreed with Murimi (2020) who indicated that NCBA bank had boosted its volume of operations in the last 5 years. Additional results show that the majority of respondents, 33 (63.3%), agree that customer service is improving ( $m = 3.84$ ,  $sd = 1.35$ ). This suggested that most NCBA branches in Mombasa county had an improvement in service delivery. These findings agreed with Murimi (2020) who indicated that NCBA bank had enhanced its service delivery to customers.

According to the data, the majority of respondents 34 (75.5%) agree that their bank has a competitive advantage over its rivals in the market ( $m=3.93$ ;  $sd=1.34$ ). This implied that most NCBA branches in Mombasa county had managed to achieve a competitive edge over the other banks. These findings agreed with Murimi (2020) who indicated that NCBA bank had a good competitive advantage over other banks.

The respondents were further asked to indicate the performance of their bank in the last 5 years. All the respondents agreed that their banks' performance had been increasing in the last 5 years. The number of customers as well as the bank profitability was increasing. These findings agreed with Ngui (2021) who indicated that most banks such as NCBA were recording an increasing number of customers in the last 5 years.

## **4.6 Inferential Statistics**

Inferential analysis was conducted to generate correlation results, a model of fitness, and an analysis of the variance and regression coefficients.

### **4.6.1 Correlation Analysis**

Correlation analysis was conducted to determine the association between the independent variable and the dependent construct.

**Table 4.8: Correlation Results**

	<b>Perform ance</b>	<b>Structural change</b>	<b>Technological change</b>	<b>Strategic change</b>	<b>Remedial change</b>
Performance	1				
Structural change	.480** 0.001	1			
Technological change	.623** 0.000	0.162 0.288	1		
Strategic change	.699** 0.000	.422** 0.004	.459** 0.002	1	
Remedial change	.639** 0.000	0.224 0.14	.350* 0.018	.394** 0.007	1

Findings showed that structural changes had a positive and substantial association with the performance of the NCBA bank ( $r=0.480$ ,  $p=0.001$ ). This implies that structural changes positively correlate with the performance of NCBA banks. The study's findings corroborated those of Jumanne and Njoroge (2018), who discovered that organized change management significantly improved worker performance. Additional findings demonstrated a substantial and favorable correlation between technical advancements and NCBA bank performance ( $r=0.623$ ,  $p=0.000$ ). This implies that technological changes positively correlate with the performance of NCBA bank. The study's findings supported Mutie's (2018) conclusion that information technology-based innovations had a favorable and significant link with the operational effectiveness of government agencies.

Findings indicated that strategic changes had a positive and substantial association with the performance of NCBA banks ( $r=0.699$ ,  $p=0.000$ ). This suggests a positive correlation between strategic adjustments and NCBA Bank's performance. The study's findings corroborated those of Murimi (2020), who claimed that strategic change management techniques influenced organizational performance favorably.



Additional findings demonstrated a substantial and favorable correlation between corrective modifications and NCBA bank performance ( $r=0.639$ ,  $p=0.000$ ). This implies that remedial changes positively correlate with the performance of NCBA banks. The results of the study supported Kimhi and Oliel's (2019) finding that remedial change management significantly impacted organizational performance in a subset of manufacturing businesses.

#### 4.6.2 Regression Analysis

This section presents results on the influence of organizational changes and the performance of NCBA bank.

**Table 4.9: Model Fitness**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.867a	0.752	0.727	0.29859

The R was found to be 0.867. This suggests that organizational changes and NCBA bank performance were closely related. The R square was 0.752 as well. This shows that organizational changes may account for 75.2% of the variations in the dependent variable, which was the performance of NCBA bank. According to the study's findings, organizational reform improved organizational performance, which is in line with Ebongkeng's (2018) findings.

**Table 4.10: ANOVA**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	10.82	4	2.705	30.342	.000b
Residual	3.566	40	0.089		
Total	14.386	44			

According to Table 4.10, organizational changes were a good indicator of NCBA bank performance, as shown by an F statistic of 30.342 and a reported p-value of 0.000, which was less than the usual probability of 0.05 significance level. According to this, there is a 95% chance that organizational changes will have a statistically significant impact on the performance of NCBA Bank.

**Table 4.11: Regression Coefficient**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.287	0.495		-2.6	0.013
Structural change	0.231	0.094	0.213	2.448	0.019
Technological change	0.357	0.102	0.316	3.489	0.001
strategic change	0.373	0.114	0.324	3.269	0.002
remedial change	0.364	0.09	0.353	4.02	0.000

The findings showed a favorable and significant relationship between structural improvements and NCBA Bank performance ( $\beta=0.231$ ,  $p=0.019$ ). This meant that a one-unit increase in structural improvements would result in a 0.231-unit improvement in NCBA bank performance. Gitia (2018) established that organizational structural changes affected performance, and the study results supported his findings. The study findings were however inconsistent with Habyarimana and de Waal (2020) who found that implementing structural changes does not automatically lead to higher organizational efficiency.

Additional findings demonstrated a favorable and substantial relationship between technological advancements and NCBA Bank performance ( $\beta =0.357$ ,  $p=0.000$ ). This meant that a one-unit increase in technological advancements would result in a 0.357-unit increase in NCBA Bank's performance. The study's conclusions concurred with those of Joyce and Kiprono (2017), who found that the organization can perform better thanks to changes in technology and leadership.

Results also showed a favorable and substantial relationship between NCBA bank performance and strategic adjustments ( $\beta =0.373$ ,  $p=0.000$ ). According to this, a strategic change that improved performance by just one unit would boost NCBA Bank's performance by 0.373 points. The research findings supported Mutisya (2016)'s findings, which from a statistical perspective indicated a direct and positive correlation between strategic change and organizational performance.

Additional findings revealed a favorable and substantial relationship between NCBA bank performance and corrective modifications ( $\beta = 0.364$ ,  $p = 0.000$ ). This meant that a one-unit increase in corrective measures would result in a 0.364-unit increase in NCBA Bank's performance. The results of the study supported Kimhi and Oliel's (2019) finding that remedial change management significantly impacted organizational performance in a subset of manufacturing businesses.

$$Y = -1.287 + 0.231 X_1 + 0.357 X_2 + 0.373 X_3 + 0.364 X_4$$

Where:

Y = NCBA Bank Performance

X<sub>1</sub> = Structural change

X<sub>2</sub> = Technological change

X<sub>3</sub> = Strategic change

X<sub>4</sub> = Remedial change

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of findings, conclusion, and recommendations. The study aimed at determining the impact of organizational changes on the performance of NCBA Bank in Mombasa County, Kenya.

#### **5.2 Summary of Research Findings**

The study sought to determine the impact of structural changes on the performance of the NCBA Bank, assess the impact of technological changes on the performance of the NCBA Bank, analyse the impact of strategic changes on the performance of the NCBA bank, and establish the impact of remedial changes on the performance of the NCBA in Mombasa County.

##### **5.2.1 Structural Changes and Performance of NCBA Bank**

The study sought to examine the impact of structural changes on the performance of NCBA Bank in Mombasa Regency. According to the descriptive results, most respondents concur that employment restructuring has enhanced bank operations. According to additional data, most respondents concur that workplace restructuring has aided their efforts to increase efficiency at banks. The study's findings also show that the majority of respondents concur that the decentralization of tasks has enhanced bank operations. According to other findings, most respondents concur that departments have made administration in banks simpler. The findings also revealed that most respondents concurred that staff rationalization has assisted them in identifying staff shortages in banks.

The respondents agreed that massive staff recruitment had helped curb staff shortage in the Bank. Correlation results showed that structural changes positively correlate with the performance of NCBA banks. The findings further revealed that structural changes and performance of NCBA bank were positively and significantly related.

### **5.2.2 Technological Changes and Performance of NCBA Bank**

The second objective is to assess the impact of technological change on the performance of NCBA Bank in Mombasa County. The findings revealed that the majority of respondents concurred that the adoption of modern technologies has enhanced bank operations. According to additional research, the majority of respondents concur that teaching bank staff new technological abilities has boosted their productivity. The study's findings also show that the majority of respondents concur that innovation has boosted banks' product and service variety. Additional results indicate that the majority of respondents agree that the digitization of operations has improved the storage and retrieval of data in banks.

The respondents agreed that the use of technology has enhanced service delivery to customers. Correlation results showed that technological changes positively correlate with the performance of NCBA banks. The findings further revealed that technological changes and the performance of NCBA bank were positively and significantly related.

### **5.2.3 Strategic Changes and Performance of NCBA Bank**

The study sought to establish the impact of strategic changes on the performance of NCBA Bank in Mombasa County. The findings revealed that the majority of respondents concurred that their bank has implemented business reengineering techniques. According to additional findings, most respondents concur that there are suitable mechanisms to change banks. In addition, the results of the study indicate that the majority of respondents agree that employees are allowed to accept gradual changes.

The respondents agreed that their bank had embraced teamwork among the employees. Additional results show that the majority of respondents agree that their bank has policies and procedures in place to manage change. In addition, the results of the study indicate that the majority of respondents agree that their bank management always communicates change initiatives. The correlation results demonstrate a positive association between strategic adjustments and NCBA banks' performance. Findings also showed a positive and significant relationship between NCBA banks' performance and strategic modifications.

#### **5.2.4 Remedial Changes and Performance of NCBA Bank**

The fourth objective is to determine the impact of remedial changes on the performance of NCBA Bank in Mombasa County. The findings indicate that the majority of respondents concur that detecting issues resulted in the bank's execution of corrective adjustments. The findings also show that most respondents concur that the focus should be on resolving issues that develop in the bank. The findings also indicate that most respondents concur that their bank has systems in place to help customers adjust to new difficulties.

The respondents agreed that there was flexibility in dealing with arising challenges in the bank. The majority of respondents agreed, according to the data, that new problems are resolved quickly in the bank. Correlation results showed that remedial changes positively correlate with the performance of NCBA banks. The findings further revealed that remedial changes and performance of NCBA bank were positively and significantly related.

#### **5.3 Conclusions**

The study concluded that structural changes and the performance of NCBA banks were positively and substantially related. In addition, job restructuring, job redesign, and decentralization of duties enhanced the operations of the bank. Further, the creation of departments had helped ease management in the bank while staff rationalization had helped them to identify labor gaps in the Bank.

The study concluded that technological changes and the performance of NCBA bank were positively and substantially related. In addition, the adoption of new technologies as well as digitization of operations in the organization enhanced the organization's operations and further improved the organizational performance. Further investing in training employees on new technological skills enhanced employee productivity which also improved organizational productivity.

The study concluded that strategic changes and the performance of NCBA banks were positively and substantially related. Additionally, adopting appropriate change-implementation mechanisms and creating appropriate change-management policies and procedures improved NCBA Bank's performance. Further, ensuring teamwork amongst the

employees helped to boost employee productivity and further enhanced organizational performance.

The study concluded that remedial changes and the performance of NCBA banks were positively and substantially related. In addition, the identification of a problem in an organization helped in the implementation of a remedial change that would solve the problem. In addition, dealing with emerging challenges immediately helped the organization to boost its performance.

#### **5.4 Recommendations of the Study**

This study proved that structural adjustments significantly and favorably impacted NCBA Bank's performance. Therefore, the study suggests that banks undertake structural adjustments to improve their performance. Further, the banks should decentralize employee duties to boost employee productivity. The bank management should also create more departments in the bank to ease the employee workload thus enhancing employee performance.

This study proved that technology advancements significantly and favorably impacted NCBA Bank's performance. Therefore, the study suggests that banks utilize technology advancements to improve their performance. In addition, banks should invest more in training their staff on technological skills which will enhance their productivity. Banks should also digitalize all their operations since this will enhance their operations and further boost their performance.

This study proved that strategic modifications significantly and favorably impacted NCBA Bank's performance. Therefore, the study suggests that banks implement strategic reforms to improve their performance. Bank managers should adopt proper strategies for implementing change as well as make their employees aware of the changes. This will enhance and make it easier to adopt the change.

This study proved that remedial adjustments significantly and favorably impacted NCBA Bank's performance. Therefore, the study suggests that banks make corrective modifications to improve their performance. Banks should be proactive in identifying challenges and

emerging issues in the organization. They should also be quick to implement a remedial change once they identify a problem.

### **5.5 Suggestions for Further Research**

The study examined the effect of organizational changes on the outcome of NCBA Bank in Mombasa County, Kenya. Future studies could be done focusing on other banks in Kenya. In addition, further studies can focus on organizational changes in the performance of banks in other East African states. Additionally, the study's R square did not reach 100%. This suggests that NCBA Bank's performance may be impacted by additional organizational changes. Therefore, additional research could concentrate on other organizational changes such as unplanned changes, transformational changes, and personnel changes that impact NCBA bank performance.



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## APPENDICES

### Appendix I: Letter of Introduction

Dear (Respondent)

#### **RE: VOLUNTARY PARTICIPATION IN DATA COLLECTION**

I am a student pursuing a Masters' degree in business administration at Kenyatta University and currently undertaking a research project on "Organizational Change and Performance of NCBA Bank in Mombasa County, Kenya"

You have been selected for this study to fill the questionnaire. Kindly respond to the questions in the attached questionnaire. The information provided will exclusively and solely be used for academic purposes and will be treated with utmost confidentiality. Upon request, you will be furnished with a copy of the final report.

Your cooperation will be highly appreciated.

Yours Faithfully,

**Joy Rinya Murithi**

## Appendix II: Questionnaire

Kindly Tick and fill were appropriate

### Section A: Respondents Information

Gender

Male  Female

Age of the respondent

Below 25years  26 to 35 years  36 to 45 years

46 to 55 years  above 55 years

What is your highest level of education?

Diploma  Bachelor degree  Master's degree  Doctorate

### Section B: Structural Change

Kindly indicate your level of agreement with the statements on structural change.

Note: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

Structural Change	1	2	3	4	5
Job restructuring has helped enhance operations in the Bank					
Job redesign has helped enhance efficiency in the Bank					
Decentralization of duties has helped enhance operations in the Bank					
The creation of departments has helped ease management in the bank					



Staff rationalization has helped identify labor gaps in the Bank					
Massive staff recruitment has helped curb staff shortage in the Bank					

**Section C: Technological Change**

Kindly indicate your level of agreement with the statements on technological change.

Note: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

<b>Statements on Technological Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Adoption of new technologies has helped enhance operations in the Bank					
Training in new technical skills has helped boost employee productivity in the Bank					
Innovation has enhanced product and service diversification in the Bank					
Digitization of operations has enhanced data storage and retrieval in the Bank					
The use of technology has enhanced service delivery to customers.					

**Section D: Strategic Change**

Kindly indicate your level of agreement with the statements on strategic change.

Note: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

<b>Statements on Strategic Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The bank has adopted business reengineering practices					
There is a proper mechanism for implementing change in the bank					
Employees are allowed to embrace change gradually					
The bank has embraced teamwork among the employees					
The bank has developed policies and procedures on how to deal with change					
The bank leadership always communicates change initiatives					

### **Section E: Remedial Change**

Kindly indicate your level of agreement with the statements on remedial change.

Note: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

<b>Statements on Remedial Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Identification of a problem leads to the implementation of a remedial change in the bank.					
There is a focus on addressing emerging issues in the bank					
The bank has mechanisms to facilitate adaptation to emerging challenges					
There is flexibility in dealing with arising challenges in the bank					
Emerging challenges are dealt with immediately in the bank					

### **Section F: NCBA Bank Performance**


Kindly indicate your level of agreement with the statements on organizational performance.

Note: 1 = strongly disagree, 2= disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

<b>Statements on Organizational Performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The bank has increased profitability					
There is increase in employee productivity in the bank					
There is increase in number of customers in the bank					
The bank has increased the volume of operations					
There is an improvement in service delivery to customers					
The bank has achieved competitive advantage over its rivals in the market					

**Thank you for your cooperation**

## Appendix III: Authorization Letter from Kenyatta University

  
KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke) F.O. Box 43844, 00100  
Website: [www.ku.ac.ke](http://www.ku.ac.ke) NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Internal Memo

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FROM: Dean, Graduate School DATE: 14<sup>th</sup> April, 2022  
TO: Joy Rinya Mwirithi REF: D53/MSA/PT/27632/2018  
C/o Business Administration Dept.


**SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL**

This is to inform you that Graduate School Board at its meeting of 31<sup>st</sup> March, 2022 approved your Research Project Proposal for the M.B.A Degree Entitled, **"Organizational Change and Performance of NCBA Bank in Mombasa County, Kenya"**.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report Forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

  
ANNWELI MWANIKI  
FOR: DEAN, GRADUATE SCHOOL


c.c. Chairman, Business Administration.

Supervisors:

1. Dr. Lawrence Waitaina  
C/o Department of Business Administration  
Kenyatta University


AM/da

# Appendix IV: NACOSTI Permit

 **REPUBLIC OF KENYA**  
Ministry of Science, Technology and Innovation  
National Commission for Science, Technology and Innovation

**Ref No: 647982**

**RESEARCH LICENSE**




**This is to Certify that Miss. JOY RINYAMURITHI of Kenyatta University, has been licensed to conduct research in Mombasa on the topic: 'ORGANIZATIONAL CHANGE AND PERFORMANCE OF NUBA BANK IN MOMBASA COUNTY for the period ending: 25 April 2023.**

**License No: NACOSTI/P/22/37100**

**Applicant Identification Number: 647982**

**Director General**  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

**Verification QR Code**



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**Date of Issue: 25 April 2022**