

DEBRE BERHAN UNIVERSITY



**COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

THE EFFECTS OF CHANGE MANAGEMENT PRACTICES ON ORGANIZATIONAL
PERFORMANCE: THE CASE OF COMMERCIAL BANK OF ETHIOPIA AT DEBRE
BERHAN TOWN

MASTERS OF BUSINESS ADMINISTRATION (MBA)

A RESEARCH THESIS SUBMITTED TO DEBRE BERHAN UNIVERSITY COLLEGE OF
BUSINESS AND ECONOMICS DEPARTMENT IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA) DEGREE

**BY
ENDRISE MUHE**

**June 2021
DEBRE BERHAN, ETHIOPIA**



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ADVISOR: BERHANU M. (ASSISTANCE PROFESSOR

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DEBRE BERHAN UNIVERSITY

JUNE, 2021

DEBRE BERHAN, ETHIOPIA

APPROVAL OF THE THESIS
DEBRE BERHAN UNIVERSITY SCHOOL OF GRADUATE STUDIES

This is to certify that the thesis prepared by EndriseMuhe, entitled: the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at Debre Berhan town and submitted in partial fulfillment of the requirements for the Degree of Master of Business Administration in Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Signed by the Examining Committee:

Examiner _____ Signature _____ Date _____

Examiner _____ Signature _____ Date _____

Advisor _____ Signature _____ Date _____

DECLARATION

I, the undersigned, EndriseMuhe declare that this study entitled the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at Debre Berhan town. I have undertaken the research work independently with the guidance and support of my advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis have been duly accredited.

Declared by

Name: EndriseMuhe

Signature: _____

Date: ____/____/2013

Place: Debre Berhan, Ethiopia

Advisor: Berhanu m. (assistance professor)

Signature: _____

Date: ____/____/2013

JUNE, 2021
DEBRE BERHAN, ETHIOPIA

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ADVISOR APPROVAL

This is to certify that EndriseMuhe has carried out this research work on the topic the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at Debre Berhan Town under my supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Masters of Business Administration.

Berhanu m. (assistance professor) _____
Advisor Signature Date

ACKNOWLEDGMENT

Above all I would like to thank the almighty God for his endless mercy and hope he gave for me to stay alive and do this work and help in every aspect of my life. Without his help I would not have been here. I would like to forward my deepest gratitude to my advisor Berhanu m. (assistance professor) who has provided me with valuable guidance and direction to do this research. I would also like to thank the employees' and branch managers of those sample 4 branches and who forwarded their valuable ideas to make this paper happen. Lastly, I would like to thank my family for being there for me whenever I need them and for their unconditional support and encouragement throughout my education.

ACRONYMS

CBE: Commercial Bank of Ethiopia

SPSS : Statistical Package for Social Scientists

BSC: Balanced Score Card

KPI: Key Performance Indicator

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ABSTRACT

This research was conducted to look into the effect change management organizational performance: the case of commercial bank of Ethiopia at Debre Berhan town. For this study circumstance, 147 employees were available in the three branches. The sampling technique used in this study is Simple random sampling technique and sample sizes were 108 and relied on primary data and analyzed quantitatively using Statistical Package for Social Sciences (SPSS version23). The study revealed that the four main factors of change management were selected, employee demographic characteristics, employee satisfaction, leadership commitment and organizational culture. All above selected variables are extremely important in today's competitive business change management. The study was used quantities research design. The major findings in this study were in regression analysis employee demographic characteristics, employee satisfaction, committed leadership and organizational culture were positive effect on employee performance. The researcher recommended employee satisfaction, committed leadership and organizational culture, which are considered as the greatest asset of an organization, Investment in human resource for committed leadership status at Debre Berhan CBE through delegation and staff training were another area that needs more impetus so that the staff can be even more efficient and effective to deliver an organization performance over rivals. Organizational culture needs to be given even more importance by Debre Berhan CBE branches. This can be done by unveiling even more attractive service excellence and employee cooperation that are appealing to customers, as well as frequently running programs to improve performance and initiatives that reward employees by their job satisfaction and increase their loyalty to the bank and also develop organizational citizenship.

Key Words: *Employee satisfaction, committed leadership, organizational culture, Organizational performance*

CHAPTER ONE

1 INTRODUCTION

This chapter presents the background of the study, research problem, the objectives, Hypothesis, research questions, Significance of the study, Scope of the study, Definition of Terms. It also underscores significance, limitation of the study. Finally, organization of the study is introduced.

1.1 BACKGROUND OF THE STUDY

In every country commercial banks are the main economic institutions that facilitate the financial growth and economic development mainly serving the key purposes of providing financial intermediation and transaction services. In providing these services to its customers, Commercial Bank of Ethiopia has undergone a lot of changes starting from its establishment, 1942. Banking industry is more vulnerable to instability relative to other industries, owing to the existence of short term liability versus long term assets and the presence of highly leveraged firms and banks that have an incentive to engage in risky behavior (Northcott, 2004, as cited in Zerayehu, Kagne&Teshome,2013).

This instability in the industry forces for a change to happen with a different circumstances and every change is initially planned to improve the performance of the organization by altering how work is done. (Creasey, 2009) stated that when you introduce a change to the organization, you are ultimately going to impact how the organization operates: processes, Systems, Organization structure and job roles. Different companies perform different activities to reach at the pick stage of success. Even though many organizations are compelled to make changes in order to survive, many of those organizations face difficulties in adapting to changes in the uncertain world of economy (Varun& William, 1997). If the change is going to be managed effectively the operation of the organization can be enhanced and the overall performance of the organization increases (Paton and McCalman, 2000). Managing change effectively can create a huge value for the organization and knowing how to manage change can become a requirement for a given occupation.

Change management is a set of basic tools or structures intended to keep any change effort under control (Kotter, 1995). Managing changes include creating a sense of urgency to reinforce the need for change, providing people with facts, figures and evidence to persuade them for change, selecting the right people to form the guiding coalition, getting the guiding coalition to work

together as a team, creating clear and tangible vision for change, constructing effective strategies to deliver the vision, changing systems that get on the way of the changed vision, recruiting promote and develop the right people to promote change and ensuring the right people are chosen (Hemamalini, 2001).

Organizations are in constant evolution and the pace of change is accelerating. As a result the ability to introduce organizational change has become a strategic imperative. Organizations, to successfully implement the change management program, have to achieve the desired objectives and improve the performance of an organization through different change management practices; address the human side systematically, involving every one, Communicating the vision, ensuring commitment from within, creating a clear and tangible vision for change, minimizing resistances to change and selecting the right people to guiding alliance (D. Wilson, 2010). Change Management requires leadership to set direction, project management to take care of technical aspects of change, and people to implement the change. There are four key areas: determine need for change, prepare and plan for change, execute the change; and sustain the change that need to be addressed in managing changes.

Change management is a necessary tool for organizations to survive for a long time like companies in US that survived for more than 100 years. (Tony, 2012) The underlying basis of change management is that people's capacity to change can be influenced by how change is presented to them. Their capacity to adapt to change can shrink if they misunderstand or resist the change, causing barriers and ongoing issues. The rationale is that if people understand the benefits of change, they are more likely to participate in the change and see that it is successfully carried out, which in turn means minimal disruption to the organization. (Queensland, 2007) Commercial banks are financial institutions that serve the general public in any society by rendering different services to its customers as they require. These commercial banks highly participate in the growth and development of a given country by lending money in many sectors of the economy, contributing to investments, employment creation and by increasing the process of economic growth.

Commercial Bank of Ethiopia is one of the leading commercial bank in the country and pioneer in introducing modern banking in the country. Since change is inevitable CBE has to respond to different pressures requiring change so that its effort will truly set it differently from its competitors. Becoming a world class commercial bank in 2025 (vision of CBE) requires the

company to undertake different changes i.e., structural, technological and individual changes so that the vision will be achieved by a great performance of the organization. (Paton and McCalman, ,2000) argues that each change has consequences and implies something and one of the most important result of every process of change is making a positive change in performance. More importantly, the performance of the organization can also highly be affected by the way in which change management is undergone.

Therefore organizations have to engage with reaching the needed operational objectives so as to improve the overall performance of an organization. Performance of an organization can be defined as the organizational effectiveness of activity results in terms of financial and non-financial measures like turnover, profit margin customer service delivery, etc. (Kennerley and Neely, 2003). Our understanding of performance in organizations has undergone large-scale changes as our understanding of organizational complexity has grown (Mary, 2006). As argued by (André ,2007) high performance of an organization can be characterized by achieving sustainable growth that is better than the performance of its competitors over a period of at least five years & having a great ability to adapt quickly to changes. (Jinjiri& Bello ,2013) cited that (Nightingale and Poll ,2000) argued that the study of change management in service industry is less than the needed amount despite the importance of service sector in terms of employment generations and product/service innovation.

These authors also argue that there is a lack of literature on implementation of change management in the banking sector. Since there is also lack of literature in our country this study was therefore provided insights on the effects change management practices in the performance banking sector organizations, specifically CBE in Amhara region at Debre Berhan town.

The change management practice independent variables of can also be affected by factors like Employee satisfaction, organizational culture, and committed leadership. And also as stated by (Hans et. al., 2009) practitioners who always follow specific and formal change management practices had a 52% project success rate, compared to a 36% success rate for practitioners who improvise according to the situation. From the 6 banks by simple random sampling by means of lottery method selected 4 commercial bank of Ethiopia in Debre Berhan Town are available. The banks and the year of establishment are disclosed respectively, Tebase, Debre Eba, Haile Mariam Mamo and Atsezeraykob branches./2013,2010,2010,2015/.

Organizations as open systems are under intense pressure to fundamentally change how they do business if they have to ensure their survival and competitiveness. Organizations are strongly influenced by their environment which consists of forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival.

1.2 Statement of the Problem

In Ethiopia banks and found that change was positive and that the rate and impact of change was not uniform across all banks and also banks could not apply the same change management practices in order to achieve the same results. To determine the Financial institutions specially bank industry are operating in a very dynamic marketplace today and this requires the ability to choose the right change opportunities while demonstrating the necessary degree of flexibility to meet the fluid requirements of the organization over time (Messomo, 2017). As such, the success of commercial banks strategic initiatives and ultimate superior organizational performance is pegged on the ability to manage change in the operating environment (Barbaroux, 2011).

Commercial banks are left no choice but to adopt change management practices so as to remain profitable and competitive. The performance struggles has seen several players exit the business platform with several others put under receivership. It also caught in the tarp of poor portfolio management and insider lending and closed doors on order of the Central Bank of Ethiopia. Commercial banks of Ethiopia were also placed under statutory management. This will by tumorous liquidity and capital deficiencies revealed that banks in Ethiopia losing a lot of money through fraud. Banking organizations are no exception to this rule. Several studies examined changing environments in banking industry and its effect on banks performance.

In the previous Research studies change management various strategic change management practices adopted by Bank of Ethiopia and found that the bank undertook changes to its strategic direction, information technology, performance management system, product changes and changes in the compensation plan. The study that focused on effect of change management practices in commercial banks and found that banks had strategic change in management policy by improving decision-making, resource allocation, improved performance, reduced financial losses and improved communications from effective change management Practice.

The researcher also found out that no take into account on the effect of committed leadership on the organizational performance in banking industry. Since some of the main factors that affects organizational performance is lack of committed leadership, organizational culture, employee satisfaction.

In general the studies above also did not detail study carried out the variables namely organizational performance, committed leadership , Employee satisfaction and organizational culture, that was adopt in this study. Hence, the current study sought to the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at Debre Berhan town.

1.3 Objectives of the study

1.3.1 General Objective

A general objective of this research was to identify the effect of change management practice on organizational performance the case of commercial bank of Ethiopia at Debre Berhan town.

1.3.2 Specific Objective

1. To examine the effect of demographic profile (Gender, age and work experience educational experience) on organizational performance.
2. To examine the effects of committed leadership on organizational performance of commercial banks in Ethiopia.
3. To determine the effect of Employee satisfaction on organizational performance of commercial banks in Ethiopia
4. To explore the effect of organizational culture on the organizational performance of commercial banks in Ethiopia.
5. To investigate the relationship between change management practices dimension and the overall performance of CBE.

1.4. Research Question

Based on the objectives stated above the following questions were addressed.

- A. What is the effect of employees' demographic profile (Gender, age, and work experience) on organizational performance at Debre Berhan town?

- B. What is the effect of committed leadership on organizational performance of commercial banks in Ethiopia at Debre Berhan town?
- C. What is the effect of Employee satisfaction on organizational performance of commercial banks in Ethiopia at Debre Berhan town?
- D. What is the effect of Organizational culture on the performance of CBE at Debre Berhan town?
- E. Is there a statistically significant relationship between change management practices and the overall performance of CBE at Debre Berhan town?

1.5 Hypothesis

H1:-Employees' demographic profile (Gender, age, and work experience) has a positive Significant effect on organizational performance

H2:- Committed leadership has a positive significant effect on organizational performance.

H3:-Employees satisfaction has a positive significant effect on organizational performance

H4:- Organizational culture has a positive significant effect on organizational performance

1.6 Significance of the study

While conducting this study might provide relevant information to those on various levels of management and employees to understand the determinant factors for the successful implementation of the change management so that the performance of the organization can be enhanced. Employees might become also the beneficiaries from the outcome of this study since the participation of employees in the management of the change program can enhances creativity of the employees so that they can be aware of many issues. The society can also be benefited from this study since the different adjustments on the change management of CBE can cater the needs of the society in different dimension as a means to satisfy them. This study will serve as baseline for other resea

1.7 Scope of the study

1.7.1 Conceptual scope

There are many internal and external environmental factors affect organizational performance but the researcher was claimedto focus only investigating the effects of change management

practices on performance of an organization as well as the relationship between Change Management practice and committed leadership, Employee satisfaction, organizational culture and their effect on the overall performance

1.7.2 Time Scope

The study is intended to cover views of current Managers and staff members of the case of commercial bank of Ethiopia branches at DebreBerhan town.

1.7.3 Geographical Scope

The population is composed of the case of commercial bank of Ethiopia at Debre Berhan town. There are six commercial bank branches in Debre Berhan town which are Tebase, Debre Berhan, DebreEba, Haile Mariam Mamo, Leche and Atsezeraykob branches. The commercial banks of Ethiopia were selected by using simple random sampling by means of lottery method then Tebase, DebreEba, Haile Mariam Mamo and Atsezeraykob branches are selected but Leche and Debre Berhan branches are not selected.

1.7.4 Methodological Scope

The study followed both explanatory research design is appropriate for this study to examine the effect of change management practice on organizational performance the case of commercial bank of Ethiopia at DebreBerhan town.

1.8 Definition of Terms

Organizational Culture: Organizational culture is the set of shared beliefs, values, and norms that influence the way members think, feel, and behave (Fred, 2011) .

Employee satisfaction

Satisfied employees can launch a chain of positive steps, which can have a great impact on improving the organizational work (Heskett, Jones, Loveman, Sasser J., & Schlesinger, 1994). Employee's satisfaction is positively related to motivation, dedication, organizational behavior, belonging, and productivity and has a positive impact on satisfaction with life and social health (Judge &Hulin, 1993).

Employee satisfaction is usually described as satisfaction or well-being, which the employee receives based on his or her work. Employee satisfaction is recognized as one of the most important factors affecting the quality of services rendered, productivity and loyalty of

employees. Satisfied workers work better, they are better motivated and have higher moral (Sharma, Kong & Kingshott, 2016).

Employee satisfaction is not just a goal for itself but it is also happy worker is a productive worker. Job satisfaction can affect the level of commitment, fluctuation and financial earnings of the organization, as well as it can affect the level of performance, the readiness of employees to engage in problem-solving activities, and the intensity of effort that worker makes.

Committed Leadership

Leadership style represents what people are "doing" and "behaving." Leadership has many aspects and there are many ways to describe leadership styles such as dictatorial, bureaucratic, charismatic, and participative.

Leadership style is the manner of providing direction, implementing strategies and motivating individuals towards the attainment of the desired objectives (Khan and Nawaz, 2016).

Leadership styles and organizational efficiency are strongly related. Effective leadership style is seen as a strong source of sustainable competitive advantage and growth management (Al Khajeh, 2018). Style of leadership allows the company accomplishes its current goals more effectively by connecting employee performance to expect incentives and ensuring that staff has the tools for doing the task.

Without leadership there is an increase in the probability of errors happening with more and more reduction in prospects for success. Among this way, leadership, along with stimulants and opportunities, fosters the desire of individuals to accomplish objectives, playing a significant role in the processes of creating, communicating and transforming organizational culture.

Organizational Performance

Organizational performance refers to the extent to which organization's goals and objectives are achieved efficiently and effectively. In this study it is taken to be results of an organization measures for non-financial performance.

1.9 Organization of the study

The last part of introductory section of the paper it shows the sequences of the chapters incorporated in the study.

1.10 Delimitation of the Study

Geographically, the study was focused to the commercial banks of Ethiopia at DebreBerhan Town were selected from six banks by using simple random sampling by means of lottery method then Tebase, DebreEba, Haile Mariam Mamo and Atsezeraykob branches are selected but Leche and Debre Berhan branches are not selected .Among various Change management Practice of , the study was delimited to or considered only three aspects of Practices, which included: committed leadership, Employee satisfaction and Organizational culture.. Accordingly, the study collected data from current employees of the above stated four banks.

1.11 Expect Limitation of the Study

It is true that every study has its own limitations. While conducting this study some of the limitations are discussed as follow. Since this study was only include four branches of the Commercial Bank of Ethiopia in Debre Berhan town, the findings of this study couldn't represent the characteristics of all staffs of the Commercial Bank of Ethiopia found in DebreBerhan town. Some employees were not be volunteered to fill the questionnaire. However as much as possible attempted to explain the purpose of the research. Other factors which are counted financial performance don't study, due to the banks private issue, however, the current researcher use Non-Financial performance.

CHAPTER TWO

2 REVIEWS OF RELATED LITERATURES

2.1 Introduction

This chapter discusses relevant literature information on the study topic in line with the research objectives. The chapter gives an overview of Theoretical review of the study .It also presents Meanings and concepts of change, Models for Understanding and Approaching change ,Organizational Performance Measurement , Challenges of Change , The effects of change management Practices on the performance of an organization, an empirical review, summary of the literature review and the conceptual framework for the study.

2.2. Theoretical review

Theories provide a generalized explanation to an occurrence (Mitchell, 2014). A theoretical framework guides research, in determining what variables to measure, and what statistical relationships to look for in the context of the problems under study (Torgersen, 2015). There are various approaches that support the research objectives in discussing change management and practices the organizational performance of commercial banks including the approaches of Lewin Three step Model, Predictable Phenomenon/ Planned Change ,Uniform Approach/ top-down ,Differentiated Approach/ Bottom- up ,Complex Phenomenon/ Emergent Change ,Gestalt Psychotherapy Theory

2.2.1 Meanings and concepts of change

The constancy of change is a widely noted theme in any reading of the literature of organizational management. Phrases such “the only constant factor in (organizational) life is the need to change” are commonly encountered Ian Smith, (2011). In every aspect of life and business, change prevails. Change is necessary in order to perform better than the normal conduct. In business organizations, the need for change is mainly to improve its delivery of services to its clients and improving the overall performance of an organization. Change should be aimed toward improving the existing system and should be done continuously (Gerard, 2008). Change is an alteration in the state or quality of anything. It is the state of becoming or being different from the previous known existence. Change has become a study area for many years and all those studies about change aim with varying degrees of credibility and success to deliver sustainable organizational change (Rune Todnem, 2005).

Organizations are addressing different changes like; a larger worldwide market place made smaller by improved technologies and competition from outside, a global acknowledgement of the environment as a powerful variable and government attempts to draw back from environmental disaster, Health consciousness as a permanent trend amongst all age groups throughout the world, Changes in lifestyle trends are affecting the way in which people view work, purchases, leisure time and society, The changing workplace creates a need for nontraditional employees, The knowledge asset of the company, its people, is becoming increasingly crucial to its competitive wellbeing (Paton &McCalman, 2008).

Any organization that ignores change does so at its own peril. One might suggest that for many the peril would come sooner rather than later. To survive and prosper, organizations must adopt strategies that realistically reflect their ability to manage multiple future scenarios. The world is constantly changing around us, both in our private and our working lives. To manage these changes we develop coping strategies. Managers, and the enterprises they serve, be they public or private, service or manufacturing will continue to be judged upon their ability to effectively and efficiently manage change (Todnem, 2005).Change in organizations may be continuous and incremental or rapid and discontinuous with abrupt shifts from the patterns of the past. Change may be planned or it may be emergent. The scale of change may range from fine-tuning through incremental and or modular adjustment to wide scale corporate transformation. Organizations sometimes have choices as to whether they want to change, or are sometimes forced to change, because of legal or other reasons. The importance of why organizations change is linked to the timing of change (Ian Smith, 2011).

The push and pull factors of organizational change may be seen as an essentially linear series of planned events – for example, Lewin’s (1951) unfreeze- change-refreeze model or change may be open ended, ongoing and adaptive responding to changing circumstances (Kanter et al., 1992 as cited by Ian Smith, 2011). Otherwise the change may be between these two extremes of planned or free and open ended.

Different reports show that the success rate of any change effort is failing either fully or partially (between 50%-70%) to achieve their objectives. This statistic makes worrying reading for any manager undertaking or considering a change initiative. What then can assist in getting change right and leading and managing change successfully?

2.2.2 Models for Understanding and Approaching change

There are many approaches, tools and methods proposed for managing change. There is no one “right” approach. That said conceptual models of the process of change are useful in understanding the dynamics of change and how change management might best be approached. Under this section some of the models will be briefly considered;

Lewin Three step Model

Organism, Machine On the work of (Esther.& Mike, 2004), K. Lewin (1951) developed his ideas about organizational change from the perspective of organism metaphor. He introduces the force field analysis, which explains the driving and resisting forces in any change situations. The main issue here is that the driving forces to the new change must be greater than that of the resisting forces of the change for the change to become successful. Managers are expected to increase the driving forces and reduce the resisting forces to change. It would be more advantageous for the organization if they can do both at the same time. Lewin also suggests a way of looking at the overall process of making changes; Unfreezing, Change and refreezing; beginning from the existed situation, you change things then continue with the new created situation (Mike, 2007). The three step model of Lewin uses the organism metaphor of organizations which includes the notion of equilibrium. This means that any organization has a natural tendency to adjust itself back to its original steady state. This idea of Lewin has been criticized since the model is too linear for these turbulent times of exponential changes since there is no initial equilibrium that needs to be unfrozen for the change to happen (Esther & Mike, 2004). At the same time there is no stable equilibrium that we need to settle down and leave our worries. So what Lewin was suggesting was that in any human system there are different states of dynamic equilibrium and to move from one state to another the forces at play within the system need to be redirected to achieve movement towards the preferred state (Mike, 2007).

Predictable Phenomenon/ Planned Change

(Esther and Mike, 2004) states that Bullock and Batten, 1986 explains the approach of using the machine metaphor in the organizations. This model assumed that change can be planned so that organizations can move forward in a defined way. This approach suggests that the organizational change is a mechanical problem which can be dealt with definable mechanical solution. It can be said that this approach works well with separated issues that can be dealt alone rather than when organizations are facing complex and unique changes which may require discussing the current

situation and possible future outcomes that can satisfy the organization before we run in to deciding on one approach. When the changes are planned we decide the direction, objectives, stages, milestones, change methods and so on that the organization is expected to pass. As it is said by Mike Green (2007) if the change is planned more as a simplistic machine metaphor, the less successful the change will become.

Uniform Approach/ top-down

Top-down change can stem from a managerial prerogative for maintaining control throughout the change. Change can be driven through by management, and resistance controlled and eliminated. Here change can become more of a political issue (Gioia and Thomas 1996). Top down restructuring is a management-driven process that is not necessarily consensus-seeking. In the particular culture, such a process would alienate employees further if not accompanied by a bottom-up process that empowers individuals, who need to feel like stakeholders with something to gain as well as to lose. In the top-down approaches to change, senior executives are responsible for the initiation of the need for change, the plan and the direct implementation of the change process. The middle management is responsible for the detailed coordination and internal management of change and the rest of employees will embed the change, even though they have little power in the process of decision making. This approach to change is mostly appropriate when the change is strategically important and results large difference from the present forms and functions of an organization. It would be more preferable for the most senior people in the organization favor and initiates the change when the change is more of radical. Top-down approach to change is mostly occurs as a result of the external pressure to change combined with the potential internal resistance to change (Ryan., Williams, Charles., & Waterhouse , 2008).

Differentiated Approach/ Bottom- up

The bottom-up approach is an approach that allows the employees of a given organization to express their views and to help define the development course for their area in line with their own views, expectations and plans. It is a democratic and consultative style of organizational change in which employee participation is promoted at all levels within the organization. Maximizing the involvement of staff within an organization in building of process maps and initiating the change efforts is a more efficient and rewarding approach for companies. By driving organizational changes from the bottom up, employees become more creative, motivated and more open to share their ideas (Michael C., 2002).

This approach can enable firms to promote innovation and thus build flexibility. It also enables executives of organizations to collect the information about new technologies, unexpected problems, changing market competition and customer demands thus develop the firms' exploratory innovation which increases firm's strategic adaptability for future change (Zelong W. Yi Y, & Yuan C., 2011).

In order for the employees of an organization to truly take control of the new change, they must be fully involved in the process and must be included in some way in the decision-making process.

Complex Phenomenon/ Emergent Change

Emergent approach to change can be described as unexpected, often unintentional, can come from everywhere, and involves relatively informal self-organizing (Mike Green, 2007). It is evidenced that many organizations these days operate in chaos and high competition that can result difficulty and instability in the industry. This chaos and instability in an industry make the changes to become emergent and continuous. Emergent change occurs in real time and therefore develops ongoing realignment with the environment, continuous learning and the establishment of strategy (Liebhart, Margrit and Garcia-Lorenzo, 2010).

The research of Higgs and Rowland (2005) as it is cited in (Mike Green, 2007) depicts that Change through emergent is more successful as there is a large scale change than the other approaches to change.

Gestalt Psychotherapy Theory

The gestalt psychotherapy theory offers a more basic epistemological shift in that meaning is found as we are constructed built by the world while at the same time we are building this world emanating from our own background and experiences. The author (Chidiac 2013) tries to show how this theory of Gestalts view of self applies to an organization.

In Gestalt theory, our sense of self emanates at every moment from our interaction with others and the environment. Therefore we can say that the self is changing constantly and adjusting according to the situation within which it finds itself. The self "is fluid and dynamic, responsive to the environment, and experiencing changing needs and goals as the situation changes" as the author depicts.

Organizations, like individual people or groups can be seen through the lens of the gestalt theory of self since they are shaped by a network of emerging relationships and depend on those

relationships. As this relationships changes organizations are also constantly changing. This theory clearly shows that the resulting behavior and action of an organization emerges as a function of both the dynamics within the organization's internal and external environment and the ingrained narrative and culture of the business. The poor awareness of the organizations id function in terms of internal dynamics as well as external influences will result in a less sensitive organization and one that is not able to adapt to its changing environment.

Being aware of a changing environment is not always enough for an organization (and its leadership) to take action. Attending to emergent needs requires a supportive environment. The interrelated aspects of self-functioning need to be considered as a whole, and cultural adaptability as well as fit to internal/external pressures and market needs will determine organizational performance.

2.2.3 Organizational Performance Measurement

Organizational performance measurement is defined as the total economic results of the activities undertaken by the organization which are usually detailed expressions of strategic objectives. Today managers worldwide are expected to increase the productivity and performance of their organizations in times of great uncertainty and shrinking resources (Stacey, 2003). Johnson (2003) identified two performance yardsticks; those relating to financial performances and strategic performance which relates to the outcomes of a company strengthening its market standing, competitive vitality and future business prospects.

Financial performance measure tend to focus on profitability which is measured in quantitative aspects of return on investment, sales, market share, stock prices, return on assets, dividend, earning per share and productivity (Burnes, 2009). There is however a trend to move away from over reliance on financial measures and embracing systems that comprise of both financial and non-financial aspects of performance. The performance management models below are relevant to the performance in commercial banks in Ethiopia. They include: BSC and KPI

Balanced Score Card, (BSC) used across or organizations as a performance measurement tool to align business activities to the strategy and vision of the organization and monitor organizational performance. Kaplan & Norton (2006) used the balanced scare card approach to evaluate performance based on four different perspectives; the financial perspective, the customer, internal processes and learning and growth.

Key Performance Indicator (KPI) is general measures of performance that focus on the critical aspects of outputs or outcomes. (Doyle, 2005) identified a list of performance indicators for managing various organizations. These include; financial measures, customer service, customer satisfaction, provision of safe environment, effective utilization of space, effectiveness of communication, service reliability, professional approach to staff and responsiveness to problems the Key Performance Indicator (KPI)

2.2.4 Challenges of Change

Different changes usually engage bringing of new procedures, people or ways of doing things which have a direct impact on the diverse stakeholders within an organization. Change management can become successful when there is an understanding of the potential effects of the change initiatives on these stakeholders. Will employees be scared, resistant, pessimistic or enthusiastic about your proposed changes? How can each possible reaction be anticipated and managed? You have to be aware of how the change will impact others in your organization and customers as you started to think about any kind of significant change.

Leadership: can be impacted by the new significant changes that you try to impose in your organization. Since it is undeniable for the change to become successful there has to be a commitment and engagement of organization's leaders.

Resistance: Duncan (1977, p. 63) as cited by Dianne. & Amrik (1998) define resistance as any conduct that serves to maintain the status quo in the face of pressure to alter the status quo. Bringing in new skills or knowledge to a company is not always easy. People fear change. Management should observe this integration and smooth the way by keeping everyone aware of the objectives of the company. Improvement of resistance management can result if the organization recognizes the potential benefits of resistance (Olajide, 2014).

As it has been discussed in Warner (2002), resistance to change emanates from two circumstances. The first one is "loss of the unknown" i.e., leaving the comfortable zone of the existing situation and trying to adapt the new one. Most of the time problems arise not because employees don't want the change to happen but it is because they don't want to lose their comfort zone. The second one is "loss of their personal choice". It also states that "what people are resisting is not necessarily the change but the imposition of change." "Grief has limits, whereas apprehension has none. For we grieve only for what has happened, but we fear all that possibly may happen" Pliny the Younger (A.D. 61-113) as cited by Warner (2002).

2.2.5 Practices of Managing Changes

Hans, Lawrence & Andreas (2009) depicts that methods of managing changes have not yet spread through business or project operations to a significant degree. If performed successfully the practices of managing changes can yield tangible benefits for companies. As stated by Hans et. al., (2009) practitioners who always follow specific and formal change management procedures had a 52% project success rate, compared to a 36% success rate for practitioners who improvise according to the situation.

Creating a sense of urgency to reinforce the need for change

As cited by Harry (2001), French and Bell 1999,; Kotter 1996,; & Turner 1999, states that the first step in the process of change is establishing the sense of urgency, i.e., making sure that all people involved in the change effort have internalized the need for it. Creating a sense of urgency is about problem awareness which means that difficulties in the organization must be translated into a desire to change since one of the most crucial factors for success understands the subject matter of the project. Kotter (1996) notes that the means for trounce problems lays on the understanding of organizational change: what are the most important drivers of change and which are the underlying reasons for the opposition. Additionally, management should have a clear understanding of the trade-offs included in carrying out change.

Without considering trade-offs, managers easily initiate and launch programs they are not ready to support in practice. An attempt for change should therefore start with an agreed urgency and clear need to develop. It is agreed that people affected by the changes or participating in its planning and implementation should have a shared understanding of the reasons that led to the change effort in the first place (Harry, 2001). Inappropriately, the attempt needed to raise the sense of urgency is often under carried out said Kotter (1996). Employees have to take a broader, more flexible look at what they do, and what they could do for developing an organization.

Supporting more people to become more powerful is an important issue as the business environment is changing. It is thus not only employees and project personnel's but also management's concern to have an active role in a change project. On the other hand, managers should be aware of the spirit of giving people a change to move slowly forward, find out the dearth of the organization by themselves, and finally to seek out and develop solutions for a better future (Kotter, 1996).

Providing people with facts, figures and evidence to persuade them for change Communication is an important means for building a common understanding of organization's goals and direction. There has to be an open and honest communication about the facts, figures and evidences to persuade everyone in the organization for change. Kotter, (1996) states that communication is a means to create awareness to the personnel what the change project is really about: why is it started, what parts of the organization are affected and what are its targets and schedules. Kotter again states that the real power of setting goals, envisioning and planning is communication and without it there may not be a full effect.

In relatively unstructured assignments, people need to know where they stand and what will happen next more than ever. Otherwise critical actions and phases may be ignored and resources may be allocated for accomplishing secondary actions. One very important element for the success of managing change is the ability to communicate to employees the kind of changes the scheme will obviously cause to each person's responsibilities, tasks and working environment. The more open and thorough communication is undertaken, the more trust is likely to develop between different parties involved in the change (Kaufman 1992) cited by Harry (2001).

Selecting the right people to form the guiding coalition

A project organization is always pulled together for a specific temporary purpose. It is an Inter organizational team constructed around its mission. Because of its inter-organizational nature, a matrix organization encompassing both functional and project unit is usually formed. However, a great variety of project-driven organizational forms exists. According to Cleland (1994), one extreme is the pure project organization, where "the project manager is given full authority to run a project as if it were a one-product company". When we start moving towards the other extreme, the pure functional organizational department, we come across with a variety of project-functional combinations of matrix organization.

Fatima, Alyaa, & Abdul Rahman (2013) mentioned that people are normally negative towards any changes, so mitigating the resistances of people and attract their attention by illustrating how well the change will participate in their success and future growth is critical responsibility in forming the guiding coalition. The change manager must ensure to obtain Top management, potential stakeholders and organizational support. Cleland points out that no form of project organization is best for all projects, or even best for one single project throughout its entire life cycle. Each form has some advantages and disadvantages, yet he also notes that those projects with purely functional

structures and responsibilities tend to be less successful than those with joint responsibilities and co-operation of project representatives and different functions (Cleland, 1994).

Kotter addresses the importance of choosing the right people for the project organization and for the guiding coalition, in particular. Different kinds of roles and qualities must be represented. Enough key players must be in the team, various points of views should be present, people with good reputation are important and, finally, proven leaders are needed, in particular. Identifying the key persons and thus forming the core of the change project is an essential part of any kind of change effort and it should be carried out in the very early stages of the progress (Kotter, 1996).

Creating clear and tangible vision for change

Vision provides a picture of the future and shows how individuals and groups will fit into that future. A vision is thus an anticipation of the future state of an organization and responds to the question: What it is to be like? A good vision shows the direction for development. By Kotter's (1996) definition, a good vision is imaginable, desirable, feasible, focused, flexible, and communicable at the same time. Communicability and simplicity are thus the essential criteria of a successful vision which made easy the formation of talent and skillful team members that are competent to handle the change effectively is very important (Fatima et. al., 2013). Therefore, required training and education should be provided to empower team members and increase their level of qualification with the clear and tangible vision. The vision for change will materialize through the goals of the development projects. The connections with the vision will make it easier to justify the goals to people dealing with the project and helps them commit themselves to the objectives (Lanning et al. 1999 cited by Harri, 2001).

2.2.6 The effects of change management Practices on the performance of an organization

Managing change or 'change management' is a form of management control through the application of systematic management interventions that involve people to achieve a desired future state with defined performance outcomes in line with the organizational strategy (Gary. and French 2013). Undertaking a change management program is neither easy nor should be thought of as a "quick-fix". Recognition of the need to justify, communicate and train staff in change management to minimize resistance to proposed change not only needs to be more sensitively managed today, but has always been a feature of undertaking change from established practices across the ages.

In agreeing an appropriate strategy or combination of strategies for change, the organization's management will need to take into account the following factors:

- The urgency of the situation
- The degree of the opposition expected
- The power base of the change initiator
- The existing transparency of information and ease of communication
- Demonstrable examples of commitment to integrated planning during the change program

The nature of the current organization's culture and its likely response to change Communication: Continued employee involvement and consultation through a rolling communications program will need to be developed to assure the employees of the importance of the changes, how they can be involved and how they can support the changes to the business. In addition the organization's management will need to further assist this process through open dialogues with staff and by conducting research in to their concerns and reacting to the findings. Consequently it is essential that organizations establish a level of openness and engagement throughout the full change management life-cycle which transcends policies, procedures and statutory obligations and carefully considers how critical the involvement of all employees is in helping deliver the change. Continuous change is a global reality. Those who communicate effectively are more likely to outperform their peers (Towers Watson, 2012). Improved organizational performance is not only about the application of hard and fast rules for achievement, but rather an acceptance and ownership of the impact the totality of factors in shaping our organizational behaviors during periods of change.

2.3 Empirical Literature Review

A study of Allan., Church, Siegal, Javitch, Waclawski and Warner Burke, (1996) clearly shows that Managers and executives continues to possess a great deal about the management of the organizational side of change (82%), evaluating the impact of such efforts (75%) and the planning of change (71%), unfortunately these managers and executives' scores lower in areas related to the nature of change and its effects on people in general. The study also reflects that the women score in understanding the soft side of change management is much greater (74%) than that of the male managers (66%) definitely male managers need to learn much from the

female managers since many managers and executives are more comfortable focusing on task rather than relationship issues.

The scholars' tries to show this variation is created because women have greater sensitivity and responsiveness to the needs of their peers; the more interpersonally oriented socialization patterns experienced by women; the different roles to which men and women are selected within organizations. The soft side of the change management includes the importance of open communication, letting people to feel sad about the loss of the present, working with and through resistance, initiating people's positive energy around change, etc. Similarly another study of Tony Manning, (2012) shows that for the management of change to become successful, it is important and mandatory to manage emotions, particularly by acknowledging how people feel and why they feel the way they do; take steps to formulate a vision and keep the people informed about the steps that you are taking; engage in a two way communication throughout the process; develop and communicate visions, make clear what you aspire to and how you will get there; and engage in and promote continuous learning and development.

The study of Darwaza (2003) which is sited on Omar, Mohammed, Abdullah, &NuraJadellah (2013), found that years of experience in school administration and education have a significant impact on the development decisions taken by the Director and giving the best change. Unlikely under the study of (Allan H. et al 1996) unexpectedly finds out that the more managers and executives are experienced in the management position of their organization the more they respond negatively to the management of change. These two different results about the impact of experience of executives in their work place on the effectiveness of the change can be because of the time variation.

The former study which was taken in 2013 and the later in 1996, since there is more than a fifteen years gap the knowledge of change may not be clearly understood by the managers and executives in the year of 1996. Under a study of Sefer, Huseyin, &Recaiel, (2013), informing the employees about what is going on regarding change, consulting them and maintaining participation of the employees to the change process, have a positive impact on the attitudes of security managers towards change managers and change. Then the employees would probably commit themselves to change energetically rather than resisting it. Another study also depicts that participation of employees can be a useful approach that sheds light along the change process so that the sources of resistance to change can be overwhelmed and the performance of

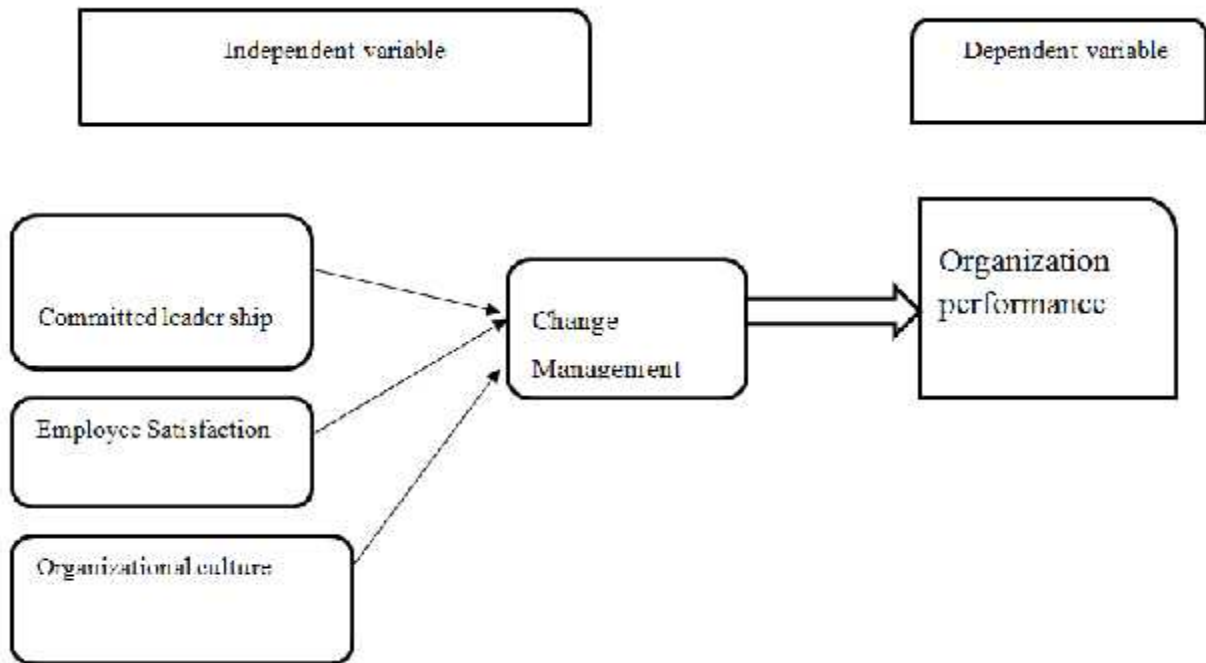
the organization enhanced Manuela Pardo-del-Val Clara Martinez-Fuentes Salvador Roig-Dobón, (2012). Majid, Mohammad, Sanjaghi & Rahimian, (2013) shows that high percentage of organizational performance change (77.3%) is because of the high capacity of the change process and the management of it. Additionally effective communication, employee's attitude and perception of manager's action and conducive working environment play a significant role in achieving better organizational performance through change Mindy, Joseph. Cheng and Sonja (2006). Under the study of John Edmonds, (2011), there is resistance to change in organizations mostly brought by the fear of the unknown by the people of the organization.

The study also shows that this resistance to change can be handled correctly using known and tested techniques of change management so that the change can be brought successfully, achieving the stated goals and objectives using the budget of the organization for the needed purpose.

2.4 Conceptual Framework

The conceptual model formulates to show association of change management practice and Organizational performance. In this study organizational performance is dependent variable while. Change management practice namely (Committed leadership, Employee Satisfaction and Organizational culture) are independent variables. The Conceptual framework for this study is as follows:

Figure 1: Conceptual frameworks



(Source:-Developed from reviewed literatures)

CHAPTER THREE

3 RESEARCH DESIGN AND METHODOLOGY

This chapter has presented details of the research design and methodology. This includes Research design, Population of the study, Target population, Sample size determination, Sampling technique, Data type and source, Instrument of data collection/Reliability of the instrument and Validity of the instrument/, Method of data analysis and Ethical Consideration

3.1 Research design

Explanatory research design is appropriate for this study to examine the effect of change management practice on organizational performance: In case of Commercial bank of Ethiopia at DebreBerhan town. .This study as an explanatory research design; it was having an explanatory variable which is employee satisfaction, committed leader ship and organizational culture to explain the dependent variable which is organizational performance and the study will formulated hypothesis and go to test these formulated hypothesis and examine relationship and the effect of employee satisfaction, committed leader ship and organizational culture on organizational performance

3.2 Population of the study

3.2.1 Target population

Target population of this study was all Employees in commercial bank of Ethiopia at all Debre berhan branches. In time of preparing Proposal Commercial Bank of Ethiopia have 6 branches in Debre Berhan town which are Tebase, Debre Berhan, DebreEba, Haile Mariam Mamo, Leche and Atsezeraykob branches. The commercials banks of Ethiopia were selected by using simple random sampling by means of lottery method then Tebase, DebreEba, Haile Mariam Mamo and Atsezeraykob branches are selected but Leche and DebreBerhan branches are not selected. Therefore, the target population of the current study consisted of the 4 branches at DebreBerhan town. These included for this study namely Tebase, Debre Berhan, DebreEba, Hilariam mamo, and Atsezeraykob branches. The total population from these 4 branches that were targeted for this study has incorporated 147 employees. The targeted respondents were 147 in total and the numbers of branches and employees are listed in (table 1).

3.2.2 Sample size determination

In this study, the sample size was determined by using the formula developed by (Kasunic2005: 40) using 95% confidence interval and 95% precision:

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

Where, n = the sample size

N = Total population

e = The sampling error (0.05) which is 95% of level of confidence

Using this formula we can calculate the sample size:

$$n = \frac{147}{1 + 147/0.0025} = 108$$

Accordingly, the sample size for this study was 108 comprising staffs and managers. However, due to the simple random sampling technique used the number of questionnaires distributed for 108 employees.

After the total sample size is determined the researcher was proceed to allocate the total number of samples proportionately for each branches of CBE at DebreBerhan based on their respective total number of employees by using the following formula.

$$n1 = \frac{nN1}{N}$$

Where; n = total number of samples=108

N= total number of employees from each branches

N1= total number of employees at each Branch

n1= sample size at each branch

Based on the above formula the total **samples proportionally** allocated for each branches of CBE at debreberhan based on their respective total number of employees as follow as.

Table 1: Number of branches and employees

No.	Branches	Name of the Town	N	$n1 = \frac{nN1}{N}$	Rejected/not responded
1	Hilamariyam mamo Branch	Debere Berehan	32	23	-
2	Atse Zeriakob Branch	Debere Berehan	38	28	1
3	Debere Eba Branch	Debere Berehan	31	23	1
4	Tebase Branch	Debere Berehan	46	34	8
	Total		147	108	

Source: Researcher based on data from each four banks statistical data.

3.2.3 Sampling technique

The commercial banks of Ethiopia were selected by using simple random sampling by means of lottery method then Tebase, DebreEba, Haile Mariam Mamo and Atsezeraykob branches are selected but Leche and Debre Berhan branches are not selected. The study participants recruited from the modified registration book by using simple random sampling. The previous registration book, which was used by commercial bank of Ethiopia at DebreBerhan town, modified by the principal investigator. Based on the information there were staffs in DebreBerhan town. The study participants $n=108$ selected from the modified registration book by lottery method.

3.3 Data Source

This study was used mainly primary and secondary source of data and method of data collection

3.4 Type of data

This study was used Quantitative type of data. The reason of using Quantitative type of data was the study was analyzed the data by using statistical analysis. So, statistical analysis is uses mainly quantitative data using appropriate measurement of their variables and it can be measured numerically. In order to know the impact of independent variable on the dependent variable by using statistical approaches, it requires a quantitative type of data. Therefore, to achieve the objective of the study, it was used quantitative type of data.

3.4.1 Primary data

The researcher was using both primary and secondary data in order to get a picture of the present situations regarding the effects of change management practices on organizational performance:

the case of commercial bank of Ethiopia at DebreBerhan town. Accordingly, primary data was collected from the case of commercial bank of Ethiopia at DebreBerhan town by using structured questionnaire,

3.4.2 Secondary data

Secondary data are those data that are already available and were collected from secondary sources of data obtained from relevant journal articles, books and commercial bank profile.

3.5 Instrument of data collection

The main emphasis of this study was examining the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at DebreBerhan town. Therefore, the data essential for this research was gathered from employees through self-administered structured with prepared close ended questionnaire. The questionnaire was designed on Likert five point rating scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree). The data needed for this study was also collected from secondary sources through reviewing different documents. The study was used Correlation analysis and multiple regression analysis to determine the effects of change management practices on organizational performance: the case of commercial bank of Ethiopia at DebreBerhan town.

3.5.1 Questionnaire

In this study, close- ended questionnaire was used as the main data collecting instrument. For the purpose of this study, depending on the variables, a total of 25 items were included in the questionnaire, mainly constructed in the form of rating scale category. The questionnaire consists of three parts. The first part is designed to gather information about the demographic characteristics of respondents (4 items); the second part is designed to examine the Change management practice (with 14 items) and the third part is asking for its impact on organization performance

Items, with 7 sub items or alternatives). A standard questionnaire measures were designed for this study, which are adopted from previous researchers, mainly from MihereteselassieBirhanu (2015).

3.6 Method of data analysis

After the data is collected, the researcher edited them to ensure their completeness and consistency, and then coded and classified to ensure sufficient analysis. Since the research is explanatory, quantitative data analysis approach was employed, using descriptive as well as inferential statistics. The specific descriptive statistics includes the use of means and standard deviations. Inferential statistics includes the use of bivariate correlation and multiple linear regressions. The Statistical Package for Social Science (SPSS) software version 23 was used for the analysis. Finally, the analyzed data was presented in the form of tables, and charts/ figures and other statistical tool that facilitate in the description and explanation of the findings.

3.7 Model Specification

Model specification helps to determine the dependent and independent variables based on the conceptual framework of the study. Therefore, in the study was, regression model was used to test hypothesis which predicts the relationship between Change management practices and organization performance in case of CBE at DebreBerhan town. Mathematically, the linear regressions equation or formula that was used in the model is expressed as:

$$Y = f\{x\}$$

Y = dependent variable (Organization performance)

X = Independent variables (X1, X2, ... X7)

$$Y = A_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + e$$

0 = Constant term or intercept which is the value of dependent variable when all the independent variables are zero. Coefficients 1-7 = Regression coefficient for independent variables.

Where, x_1 =employee satisfaction, x_2 = Committed Leadership and x_3 = Organizational Culture

d_1 = gender, d_2 = age, d_3 = experience, d_4 = level of education

e = Stochastic or disturbance term or error term

3.8 Reliability and Validity

Reliability and validity, jointly called the “psychometric properties” of measurement scale, are the yardsticks against which the adequacy and accuracy of our measurement procedures are evaluated in scientific research (Bhattacharjee, 2012). So, the researcher checks for validity and reliability of the data collected through survey.

3.8.1. Reliability Test

It refers to the consistency measure produce the same results across time and across observers (Patton, 2002). To ensure reliability, this study was employed methods of data collection i.e. questionnaires. Also questionnaires guide to the sample was administered with a great care in order to control the ineffectiveness of such tools that may occur in the whole process of operations

3.8.2 Validity of the instrument

Validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration (Babbie, 2013). The validity of the instrument, which is a questionnaire in this case that was used for data collection, was determined by ensuring that all questions contained in the questionnaire were in line with the studies overall research questions as well as its objectives. Therefore, in order to validate the instrument, the researcher conduct pilot test by some respondent to test their understanding and interpretation of the questions

3.9 Data Compilation and Coding

All data related to this study were collected and compiled using a computer spreadsheet program. Subjects were assigned a code at the beginning of the study which protected their privacy. In order to complete the data analysis, the data were coded within SPSS. Gender was coded as 0 or 1 (1 = male, 2 = female). Age was coded as 2, 3, or 4 (2= 18-30, 3= 31-45, 4= 46-60). Experience was coded as 1, 2, 3, 4, 5, or 6 (1=1-3, 2=4-5, 3=6-10, 4=11-15, 5=16-20 or 6=>20). The qualification of participants were also coded as 1, 2, 3, 4 (1= Diploma, 2= Bachelor Degree 3= Master’s Degree,4= PHD)

CHAPTER-FOUR

4. RESULTS AND DISCUSSION

In this chapter, the collected data through questionnaire are presented, analyzed and interpreted using frequencies and percentage with the help of statistical package for social science (SPSS). To collect relevant data 108 questionnaire were distributed to employees of commercial bank of Ethiopia at DebreBerhan town. Among the 108 questionnaire distributed to employees, the researcher collected 98 properly filled questionnaire in which the response rate is 90.7 percent. 10 questionnaires missed because some respondents are failed to return back their filled questionnaire and some of them incomplete. According to the organized questionnaire, the researcher produced the following analyses.

4.1 Demographic information of the respondents

4. 1.1 Response rate

Table 2 Response rates of questionnaires by respondents

Questionnaires	Frequency of the respondents	Valid Percent
Collected and used	98	90.7%
Collected but rejected	2	1.9%
Uncollected	8	7.4%
Total distributed	108	100%

Source: Own survey, 2021

For this stud 108 questionnaires were distributed for the Employee of CBE at Debre Berhan Town four branches by using convenient sampling mechanism. So, out of 108 questionnaires distributed all but returned 98(90.7%) questionnaires are collected. But 2(1.9%) questionnaires have been rejected because they are do not filled appropriately or incomplete questionnaires and the remaining 8(7.4%) questionnaires were uncollected questionnaires. Therefore, 98 (90.7 %) questionnaires were employed for this study.

4.2 Analysis of Inferential Statistics independent variables with dependent variable

4.2.1 Correlation Analysis

Correlation statistics is a method of assessing the relationship between variables/factors. To be precise, it measures the extent of association between the orderings of two random variables although; a significant correlation does not necessarily indicate causality but rather a common linkage in a sequence of events. Thus, the study analyzed the relationships that are inherent among the independent and dependent variables as well as among the independent variables/factors. The correlation coefficient will be between -1.0 and +1.0. Coefficients close to 0.0 represent weak relationships. Coefficients close to 1.0 or -1.0 represent strong relationships. Generally, correlations are greater than 0.7 is considered strong. Correlations less than 0.3 are considered weak. Correlations between 0.3 and 0.7 are considered moderate; a significant correlation indicates reliable relationships, but not necessarily a strong correlation. With enough participants, a very small correlation can be significant (Brian C. Cronk, 2008). The results regarding this were summarized and presented in the tables below.

Table 3 Pearson correlation between dependent and independent variables

		organizational performance	Satisfaction	committed leadership	organizational culture
organizational performance	Pearson Correlation	1			
	Sig. (2-tailed)				
Employee Satisfaction	Pearson Correlation	.630**	1		
	Sig. (2-tailed)	.000			
committed leadership	Pearson Correlation	.720**	.638*	1	
	Sig. (2-tailed)	.000	.000		
organizational culture	Pearson Correlation	.626**	.637*	.633**	1
	Sig. (2-tailed)	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Based on the survey result, correlation findings presented in Table 3, indicated that the correlation between level of employee satisfaction and organizational performance of Commercial Bank of Ethiopia at Debre Berhan Town was with $r = 0.630$ with a corresponding p value of 0.000. The correlation coefficient was therefore significant and positive implying that level of employee satisfaction increases the performance of CBE. This finding was similar with Scott, (2000) reported that working conditions associates with employees' job involvement and job satisfaction. Strong et al (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers' performance.

As indicated in the same table, the results further revealed that the correlation between committed leadership practice and performance at 0.720, with a corresponding p value of 0.000.

The correlation coefficient was also significant and positive, which implies that increase in committed leadership practice can increase the performance of CBE. Accordingly, committed leadership practice is most correlated dimension with the coefficient of 0.72, suggesting higher organizational performance. The finding is similar with (Emily Mogiti Nyandoro 2015) committed leadership increases performance of commercial banks, and also the finding is similar with (D. Wilson, 2010) as the ability to introduce organizational change has become a strategic imperative. Organizations, to successfully implement the change management program, has to achieve the desired objectives and improve the performance of an organization through different change management practices; address the human side systematically, involving every one, communicating the vision, ensuring commitment from within, creating a clear and tangible vision for change, minimizing resistances to change and selecting the right people to guiding alliance.

Similarly, organization culture practice has also a positive relationship with organizational performance, with coefficient of ($r = 0.626, p < 0.05$). Since the r value of all change management dimensions/variables is found between 0.60 and 0.80, with $p < 0.0$, have positive and marked degree of correlation with organizational performance of CBE in the study area. The finding is similar with (Mihereteselassie Birhanu 2015) as she concluded that Organizational culture had a strong effect on organizational performance, and also the finding coincides with (Brooks, 2006) as he suggested an organizational culture where employees which are considered as an integral part of the growth process of the organization fosters employee commitment towards the organization. They align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have enormous job satisfaction. In such organizational cultures, the employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization.

In summary, correlation analysis results showed that the correlation coefficient between the independent variables (change management indicators) and dependent variable (organizational performance) are significant ($P < 0.05$), so the independent variables included in the analysis is appropriate. Moreover, it found that the implementation of change management variables or indicators have impact on the performance of the firm.

4.2.2 Multiple Regression Analysis

A Multiple linear regression model was used to predict organization performance in the study. The prediction was carried out based on the effect of the three independent factors: employee satisfaction, organization culture and committed leadership. Regression analysis was used to test the individual variables driving organization performance for the organization separately and then in combination, as is defined in the ultimate model presented in chapter.

4.2.2.1 Assumptions of Regression Analysis

Prior to the subject, the data to regression analysis assumption test/diagnostic test were first carried out on the collected data to establish if it is conformed to the required assumptions. In this study normality, multicollinearity, linearity, and autocorrelation tests were conducted to undertake regression analysis.

A. Normality Test

According to Stevens (2009) screening for normality is an important early step when conducting a multiple regression, as residuals are normally distributed is assumed. Figure shows below the results on the normality test of the dependent variable organization performance.

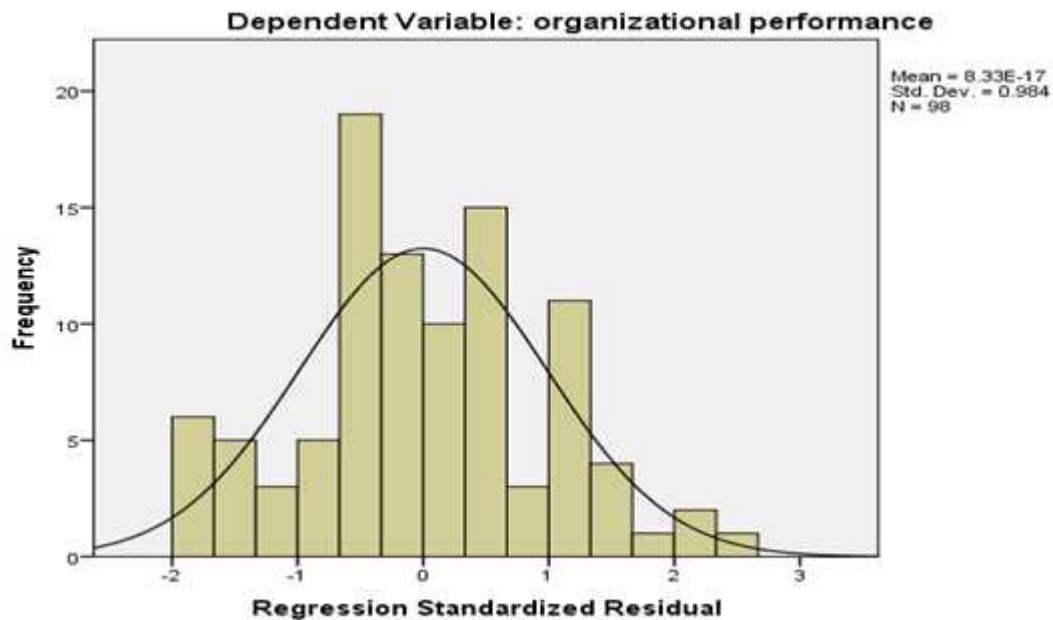


Figure 2 Normality and fitness Test

Source: own Survey data, 2021

It is evident that organization performance was normally distributed as the normality distribution diagram is normally distributed shown in figure above. This assumption is used to determine whether the residuals are normally distributed. This can be tested by looking at the Histogram. To say the Normality assumption of this study is met, the Histogram should be symmetric along with the center zero. In this case, Histogram is symmetric; indicating that assumption of normality is met and this type of data was, therefore, suitable for all types of statistical analysis.

B. Linearity Test

In the Normal Probability Plot, it is assumed that points was lied in a reasonably straight diagonal line from bottom left to top right.

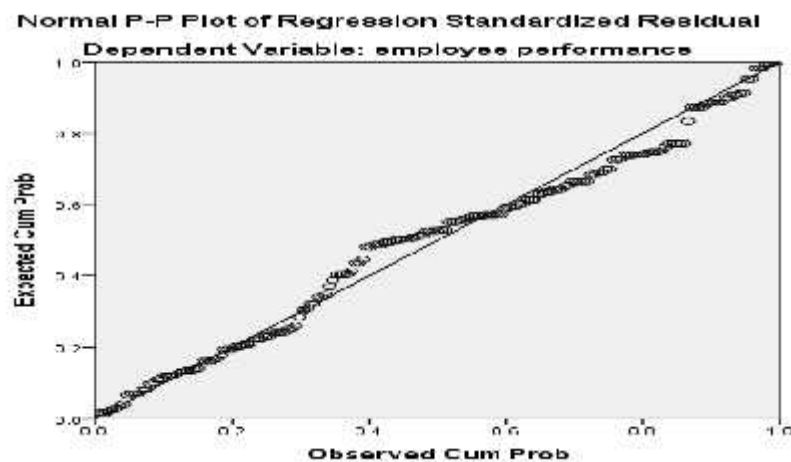


Figure 3: Linearity Test

Source: own Survey data, 2021

This would suggest no major deviations from normality. As we have seen in figure above, the normality test for this data, the plot is normally distributed. In normality, the residuals should have a straight-line relationship with predicted dependent variable scores (Pallant, 2005). As it is revealed the residuals have a straight-line relationship with the predicted dependent variable scores and we can conclude that the relationship between the dependent and independent variables is linear.

C. Homoscedasticity test

Or homogeneity of variances is an assumption of equal or similar variances in different groups being compared. This is an important assumption of parametric statistical tests because they are sensitive to any dissimilarity. Uneven variances in samples result in biased and skewed test result.

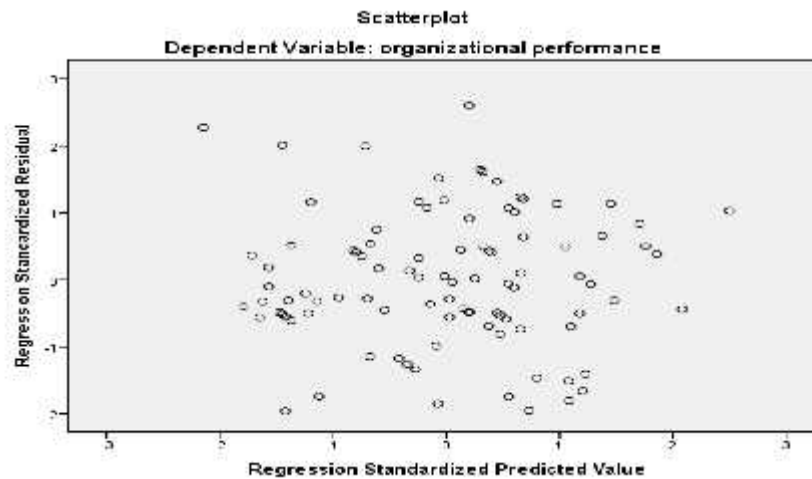


Figure 4: Homoscedasticity test

The scatter plot of the residuals was appeared right below the normal P-P plot in your output. Ideally, you will get a plot that looks something like the plot above. The data looks like you shot it out of a shotgun. It does not have an obvious pattern, there are points equally distributed above and below zero on the X axis, and to the left and right of zero on the Y axis.

D. Multi-co-linearity Test

To make sure that there is low co-linearity, the values of Tolerance and VIF (Variance Inflation Factor) According to Pallant Julie (2007), tolerance indicates to what extent the independent variables do not explain much of the variability of a specified independent variable and the value should not be small (more than 0.10) to indicate the absence of co-linearity. In addition to that, VIF, the inverse of tolerance value, should have a value of less than 10 to avoid any concerns of co-linearity (Pallant Julie, 2007). Hence, the values in should be checked table 4. below indicates there is no co-linearity problem because all Tolerance values are above 0.1 and all VIF values are less than 10. Therefore, these tests reflect that the variables used in the study are free from the multi co-linearity problem.

Table 4: Multi-co-linearity test

No	Items	Tolerance	VIF
1	Employee Satisfaction	.494	2.026
2	committed leadership	.500	2.000
3	organizational culture	.503	1.990
4	Sex	.937	1.067
5	Age	.785	1.274
6	Experience	.785	1.274
7	level of education	.899	1.112

Source: Own Survey, 2021

All the selected explanatory variables were checked for the existence of multi-co linearity problem (table 4). Variance inflation factor was analyzed to investigate the degree of multi-co linearity among explanatory variables. The results for independent VIF values were less than 10 and no removed variable from the model due to redundancy information of variable. The result showed that there were all selected three variables included from the model (Employee satisfaction, committed leadership, and organization culture) their VIF values ranging 1 up to 10.

4.2.3 Regression Analysis result

Regression analysis is a statistical method for dealing with the formulation of a mathematical model describing the relationship between variables that can be used to forecast dependent variable values given the independent variable values. Following on from Field (2005), regression analysis is a model that is used to predict the value of the dependent variable from one or more independent variables. Regression analysis is conducted to test the effect of independent variables (Employee satisfaction, leadership commitment and organizational culture) on a dependent variable (organization performance)

Model Fit

Fitness of the models has been checked via a percentage of variance explained by adjusted R², by the model's predictors. In assessing the fitness of the model, it is considered that higher R² values explain more variance of the model which eventually leads to a better model fit.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.767 ^a	.588	.575	.50733	
2	.779 ^b	.608	.577	.50609	1.550

a. Predictors: (Constant), organizational culture, committed leadership, Employee Satisfaction

b. Predictors: (Constant), organizational culture, committed leadership, Employee Satisfaction, age, sex, level of education, experience

c. Dependent Variable: organizational performance

As table 5 shows, the value of R=0.767 indicates a strong relationship between the observed value of organization performance and the optimal linear combination of the independent variables (Employee satisfaction, committed leadership, organization culture)).and also the value of R=0.779 for demographic characteristics Besides, given the value of R Square = 0.588 and adjusted R square value of 0.575,and for demographic characteristics R square=0.608 it may be realized that 57.5% of the variation in performance can be explained by the independent variables (Employee satisfaction, committed leadership, organization culture) and demographic variable 60.8% respectively . While the rest of 42.5% and 39.2% respectively illustrates the presence of other free variations not observed in this study. Therefore it can be said that the predictive ability of the model is high and it is considered as a good model fit.

Table 6 ANOVA And Regression Residual

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.536	3	11.512	44.728	.000 ^b
	Residual	24.194	94	.257		
	Total	58.730	97			
2	Regression	35.678	7	5.097	19.900	.000 ^c
	Residual	23.051	90	.256		
	Total	58.730	97			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), organizational culture, committed leadership , Employee Satisfaction

c. Predictors: (Constant), organizational culture, committed leadership, Employee Satisfaction, age, sex, level of education, experience

According to the 6 table, the factors (Employee satisfaction, committed leadership, organization culture) significantly predict the dependent variable (organization performance) with $F=44.728$ and $sig=0.000$. And the demographic characteristics (sex, age, years of experience and level of education) significantly predict the organization performance with $F=19.900$ and F-test is used to find out the overall probability of the relationship between the dependent variable and all the independent variables (SPSS, version 23.0). The F-test result of the study is 44.728 and for demographic 19.900 with a significance of 0.000, meaning that the probability of these results is less than 0.05. Thus, one can decide that the regression model best fitted the data at a significance level of 0.000.

Both R^2 and the adjusted R^2 give you an idea of how many data points fall within the line of the regression equation. However, there is one main difference between R^2 and the adjusted R^2 : R^2 assumes that every single variable explains the variation in the *dependent variable*. *The adjusted R^2 tells you the percentage of variation explained by only the independent variables that actually affect the dependent variable.* As shown in Table 6, the coefficient of determination was explained the extent to which changes in the dependent variable can be explained by the change

in the independent variables or the percentage of variation in the dependent variable (organization performance) that is explained by the 3 main independent variables (Employee satisfaction, committed leadership, organization culture) and 4 demographic variables (sex, age, years of experience and level of education). The three independent variables that were included in the regression model, explain 58.5% and 60.8 % respectively of effect in organization performance as represented by the adjusted R^2 .

This therefore means that other factors not studied in this research contribute 42.5 % and 39.2% of variance in the dependent variable. Therefore, further research should be conducted to assess the factors impacting on organization performance in the study area.

The ANOVA model in table 6 showed that the regression model was also adequate. The effect size of the regression model of main variable was shown to be over 44.728 and demographic variable over 19.900 that contributed by the residual mean sum of squares. The F-ratio of main variable was 44.728 at three degrees of freedom which are the three factors. And The F-ratio of demographic variable was 19.90 at four degrees of freedom which are the four demographic factors this represented the effect size of the regression model and was significant with a p-value= 0.000.

4.2.4 Regression Coefficient

According to Pallant, (2005), in constructing the regression equation it is appropriate to use the un standardized Beta coefficient, while to compare the contribution of each independent variable it is appropriate to use the standardized Beta coefficient.

Table 7: Regression coefficient

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.515	0.387		1.329	0.187
Sex	-0.072	0.125	-0.039	-0.574	0.568
Age	0.083	0.095	0.065	0.877	0.383
Experience	0.061	0.057	0.08	1.069	0.288
level of education	-0.07	0.087	-0.056	-0.802	0.425
Employee Satisfaction	0.178	0.081	0.206	2.194	0.031
committed leadership	0.426	0.085	0.466	4.986	0
organizational culture	0.179	0.081	0.207	2.217	0.029

a. Dependent Variable: organizational performance

Dependent Variable: organization performance

Source: survey data, 2021

Organization performance using the simplest linear regression model in terms of
All variables

$$Y = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + e$$

$$Y = 0.515 + 0.178 X_1 + 0.426 X_2 + 0.179 X_3 + (-0.072) d_1 + 0.083 d_2 + 0.061 d_3 - 0.070 d_4 + e$$

Where, x_1 =employee satisfaction, x_2 = Committed Leadership and x_3 = Organizational Culture

d_1 = gender, d_2 = age, d_3 = experience, d_4 = level of education

Organization performance using the simplest linear regression model is given by

Other independent variables

The table 7 also showed that demographic variable sex was insignificant; $\beta_4 = -0.039$ (p-value = 0.568 which is greater than $\alpha = 0.05$) which implies that the answer the question gender diversity that what is the effect of sex on organization performance was insignificant. This indicates that for less diversity of gender, there is 7.2 % negative impact to improve in organization performance. That means the less practice of gender diversity, the less improve of

organization performance in the selected sector.

The table 7 also showed that demographic variable age was significant; $\beta_5 = 0.065$ (p-value = 0.568 which is greater than $\alpha = 0.05$) which implies that the age of employees increase then the organization performance was significantly increase by 6.5%. This indicates that for more longer the employee age, there is 6.5 % positive impact to improve in organization performance. That means the younger employees, the less improve of organization performance in the selected sector.

The table 7 also showed that demographic variable years of experience was significant; $\beta_6 = 0.080$ (p-value = 0.288 which is less than $\alpha = 0.05$) which implies that years of experience has positive effect of on organization performance. This indicates that for experience of employee increase, there is 8 % improvement in organization performance. That means the more increase of years of experience, the more improvement of organization performance in the selected sector.

The table 7 also showed that demographic variable level of education was insignificant; $\beta_4 = -0.070$ (p-value = 0.031 which is less than $\alpha = 0.05$) which implies that the answer the question level of education that what is the effect of educational qualification effect on organization performance. This indicates that for less education qualification, there is 7 % not improvement in organization performance. That means the level of education has negative impact on the improvement of organization performance in the selected sector. The study findings are in agreement with the research conducted by (Sudjono and Gul, et al, 2018), which describe that job satisfaction can be mediated between demographic characteristics and employee performance. Employee's years of employment on the current job and marital age are found to be positive and significant effect on organization performance and accept the hypothesis. This shows that the more the employees stay on their jobs, the more their performance. Therefore the experience curve is found to be applicable to the performance of organization. This however should call the attention of the management of the commercial bank of Ethiopia as its employees found that sex diversity and level of education found negative and significant and reduces organization performance.

The regression results in table 7 showed that each of the predicted parameters in relation to the independent factors were insignificant; ($\beta_1 = -0.178$, p-value = 0.206 > 0.05) which implies that we answer the question stating that what is the effect of **employee satisfaction** effect on employee performance. This indicates that for less practice of employee satisfaction, there is

17.8% of less improves in organization performance level. That means, the effect of employee satisfaction is 17.8 percent negative impact on organization performance.

The table 7 also showed that independent factor committed leadership was significant; $t_2 = 0.426$ (p-value = 0.466 which is greater than $\alpha = 0.05$) which implies that we answer the question stating that what is the effect of committed leadership effect on organization performance. This indicates that for improvement of appropriate committed leadership, there is 42.6 % improvement in organization performance. That means the high practice of committed leadership, the less increase of organization performance in the selected sector. The finding were consistent with (Tony, 2012) change Management requires committed leadership has positive effect to set direction, project management to take care of technical aspects of change, and people to implement the change.

The table 7 also showed that independentvariable organizational culture was significant; $t_3 = 0.179$ (p-value = 0.207 which is less than $\alpha = 0.05$) which implies that we answer the question organizational culture that what is the effect of organizational culture effect on organization performance. This indicates that for improvement of appropriate organizational culture, there is 17.9 % improvement in organization performance. That means the more practice of organizational culture, the more increase of organization performance in the selected sector. The finding was consistent with (Gavera, Ilies, &Stegerean, 2011). Specifically under this study, factors that influence organizational performance will be: organizational culture and employees' motivation since the researcher believes these variables were mostly determine the performance of an organization.

The reason for the change in sign and amount of correlation coefficients in this regression model is why because the researcher accounts three variables (employee satisfaction, committed leadership and organizational culture) at one time. In correlation statistic is a bi-variety association can change when the researcher accounts for other variables. Correlation analysis looks at relationship between two variables at one time. In multiple regressions when a model looks at many variables at one time the result is influenced by relationship between the multiple variables (Darlington, 1968).

4.3 Summary of Hypothesis Testing

Hypothesis 1 states that demographic characteristics (gender, age, experience and level of education) have positive and significant effect on organization performance. Research findings reject the hypothesis; because, from studied demographic variables sex, age and experience were weak and positively insignificant) regression coefficient sex $\beta_1 = -0.039$ and level of education $\beta_4 = -0.056$ but, age and experience have positive regression coefficient $\beta_2 = 0.065$ and $\beta_3 = 0.080$ respectively.

Hypothesis 2 states that employee satisfaction has positive and significant effect on organization performance. Research findings accept the hypothesis since employee satisfaction has positive correlation coefficient estimate $r_1 = 0.630$, p-value = 0.000 and regression coefficient $\beta_1 = 0.206$, hence hypothesis 2 does hold.

Hypothesis 3 states that leadership commitment has positive and significant effect on organization performance. Research findings accept the hypothesis since leadership commitment has positive correlation coefficient estimate $r_2 = 0.720$, p-value = 0.000 and regression coefficient $\beta_2 = 0.466$, hence hypothesis 3 does hold.

Hypothesis 4 states that organizational culture has positive and significant effect on organization performance. Research findings accept the hypothesis since organizational culture has positive correlation coefficient estimate $r_3 = 0.626$, p-value = 0.000 and regression coefficient $\beta_3 = 0.207$, hence hypothesis 4 does hold.

Table 8: Summary of Hypothesis Testing Results

	Hypothesis	Test result
H 1:	Employee demographic characteristics(gender, age, experience and level of education) have positive significant effect on organization performance	Rejected
H 2:	Employees satisfaction has a positive significant effect on organizational performance	Accepted
H 3:	Committed leadership has a positive significant effect on organizational performance.	Accepted
H4:	Organizational culture has a positive significant effect on organizational performance	Accepted

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION, RECOMMENDATION AND SUGGESTION

5.1 Summary of finding

The correlation coefficient was also significant and positive, which implies that increase in committed leadership practice can increase the performance of CBE. Accordingly, committed leadership practice is most correlated dimension with the coefficient of 0.72, suggesting higher organizational performance.

Similarly, organization culture practice has also a positive relationship with organizational performance, with coefficient of ($r= 0.626, p<0.05$). Since the r value of all change management dimensions/variables is found between 0.60 and 0.80, with $p<0.0$, have positive and marked degree of correlation with organizational performance of CBE in the study area.

Correlation analysis results showed that the correlation coefficient between the independent variables (change management indicators) and dependent variable (organizational performance) are significant ($P <0.05$), so the independent variables included in the analysis is appropriate. Moreover, it found that the implementation of change management variables or indicators have impact on the performance of the firm.

The value of $R=0.767$ indicates a strong relationship between the observed value of organization performance and the optimal linear combination of the independent variables (Employee satisfaction, committed leadership, organization culture).and also the value of $R=0.779$ for demographic characteristics. Besides, given the value of R Square = 0.588 and adjusted R square value of 0.575, and for demographic characteristics R square=0.608 it may be realized that 57.5% of the variation in performance can be explained by the independent variables (Employee satisfaction, leadership commitment, organization culture) and demographic variable 60.8% respectively. While the rest of 42.5% and 39.2% respectively illustrates the presence of other free variations not observed in this study. The factors (Employee satisfaction, leadership commitment, organization culture) significantly predict the dependent variable (organization performance) with $F=44.728$ and $sig=0.000$. And the demographic characteristics (sex, age, years of experience and level of education) significantly predict the organization performance

with $F=19.900$ and F-test is used to find out the overall probability of the relationship between the dependent variable and all the independent variables (SPSS, version 23.0). The F-test result of the study is 44.728 and for demographic 19.900 with a significance of 0.000, meaning that the probability of these results is less than 0.05. Thus, one can decide that the regression model best fitted the data at a significance level of 0.000.

Both R^2 and the adjusted R^2 give you an idea of how many data points fall within the line of the regression equation. However, there is one main difference between R^2 and the adjusted R^2 : R^2 assumes that every single variable explains the variation in the *dependent variable*. *The adjusted R^2 tells you the percentage of variation explained by only the independent variables that actually affect the dependent variable.*

The table 7 also showed that demographic variable sex was insignificant; $\beta_4 = -0.039$ (p-value = 0.568 which is greater than $\alpha = 0.05$) which implies that the answer the question gender diversity that what is the effect of sex on organization performance was insignificant. This indicates that for less diversity of gender, there is 7.2 % negative impact to improve in organization performance. That means the less practice of gender diversity, the less improve of organization performance in the selected sector.

The table 7 also showed that demographic variable age was significant; $\beta_5 = 0.065$ (p-value = 0.568 which is greater than $\alpha = 0.05$) which implies that the age of employees increase then the organization performance was significantly increase by 6.5%. This indicates that for more longer the employee age, there is 6.5 % positive impact to improve in organization performance. That means the younger employees, the less improve of organization performance in the selected sector.

The table 7 also showed that demographic variable years of experience was significant; $\beta_6 = 0.080$ (p-value = 0.288 which is less than $\alpha = 0.05$) which implies that years of experience has positive effect of on organization performance. This indicates that for experience of employee increase, there is 8 % improvement in organization performance. That means the more increase of years of experience, the more improvement of organization performance in the selected sector.

The table 4.5 also showed that demographic variable level of education was insignificant; $\beta_{d4} = -0.070$ (p-value = 0.031 which is less than $\alpha = 0.05$) which implies that the answer the question level of education that what is the effect of educational qualification effect on organization

performance. This indicates that for less education qualification, there is 7 % not improvement in organization performance.

The predicted parameters in relation to the independent factors were insignificant; ($\beta_1 = -0.178$, $p\text{-value} = 0.206 > 0.05$) which implies that we answer the question stating that what is the effect of employee satisfaction effect on employee performance. This indicates that for less practice of employee satisfaction, there is 17.8% of less improves in organization performance level. That means, the effect of employee satisfaction is 17.8 percent negative impact on organization performance.

The table 7 also showed that independent factor committed leadership was significant; $\beta_2 = 0.426$ ($p\text{-value} = 0.466$ which is greater than $\alpha = 0.05$) which implies that we answer the question stating that what is the effect of committed leadership effect on organization performance. This indicates that for improvement of appropriate committed leadership, there is 42.6 % improvement in organization performance. That means the high practice of committed leadership, the less increase of organization performance in the selected sector. The finding were consistent with (Tony, 2012) change Management requires committed leadership has positive effect to set direction, project management to take care of technical aspects of change, and people to implement the change.

The table 7 also showed that independentvariable organizational culture was significant; $\beta_3 = 0.179$ ($p\text{-value} = 0.207$ which is less than $\alpha = 0.05$) which implies that we answer the question organizational culture that what is the effect of organizational culture effect on organization performance. This indicates that for improvement of appropriate organizational culture, there is 17.9 % improvement in organization performance. That means the more practice of organizational culture, the more increase of organization performance in the selected sector. The finding was consistent with (Gavera, Ilies, &Stegerean, 2011). Specifically under this study, factors that influence organizational performance will be: organizational culture and employees' Satisfaction since the researcher believes these variables were mostly determine the performance of an organization.

The reason for the change in sign and amount of correlation coefficients in this regression model is why because the researcher accounts three variables (employee satisfaction, leadership commitment and organizational culture) at one time. In correlation statistic is a bi-variety

association can change when the researcher accounts for other variables. Correlation analysis looks at relationship between two variables at one time. In multiple regressions when a model looks at many variables at one time the result is influenced by relationship between the multiple variables (Darlington, 1968).

5.2 Conclusion

From expected sample size 90.7 % of questionnaires were employed for this study. Research findings reject the hypothesis; because, from studied demographic variables regression coefficient sex $\beta_1 = -0.039$ and level of education $\beta_4 = -0.056$ but, age and experience have positive regression coefficient $\beta_2 = 0.065$ and $\beta_3 = 0.080$ respectively. Accordingly, the finding rejects the hypothesis that said demographic characteristics have positive and significant effect on organization performance.

The result indicated that the correlation between level of employee satisfaction and organizational performance of Commercial Bank of Ethiopia at Debre Berhan Town was with $r = 0.630$, regression coefficient $\beta_1 = 0.206$. The coefficients were therefore significant and positive implying that level of employee satisfaction increases the performance of CBE therefore, research findings accept the hypothesis.

The results further revealed that the correlation between committed leadership practice and performance at 0.720 and regression coefficient $\beta_2 = 0.466$, the coefficients were also significant and positive, which implies that increase in committed leadership practice can increase the performance of CBE. Accordingly, the finding accepts the hypothesis.

Similarly, organization culture practice has also a positive relationship with organizational performance, with correlation coefficient of $r = 0.626$, and regression coefficient $\beta_3 = 0.207$. The coefficients were also significant and positive, which implies that increase in organization culture practice can increase the performance of CBE. Accordingly, the finding accepts the hypothesis organization culture of CBE in the study area.

5.3 Recommendation

The study has indicated that academic qualification and gender diversity were attention issues to crucial in maintaining a competitive edge of organization performance. It therefore recommends that Debre Berihan town Ethiopian commercial bank branches

- Investment in human resource for committed leadership status at Debre Berhan CBE through delegation and staff training were another area that needs more impetus so that the staff can be even more efficient and effective to deliver an organization performance over rivals.
- In addition, organizational culture needs to be given even more importance by Debre Berhan CBE branches. This can be done by unveiling even more attractive service excellence and employee cooperation that are appealing to customers, as well as frequently running programs to improve performance and initiatives that reward employees by their job satisfaction and increase their loyalty to the bank and also develop organizational citizenship.
- For the performance in organizations to improve, the organization should ensure that for the purpose of developing skills, changing behavior or increase competence in employees, the employees should be trained in short and long term educational trend in their respective areas so as to ensure that they cope with the rapidly changing technology, and also ensure that all employees are involved in the Training exercise.
- The management should also commit to check the Working Environment of work conduciveness. Since employees need suitable Working Environment which in turn affects their performance; the management should therefore look the surrounding of employees for better performance.
- Granting Satisfaction for employees without bias is recommendable to perform their task. The motivators have the ability to create an effective motivation in individuals in order to be able to perform and exert considerable effort but CBE cannot use motivators until all the hygiene factors have been fulfilled. This implies that non-monetary incentives (like recognition of their work and career development) are better to keep employees motivated and satisfied in their work.
- Employee performance is dependent on management commitment, training, motivation, organizational culture, working environment, Supervision and Individual Character. Therefore the researcher recommends CBE to give attention on giving training to its employee to achieve more and motivate them to encourage well. In addition the working environment and organizational culture should attract them to come with success.

5.4 Suggestion for Further Study

- The researcher believes that the findings of this study have the potential to add value to the management of CBE as well as those who are interested in furthering the research in more detailed way. Based on the statement of problem, the objective of the study and the result of the findings, discussion and conclusion the following recommendations are made by the management of CBE should enhance trust and confidence towards a more employees by practicing committed leadership.
- The researcher use Non-Financial performance, however, Future research should consider both Non-Financial performance and financial performance to examine change management practices implementation and impact on organizational performance.

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Appendices I: Questionnaire

Debre Behan University

College of Business and Economics Department of Management
Masters of Business Administration

The purpose of this study is to generate the necessary information for the study entitled “The effect of Change Management practices on Organizational performance :in case of Commercial Bank of Ethiopia in at DebreBerhan Town .A questionnaire to be filled by the employees of CBE .Dear respondents, this questionnaire has prepared to collect data that was used for writing my master’s thesis as a partial fulfillment of the program of graduate studies in DebreBerhan University. The data obtained from this questionnaire is used for the purpose of this study only. All information will be kept confidential. Thus you are kindly requested to complete the questionnaire carefully and honestly. The researcher would like to sincerely express her thanks to you in anticipation for devoting your time and energy to complete this questionnaire. Your genuine response is the only way to reach a reliable research result. Thank you in advance for your cooperation.

PART ONE: Basic information and personal data

Indicate your response either by using a tick mark () in the box provided or by giving short answers on the space provided.

Sex: Male

Female

Age

A. 18-30

B. 31-45

C. 46-60 and

D. Above 60

Work Experience

A. 1-3years

B. 4-5years

C. 6-10 years

D. 11-15 years

E. 16-20 years

F. More than 20 years

Your educational qualification:

A. Diploma

B. Undergraduate Degree

C. Master Degree

D. PhD

PART-TWO:- Independent-Variables

Below are statements which have been designed to assess the change management practices in your organization. Describe the situation as it is that you observe in the organization, not as you wish to be in the future. Accordingly, *Please put () mark against each question that indicates your level of agreement for each question.*

The five alternatives are: 5= Strongly Agree (SA), 4= Agree (A), 3= Neutral (N), 2= Disagree (D), and 1= Strongly Disagree (SD).

No.	Items	SA 5	A 4	N 3	D 2	SD 1
	Employee satisfaction					
1	I would be happy to spend the rest of my career in this organization					
2	I would leave CBE if I get a better job somewhere else					
3	I am interested in acquiring additional skills/ Competence as a					

	consequence of organizational change					
4	The incentives that are provided to the employees are very satisfying.					
5	There is an effective promotional opportunities in the in the company.					
6	The organization recognize and acknowledge my work					

	Committed leader ship					
1	Committed leader ship at the top and across the organization guide organizational behavior.					
2	Successful change management requires a large commitment from organization leaders.					
3	Effective leaders give orders and clarify procedures					
4	Organizational leaders play an important role in monitoring, assessing, and understanding different area capacity to take on and succeed in change.					

	Organizational Culture					
1	Everyone is encouraged to volunteer their views and disagreement is seen as a positive attempt to improve things.					
2	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.					
3	Individual performance is emphasised as an important goal, achievements in increasing performance are rewarded.					
4	CBE is characterized by security of employment, conformity, predictability, and stability in relationships. Achievements in increasing performance are rewarded.					

Part Three- Measuring Organizational performance (Dependent-Variable)

Instructions: Please read each statement carefully and show the extent of your agreement on the statements by putting a tick mark () in the boxes against each rating scale of choice.

Organizational Performance		SA	A	N	D	SD
		5	4	3	2	1
1	The turnover of employees due to internal reasons is very high within our company.					
2	Work organization which includes the work load, number of people performing a job, hours and days on the job, length and number of rest breaks and days away from work, assignment of tasks and responsibilities and training for the tasks being performed are inefficient.					
3	Absenteeism is in our company (relative to competition) very high.					
4	Risk-taking within the company is worse than it is by our competitors.					
5	Speed of dealing with customer complaints (comparatively to competition) is low.					
6	Reputation of our company in eyes of the customers has declined.					
7	We lose existing clients and do not manage to attract new-ones.					

Source: Own development from different sources

Thank You Your Kind Co-operation!!

Appendices I I: A list of Commercial Bank of Ethiopia in DebreBerhan town.

1. Tebase branch
2. DebreEba branch
3. Haile Mariam Mamo branch
4. Atsezeraykob branch
5. Leche branch
6. DebreBerhan branch

