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**ANALYSIS OF STRATEGIC CHANGE AND EMPLOYEE  
PERFORMANCE AT COMMERCIAL BANK OF ETHIOPIA  
DURING CORONA PANDEMIC:  
THE CASE OF SOME SELECTED BRANCHES OF  
COMMERCIAL BANK OF ETHIOPIA IN ADDIS ABABA**

**A THESIS SUBMITTED TO THE COLLEGE OF BUSINESS AND  
ECONOMICS OF ADDIS ABABA UNIVERSITY IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR MASTERS OF  
SCIENCE DEGREE IN INTERNATIONAL BUSINESS**

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**ADDIS ABABA, ETHIOPIA**

**JANUARY 2022**

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# Approval Sheet

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AT COMMERCIAL BANK OF ETHIOPIA DURING CORONA PANDEMIC:  
(The Case of some Selected Commercial Banks of Ethiopia in Addis Ababa)

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## Declaration

I, the undersigned, declare that this thesis is my original work under my supervisor Asres Abitie (PhD). It has not been presented for a degree in any other universities and that all sources and materials used for this thesis have been duly acknowledged.

Name: **Addisalem Belachew**

Signature: \_\_\_\_\_

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## **Abstract**

*The purpose of this study is to investigate the effect of strategic change, communication system and Covid-19 on the performance of employees of the commercial bank of Ethiopia during the Corona pandemic. It also examined differences in the attitude of employees about strategic change with respect to the types of departments, gender, age and years of services in the bank. A sample of 165 respondents were drawn from the CBE in each department using systematic sampling method. Primary data was collected through questionnaire. Data was analyzed using multiple linear regression, t test and one way ANOVA. The findings of the study indicated that strategic change implementation was significantly associated with employees' performance with in the context of Commercial Bank of Ethiopia. Furthermore, years of services was found to be signifcanlty associated with employee performance. Statistically significant differences in attitude towards strategic change among commercial bank employees was also found between first degree and second degree ( $t(163) = -3.08, p < 0.05$ ) with scores for first degree holder employees ( $M=75.77, SD=15.23$ ) being lower than employees with MA or MSc ( $M=82.64, SD=13.37$ ). Implication of the findings for research and theory were discussed.*

**Key words:** *Strategic change, COVID-19, communication system, employee performance, Commercial Bank of Ethiopia*

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Finally I would like to extend my warm regards to my parent and friends for all the support they unfailingly showered me with.

## **List of Acronyms and Abbreviations**

ANOVA.....	Analysis of Variance
CBE.....	Commercial Bank of Ethiopia
COVID-19.....	Corona Virus Disease of 2019
CS.....	Communication System
EP.....	Employee Performance
HR.....	Human Resource
HRM.....	Human Resource Management
ICT.....	information Communication System
SC.....	Strategic Change
SPSS.....	Statistical Package for the Social Sciences

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# CHAPTER ONE: INTRODUCTION

## 1.1. Background of the Study

Today's business environment is very dynamic and experiences rapid change as a result of creativity, innovation, technological changes, increased awareness and demands from customers. Business organizations, especially the banking industry operates in a complex and competitive environment characterized by dynamic changing conditions and highly unpredictable economic climate with information and communication technology.

Change is essential for the current modern environment of business organization to stay out on there marketing demand and competitive (Day 1994). But then, implementing strategic change is may be a performance of gain or loss because it simultaneously generates expected performance gain and unexpected performance loss (Brown 2005; Kennedy, Goolsby, and Arnould 2003; Simester et al. 2000).

By definition strategic changes are changes in the content of a firm's strategy in terms of competitive advantages, scope, resource deployments, and synergy (Naghibi&Hediyeh, 2011). Simply put, strategic change is a way of altering the objectives and vision of the company in order to achieve greater success. According to Nichols (2016) strategic change includes making modifications to the overall purpose, goals, strategy or missions of an organisation. Rezvani (2015) suggests that it is a major disturbance due to the fact that this type of change can place significant demands on an organisation to the extent of rethinking its fundamental approach to business.

Companies restructure their organizations and change their business practices due to different reasons. Increased and intensified international competition, new information and communication technologies, and the enhanced power of outside investors are among the reasons for these changes.

On the global scale, a paradigm shift in change management has been widely embraced as organizations both in the public and private sectors inculcate best practices in governance.

According to Parlalis (2011) a radical change that gave rise to greater accountability, transparency, human rights and public participation occurred in public services from the 1980s due to the inability of the government to respond to the social and economic changes and to deliver policy appropriate to the existing conditions.

Regardless of how prolific the change will be, it will amount to nothing without good and effective communication to bring employees onboard. Degnegaard (2010) suggests that there are some issues that managers who are responsible for strategic change should keep in mind: (i) they have to consider the culture and behaviours of employees because changing something that people are used to for a long time is not easy; (ii) when talking about a strategic change, there must be good deliberation concerning context compatibility between the change and organization; a mismatch can lead to a lot of problems; (iii) consider that change is about changing people.

Considering the performance use of strategic change the organization must have to be address performance loss in strategic change implementation. The effect of organisational change on employees' performance is view differently. For instance, Oreg et al (2011) maintained that organisational change has frequently been connected with adverse effects on jobholders. Typical organisational changes that can effect employees negatively are salary reductions, benefits lost, demotion, firing, or relocation to another city, state, or country. Such changes may have been seen to decrease employees' morale resulting in a decrease in employee performance. More so, the literature indicates that employees often oppose changes due to increased work pressure (Wisse&Sleebos, 2016). Moreso, Osei-Bonsu (2014) stated that employees' low level of trust in an organisation resulting from the change could make those employees uncertain about their ability to influence management actions. Meanwhile, Malatjie and Montana (2019), Muzanhenamo et al (2016), and Osei-Bonsu (2014) opined that change does not only lead to an increase in organisational effectiveness but it also leads to the desired satisfaction of employees. Furthermore, researchers such as Al-kaloti et al (2020), Karanja (2015), Khosa et al (2015), Kwizera et al. (2019), Ndaïro et al (2015), Nwinyokpugi (2018), Olajide (2014), Ombati et al (2010), and YuSheng and Ibrahim (2020) had established that organisational change is positively linked with employee's innovative performance, productivity, and customer service

performance. Therefore, there has not been a consensus among scholars and management practitioners on the aftermath effects of organisational change on employees.

However, the role of strategic change management, communication system and Covid-19 on employee performance has not been addressed. Therefore, this study aimed to investigate the strategic change management, perception of employees on Covid- 19, and communication systems on employee performance.

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

Banks play an important role in an economy of a nation. According to Demsetz and Villalonga (2001), banks contribute to investments, employment creation and the process of economic growth and development. They are the cornerstone for economy of a given nation (Evans & Molyneux, 2001). They serve as a transmission mechanism for monetary policy (Beck, Demirgüç-Kunt, & Maksimovic, 2004). The economies of all nations depend on the efficient operation of a complex and delicately balance system of money and credit. Maximizing profit is the ultimate objective of every business organization. All the strategies and activities performed are to realize this remarkable objective. Commercial banks, also not exceptional, have social and economic goals, including but not limited to employee performance, a variable likely to be affected by strategic change, communication system and Covid-19.

The COVID-19 pandemic has severely affected the global economy and daily life, as well as the banking sector that has to meet the expectations and challenges households and business are facing following the strict lockdown initiatives implemented to diminishing the coronavirus spread. To help clients in lack of liquidity, many governments have offered public guarantees on banks loans and approved moratorium on credits. The effect of COVID-19 on the banking sector include not only intensification of the use of digital channels and digital payments, the change of consumer behavior, the relaxation of several regulatory and supervisory provisions, but also new challenges regarding operational resilience, increase of non-performing loans, employee performance, which are likely to be affected by communication system in the banks, strategic change implementation or management, and the perception of bank employees' about the negative effect of Covid-19 on their life style. The effect of COVID-19 on business is a topic of

great importance for companies and financial industry around the world not only to take actions on short-term, but, even more important, to reconsider their strategy on medium and long term. Indeed, a study in Kenya has showed that good strategies implemented has increased profitability levels for the last five years, and recommended that the managers should always give direction and supervision through different phases of strategy implementation (JecintaWaithereroWaititu, 2016). In addition, a study in Romania investigated the effect of COVID-19 on consumer behavior in retail banking (Baicu, Gârdan, Gârdan&Epuran, 2020).This study showed that perception of the COVID-19 pandemic has a direct and positive influence on consumers' lifestyle, the attitude toward internet and mobile banking services, mediated by safety of internet and mobile banking use and trust in banks.

Similarly, a study by Kwizera et al. (2019) explored the effect of organizational change on employee performance among selected commercial banks in Bujumbura, Burundi, and found that strategic change significantly affected employee performance. This study revealed that technological change [a proxy variable for communication system in the current study] significantly affected employee performance. Another study in Kenya found that a good strategy implemented has increased profitability levels for the last five years. The study recommended that, the managers should always give direction and supervision through different phases of strategy implementation (Waititu, 2016). It was also found that banks expected an improved decision making, improved performance, resource allocation, reduced financial losses and improved communication from effective strategic change management. This study concludes that change management is usually communicated effectively within the banks and as a result the banks realize improvement and efficiency in various.

Similar to the current study, Al-Jaradat, Nagresh, Al-Shegran, and Jadellah (2013) assessed the effect of strategic change on performance of employees in university libraries in Jordan. The study found a positive relationship between the pillars of change and employee performance. Correspondingly, a study by Atieno (2014) assessed the effect of strategic change on the performance of Airtel Kenya Limited. The study emphasis organizational change have positive effect on the performance of employee of the organization. The study shows a gap on empirical and methodological in dimension of change management and also focus on performance other tan the organization performance . Based on this empirical gap, one objective of the present

thesis is to investigate the effect of strategic change management on employee performance among employee of Commercial Bank of Ethiopia. Similarly, a study by Thomas (2014) evaluated the effect of change management on organizational performance of Nigerian telecoms industries, and found a positive effect which is statistically significant on the employee's performance based on leadership. These studies present contextual, empirical and methodological gaps , to further study in employee performance and change effect.

However, the effect of strategic change, communication system and Covid-19 on employee performance has not been studied in Ethiopian context. Therefore, to these knowledge gaps in past studies, the present study suggests that the influences on strategic change and employee performance among employees recruited from selected Commercial Bank of Ethiopia, in Addis Ababa.

The present thesis took a non-financial perspective, a new way of looking into the effect of human resources [employee performance], which indirectly affects operating efficiency and performance. What distinguishes this paper from previous studies is that it has taken a fresh look at the performance of commercial banks in Ethiopia by utilizing primary data by investigating the effects of strategic management, communication system and Covid-19 on the performance of employees of commercial banks. Furthermore, the present study is different from these previous studies in that it used primary data as opposed to the use of secondary data in most of these studies (Addis & Alubel, 2019).

### **1.3. Objectives of the Study**

#### **1.3.1. General Objective**

The main purpose of the study is to analyze strategic change and employee performance at some selected branches of commercial bank of Ethiopia during the corona pandemic.

#### **1.3.2. Specific Objectives**

The Specific objectives of this study are:

1. To predict the effect of strategic change implementation on employee performance among selected branches of commercial bank of Ethiopia in Addis Ababa
2. To measure the effect of communication system on employee performance

3. To evaluate the effect of employees' perception about Covid-19 Pandemic on employee performance
4. To determine gender differences in employees' perception about strategic change implementation
5. To determine differences in employees attitude about strategic change with across their educational level (BA or MA)?
6. To examine differences in employees' perception about strategic change implementation with respect to their year of services, age and type of department they are working in the bank.

#### **1.4. Hypothesis of the Study**

Based on a review of available empirical and theoretical evidence, the following working hypothesis were formulated:-

**Ha<sub>1</sub>:** There is a statistically significant relationship between strategic change implementation [SC] and employee performance[EP]

**Ha<sub>2</sub>:** Communication system[CS] significantly effects employee performance[EP]

**Ha<sub>3</sub>:** There is statistically significant relationship between employees' perception about Covid-19 and employee performance[EP]

**Ha<sub>4</sub>:** there is a statistically significant difference in employees' perception about strategic change implementation across their year of services.

**Ha<sub>5</sub>:** there is a statistically significant difference in employees' perception about strategic change implementation with respect to their age categories.

**Ha<sub>6</sub>:** there is a statistically significant difference in employees' perception about strategic change implementation with respect to the type of department they are working.

**Ha<sub>7</sub>:** there is a statistically significant gender difference in employees' perception about strategic change implementation

**Ha<sub>8</sub>:** There is significant difference in employees' attitude about strategic change between employees with first degree and M.A or MSc.

## **1.5 Significance of the Study**

The results of this study has significance is not limited to the Listed Ethiopian Commercial Banks in Addis Ababa and its managers but also to other managers in the supplementary banks, non-financial organizations and financial institutions. It may assist them in understanding the factors affecting employee performance and how to mitigate these obstacles. The study may also serve as a reference material for future academic researchers on other related topics; it will also help other academic researchers who might undertake the same topic in their future studies.

The finding of this study, which details with the effect of strategic change management, Covid-19 and communication system in commercial banks in Ethiopia, is beneficial for different stakeholders such as banking industry and researchers as follows. For National Bank of Ethiopia, the finding of this study might be used as directive input in developing regulatory standards regarding the strategic change implementation and communication policies of commercial banks of Ethiopia. In addition, this study will initiate the commercial bank's management to give due emphasis on the management of these identified variables and provides them with understanding of activities that will enhance strategic change implementation and communication system to improve employee performance.

This study is of great value to a number of stakeholders with interest in the banking sector in Ethiopia. The study may inform the bank management about the role played by organisational change management and communication system on employee performance. The study assured change is a matter of manner and it does not interrupt the organizational ongoing activity. The central bank of Ethiopia and government formulated on the base of policy in the banking sector. The Government and in particular the Central Bank of Ethiopia which regulate the banking sector is get informed on policy matters. The government is responsible for the legislation part of introducing change in public institutions, commercial banks included. The government also responsible for the regulation in process of change considering the effect does not affect negatively on the citizen. The paper have numerous positive value for other researcher and academic purpose. The study is essential to researchers, in the present day and also for the future ones. This is because the study will guide their research undertakings. The study also exposes in-terms study gaps that may raise questions for future researchers who may find interest in seeking to fill those gaps.

## 1.6. Scope and Delimitation of the Study

The study focused on investigating the effect of strategic change management, communication system and Covid-19 on employee performance among selected commercial Banks in Addis Ababa, Ethiopia. The researcher targeted listed Commercial Banks in Addis Ababa City Administration, to reduce population size. The study targeted top management, middle level management and lower level management including .

## 1.7. Operational Definitions of Terms

1. **Strategic Change Implementation:** the degree to which organizations plan and implement changes to enhance the competitive advantage or achieve significant objective.
2. **Communication system:** The act of transfer of information from one entity or group to another, which is define effectively ommunication strategies, styles, channels, direction, and role of informal groups.
3. **Covid-19:** Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus. In this thesis participants' perception about the effect of Corona Virus on their life style was assessed by a single item that reads "What is the effect of Corona pandemic on your life style", after the work of Baicu et al. (2020).
4. **Employee Performance:** how a member of staff fulfils the duties of their role, completes required tasks and behaves in the workplace, and measurements of performance include the quality, quantity and efficiency of work.
5. **Commercial Bank:** A commercial bank is a financial institution that accepts deposits, offers checking and savings account services, and makes loans.

## 1.8. Organization of the Thesis

The thesis consists of five chapters. Chapter one provides important introductory issues, which include background of the study, statement of the problem, basic research questions, objectives of the study, and significance of the study. The chapter also provides definitions for basic terminologies and ends by indicating the overall structure of the thesis. Chapter two deals with literature review on the areas of strategic change management, communication system and Covid-19 and its effect on employee performance in commercial banks. Chapter three deals with research methodology. Chapter four deals with data presentation and analysis. Finally Chapter five presented discussion, conclusion and recommendation.

# **CHAPTER TWO: LITERATURE REVIEW**

## **Chapter Overview**

This chapter covers a review of different theories which guide this study. This part of the study cover the other researchers material to conduct this study. A summary reviewed and the back bone of this paper which is the conceptual framework present in the drafted variables. This proves vital in comparison and interpretation of the findings.

### **2.1. Theoretical Literature Review**

#### **2.1.1. Definition of strategic change**

According to Agrwal and Helfat (2009) define strategic change as renewal of strategy replacement of attributes of an organization for long term prospect. Strategic change is the movement of an organization from present status toward for some desired future organization opportunity which organizations face many different types of changes. Uncertainty is forcing an organization to adopt innovation and changes the way they work on it. Many organizations need to change their strategy to remain competitive.

The manager has the role in strategic change in two components the one with external environment and internally bring the organization in the line with the right way. For the strategic change to apply there should be first strategic thinking as a manager position. Strategic change defined as “change in the content of firm as strategy as defined by it scope, resource developments, competitive advantages, and synergy”(Hofer and Schendel 1978). The form for strategic change is based on the objective and vision of the organization to succeed the organizational goal. Change is important to survive through uncertainty to increase employee performance, for a certain organization-specific goal to be achievable.

### **2.1.2. Strategic Change Implementation**

World over, organisations, including commercial banks, operate in an environment that is constantly changing. These changes keep redefining the manner in which organizations operate and perform. As open systems, organisations function in a setting marked with many challenges, risks and uncertainties that call for a thoughtful management approach (Gill, 2002). Gill (2002) posit that change ideally entails the process of causing a function, practice, or thing to become different in some or all aspects compared to what it originally was. In an organisation, these changes could be in a specific department, such as a Production, Human resource, and Marketing or Finance department or could also be happening in the entire business entity. According to Kogila (2016), Change Management (CM) is an approach that seeks to transition persons, groups of individuals, and firms using systems purported to re-direct the use of assets of the business, budget allocations, process of the business or other operation modes that are important in reshaping an organisation.

According to Kogila (2016), change should not distract the working environment that organization process in day to day base since the aim is to undertake successful performance to achieve the objective. A good change management process pronounces explicit methods or approaches of addressing business operations or processes. The paramount goal of establishing a formal change management framework is to ensure that the negative effects of change introduction are minimized. Organisational stakeholders need to create a plan on how to recognize the need for change as well as master the modes of implementing and monitoring the change for successful institution of a change management. The facets of effective change management include leadership, organisational learning and development, stakeholder involvement and communications and feedback (Bass & Stogdill, 1990). All these organisational pillars need to be aligned with corporate strategic goals in order to effectively absorb change.

According to Bass and Stogdill (1990), through different course the leadership skill involve. so this leadership skill play an important role in strategic change to be implemented . Under Laissez-Faire leadership, there is no close supervision of employees and as such employees are free to rule themselves in their day to day work related engagements. On the other extreme, under autocratic style of leadership, managers make decisions unilaterally and do not consider the input

of other stakeholders in the organization. So this types of mechanisms will be helpful to practice change.

Under participative leadership or democratic leadership style, the input of team members and peers is valued and taken into account although the duty of making the final decision rests with the participative leader (Bass & Riggio, 2006). Transactional leadership is used in situations where managers give certain tasks to be performed by team members and provide rewards or punishments depending on the results. Finally, transformational leadership style is dependent on high levels of communication from management to meet unique organisational goals. It therefore entails motivating organisational employees and enhancing productivity and efficiency through communication and high visibility (Judge & Piccolo, 2004).

According to Wang and Ahmed (2003), Organizational learning involves the process of creating, retaining, and transferring knowledge within an organization. It appreciates the fact that an organization improves over time as it gains experience and talent. From this experience, the organisation is able to create knowledge which gives impeccable value to the organisation. Organisation learning is key to change management in an organisational setting. Organisation learning leads to more capabilities and understanding of new business concepts, ideas, innovations and processes as they emerge. It therefore serves to dilute the complexities associated with introduction of change in organisations.

As opined by Freeman (2010), stakeholder involvement also called engagement of stakeholders or participation of stakeholders is the way in by which firms involves workers or individuals who change decision may affect them and makes or have an influence on the execution of those change initiatives. Vink, Imada, and Zink (2008) appreciate that creating an effective engagement strategy by stakeholders is highly a significant aspect in the strategy change in general. As such, the more engagement you have, the more commitment and positive contribution one obtains. Additionally, as stakeholder involvement engagement goes up, resistance goes down. Stakeholder involvement or engagement should start right when the need for change is conceived. According to Hayes (2014) stakeholder participation is supposed to begin early in the process change, as early as helping the managers in the job of gauging the indicators of the change to the activity of growing the change case. Stakeholder engagement is

appreciated as one of the critical pillars of successful change implementation in an organisation. Business transformation typically involve people, processes and systems changes which may require to be delivered in order to produce a step change within the business. According to Freeman and McVea (2001), insufficient acceptance and adoption of new processes, systems and procedures arising from inadequate participation of stakeholders is the prime cause of transformational failures. According to Miller (2014) Communication entails the act of conveying intended meanings from one entity or group to another through the use of mutually understood signs and semiotic rules and involves exchanging or imparting information or news. According to Jones (2010), communication is a critical component of an organisational change management strategy and indicate the best methods through which an organisation listens and engages with their employees throughout the change implementation journey.

Eisenberg and Goodall (2004) posit that communication strategy is one of the most important element of organisational communication as it clearly identifies the priorities and helps staff to understand the proposed changes, benefits and elucidates the motive behind potential negatives. The role played by informal group spokespersons is also key to effective communication. This is because it serves to ensure that the key messages and themes of the organisational change are well communicated. There needs also to be constant communication to make employees and stakeholders cognizant of the reasons for change and the overall objectives so that they are not only on board but also can communicate to a wider stakeholder group if necessary. For communication to be effective, it needs to be a two-way communication where staff are accorded the opportunity to ask questions and provide ideas (Miller, 2014). The organisation should also exploit a wide range of communication channels to optimise the effect and ensure stakeholder have access. Constant communication through many channels is critical in delivering key messages and themes.

The current study was guided by a number of theories which include the Burke-Litwin Model of organisational change and performance, Kurt Lewin Three Step Change Model and Lippitt's Phases of Change Theory.

### **2.1.3. The Burke-Litwin Model of Organizational Change and Performance**

Also known as the Causal Model of Organizational Performance and Change, the Burke Litwin Model suggests relationship on the effect of the external and internal factors on the hypothesize

performance(Burke, 2013). The theoretical model was proposed by Burke and Litwin (1989). The theory presents the direction of environment and the organization to be a successful change . It further show how the dimensions should be linked causally to achieve a change in performance. As added by Martins and Coetzee (2009), the causal model associates what may be understood from practice to what is known from studies and theory. The Burke-Litwin model illuminates how different dimensions related with each other and further presents how the organization affect by external environment. The theory is critical as it serves as a frame for both planned and organizational diagnosis, managed organizational change, one that clearly shows cause-and-effect relationships (Burke & Noumair, 2015). The model demonstrates the various drivers of change and ranks them in terms of importance. Following is a diagrammatic representation of the model and has the most important factors featuring at the top.



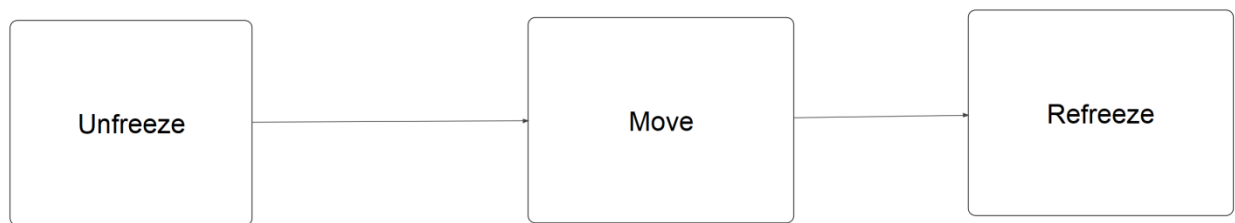
**Figure 1: The Burke-Litwin Model of Organisational Change and Performance(Austin, 2015)**

“The Burke-Litwin model ideally presents how the combined framework consisting of external environment, strategy and mission, culture in the organization, organizational structure, practices by management, systems, climate in the work unit, jobs and skills of individuals, needs of

individuals and values as well as motivation are likely to influence both Individual and organizational performance (Michela& Burke, 2000)”. The model will be critical to the current study because it will guide the assessment of strategic change, communication system, and performance of employees. In particular, the study suggests a cause and effect relationship between change management strategies such as leadership on performance of the organization and employees. Of essence to state, the researcher will be seeking to determine the extent to which the propositions of the model hold with regard to the effect of each of change management variables on the commercial banks’ performance.

#### **2.1.4. Kurt Lewin Three Step Change Model**

The early proponent of the theory was Lewin (1947). Kurt Lewin theory or model is built on the premise of three steps to change. These according to Levasseur (2001) are unfreezing, moving and refreezing. Unfreezing entails decreasing the setbacks to change and increasing the change effort opportunities. Stage two which is the moving stage involves the recognizing change need and the change in the workforce acceptance at the end of it all. Most of the change agents are managers who are then required to ensure active new system are in place with all workers in the refreezing step (Hughes, 2007).



**Figure 2: Kurt Lewin’s three steps of change Model**

The three-step model elucidates the significance of executing a change successfully by removing the current conditions then movement change, making norms absolute and changing behaviours. Dynamic stability involves tinkering and kludging (Abrahamson, 2000). This refers to carrying out change by involving elements within an organization and engaging more employees gradually. As such, if the stakeholders and most importantly employees are made constantly aware of proposed changes, they are the ones who make it happen. Managers then should inquire

on feedback reports continuously by interacting with workers as well in order to make the process effective. In conclusion, by using such idea of stability which is changing, an organisation might look forward to a positive results in change implementation (Kritsonis, 2005). The theoretical framework will be useful especially in the evaluation of the leadership, stakeholder involvement, communication system, organisational learning objectives much so because of its emphasis on stakeholders involvement in the process of managing organisational change.

### **2.1.5. Lippitt's Phases of Change Theory**

The theory was proposed by Lippitt, Watson, Westley and Spalding (1958) as an extension of Lewin's Three-Step Change Theory. The theory presents a seven-step theory that focuses more on the role and responsibility of the change agent than on the evolution of the change itself. For that reason, the theory would be an ideal guide in the assessment of the role of leadership, organizational learning, communication and stakeholder involvement as dimensions of change management. The theory emphasizes on continuous exchange of information throughout the change process. The theorists argue that stable changes are more likely stable if they spread to systems nearby or to subparts of the system affected immediately (Kritsonis, 2005). The seven steps of the Lippitt's theory include diagnosing the problem, gauging the motivation and change capacity, assessing the resources and motivation of the change agent, defining progressive stages of change, ensuring the roles and responsibilities of change agents are not only clear but also well understood. This is followed by maintaining the change through communication, feedback, and group coordination and finally progressively removing the change agents from the relationship, as the change becomes part of the organisational culture (Cummings & Worley, 2014). The theory will guide the assessment of organisational learning, communication, stakeholder involvement, and leadership and their effect on performance as objectives of the study.

## **2.2. Empirical Literature Review**

### **2.2.1. The Effect of Strategic Change and Employee Performance**

Strategy implementation is the process of apportioning resources with the objective of supporting the chosen strategies. This process ordinarily involves various management activities that are

essential in putting strategy in motion, establish strategic controls that evaluates progress, and the end achieve organizational goals (Pearce & Robinson 2009). Muguni, (2011) contends that, the implementation procedure is devastating to the entire managerial activities including activities such as compensation, motivation, management appraisal, and control processes which require flowing strategy to all functional areas in such a manner as to achieve both horizontal logic vertical and enhance implementation of policies.

According to Andresen and Gary (2010) organizations seem to experience challenges' in implementing their strategies. Many researchers for instance(Marginson, 2012; Lares-Mankki, 2014; Koske, 2013) have pointed out number of problems in strategy implementation: for example weak and poor management roles in implementation, lack or insufficient of communication, unawareness or misunderstanding of the strategy, inadequate commitment to the strategy, unaligned organizational resources and systems, poor work coordination and sharing of responsibilities, competing activities, inadequate capabilities and uncontrollable environmental factors. The commercial banking sector has faced various challenges following changes in their operating environment (Kamanda, 2009).

Organizations operate in a very competitive environment especially the banking sector. To build and sustain competitive advantage, business enterprises' practice strategic management. According to Dwallow (2012), creating a good strategy is nothing compared to its successful implementation and that top management is responsible for the design of information systems for the business enterprise. In this responsibility, managers control the environmental variables most probably to get attention in the firm. He further added that, they have to also make sure that information concerning the said key variables is available to responsible managers. Top-level managers must also avail timely and accurate feedback concerning the organizations' performance as well as the performance of individual business units within the organization. Finally, the organization members require information to maintain a pragmatic view of their performance, the organization's relationship to the environment and the performance of the organization. Implementing strategies successfully is very important for any organization that is either private or public. In the absence of implementation, even the most superior strategy is useless (Gekonge, 2009). According to Lares-Mankki (2014), the idea of strategy implementation may at the face of it, seem quite straightforward, that is, the strategy is

formulated and then it is implemented. Implementing would therefore be alleged as being about changing organizational structure and allocating resources. Nevertheless, Johnson and Scholes (2013), notes that, transforming strategies into action is a far more difficult and a complex task. Additionally, there are only a limited number of conceptual models of strategy implementation making strategy implementation a difficult task for any organization.

Hitt et al. (2009) notes that, a good strategy may put a company on the competitive edge and raise its performance. Regrettably, many companies struggle with implementation and consequently fail in performance improvement. Kiptugen (2013) took a study to determine the strategic responses of Kenya Commercial Bank to a changing competitive environment. He gave attention mainly on strategies that can be adopted in a competitive environment; the study did not cover the factors to consider in strategy implementation and challenges in the implementation stage. Kamanda (2009) also conducted a study on Kenya Commercial Bank (KCB) with the aim of determining the factors that influence its regional growth strategy. His study, nevertheless, does not envelop the issues of strategy implementation. Situma (2009) also covered KCB but focused on its turnaround strategy. Muguni (2011) researched on the role of executive development in strategy implementation. The study however did not capture the considerations of strategy implementation and challenges.

Thomas (2014) undertook a study on change management and its effects on organizational Performance of Nigerian Telecoms Industries. The study covered Airtel Telecommunication Company in Nigeria and relied on 300 randomly selected staff of Airtel, Nigeria. The study used One-way Analysis of Variance (ANOVA) in testing the hypothesis. The results shows that change through leadership has a significant effect on performance. As such, the study recommended that the leadership of telecoms industries in Nigeria should be pro-active to changes in such a competitive environment so as to experience smooth change implementation.

Omari, Ateka and Nyaboga (2013) embarked on a study on the influence of strategic change management practices on organizational performance. The study concentrated on the operations of soft drink industries in western Kenya. The results of the study indicated that leadership and specifically executive commitment was a key drive to successful change introduction and implementation and ultimately on organisational performance. The study presents empirical gaps on the need to extend the analysis to cover more change management variables.

A study by Tsai (2011) dwelt on the relationship between organizational cultures, leadership behaviour and job satisfaction in the context of organisational change in Taiwan. A cross sectional study approach was adopted where hospital nurses in Taiwan were targeted as the respondents. The study used a structured questionnaire to collect data from 300 participants.

A total of 200 valid questionnaires were returned and applied in the analysis. The study utilised correlation analysis to determine the relationships between organizational cultures, leadership behaviour and job satisfaction in the context of change. Study results shows leadership behavior and job satisfaction significantly and positively related and ultimately with employee performance. Methodological gaps are unveiled on the need to address organizational performance besides employee performance as influenced by change management. Contextual; gaps are also unveiled on the need to replicate the study locally.

Zhou, Hu, and Shi (2015) sought to answer the question ‘Does organizational learning as a change management strategy lead to higher firm performance?’ through an investigative study targeting Chinese listed companies. The target population was made up of 287 listed Chinese companies. Statistically significant positive relationship between organizational learning dimensions and firm performance (both objective financial performance and perceptual innovation measure) were established. The study presents methodological gaps in that it included exclusively firms for which secondary data was available creating the need to focus on firms that can also provide primary data. Contextual and empirical gaps are also established on the need to undertake a local study and need to encompass more change management strategies in the analysis. Nzioka (2012) conducted a study on the relationship between organizational learning and performance improvement for commercial banks in Kenya. The study adopted an empirical research design. The survey method was utilised with the target population comprising of all the 43 commercial banks in Kenya. The study collected data through self-administered questionnaires. Analysis was done using quantitative techniques of descriptive statistics, correlation analysis and regression analysis. The results indicated a positive relationship between organizational learning and organizational performance. The study presents empirical gap on the need to address more change management variables and evaluate how they independently and collectively influence performance.

Sampe (2012) studied the influence of organizational learning on performance in Indonesian SMEs. The study employed a web-based survey and collected data from the owners or managers of the SMEs and their employees. A descriptive survey research design approach was employed. The study relied purely on descriptive analysis. Study results indicated that organizational learning practices exist in Indonesian SMEs. It was further suggested that organisational learning affects the performance of SMEs. The study presents methodological, contextual and empirical gaps worth being addressed. The methodological gaps are identified on the need to use objective measures of performance away from the subjective indicators reported by management. There is also need to use inferential statistics to complement the descriptive statistics for more worthy conclusions. Empirical gaps concern the need to cover more change management strategies for analysis. Contextual gaps are also evident on the need to undertake a local study on the subjects of change which are scanty.

In the summarizing the above arguments,

**Hypotheses 1:** strategic change is significantly related with employee performance

### **2.2.2. The Effect of Communication System on Employee Performance**

A study by Muema (2013) focused on strategic change management practices and challenges at Safaricom limited, Kenya. The study used a comprehensive interview guide to collect primary data while senior management among them middle level managers who are directly involved in strategic change management were targeted. Content analysis was used to analyse qualitative data. Study results indicated that excellent communication was upheld at Safaricom Ltd before and during change introduction. The company had well organised and recognised staff council through which major corporate communication was done. The council also played in picking employees feedback. The research findings support the role of effective communication in driving and sustaining the momentum of change. The study presents methodological gaps on the need to target a wide range of firms to allow comparison. Empirical gaps are also identified on the need to extend the analysis to demonstrate the effect of change management on performance.

Asamu (2014) conducted a study on the effect of communication on workers performance in selected organizations in Lagos State, Nigeria. The study used data collected through questionnaire from a sample of 120 respondents. The study results indicated a significant relationship between effective communication and workers' performance, productivity and

commitment. The study recommended that managers regularly communicate with employees to improve workers commitment and performance. The study presents contextual gaps on the need to conduct a local study. Empirical gaps are present on the need to extend the assessment to cover the effect of communication as antecedents of change management on performance.

Atambo and Momanyi (2016) embarked on a study on the effects of internal communication as a change management tool on employee performance through a case study of Kenya Power and Lighting Company, South Nyanza Region, Kenya. The study specifically sought to establish the effects of downward communication, upward communication and horizontal communication on employee performance at Kenya Power Electric and Lighting Company South Nyanza Region. The target population of the study was 256 employees working at the South Nyanza Region of which 30% were selected through stratified random sampling. Questionnaires were used in data collection. Study results indicated that downward communication was appreciated by KPLC thus information was on-time, increased performance. It was also recognize upward communication to get feedback from the lower to enhancing performance. It was also applicable that lateral communication was significant as it enable the communication as a team to subordinate. so, the study concluded that effective communication enhanced employee performance. The study presents empirical gaps on the need to embrace more change management variables in the assessment besides communication and feedback. There are also methodological gaps on the need to improve comparability by targeting more organisations away from the case study approach.

From pervious arguments, the following hypothesis was formulated:

**Hypothesis 2:** communication is affect employee performance

### **2.2.3. Covid-19 and Employee Performance**

COVID-19 is a new virus and enough is not known yet about how it affects the employee performance in commercial bank of Ethiopia. The possibility, however, for people of any age to be infected and transmit the virus, although older people and/or those with preexisting medical conditions seem more likely to develop serious illnesses. Early detection and containment is essential to prevent and delay an overwhelming demand for health care services from an already fragile health system. Considering the significant diversion of resources due to COVID-19 on commercial bank of Ethiopia that can take place, there is a strong likelihood of excess morbidity

and mortality due to non-COVID related illness, if the experience of Ebola in West Africa is guide, as a result of the combined effects of: (A) Decreased availability of essential health services; (B) Decreased utilization of essential preventive and curative health services by the population due to fear of COVID-19 infection, (C) Lack of affordable transport, Socio-Economic Effect of COVID-19 in Ethiopia and increasing inability to pay for transport and services due to the pandemic COVID-19. (D) They were not efficiently worked and not gave attention and attract on each customer services. (E) They were not achieve goals and not completed tasks on time. (F) They were not able to reliably met targets and not control over their work loads. On mental health and psychosocial distress, the restrictions imposed because of the COVID-19 outbreak, have caused significant disruption to the employee performance on commercial bank of Ethiopia.

For many employees, daily life is changed dramatically, and the ‘normal’ ways of life as we know them are suspended indefinitely. Imposed quarantine or isolation is an unfamiliar and unpleasant experience that involves separation from friends and family, and a departure from usual, everyday routines. Isolation is known to cause psychosocial problems, especially for those recognized as vulnerable. While all humans are at risk of psychological harm when kept in isolation, the most vulnerable in these situations on commercial bank of Ethiopia are adolescents, older adults, and minority groups, those from lower socio-economic groups, females, and people with preexisting mental health conditions. Social isolation associated with quarantine can be the catalyst for many mental health services; even in employee’s performance who were previously well. These can include acute stress disorders, irritability, insomnia, emotional distress, mood disorders, including depressive symptoms, fear and panic, anxiety and stress because of financial concerns, frustration and boredom, loneliness, lack of supplies and poor communication.

The third hypothesis of this paper suggested that:

Hypothesis 3: Covid is significantly related with employee performance.

#### **2.2.4. Related Empirical Studies in Ethiopia**

Some related studies are conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on the effect of strategic change, communication system and Covid-19 on employee performance. Gardachew (2010) conducted research on the opportunities and challenges of E-banking in Ethiopia. The aim of his

study was focused on analyzing the status of electronic banking in Ethiopia and investigates the main challenges and opportunities of implementing E-banking system. The author conducted a survey on the existing operating style of banks and identifies some challenges of using E-banking system, such as, lack of suitable legal and regulatory frame works for E-commerce and E- payments, political instability in neighboring countries, high rates of illiteracy and absence of financial networks that links different banks.

Wondwossen and Tsegai (2005) also studied the challenges and opportunities of E payments in Ethiopia; their objective was studying of E-payment practices in developing countries, Africa and Ethiopia. The authors employ interview and on site observation to investigate challenges to E-payment in Ethiopia and found that, the main obstacles to the development of E-payments are, lack of customers' trust in the initiatives, Unavailability of payment laws and regulations particularly for E-payment, Lack of skilled manpower and Frequent power disruption. According to Wondwossen and Tsegai (2005), an adequate legal structure and security framework could foster the use of E-payments, which is contradicting with the finding of the previous study.

### **2.3. Summary of Literature and Research Gaps**

In summary, all the literature review regarding the effect of strategic change, communication system and Covid-19 on employee performance is pointing to the fact that all these variables have effect on performance of employees in commercial banks, though studies in isolation. To the knowledge of the researcher there is no empirical studies done regarding the effect all the three variables [i.e., strategic change, employee performance and Covid-19] have on employees' performance within the context of commercial banks in Ethiopia. Since the study of strategic change and Covid-19 in banking industry in Ethiopia is at its infant stage there is no ample empirical data on the relationship between strategic change and Covid -19 and employee performance in commercial banks in Ethiopia. In general, this study is different from previous works done by others; specifically, it examines three determinants of commercial bank performance using survey data in commercial banks in Ethiopia and then assesses the quantitative data for these determinants based on the context of Ethiopia.

This chapter analyzed the literature review which included the discussion of the theoretical framework and empirical review. From the available literature, it was learned that

strategic change is associated with employee performance. The most important factor when managing strategic management implementation is the top-level management's commitment to the strategic objective. Once the strategy has been formulated, communication is one of the most important conduits for successful implementation. Communication ensures that the team members understand and support not only where the team is now but also what they want to be. Kiptugen (2013) conducted a study to establish the strategic responses of Kenya Commercial Bank to environmental dynamics. Because the study only focused on strategies that can be adopted in a competitive environment; the research work was unsuccessful in covering the processes concerned with strategy implementation and challenges in the implementation phase.

Kamanda (2009) also conducted a research work about Kenya Commercial Bank (KCB) with the purpose of establishing the factors which sway its regional growth strategy. The research work, however, did not address the concerns on strategy implementation. Situma (2009) also covered KCB but gave attention to its turnaround strategy. Muguni (2011) on the other hand researched on the role of executive development in strategy implementation. His work was however a comparative study of KCB and National Bank of Kenya. This particular study also did not address the strategic change implementation process and challenges. Grounded on the study review as discussed, available past studies have therefore failed to address the employee performance drivers in the commercial banks. Consequently, the main objective of this study is to bridge the knowledge gap that exists by determining the relationship between strategy implementation, communication system and Covid-19, and employee performance of the commercial banks in Ethiopia.

Most studies on this subject is not locally applicable situation and may not be effective in the local (Zhou, Hu, and Shi, 2015; Thomas, 2014; Omari, Ateka, & Nyaboga, 2013; Tsai, 2011; Mchunu, 2010; Asamu, 2014). This results have some gap in terms of conceptual related to strategic change and performane. There are also empirical gaps on the need to extend the framework to cover not just the practice of change management but assess in addition the effect of those change management variables on organizational performance.

Empirical gaps on the related to variables with change on the employee performance directly related to the organizational performance. This condition is is not addressed on previous studies.

Most of the past studies have not touch strategic change the effect on the performance. It is also worth noting that most studies too have focused on the change management variables such as leadership, organisational learning, stakeholder involvement and communication in isolation and have scarcely attempted to show collective effects of these on performance (Nzioka, 2012; Wanyama, 2013; Aketch, 2013).

Further exposed also gain on the methodological gap of the study from the past and rework on it. These include a shift from case study approach in analysis as utilized in most past studies. To reducing the comparability the study should have to spread the range on the organization . The methodological gaps also considered the objective and subjective matters to not biased for the managers(Muema, 2013; Atambo&Momanyi, 2016; Sampe, 2012).

#### **2.4. Conceptual Framework**

The conceptual framework consists of three independent variables as well as the dependent variable. The independent variables are the strategic change implementation, communication system, employees perception and employees' attitude embedded in the COVID 19 pandemic. The dependent variable is employee performance, which is indicated by non-financial metrics. Besides, employees' age, service year, gender and department category are taken as control variables. Therefore, based on the foregoing empirical and theoretical evidences, the researcher proposed that: (1) strategic change is positively and significantly associated with employee performance (Path a); (2) communication system is significantly and positively related to employee performance(Path b); and (c)Employees' perception about the effect of Covid-19 on their lifestyle was positively associated with employee performance (Path c) (See Figure 3). In addition the study examined gender differences in employees' perception about strategic change, and differences in employees attitude about strategic change across their educational level (BA or MA). Finally, the study examined differences in employees' perception about strategic change implementation with respect to their year of services,age and type of department they are working in the bank.

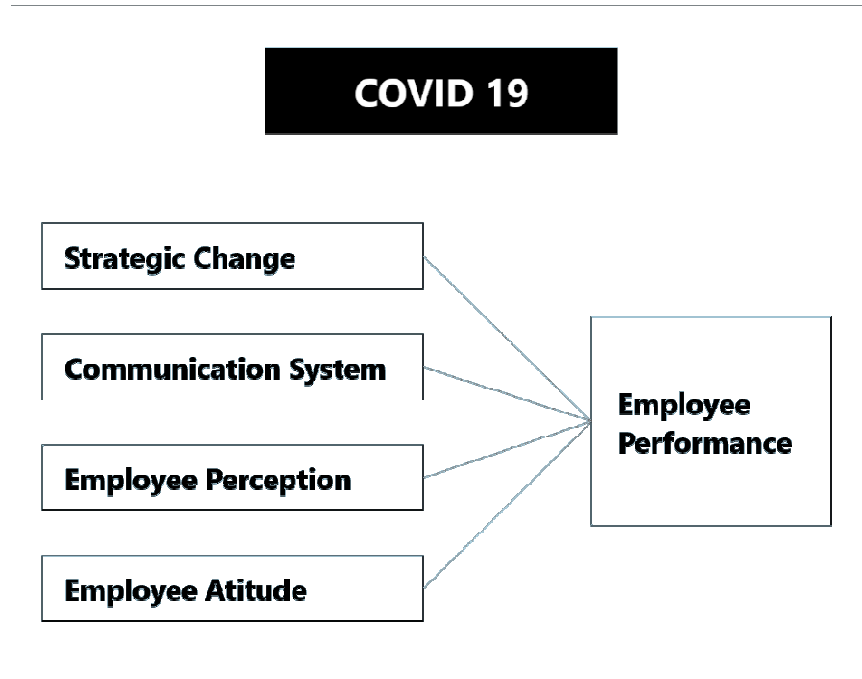


Figure 3: Conceptual Framework

## **CHAPTER THREE: METHODOLOGY**

### **Chapter Overview**

This section explains the research methodology that was applied to obtain representative data from commercial banks in Ethiopia. Accordingly, this chapter discusses the research procedure that is used to carry out this study. It starts by discussing research design followed by the nature and instruments of data collection and sampling design. The subsequent section presents and discusses method of data processing and analysis.

### **3.1. Research Design and Approach**

According to Creswell (2003) research approach is a plan and procedure which consist of steps of broad assumptions to detailed method of data collection, analysis, and interpretation. The researcher employs quantitative research approaches. Therefore a deductive approaches of analysis was utilized. According to Leedy et al., 2005 a methodology is take out the meaning of data . Data and methodology are highly interdependent. Therefore, the methodology to be used for a particular research problem must always take into consideration about the nature of data that will be collected to resolve the research problem.

According to Mugenda and Mugenda (2010), a research design is a master plan/framework specifying the technique and procedures for both collecting and analyzing the needed data. An explanatory type of correlational research design with a cross-sectional time orientation was employed in this study. This studyiscrosssectional in its time orientation because the data is collected once to pick out the parameters of a phenomenon at a specific point in time. According to Blumberg, Cooper, & Schindler (2014), the aim is to get an accurate means of capturing a population's characteristics at a single point in time relating to what, where, how, who and when of a research topic. This particular research design offers the researcher the chance to study part of the members of the population with the objective of formulating generalization in relation to the phenomenon.

The explanatory design and quantitative research approach are considered to be robust for investigating the relationship between strategy change implementation, communication system, employees' perception and attitude as well as employee performance embedded in the context of

COVID 19 pandemic. Explanatory research design and quantitative approach have been pointed out among methodologists that these combinations are appropriate for studies that intend to analyze a situation, phenomenon, problem attitude or issue by taking into consideration a cross-section of the population at one point in time (Mugenda & Mugenda, 2010). As noted by Kothari (2004), explanatory research design examines relationships between dependent variables and independent variables.

The explanatory research design is used for this study since the study is explained the cause and effect relation among the variables, and useful approach considering the data that haven't been previously investigated or well explained before. This type of approach is responsible for the study to find the why of the cause and effect relationship. It also allows to have a broad know how of the study to find a solution.

Research design is a master plan specifying the methods and procedures for collecting and analyzing the required data. The choice of research design depends on objectives that the researchers want to achieve (Adams et al., 2007). Since this study was designed to examine the relationships between strategic change implementation, communication system and Covid-19 on employee performance, a logical reasoning that entails deductive approach is required. Deductive reasoning starts from laws or principles and generalizes to particular instance, in contrast to inductive reasoning that starts from observed data and develops generalization from facts to theory. Besides, deductive reasoning is applicable for quantitative research whereas inductive reasoning is for qualitative research. Thus, due to quantitative nature of data for the current study, the researcher used deductive reasoning to examine the link of strategic change implementation, communication system, employees' perception, employees' attitude and employees' performance during COVID 19.

### **3.2. Descriptions of Study Area**

According to Asika (2006), it is practically impossible to take a complete and comprehensive study of the entire population going by nature and pattern of distribution. Due to financial and time constraint, it is very difficult to take all branches of Commercial bank of Ethiopia in Addis Ababa as a study area. Hence, a representative sample is used from the population of the study. Therefore, a total of eighteen branches of Commercial Bank of Ethiopia from four sub cities in Addis Ababa were selected as the research sites for the study. The sites are selected because of the convenience of the sites for the researcher as well as because of the relatively easy access the investigator had to the areas. The branches were Kidiste Mariam, Arat Kilo, RasMekonen, Silassie, Legejida, Pawulos, AutobisTera, MehalKetema, GeneteTsige, AbunePetros, RasDesta, AnuarMesgid, Megenagna, Shola, Gurd Shola, FerensayLegasion, GuraraKidanimihret, and ArbaAndiEyesus. The target of this study comprised of all employees of Commercial Bank of Ethiopia.

### **3.3. Sources of Data**

Primary data was collected from employees of sub selected branches of commercial bank of Ethiopia in Addis Ababa through questionnaire.

### **3.4. Target Population**

The target population is that population to which the researcher desires to generalize the results of the research work. Target population is also defined by Mugenda and Mugenda, (2010) as a collective set of the study of all members of either real or hypothetical set of people, objects or events to which a researcher wishes to generalize the result. Oso and Onen (2005) describe a target population as the complete set of elements, units, objects or persons that share common features as established by the sampling criteria. According to Mugenda and Mugenda (2003), logically the targeted population have observable characteristic to generalizing the study. The study targeted employ top and middle level managers] of the 18 sub selected branches of commercial bank of Ethiopia from Yeka, Gulele, Addis Ketema and Arada sub cities in Addis Ababa.

The target population of the study consisted of 18 branches of commercial bank of Ethiopia with operations in Addis Ababa, Ethiopia. The targeted respondents was 371 in total and comprised top and middle managers. Considering the study's focus area is strategic change implementation, it is a strategic issue and more of related with the top level management team, whereas the middle managers are a bridge between top and lower level managers. Thus it is belived that pertinent information will be obtained from this management teams. In total, the views and voices of all managerial levels are well captured by this target population.

### **3.5. Sample Size Determination**

The researcher assumed that there were 371 top and middle management employees. Hence, the researcher used Yemane's (1967) formula, with 95% confidence level and 5% acceptable sampling error.

$$n = \frac{N}{1 + N(e)^2}$$

where n= is the required sample size

N= is the population size

E= the acceptable sampling error.

$$= \frac{371}{1+371(0.05)^2} = 192.477$$

Finally, considering 10% non-response rate, the questionnaire was distributed to 212 participants or employees in Commercial Bank of Ethiopia.

### **3.6. Sampling Techniques**

Sampling is a technique of selecting a suitable sample for the purpose of determining parameters of the whole population. Population is the list of elements from which the sample may be drawn (Adams et al., 2007). A sample is drawn to overcome the constraints of covering the entire population with the intent of generalizing the findings to the entire population. As noted by Kothari (2004), good sample design must be viable in the context of time and funds available for the research study.

For the purpose of this research work, the sample comprised of 212 employees recruited from 18 selected branches of commercial bank of Ethiopia. A probability sampling method was applied to select participants from top and middle management in each 18 branches of CBE for the study. Specifically, simple random sampling method was used by considering it to difficult for the study the to use over all CBE.

**Table 1: CBE branch names from which respondents were selected and number of participants from each branch**

	Name of the Branch	Number of participants who returned the questionnaire
1	Kidiste Mariam	10
2	Arat Kilo	12
3	RasMekonen	7
4	Silassie	16
5	Legejida	7
6	Pawulos	6
7	AutobisTera	9
8	MehalKetema	8
9	GeneteTsigie	9
10	AbunePetros	8
11	RasDesta	10
12	AnuarMesgid	10
13	Megenagna	10
14	Shola	7
15	Gurd Shola	8
16	FerensayLegasion	11
17	GuraraKidanemihret	13
18	ArbaAndiEyesus	4
	Total	165

### **3.7. Method of Data Collection**

The drop and pick method was used to fill the questionnaires to the various respondents in the study . The questionnaires was delivered to the various participants of the study in who were given considerable time to respond. The questionnaires was then picked at a later date. The choice of the drop and pick method of questionnaire administration is justified by the fact that the target respondents are a busy working time category of employees with vast duties and

commitments. Therefore, it was quite hectic to secure sessions with them to fill questionnaires in the researcher's presence. The questionnaires were presented to the respondents under a forwarding letter accompanied by an introduction letter from the University. The respondents were consequently requested to fill in the questionnaire for about 5 to 10 minutes of their time then the questionnaires were collected by a research assistant.

### **3.8. Instruments of Data Collection**

The researcher collected primary data with the help of a questionnaire. Questionnaires also reduce bias since the researchers' own opinions would not influence the respondents to answer questions in a certain manner unlike a face to face interview. The questionnaires were divided into five sections: the general information consisted of semi structured questions, to generally have knowledge of the background information of the respondents such as their gender, age, educational level, departments and years of service. The other four sections had structured questions that included; Communication system, strategic change, covid-19, and employee performance.

#### **1. Strategic Change Implementation**

Strategic Change Implementation was measured on the basis of scores from an 18-item measured with a Likert scale that ranged from 1-7 (1 = strongly disagree; 2 = disagree; 3 = Slightly disagree; 4 = Neither agree nor disagree; 5 = Slightly agree; 6 = Agree; 7 = Strongly Agree). An example of items from the strategic change implementation includes "Methods required for embracing change are effectively integrated in our corporate vision; There is clarity of roles and responsibility in change projects" (See Appendix A). The sum of the scores on these was considered for analysis.

#### **2. Communication system**

In this thesis communication system was measured using a 10-item measure with a five point likert scale ranging from 1 to 5 "Strongly Agree (SA); 2. Agree (A); 3. Neutral (N); 4. Disagree (D); 5. Strongly Disagree (SD)". Sample items included "In your opinion, do you think the communication systems as practiced by the bank influence strategy implementation?; Some failure in internal communication has sometimes led to failure in change implementation" (See AppendixA).

### **3. Covid-19**

The effect of Covid-19 on the life style of employees [as reported fromselves] was measured using a single item (See Appendix A). This measure was adapted from the work of Baicu et al. (2020).

### **4. Employee Performance**

Employee performance during Corona Virus was measured with a seven point likert scale ranging from 1-7 (1 = strongly disagree; 2 = disagree; 3 = Slightly disagree; 4 = Neither agree nor disagree; 5 = Slightly agree; 6 = Agree; 7 = Strongly Agree). Sample items included “I consistently achieve goals assigned to me even if there was corona pandemic; I consistently complete tasks on time without the effect of the pandemic”.

### **3.9. The Method of Data Analysis**

The data was coded and then entered into a computer for processing using the Statistical Package for Social Sciences (SPSS v. 23.0). Before running the regression equation, the data has been tested for absence of outliers in all the Variables; presence of linear relationship between the predictor variables and the dependent variable; absence of multicollinearity between the independent variables; and Cook's d and Standard residual.

Specifically, before the analysis have to made, data was subjected to a thorough data cleaning procedure. According to Mugenda and Mugenda (2003), data cleaning, data scrubbing or data cleansing involves detecting unnecessary data and making corrective action in the data. After this process was done then categorized in line with the research objectives. To ensure that data collected meets the underlying assumptions for the regression analysis, the study embraced key diagnostic tests.

Consequently, both descriptive and inferential statistics were used as the main analysis. Descriptive statistics including mean, frequency, percentage and standard deviation were used to characterize the demographic profiles of participants. First, multiple linear regression was employed to determine the effects of strategic change, communication system, and Covid-19 pandemic on employee performance. This statistics was used because it is instrumental in explaining the nature, magnitude, direction and strength of relationships unveiled. Second, an independent t-test was used to determine whether there is gender differences in employees'

perception about strategic change implementation. Finally, one way ANOVA was used to examine differences in employees' perception about strategic change implementation with respect to their year of services, educational level and type of department they are working in the bank.

### **3.10. Pilot Testing the Instrument [Field Pretesting]**

The purpose of the pilot test is to check the validity of the questionnaire. Further it helped to check the applicability and quality of the measures of strategic change, communication system, Covid-19 and employee performance which was adapted to collect data in Ethiopian cultural and language context. The pilot study is intended to check the clarity of the items and their cultural appropriateness, the time it takes to feel the questionnaire, the reaction of the respondents to the questions and other such issues. The scales were pilot tested on a sample of 33 participants (pilot group) for internal consistency using Chronbach alpha. These participants did not take part in the main study.

#### **3.10.1. Results of the Pilot Study**

The final respondents of this pilot study included a total of thirty three (33) employees of Commercial Bank of Ethiopia who self-reported on the measures, and who did not take part in the main study. The level of significance was set a priori at alpha .05 (5%). A separate Chronbach's alpha reliability coefficient was estimated to examine whether the items of strategic change, communication system, and employee performance were indeed reliable to measure the alleged constructs.

Reliability test results for strategic change (15 items), communication system (10 items), and employee performance (5 items) are presented in table 2 below. Chronbach alpha was not tested for the variable Covid-19, because it is a single item measure, and no need of calculating internal consistency.

Preliminary analysis showed that there were 33 valid cases and no missing values were recorded. The Chronbach's alpha for strategic change was ( $\alpha=0.895$ ), for communication system it was ( $\alpha=0.803$ ), suggesting an excellent reliability for the former and acceptable reliability for the latter. The internal consistency reliability for employee performance was ( $\alpha=0.924$ ), suggesting excellent reliability. Because the reliability for alcohol abuse scale is sufficient the researcher

refrained from examining the ‘item-total statistics table’ for ‘Chronbach’s alpha if item deleted column’, to improve the reliability of this scale. Readers are encouraged to examine Inter-item correlation matrix for strategic change, communication system and employee performance presented in appendix E, F, and G respectively.

**Table 2: Internal consistency reliability of items**

Measures Used	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items	Scale Mean	SD (Scale)	N
Strategic Change	0.895	0.911	15	74.85	14.35	33
Communication System	0.803	0.807	10	38.42	4.34	33
Employee performance	0.924	0.925	5	26.06	5.93	33
Covid-19	-	-	1			33

### 3.11. Ethical consideration

This study uses proper citation of the author. Any confidential information about the respondent has not been disclosed since the intention of this study is for academic purposes. This study is conducted on the consent of the bank and with the arrangement of Addis Ababa University, College of Business and Economics. As explained by Kothari (2011), research ethics refers as the consideration of others confidentiality in respect to the rights. The researcher has acquired research permits from Addis Ababa University which assured the respondents that the study will serve purely academic purposes. A commitment letter signed by the researcher was attached to the questionnaire to assure the respondents of confidentiality. The study made reference to usage of others materials cited in order to respect the others pieces of knowledge presented by others researcher and authors.

## CHAPTER FOUR: RESULTS AND DISCUSSION

### 4.1. Introduction

In this chapter, the results and discussions of the study are presented. This section begins with questionnaires response rate and demographic characteristics. The data was analysed using descriptive and inferential statistics. Tests of linear regression assumptions are conducted and reported before the analysis of linear regression. This followed by discussion of the findings.

#### 4.1.1. Response Rate

**Table 3: Response rate**

Questionnaires	Frequency	Percent (%)
Response	165	77.830%
Non-response	47	22.169%
Total	212	100%

The study has targeted to collect the data from 212 employees of various commercial banks in Addis Ababa. Out of the 212 questionnaires that were distributed to the respondents, 165 of them were fully filled and returned to the researcher, making 77.83% response rate. This response rate corresponded with Mugenda and Mugenda (2003) refer that a response rate of 70% and above is excellent. In addition, according to Mugenda and Mugenda (2010), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This means that the response rate for this study was excellent and therefore adequate for data analysis and interpretation.

### 4.2. Demographic (Sample) Characteristics

**Table 4: Gender, age and educational level of participants**

Gender	Frequency	Percent	Age	Frequency	Percent
Male	103	62.4	18-30	52	31.5
Female	62	37.6	30-40	110	66.7
Total	165	100.0	40-50	3	1.8

	Total	165	100.0
<b>Educational level</b>	<b>Frequency</b>	<b>Percent</b>	
First Degree	84	50.9	
MA/MSc	81	49.1	
Total	165	100.0	

In this subsection the researcher described the demographic profiles of participants who took part in the study after the data was assessed for certain assumptions required for conducting multiple linear regressions. Initially, a total of 165 participants (103 male, and 62 female) took participated in the study. Sixty two percent of the participants were male and 38 percent were female. Sixty seven percent (110) of the participants were within the age category of 30-40, characterizing the largest number of participants to be represented in the sample. The second largest age category comprised in the sample was within 18-30 age limits, accounting for 32% of the total participants of the current study (See Table 4).

Furthermore, with respect to educational qualification, the sample comprised of nearly proportional number of first degree holders and Masters of Science or masters of Arts Degree. 51% (84) have reported that they were degree holders, while the rest reported they hold master's degree.

The following table describes participants' profiles with respect to the departments under which they have been working and their experience or year of service in the bank. The largest percentage of participants have been working at the customer service departments, accounting for 38% (62), followed by those employees working under ICT and networking department (See table 5).

Moreover, as far as year of services have been concerned, 50% (82) participants have served for at least 5-10 years, followed by 37% (61) of them have served for years ranging from 1-5. Only 10 percent of the participants have served for 10 years or more than 10 years (See table 5).

**Table 5: Department working in the organization and Years of working in organization**

Department working in the organization	Frequency	Percent	Years working in organization	Frequency	Percent
1. Loan administration department	4	2.4	Below 1 year	6	3.6
2. ICT and Networking department	27	16.4	1-5 years	61	37.0
3. Marketing and promotion department	5	3.0	5-10 years	82	49.7
4. Interest free banking department	11	6.7	10 and above	16	9.7
5. Credit management department	8	4.8	Total	165	100.0
6. Risk management department	3	1.8			
7. Finance and procurement department	12	7.3			
8. Human resource department	14	8.5			
9. Planning and development department	7	4.2			
10. International banking department	12	7.3			
11. Customer service department	62	37.6			
Total	165	100.0			

#### 4.3. Descriptive Statistics of Study Variables

**Table 6: Means and Standard deviations of Study variables**

	Strategic Change	Employee Performance	Commu System	Covid-19
Mean	79.15	26.03	39.47	2.8485
SD	14.705	6.050	5.202	1.14021
Minimum	22	8	20	1.00
Maximum	99	33	46	5.00

Participants scored a mean ( $M=79.15$ ) and a standard deviation of ( $DV=14.705$ ) on the measure of strategic Change, with a minimum and a maximum score of 22 and 99, respectively. With respect to employee performance, participants showed a mean of 26 with a standard deviation of 6, with minimum and maximum score of 8 and 33 respectively. (See table 6 for the rest variables).

#### **4.4. Results of the Regression Analysis**

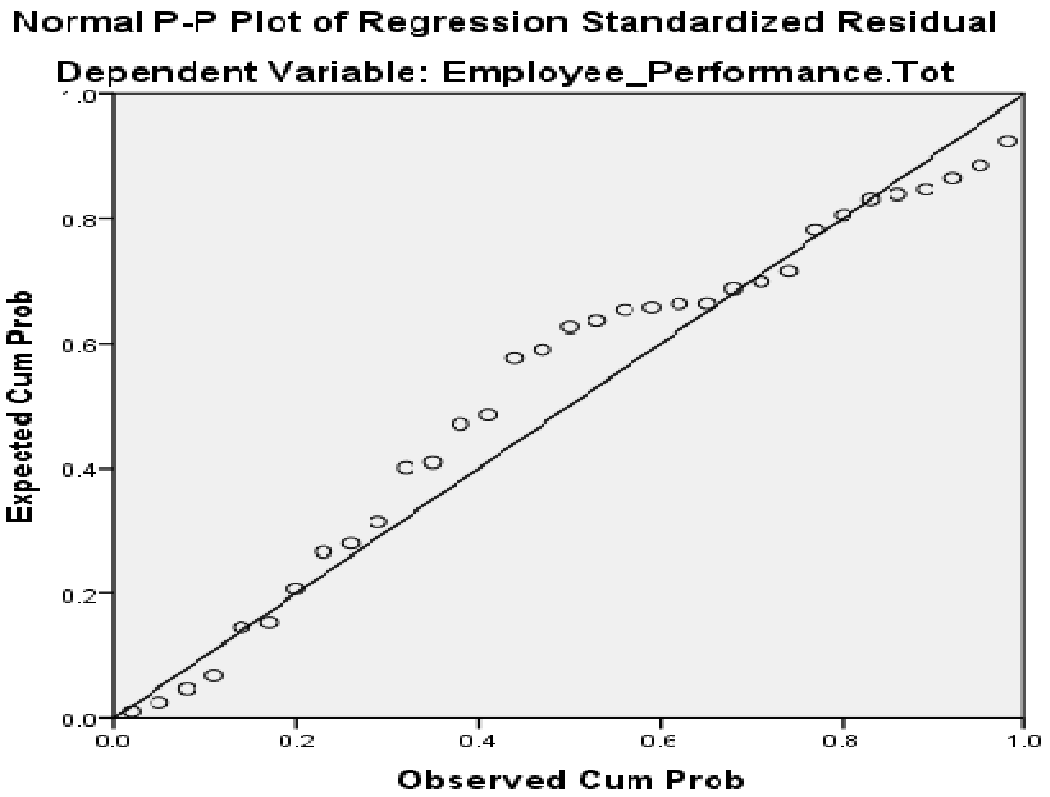
To measure the effects of independent variables on the dependent variable, multiple linear regression was used. Regression analysis is a statistical measurement used for estimating the relationships among variables. It enables to determine the strength of the relationship between variables and the predictive power of the independent variables on the dependent variable. In short, regression helps a researcher understand to what extent the change of the value of the dependent variable causes the change in the value of the independent variables, while other independent variables are held unchanged. Regression analysis is a way of statistically sorting out the variables that have indeed an effect. While there are many types of regression analysis, at their core they all examine the influence of one or more independent variables on a dependent variable. The following part presents the multiple linear regression analysis result.

##### **4.1.1. Assumptions of CMLR**

Prior to the regression analysis, a classical multiple linear regression assumptions were tested and the test results are presented as follows.

##### **1. Linearity Test**

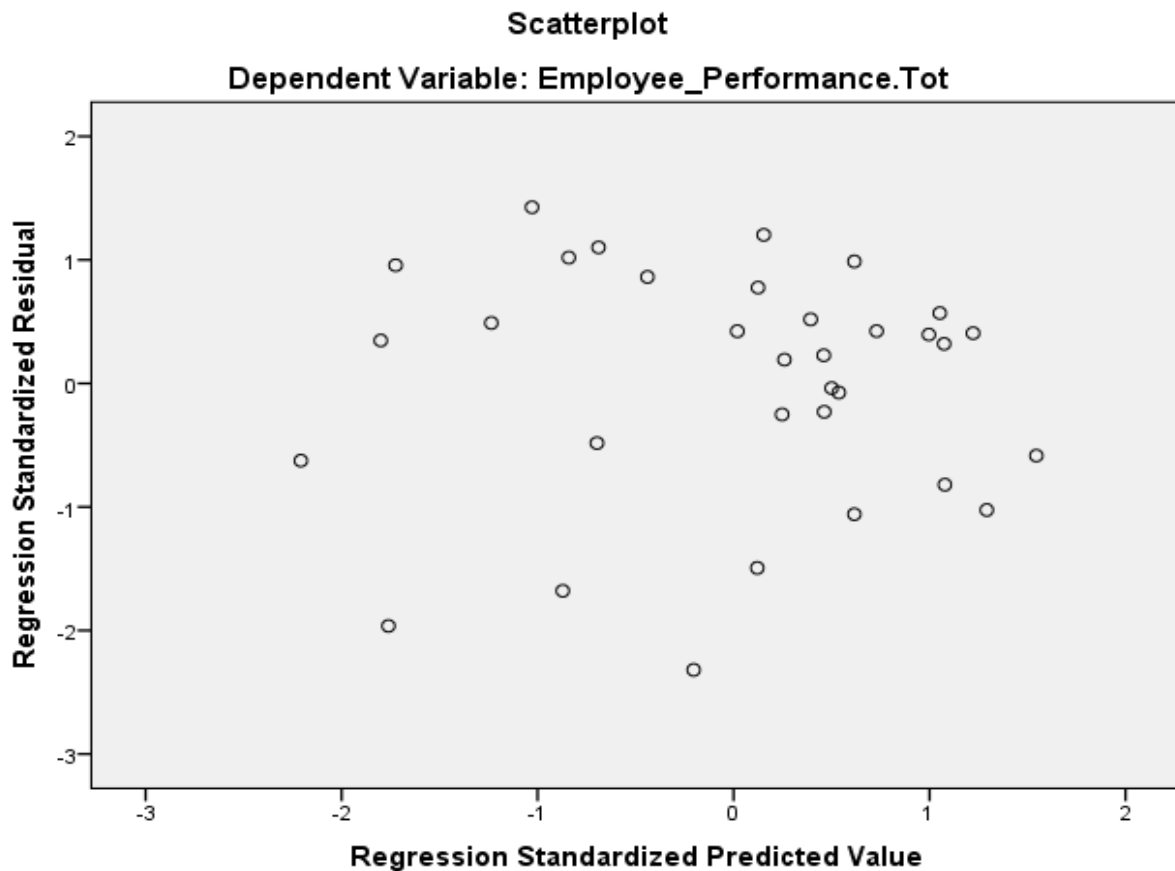
The linearity of associations between the dependent and independent variables can be tested by looking at the P-P plot for the model. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed. As depicted in the graph below, the visual inspections of the p-p plot revealed that there exist linear relationship between the dependent and independent variables.



*Figure 4: P-P Plot of Regression Standardized Residual*

## 2. Homoscedasticity Test

The assumption of homoscedasticity implies to same variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This implies it requires even distribution of residual terms or homogeneity of error terms throughout the data. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborne & Waters, 2002). If the error terms are distributed randomly with no certain pattern, the problem is not detrimental for analysis. The scatterplot in Fig 3 shows that the standardized residuals in this research are distributed evenly which shows that no violation of homoscedasticity.



*Figure 5: Scatterplot of standardized residuals*

### 3. Auto Correlation (Durbin Watson Test)

*Table 7: Auto-correlation test using Durbin Watson statistics*

<b>Model</b>	<b>Durbin-Watson</b>
1	<b>2.142</b>

a. Predictors: (Constant), Commu\_System.Tot, COVID19, Strategic\_Change.Tot

b. Dependent Variable: Employee\_Performance.Tot

Autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently Stevens (2009). Durbin-Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the Durbin-Watson value needs to be close to 2 (Field, 2006). Values below 1 and above 3 are problematic and causes for concern. To check this assumption we need to look at the Model Summary box presented above.

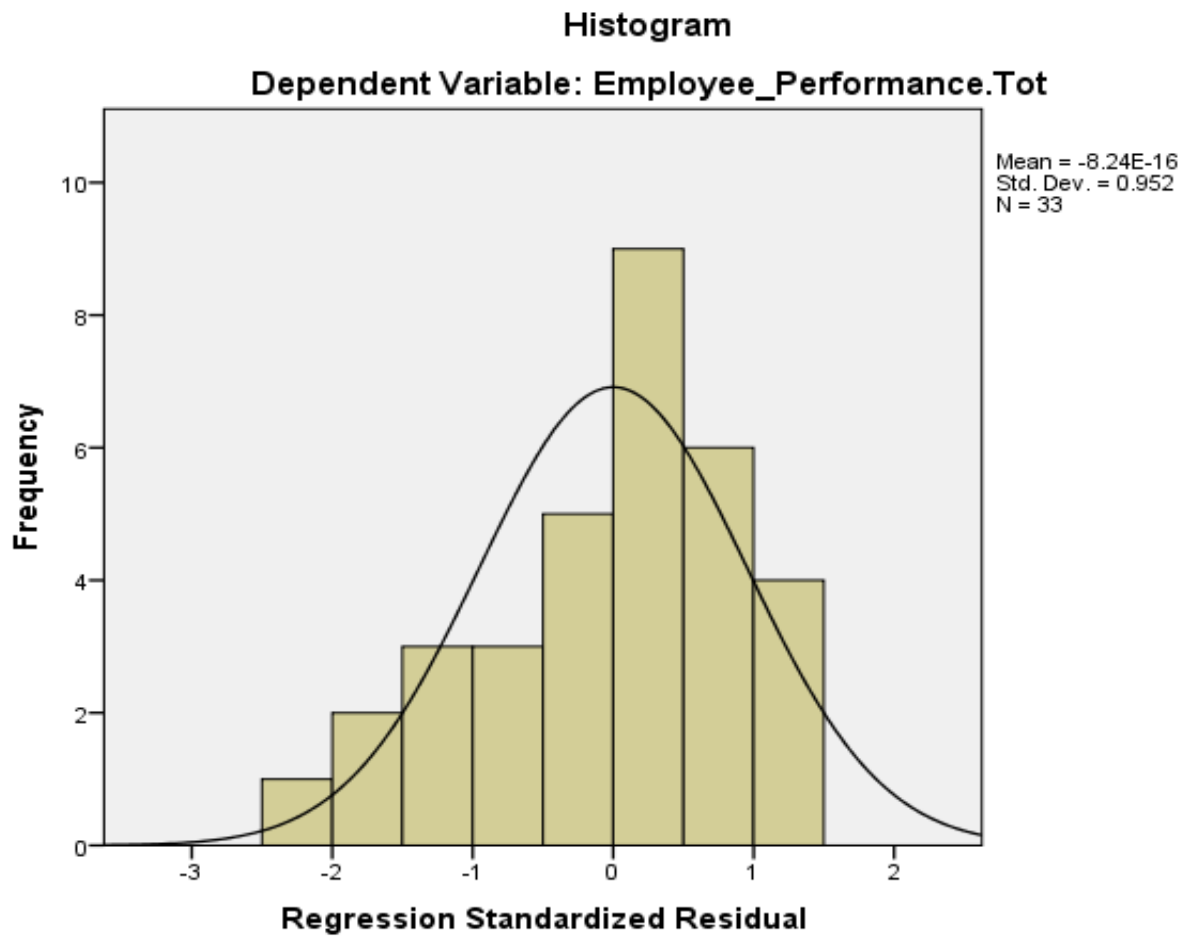
Table 7 above reveals that errors are responding independently, and autocorrelation is not a concern with Durbin-Watson value of 2.14. Therefore, it is possible to say the auto-correlation test has been met.

### 4. Normality Test

Multiple regressions require the independent variables to be normally distributed. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006).

Frequency distribution comes in many different shapes and sizes. Therefore, it is quite important, to have some general description for common types of distributions. In an ideal world our data would be distributed symmetrically around the centre of all scores. As such, if we draw a vertical line through the centre of the distribution then it should look the same on both sides. This is known as a normal distribution and is characterized by bell-shaped curve. This shape basically implies that the majority of scores lie around the centre of the distribution (Field, 2006). The

normal distribution graph was shown on Fig 4 below and revealed that the assumption of normality of has been met.



*Figure 6: Normality Test Result*

## 5. Multi-collinearity Analysis

*Table 8: Multi-collinearity Analysis*

Model	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)					
COVID19	-.148	.030	.021	.884	1.131
Strategic Change	.700	.673	.640	.871	1.148
Communication System	.241	.145	.103	.920	1.087

a. Dependent Variable: Employee Performance.Tot

Before running regression, one should check for the problem of multi-collinearity which is present if there is high correlation between some of the independent variables. The study checks this with the variance Inflation Factor (VIF) which calculates the influence of correlation among the independent variables on the precision of regression estimates.

The VIF should not exceed 10. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model and is calculated using the formula  $1-R^2$  for each variable. If this value is less than 0.1 it indicates that there is possibility of multi-collinearity, but if it is greater than 0.1 it means that there is no multi-collinearity problem with in the model.

It assumes that predictors are not highly correlated with each other. Based on this assumption, it is tested using Variance Inflation Factor (VIF) statistic. As shown on table 8 above, all tolerance levels are above 0.1 (Menard, 1995), and VIF is below 10 (Myers, 1990) proving that multi collinearity does not exist.

### 4.1.2. Multiple Regression Result

On the basis of empirical evidence the following working hypothesis were formulated. In this subsection the researcher will present the results of multiple linear regression, and show whether this alternative hypothesis was retained (supported) or rejected given the data derived from the questionnaire. The working hypotheses were:-

**H<sub>a1</sub>**: There is a statistically significant relationship between strategic change implementation[SC] and employee performance[EP]

**H<sub>a2</sub>**: Communication system [CS] significantly affects strategic employee performance[EP]

**H<sub>a3</sub>**: there is statistically significant relationship between employees’ perception about Covid-19[C-19] and employee performance[EP]

**Table 9: ANOVA for employee performance as predicted by strategic change, communication system and Covid-19**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	568.635	3	189.545	9.794	.000 <sup>b</sup>
	Residual	561.244	29	19.353		
	Total	1129.879	32			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Communication System, COVID19, Strategic Change

Multiple linear regression was used to predict the values of strategic change management given employee performance during Corona pandemic, communication system and the perception of employees’ about the effect of Corona Virus on their life style. To determine the effect of these three predictors, the dependent variable strategic change implementation was regressed on the predictor variables of Corona pandemic, communication system and the perception of employees’ about the effect of Corona Virus on their life style to test the hypothesis H<sub>a1</sub>, H<sub>a2</sub>, H<sub>a3</sub> and H<sub>a4</sub>, using the enter method in a regression analysis all at once.

Primarily, the fitness of the model was checked as shown in the next section. As shown in the ANOVA table above (table 9), the F value is found to be 9.79 (p=.000). This can be interpreted as the relationship between the predictor variables in the model and employee’s performance is significant. This implies that the independent variables in the model can predict the dependent variable reliably.

**Table 10: Model Summary for employee performance as predicted by strategic change, communication system and Covid-19**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.709 <sup>a</sup>	.503	.452	4.399	.503	9.794	3	29	.000

- a. Predictors: (Constant), Communication System, COVID19, Strategic Change
- b. Dependent Variable: Employee Performance

Multiple regression analysis calculates multiple correlation coefficients,  $R^2$ ; it is the proportion of variance in dependent variables explained by the independent variable. The contribution of independent variables towards dependent variables is measured by the Beta value and can be explained on the basis of p or t value.

Based on the model summary presented below, the correlation coefficient the predictor variables (communication system, COVID-19, and strategic change), with the dependent variable (Employee's performance) is *0.709* which indicates the presence of high correlation between the dependent and the independent variables as a whole.

The model summary table (table 10) also shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables), R Square equals 0.503. Therefore, 50.3% of changes in employee's performance are explained by communication system, COVID-19 and strategic change. The P- value of 0.000 (Less than 0.05) implies that the model for employee performance is significant at the 95 percent significance level.

That means all independent variables in the model accounted for 50.3% of the contribution to employee's performance. Other unexplored variables or factors may limit the contribution on employee's performance by accounting for about 49.7%.

**Table 11: Coefficients for the effect of SC, CS and Covid-19 on employee performance**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.438	7.598		.058	.954
	COVID19	.118	.731	.022	.161	.873
	Strategic Change	.257	.052	.686	4.893	.000
	Communication System	.147	.187	.108	.788	.437

a. Dependent Variable: Employee Performance

The individual predictors were examined further and indicated that strategic change ( $t= 4.89$ ,  $B=.257$ ,  $b= .686$ ,  $p=.000$ ) was significant predictor of employee performance in the model. However, Covid 19 ( $t=.161$ ,  $B= .118$ ,  $b= .022$ ,  $p= .954$ , 95%) and communication system ( $t=.788$ ,  $B= .147$ ,  $b= .108$ ,  $p= .437$ , 95%) were not a significant predictor of employee performance. Consequently, significant results for strategic change suggest that the higher the participants' score on strategic change, the higher their performance during Corona pandemic, (Beta = .686). Looking at the unstandardized coefficients for strategic change a value of .257 indicates that, as the SC index increases by a value of 1, there was a .257 standard unit changes in employee performance. Finally, it could be concluded that while hypothesis 1 have been supported, the current study found no support for hypothesis 2 and 3.

#### **4.5. Differences in Employees' Perception about Strategic Change across years of Experience in the Bank**

**Ha4:** there is a statistically significant difference in employees' perception about strategic change implementation with respect to their year of services.

**Table 12: Descriptive Statistics, ANOVA and Multiple Comparisons of employees with different years of experience with respect to their attitude about strategic change**

<b>Groups</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Test of homogeneity of variance</b>			
Below 1 years	80.17	14.838	Statistic	Df1	Df2	Sig.
1-5 years	73.92	16.560	4.349	3	161	.006
5-10 years	82.27	12.843				
10 and above	82.69	11.170				

<b>ANOVA</b>						
	<b>Sum of squares</b>	<b>Df</b>	<b>Mean square</b>	<b>F</b>	<b>Sig</b>	
Between groups	2673.551	3	891.184	4.376	.005	
Within Groups	32786.95	161	203.646			
Total	35460.50	164				

<b>Multiple comparisons</b>						
<b>Year of service</b>	<b>Mean difference</b>	<b>Std. Error</b>	<b>Sig.</b>	<b>95% Confidence Interval[LL-UL]</b>		
1-5 years → 5-10 years	-8.350	2.551	.008	-15.18	-1.52	
1-5 years → 10 and above	-8.769	3.506	.097	-18.52	.98	

One way between groups ANOVA is used when you have one independent or grouping variable with three or more levels (groups) and one dependent continuous variable. Because it allows for assessing differences across the different categories for the dependent variable.

In this paper, to investigate if strategic change differs across different years of services of employees within Commercial Bank of Ethiopia, the researcher developed the following working hypothesis: There are significant differences in employees attitude towards strategic change across employees with different years of serving in the banks (Below 1 years, 1-5 years, 5-10 years, and 10 and above). The hypothesis tests if attitude about strategic change of employees differ across different years of serving in the Commercial Bank of Ethiopia (Group 1=Below 1 year; Group2: 1-5 years; Group 3: 5-10 years; Group 4: 10 and above). The ANOVA results

suggest that employees' attitude about strategic change differs significantly across these age categories depicting year of service in the bank ( $F_{3,161}=4.376$ ,  $p<.05$ ).

Since Levene's statistics is significant, equal variances among years of experience was not assumed. Therefore, post-hoc comparisons were assessed using Dunnett's test T3 to examine for individual differences between groups. The test indicated that the mean score for employees who have served the bank for 1-5 years ( $M=73.92$ ;  $SD=16.560$ ) was significantly different from those employees that had served the bank between 5 to 10 years ( $M=82.27$ ;  $SD=12.843$ ). The mean difference was significant at the 0.05 level. However, no significant differences were detected between those who had an experience of 1-5 years and those with below 1 or above 10 years of experience. To conclude significant mean differences were not found for all other combinations of categories of year of experience (See Appendix B).

#### **4.5. Differences in Employees' attitude about Strategic Change across Age Categories**

**Ha5:** there is a statistically significant difference in employees' attitude about strategic change implementation with respect to their age categories.

**The problem:** to investigate if strategic change differs across different age levels (categories) of employees within Commercial Bank of Ethiopia.

The hypothesis tests if attitude about strategic change of employees differ across different age categories (ages 18-30; Ages 30-40; and Ages 40-50). The ANOVA results suggest that employees' attitude about strategic change does not differ significantly across these age categories ( $F_{2,162}=3.027$ ,  $p=.051$ ).

Since Levene's statistics is significant, equal variances among age categories was not assumed. Therefore, post-hoc comparisons were assessed using Dunnett's test T3 to examine for individual differences between groups. The test indicated that the mean score for for employees within the age range of 18-30 ( $M=75.33$ ;  $SD=16.195$ ) was not significantly different from those employees that were within the age category of 30-40 ( $M=80.7$ ;  $SD=13.792$ ). The mean difference was not significant at the 0.05 level. Similarly, no significant differences were detected between other age category combinations (See Appendix C).

#### **4.6. Differences in Employees' Perception about Strategic Change across type of department employees are working in the bank**

**Ha6:** there is a statistically significant difference in employees' perception about strategic change implementation with respect to the type of department they are working.

**The problem:** to investigate if strategic change differs across employees working within different types of departments.

**Hypothesis:** There are significant differences in strategic change across employees serving within the different departments in CBE.

The hypothesis tests if attitude about strategic change of employees differ across employees working within different departments (i.e. across Credit management department; Risk management department; Finance and procurement department; Human resource department; Planning and development department; International banking department; Customer service department; ICT and Networking department; Marketing and promotion department). The ANOVA results suggest that employees' attitude about strategic change does not differ significantly across these groups ( $F_{10,154}=.764$ ,  $p=.663$ ) (See Appendix D).

Since Levene's statistics is significant, equal variances among age categories was not assumed. Therefore, post-hoc comparisons were assessed using Dunnett's test T3 to examine for individual differences between groups. The test indicated that the mean score for attitudes of employees working within Loan administration department ( $M=78$ ;  $SD=19.2$ ) was not significantly different from those employees that were working within Credit management department ( $M=82.6$ ;  $SD=11.5$ ). The mean difference was not significant at the 0.05 level. Similarly, no significant differences were detected between other department combinations (See Appendix D).

#### 4.7. Gender Differences in Employees Perception towards Strategic Change Implementation

**Ha7: there is gender difference in employees’ perception about strategic change implementation**

**Table 13: Gender differences in employees’ attitude about strategic change implementation**

	Levene's t		t-test for Equality of Means						
	F	Sig.	T	Df	Sig.	Mean Difference	Std. Error Difference	95% CI	
								Lower	Upper
Strategic Change	2.951	.088	1.87	113.489	.064	4.55	2.436	-.278	9.374
	Gender	N	Mean	SD	SEM				
Strategic Change	Male	103	80.85	13.68	1.348				
	Female	62	76.31	15.978	2.029				

**Note:** SEM=Standard error of the mean; SD=Standard deviation; Levene t=Levene's Test for Equality of Variances; 95% CI=95% CI of the Difference; Sig=(2-tailed)

An independent-samples t-test was conducted to compare the attitude of employees about strategic change management for male and female respondents. There were no significant differences ( $t(163) = 1.87, p > 0.05$ ) in scores for male ( $M=80.85, SD=13.68$ ) and female ( $M=76.31, SD=15.978$ ). The magnitude of the difference in the means (mean difference=4.55, 95%CI: -.278 to 9.374) was very small (See Table 13).

#### 4.8. Differences in employees’ attitude about strategic change across different Educational level

**Ha8: There is significant difference in employees’ attitude about strategic change between employees with first degree and M.A or MSc.**

**Table 14: Educational level differences in employees' attitude about strategic change implementation**

	Levene's t		t-test for Equality of Means						
	F	Sig.	T	Df	Sig.	MD	SED	95% CI	
								Lower	Upper
Strategic Change	3.98	.048	-3.08	163	.002	-6.868	2.233	-11.3	-2.46
Educational level	N	Mean	SD	SEM					
First Degree	84	75.77	15.23	1.66					
MA/MSc	81	82.64	13.37	1.49					

**Note:** Levene t= Levene's Test for Equality of Variances; MD= Mean Difference; SED= Std. Error Difference; 95% CI=95% CI of the Difference; SD=Standard deviation; SEM=Standard error of the mean; Sig=(2-tailed).

An independent-samples t-test was conducted to compare the attitude of employees about strategic change management for degree and MA/ MSc holder employees. There were a statistically significant differences in attitude towards strategic change among commercial bank employees with first degree and second degree ( $t(163) = -3.08, p < 0.05$ ) in scores for first degree holder employees ( $M=75.77, SD=15.23$ ) and employees with MA or MSc ( $M=82.64, SD=13.37$ ). The magnitude of the difference in the means (mean difference=-6.868, 95%CI: -11.3 to -2.46) was large and zero is not included in between the 95% confidence interval (See Table 14).

#### 4.9. Discussions

Previous theories and research suggested that strategic change and employee performance are related (Thomas, 2014) and that communication system and employee performance are related (Muema, 2013), but no work has examined how strategic change, communication system and Covid-19 affect the performance of employees in Ethiopian Banking context. The objective of this paper was to investigate the effect of strategic change, communication system and Covid-19 on employee performance. In this section, the results presented in chapter four were discussed in line with current body of knowledge. First, the results of regression model were discussed. Second, the evidence for differences in strategic change with respect to year of service, age, type of department and educational level was discussed.

#### **4.9.1. The Effect of Strategic Change on Employee Performance**

Consistent with the first hypothesis evidence of association between strategic change implementation and employee performance were found. In other words, strategic change affected employee performance. It suggested that when strategic change occur the employee performance increased. Previous theory and research attributed the differences in employee performance to differences in strategic change implementation (Omari, Ateka & Nyaboga, 2013). In addition, effect size calculation for the whole model indicated that strategic change, communication system and Covid-19 contributed about 25.5% of the variance in employee performance in Commercial Bank of Ethiopia. This is interpreted as small effect size, thereby suggesting that there might have been other variables that affect employee performance, other than that included in the current study.

Similarly, Thomas (2014) that change management through leadership has a significant effect on employee performance. This study covered Airtel Telecommunication Company in Nigeria and relied on 300 randomly selected staff of Airtel, Nigeria. The study used One-way Analysis of Variance (ANOVA) in testing the hypothesis. Thus, even though there were differences in sample size, target population and data analysis method, the results from this study is strikingly similar to the current study.

In the same fashion, Omari, Ateka and Nyaboga (2013) investigated the influence of strategic change management practices on organizational performance, within the context of operations of soft drink industries in western Kenya. The results of this study successful strategic change is ultimately and positively effect on the organization performance. This study used organizational performance as a dependent variable, which might serve as a proxy for employee performance.

A study by Tsai (2011) indicated that leadership behaviour was significantly and positively related to job satisfaction and ultimately employee performance. Zhou, Hu, and Shi (2015) found statistically significant positive associations between organizational learning dimensions and firm performance (both objective financial performance and perceptual innovation measure) were established.

In support of the result of this study, the Burke Litwin Model of Organizational Performance and Change suggests linkages that hypothesize how performance is likely to be influenced by internal and external factors (Burke, 2013). The theory presents a framework that is useful in

assessing dimensions of the environment and organization that are important to a change which is successful. It further exhibits how these dimensions should be linked causally to achieve a change in performance. The Burke-Litwin model ideally presents how the combined framework consisting of external environment, strategy and mission, culture in the organization, organizational structure, practices by management, systems, climate in the work unit, jobs and skills of individuals, needs of individuals and values as well as motivation are likely to influence both Individual and organizational performance (Michela& Burke, 2000).

#### **4.9.2. The Effect of Communication System on Employee Performance**

Consistent with the second hypothesis, evidence of association between communication system and employee performance were found. In other words, communication system affected employee performance. It suggested that participants who differ by 1 unit in strategic change are estimated to be 0.18 units higher in their self reported performance. Previous theory and research attributed the differences in employee performance to differences in communication system (Muema, 2013). Similar to the present study, Muema (2013) indicated that excellent communication was related to employee performance at Safaricom Ltd before and during change introduction. This study, using a qualitative approach, revealed that the organization had well organized and recognized staff council in the process of applicable communication.

In addition, Asamu (2014) found a significant relationship between effective communication and workers' performance, productivity and commitment. More related to the present thesis, Atambo and Momanyi (2016) found that downward communication was appreciated by Kenya Power and Lighting Company, thus information was timely, enhancing performance. It was also acknowledged that through upward communication the management was able to obtain feedback on performance and employees are able to raise complaints to the management hence enhancing performance. It was also established that lateral communication was essential as it enables interactions within departments, team building and proper work coordination. As such, the study concluded that effective communication enhanced employee performance.

Supporting Lippitt's Phases of Change Theory, the present study has shown that communication system is positively associated with employee performance. The theory proposes that communication system induces strategic change, emphasizing on There should be always ongoing exchange of information on the process of strategic change. (Kritsonis, 2005), maintain strategic change through communication, feedback, and coordination practice grouping and finally thorough out process removing the change agents from the relationship, as the strategic change becomes one part of the organizational culture (Cummings & Worley, 2014).

## **CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

### **5.1 DISCUSSION**

High correlation between the dependent and the independent variables as a whole was found (0.709). The coefficient of determination (R Square) equals 0.503. Therefore, 50.3% of changes in employee's performance are explained by communication system, COVID-19 and strategic change.

The coefficient result indicated that strategic change ( $t= 4.89$ ,  $B= .257$ ,  $b= .686$ ,  $p=.000$ ) was significant predictor of employee performance in the model while Covid 19 ( $t=.161$ ,  $B= .118$ ,  $b=.022$ ,  $p= .954$ , 95%) and communication system ( $t= .788$ ,  $B= .147$ ,  $b= .108$ ,  $p= .437$ , 95%) were not a significant predictor of employee performance.

There are significant differences in employees attitude towards strategic change across employees with different years of serving in the banks (Below 1 years, 1-5 years , 5-10 years ,and 10 and above) ( $F_{3,161}=4.376$ ,  $p<.05$ ). The test indicated that the mean score for employees who have served the bank for 1-5 years ( $M=73.92$ ;  $SD=16.560$ ) was significantly different from those employees that had served the bank between 5 to 10 years ( $M=82.27$ ;  $SD=12.843$ ). The mean difference was significant at the 0.05 level.

The ANOVA results suggest that employees' attitude about strategic change does not differ significantly across these age categories ( $F_{2,162}=3.027$ ,  $p=.051$ ).

The ANOVA results suggest that employees' attitude about strategic change does not differ significantly across these groups ( $F_{10,154}=.764$ ,  $p=.663$ ).

There were no significant differences ( $t(163) = 1.87$ ,  $p > 0.05$ ) in scores for male ( $M=80.85$ ,  $SD=13.68$ ) and female ( $M=76.31$ ,  $SD=15.978$ ). The magnitude of the difference in the means (mean difference=4.55, 95%CI: -.278 to 9.374) was very small.

There were a statistically significant differences in attitude towards strategic change among commercial bank employees with first degree and second degree ( $t(163) = -3.08$ ,  $p<0.05$ ) in scores for first degree holder employees ( $M=75.77$ ,  $SD=15.23$ ) and employees with MA or MSc ( $M=82.64$ ,  $SD=13.37$ ).

## 5.2 Conclusion

In this research, the researcher set out to better investigate how strategic change implementation, communication system and Covid-19 affected employee performance. It is not just found that strategic change implementation increased their employee performance, but communication system and employees' perception about the effect of Covid-19 on their life style are not found to be significant factors affecting employee performance.

Furthermore, one way Analysis of Variance test (one way ANOVA) indicated that the mean score for employees who have served the bank for 1-5 years was significantly different from those employees that had served the bank between 5 to 10 years. The mean difference was significant at the 0.05 level. However, no significant differences were detected between those who had an experience of 1-5 years and those with below 1 or above 10 years of experience. To conclude significant mean differences were not found for all other combinations of categories of year of experience. However, the study also indicated that the mean score for employees within the age range of 18-30 was not significantly different from those employees that were within the age category of 30-40.

Moreover, attitude about strategic change of employees was found to be equal across employees working within different departments (i.e. across Credit management department; Risk management department; Finance and procurement department; Human resource department; Planning and development department; International banking department; Customer service department; ICT and Networking department; Marketing and promotion department). Likewise, significant differences were not found in employees' attitude about strategic change across their gender, while the t test revealed significant differences in employees' perception about strategic change implementation across their educational level.

In general, the results showed that strategic change and communication system were found to partially account for variations in employees' performance. Analysis of demographic characteristics showed that years of services (experience) and educational level of employees were found to affect employees' attitude about strategic change. In particular, the regression model predicted about about 25.5 percent of the variation in employees' performance. These findings suggest that there are other potential mediating variables underlying the associations between strategic change, communication system and Covid-19, and employee performance. Other

potential explanation is the presence of other independent variables other than those included in the present study. These processes could involve factors other than strategic change and communication system that were not examined in this study.

Finally, while this study is essential as it is the pioneer analysis conducted in Addis Ababa, nevertheless it has some potential limitations to be considered. First, the exclusion of employees from other companies or organizations in other regions/Kilils may limit the generalizability of this investigation. Secondly, the research design could have affected the responses of the respondents since they were asked to recall their past experience/feelings, some important experiences/feelings may have not been recalled. The data reported here for strategic change, communication system, Covid-19 and employee performance are all self-report data. Interviews and use of multiple methods such as peer reports may be useful to understand what kinds of factors underlie the relationships.

### **5.3 Recommendations**

Based on the results obtained, it is logical to recommend that managers regularly communicate with employees to improve workers' performance. The study drew the conclusion that strategic change implementation had a significant effect on employee performance. The study gave the following recommendations. The management of commercial banks should practice appropriate strategic changes that enable them to offer services that meet the expectations of different groups of customers and employee performance. Additionally, management should frequently train their employees so that they are knowledgeable and remain capable in the event that a change has occurred.

Furthermore, the study revealed that strategic change significantly affects employee performance. This is attributed to the fact that strategic change in terms of changes in institution visions and objectives, consideration of culture and behaviours of employees before instituting a change, can cause improvement in employee performance when they meet deadlines, do their work in time and report to work on time.

Similarly, the study revealed that communication system significantly affects employee performance. This implies that implementation of horizontal and vertical communication would improve employee performance by making them effective. Generally, the study concludes that

organizational change significantly affects employee performance. In other words, organizational change in terms of structural change, strategic change and technological change have profound effect on employee performance and therefore much emphasis should be made to make sure that they are put into consideration.

Finally, management should regularly train their employees so that they are knowledgeable and remain competent in the event that a change has occurred. This kind of training should include periodic seminars, workshops, symposiums, or in-service studies.

### **5.3.1. Recommendation for Policy Implication**

The study recommends that the institutions implementing strategic change management should enhance their organization culture to influence success in the strategic change management practices. The institutions structures should be well aligned to provide overall framework for strategy implementation, the institution's culture should also be consistent with the change management strategy. The institution's culture should also be enhance as a powerful driving force in implementation of change management and the firm's mission, strategy and key long term objectives be strongly influenced by the personal goals and values of its management.

### **5.3.2. Recommendations for Further Studies**

The study has investigated the effect of management of strategic change on employee performance in only commercial bank of Ethiopia. There is therefore need to carry out another study to investigate the effects of these strategic change management on employees performance among other commercial banks in Ethiopia. The study therefore recommends another study be done with an aim to investigate the effects of strategic change management practices on employee performance in other commercial banks in Ethiopia.

This study also recommends that more studies should be done to study the comprehensive dimensions of strategis change management practiced due to the covid 19 pandemic by other banks.

Whereas the study was premised on Kurt Lewin's and Kotter's change models, more research needs to be conducted using other change models to further interrogate and explore the relationship between strategic change management and employee performance. This will generate more knowledge as regards how strategic change management influences employee performance.

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**Appendix A: Questionnaire**  
**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**DEPARTMENT OF MANAGEMENT**

**Dear respondent,**

I am a graduate student in the department of management, Addis Ababa University. Currently, I am undertaking research entitled **ANALYSIS OF STRATEGIC CHANGE AND EMPLOYEE PERFORMANCE AT COMMERCIAL BANK OF ETHIOPIA DURING CORONA PANDEMIC:THE CASE OF SOME SELECTED COMMERCIAL BANKS OF ETHIOPIA IN ADDIS ABABA**. You are one of the respondents selected to participate in this study. You are kindly requested to assist me in giving correct and complete information to present a representative finding on the study. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I would like to confirm you that the information that you share me will be kept confidential and only used for the academic purpose. No individual responses will be identified as such and the identity of persons responding will not be published or released to anyone. All information will be used for academic purposes only.

Thank you in advance for your kind cooperation and dedicating your time.

With Respect,



## Part 2: Strategic Change

**Instruction:** Kindly use the 7-point scale below to provide your responses to the items in the table which relate to the nature of strategic change in this organization.

1	2	3	4	5	6	7
Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly Agree

	Items	Options						
		1	2	3	4	5	6	7
	<b>In this organization...</b>							
1	Management effectively envision the need for change							
2	Management set the right scope and embed into the strategic objectives							
3	Leadership needed to support change is determined in advance							
4	Methods required for embracing change are effectively integrated in our corporate vision							
5	Skilled and credible change/project managers are considered for change							
6	Change project team include multi-skilled and multidisciplinary personnel							
7	There is clarity of roles and responsibility in change projects							
8	Change project plans are in line with corporate objectives							
9	Change projects are properly budgeted							
10	There is flexibility in implementing change strategy and plan							
11	Change vision and plans are effectively communicated to employees							
12	Change stakeholders(e.g. employees) are adequately involved in change processes							
13	Employees respond positively to change							
14	Change processes are effectively monitored against standards set							

### Part 3: Employee Performance during Corona Pandemic

Please use the respective scales provided at the right sides of the table to indicate your opinions on each set of items

	<b>What is your opinion on each of the following during the corona pandemic time in this organization</b>	1	2	3	4	5	6	7
1	I consistently achieve goals assigned to me even if there was corona pandemic							
2	I consistently complete tasks on time without the effect of the pandemic							
3	I am able to consistently meet targets given to me during the pandemic							
4	My outputs could be compared with that of other high performing colleagues							
5	I have greater control over my workload and the pandemic							

#### Part 4: Communication Systems

**Instruction:** Please indicate your overall evaluation as to whether communication systems affect implementation of strategy in the bank by placing a check (√) mark in the relevant box below using the following scale

**Key: 1. Strongly Agree (SA); 2. Agree (A); 3. Neutral (N); 4. Disagree (D); 5. Strongly Disagree (SD)**

1	In your opinion, do you think the communication systems as practiced by the bank influence strategy implementation?	SA	A	N	D	SD
2	The extent to which the subordinates are responsive to downward directive communication is very good					
3	In this bank, the extent to which communication practices are adaptable to emergencies is very good					
4	In this bank, the extent to which the grapevine is active in our organization is over the top					
5	In this bank, the extent to which written directives and reports are clear and concise is very good					
6	Some failure in internal communication has sometimes led to failure in change implementation					
7	There is mutual relationship among the workers in the bank and this enhances communication and hence change management					
8	Strategic change implementation is communicated effectively within the bank departments which enhances strategy implementation					
9	I strongly believe the willingness to accept and implement change is partly down to elaborate communication systems instituted and practiced by the bank					
10	The bank's effectiveness at evaluating the effect of changes and feedback is down to well-structured communication systems					

**Part 5: The COVID 19 pandemic effects your lifestyle**

<b>Key:</b>	1- to a very low extent	2- to a low extent	3 – no-no	4- to a large extent	5 – to a very large extent
Value	0.8%	3.9%	8.8%	40.9%	45.5%

Items	1- to a very low extent	2- to a low extent	3 – undecided	4- to a large extent	5 – to a very large extent
1.What is the effect of Corona pandemic on your life style					

**Appendix B: Differences in Employees’ attitude about Strategic Change across years of Experince in the Bank**

Dependent Variable: Strategic\_Change.Tot

Dunnnett T3

(I) Years working in organization	(J) Years working in organization	Mean		95% Confidence Interval		
		Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Below 1 years	1-5 years	6.249	6.418	.890	-16.90	29.39
	5-10 years	-2.102	6.221	.999	-25.53	21.32
	10 and above	-2.521	6.670	.999	-25.57	20.53
1-5 years	Below 1 years	-6.249	6.418	.890	-29.39	16.90
	5-10 years	-8.350*	2.551	.008	-15.18	-1.52
	10 and above	-8.769	3.506	.097	-18.52	.98
5-10 years	Below 1 years	2.102	6.221	.999	-21.32	25.53
	1-5 years	8.350*	2.551	.008	1.52	15.18
	10 and above	-.419	3.132	1.000	-9.36	8.53
10 and above	Below 1 years	2.521	6.670	.999	-20.53	25.57
	1-5 years	8.769	3.506	.097	-.98	18.52
	5-10 years	.419	3.132	1.000	-8.53	9.36

\*. The mean difference is significant at the 0.05 level.

Strategic_Change.Tot										
95% Confidence										
Interval for Mean										
Between-Component Variance										
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum		
Below 1 years	6	80.17	14.838	6.058	64.60	95.74	53	96		
1-5 years	61	73.92	16.560	2.120	69.68	78.16	31	96		
5-10 years	82	82.27	12.843	1.418	79.45	85.09	22	99		
10 and above	16	82.69	11.170	2.792	76.74	88.64	54	97		
Total	165	79.15	14.705	1.145	76.89	81.41	22	99		
Model	Fixed Effects		14.270	1.111	76.95	81.34				
	Random Effects			3.062	69.40	88.89	20.641			

### Strategic Change.Tot

Levene				
Statistic	df1	df2	Sig.	
4.349	3	161	.006	

### Strategic\_Change.Tot

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2673.551	3	891.184	4.376	.005
Within Groups	32786.959	161	203.646		
Total	35460.509	164			

**Appendix C: Differences in Employees' attitude about Strategic Change across Age Categories**  
**Multiple Comparison**

Dependent Variable: Strategic\_Change.Tot

Dunnett T3

(I) Age	(J) Age	Mean Difference		Sig.	95% Confidence Interval	
		(I-J)	Std. Error		Lower Bound	Upper Bound
18-30	30-40	-5.373	2.602	.120	-11.70	.96
	40-50	-13.006	4.182	.090	-28.82	2.80
30-40	18-30	5.373	2.602	.120	-.96	11.70
	40-50	-7.633	3.765	.314	-26.24	10.97
40-50	18-30	13.006	4.182	.090	-2.80	28.82
	30-40	7.633	3.765	.314	-10.97	26.24

**Descriptives**

Strategic\_Change.Tot

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
18-30	52	75.33	16.195	2.246	70.82	79.84	32	97	
30-40	110	80.70	13.792	1.315	78.09	83.31	22	99	
40-50	3	88.33	6.110	3.528	73.16	103.51	83	95	
Total	165	79.15	14.705	1.145	76.89	81.41	22	99	
Model			14.526	1.131	76.91	81.38			
Fixed Effects									
Random Effects				2.732	67.39	90.90			11.370

**Test of Homogeneity of Variances**

Strategic\_Change.Tot

Levene Statistic	df1	df2	Sig.
3.751	2	162	.026

## ANOVA

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Strategic\_Change.Tot

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1277.300	2	638.650	3.027	.051
Within Groups	34183.209	162	211.007		
Total	35460.509	164			

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**Appendix D: Differences in Employees' attitude about Strategic Change across type of department employees are working in the bank**

**Multiple Comparisons**

Dependent Variable: Strategic\_Change.Tot

Dunnnett T3

(I) Department working in the organization	(J) Department working in the organization	Mean			95% Confidence Interval	
		Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Loan administration department	Interest free banking department	-4.091	10.114	1.000	-70.05	61.87
	Credit management department	-4.625	10.408	1.000	-68.29	59.04
	Risk managment department	-1.667	9.658	1.000	-73.25	69.91
	Finance and procurement department	5.417	10.581	1.000	-56.92	67.76
	Human resource department	-2.571	9.944	1.000	-70.30	65.16
	Planning and development department	-4.857	10.279	1.000	-69.53	59.81
	International banking department	-2.417	10.207	1.000	-67.50	62.67
	Customer service department	-1.548	9.782	1.000	-71.30	68.20
	ICT and Networking department	2.852	10.275	1.000	-61.52	67.22
	Marketing and promotion department	-9.800	10.153	.999	-75.68	56.08
Interest free banking department	Loan administration department	4.091	10.114	1.000	-61.87	70.05
	Credit management department	-.534	5.192	1.000	-21.24	20.18
	Risk managment department	2.424	3.451	1.000	-11.92	16.77
	Finance and procurement department	9.508	5.531	.965	-11.56	30.58
	Human resource department	1.519	4.185	1.000	-14.30	17.34

	Planning and development department	-0.766	4.929	1.000	-20.63	19.10
	International banking department	1.674	4.775	1.000	-16.36	19.70
	Customer service department	2.543	3.784	1.000	-12.01	17.09
	ICT and Networking department	6.943	4.919	.999	-10.82	24.70
	Marketing and promotion department	-5.709	4.659	.999	-25.36	13.94
Credit management department	Loan administration department	4.625	10.408	1.000	-59.04	68.29
	Interest free banking department	.534	5.192	1.000	-20.18	21.24
	Risk management department	2.958	4.236	1.000	-16.48	22.39
	Finance and procurement department	10.042	6.052	.974	-13.35	33.43
	Human resource department	2.054	4.853	1.000	-17.73	21.84
	Planning and development department	-0.232	5.507	1.000	-22.68	22.21
	International banking department	2.208	5.370	1.000	-18.93	23.34
	Customer service department	3.077	4.511	1.000	-16.15	22.30
	ICT and Networking department	7.477	5.499	.999	-13.44	28.39
	Marketing and promotion department	-5.175	5.267	1.000	-27.46	17.11
Risk management department	Loan administration department	1.667	9.658	1.000	-69.91	73.25
	Interest free banking department	-2.424	3.451	1.000	-16.77	11.92
	Credit management department	-2.958	4.236	1.000	-22.39	16.48
	Finance and procurement department	7.083	4.645	.985	-12.06	26.23
	Human resource department	-0.905	2.915	1.000	-12.50	10.69

	Planning and development department	-3.190	3.908	1.000	-21.89	15.51
	International banking department	-.750	3.713	1.000	-15.94	14.44
	Customer service department	.118	2.302	1.000	-8.53	8.77
	ICT and Networking department	4.519	3.896	1.000	-9.74	18.78
	Marketing and promotion department	-8.133	3.562	.682	-27.92	11.66
Finance and procurement department	Loan administration department	-5.417	10.581	1.000	-67.76	56.92
	Interest free banking department	-9.508	5.531	.965	-30.58	11.56
	Credit management department	-10.042	6.052	.974	-33.43	13.35
	Risk management department	-7.083	4.645	.985	-26.23	12.06
	Human resource department	-7.988	5.213	.990	-28.06	12.08
	Planning and development department	-10.274	5.827	.950	-32.98	12.43
	International banking department	-7.833	5.698	.998	-29.37	13.70
	Customer service department	-6.965	4.897	.996	-26.29	12.36
	ICT and Networking department	-2.565	5.819	1.000	-24.00	18.87
	Marketing and promotion department	-15.217	5.601	.417	-37.61	7.18
Human resource department	Loan administration department	2.571	9.944	1.000	-65.16	70.30
	Interest free banking department	-1.519	4.185	1.000	-17.34	14.30
	Credit management department	-2.054	4.853	1.000	-21.84	17.73
	Risk management department	.905	2.915	1.000	-10.69	12.50
	Finance and procurement department	7.988	5.213	.990	-12.08	28.06

	Planning and development department	-2.286	4.570	1.000	-21.15	16.58
	International banking department	.155	4.404	1.000	-16.44	16.75
	Customer service department	1.023	3.303	1.000	-11.00	13.05
	ICT and Networking department	5.423	4.559	1.000	-10.79	21.64
	Marketing and promotion department	-7.229	4.277	.948	-25.99	11.53
Planning and development department	Loan administration department	4.857	10.279	1.000	-59.81	69.53
	Interest free banking department	.766	4.929	1.000	-19.10	20.63
	Credit management department	.232	5.507	1.000	-22.21	22.68
	Risk management department	3.190	3.908	1.000	-15.51	21.89
	Finance and procurement department	10.274	5.827	.950	-12.43	32.98
	Human resource department	2.286	4.570	1.000	-16.58	21.15
	International banking department	2.440	5.116	1.000	-17.87	22.75
	Customer service department	3.309	4.205	1.000	-14.99	21.61
	ICT and Networking department	7.709	5.250	.995	-12.32	27.74
	Marketing and promotion department	-4.943	5.007	1.000	-26.64	16.75
International banking department	Loan administration department	2.417	10.207	1.000	-62.67	67.50
	Interest free banking department	-1.674	4.775	1.000	-19.70	16.36
	Credit management department	-2.208	5.370	1.000	-23.34	18.93
	Risk management department	.750	3.713	1.000	-14.44	15.94
	Finance and procurement department	7.833	5.698	.998	-13.70	29.37

	Human resource department	-1.155	4.404	1.000	-16.75	16.44
	Planning and development department	-2.440	5.116	1.000	-22.75	17.87
	Customer service department	.868	4.024	1.000	-14.57	16.31
	ICT and Networking department	5.269	5.107	1.000	-13.17	23.70
	Marketing and promotion department	-7.383	4.856	.985	-27.42	12.65
Customer service department	Loan administration department	1.548	9.782	1.000	-68.20	71.30
	Interest free banking department	-2.543	3.784	1.000	-17.09	12.01
	Credit management department	-3.077	4.511	1.000	-22.30	16.15
	Risk management department	-.118	2.302	1.000	-8.77	8.53
	Finance and procurement department	6.965	4.897	.996	-12.36	26.29
	Human resource department	-1.023	3.303	1.000	-13.05	11.00
	Planning and development department	-3.309	4.205	1.000	-21.61	14.99
	International banking department	-.868	4.024	1.000	-16.31	14.57
	ICT and Networking department	4.400	4.194	1.000	-10.46	19.26
	Marketing and promotion department	-8.252	3.885	.763	-26.78	10.28
ICT and Networking department	Loan administration department	-2.852	10.275	1.000	-67.22	61.52
	Interest free banking department	-6.943	4.919	.999	-24.70	10.82
	Credit management department	-7.477	5.499	.999	-28.39	13.44
	Risk management department	-4.519	3.896	1.000	-18.78	9.74
	Finance and procurement department	2.565	5.819	1.000	-18.87	24.00

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	Human resource department	-5.423	4.559	1.000	-21.64	10.79
	Planning and development department	-7.709	5.250	.995	-27.74	12.32
	International banking department	-5.269	5.107	1.000	-23.70	13.17
	Customer service department	-4.400	4.194	1.000	-19.26	10.46
	Marketing and promotion department	-12.652	4.998	.525	-32.26	6.96
Marketing and promotion department	Loan administration department	9.800	10.153	.999	-56.08	75.68
	Interest free banking department	5.709	4.659	.999	-13.94	25.36
	Credit management department	5.175	5.267	1.000	-17.11	27.46
	Risk management department	8.133	3.562	.682	-11.66	27.92
	Finance and procurement department	15.217	5.601	.417	-7.18	37.61
	Human resource department	7.229	4.277	.948	-11.53	25.99
	Planning and development department	4.943	5.007	1.000	-16.75	26.64
	International banking department	7.383	4.856	.985	-12.65	27.42
	Customer service department	8.252	3.885	.763	-10.28	26.78
	ICT and Networking department	12.652	4.998	.525	-6.96	32.26

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## Descriptives

Strategic_Change.Tot		95% Confidence Interval for Mean							Between-Component Variance
		N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
Loan administration department		4	78.00	19.166	9.583	47.50	108.50	59	95
Interest free banking department		11	82.09	10.728	3.235	74.88	89.30	61	96
Credit management department		8	82.63	11.488	4.062	73.02	92.23	60	94
Risk management department		3	79.67	2.082	1.202	74.50	84.84	78	82
Finance and procurement department		12	72.58	15.541	4.486	62.71	82.46	45	94
Human resource department		14	80.57	9.936	2.656	74.83	86.31	50	91
Planning and development department		7	82.86	9.839	3.719	73.76	91.96	67	97
International banking department		12	80.42	12.169	3.513	72.68	88.15	58	93
Customer service department		62	79.55	15.461	1.964	75.62	83.47	22	96
ICT and Networking department		27	75.15	19.259	3.706	67.53	82.77	31	99
Marketing and promotion department		5	87.80	7.497	3.353	78.49	97.11	78	96
Total		165	79.15	14.705	1.145	76.89	81.41	22	99
Model	Fixed Effects			14.812	1.153	76.87	81.42		
	Random Effects				1.153 <sup>a</sup>	76.58 <sup>a</sup>	81.71 <sup>a</sup>		-3.909

a. Warning: Between-component variance is negative. It was replaced by 0.0 in computing this random effects measure.

## Test of Homogeneity of Variances

Strategic_Change.Tot			
Levene Statistic	df1	df2	Sig.
2.402	10	154	.011

## ANOVA

Strategic_Change.Tot					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1675.377	10	167.538	.764	.663
Within Groups	33785.132	154	219.384		
Total	35460.509	164			

## Appendix E. Interr-item correlation matrix for strategic change

	SC1	SC2	SC3	SC4	SC5	SC6	SC7	SC8	SC9	SC10	SC11	SC12	SC13	SC14	SC15
SC1	1.000	-.166	.110	-.008	.046	.060	.037	-.025	.105	.059	.063	.121	.022	-.038	.068
SC2	-.166	1.000	-.112	.487	.467	.426	.334	.138	-.001	.103	.183	.216	.272	.301	.163
SC3	.110	-.112	1.000	-.288	-.298	-.370	-.455	-.467	-.128	-.311	-.195	-.255	-.230	-.100	-.179
SC4	-.008	.487	-.288	1.000	.891	.800	.635	.607	.512	.556	.623	.555	.400	.541	.483
SC5	.046	.467	-.298	.891	1.000	.947	.737	.655	.542	.582	.630	.504	.428	.506	.528
SC6	.060	.426	-.370	.800	.947	1.000	.813	.669	.430	.544	.638	.534	.492	.462	.550
SC7	.037	.334	-.455	.635	.737	.813	1.000	.857	.528	.675	.655	.684	.675	.529	.526
SC8	-.025	.138	-.467	.607	.655	.669	.857	1.000	.780	.840	.736	.743	.668	.594	.538
SC9	.105	-.001	-.128	.512	.542	.430	.528	.780	1.000	.900	.726	.654	.493	.573	.549
SC10	.059	.103	-.311	.556	.582	.544	.675	.840	.900	1.000	.876	.814	.678	.620	.616
SC11	.063	.183	-.195	.623	.630	.638	.655	.736	.726	.876	1.000	.879	.750	.657	.682
SC12	.121	.216	-.255	.555	.504	.534	.684	.743	.654	.814	.879	1.000	.872	.737	.626
SC13	.022	.272	-.230	.400	.428	.492	.675	.668	.493	.678	.750	.872	1.000	.862	.577
SC14	-.038	.301	-.100	.541	.506	.462	.529	.594	.573	.620	.657	.737	.862	1.000	.550
SC15	.068	.163	-.179	.483	.528	.550	.526	.538	.549	.616	.682	.626	.577	.550	1.000

### Appendix F. Inter-item Correlation Matrix for Communication System

	CS1	CS2	CS3	CS4	CS5	CS6	CS7	CS8	CS9	CS10
CS1	1.000	.165	.075	.137	.192	.084	.355	-.089	.145	.112
CS2	.165	1.000	.500	.369	.311	-.316	.535	.562	.326	.355
CS3	.075	.500	1.000	.801	.547	-.116	.369	.322	.486	.492
CS4	.137	.369	.801	1.000	.656	-.262	.355	.369	.530	.458
CS5	.192	.311	.547	.656	1.000	-.236	.565	.569	.596	.588
CS6	.084	-.316	-.116	-.262	-.236	1.000	-.095	-.379	-.056	-.153
CS7	.355	.535	.369	.355	.565	-.095	1.000	.577	.439	.446
CS8	-.089	.562	.322	.369	.569	-.379	.577	1.000	.391	.513
CS9	.145	.326	.486	.530	.596	-.056	.439	.391	1.000	.694
CS10	.112	.355	.492	.458	.588	-.153	.446	.513	.694	1.000

### Appendix J. Inter-Item Correlation Matrix for Employee performance

	EP1	EP2	EP3	EP4	EP5
EP1	1.000	.812	.846	.483	.541
EP2	.812	1.000	.764	.761	.642
EP3	.846	.764	1.000	.702	.713
EP4	.483	.761	.702	1.000	.858
EP5	.541	.642	.713	.858	1.000