INNOVARE JOURNAL OF SOCIAL SCIENCES

Vol 10, Issue 5, 2022

ISSN - 2347-5544

Research Article

ORGANIZATIONAL CHANGE AND PERFORMANCE OF EMPLOYEES IN SOME SELECTED BANKS IN ONDO STATE

SAMUEL BAYODE OLADIMEJI[1], IDOWU PAUL OLANITORI[2]

[1]Department of , Achievers University, Owo, Ondo State, Nigeria, West Africa. [2]Research and Data Analysis, Rufus Giwa Polytechnic, Owo, Ondo State, Nigeria, West Africa. E-mail: olanitori.idowup@gmail.com

Received: 13 November 2021, Revised and Accepted: 21 April 2022

ABSTRACT

Organizational change in the form of structural, technical, functional, and behavioral change most of the time has negative challenges on the employees in terms of adjustment, downsizing, transfer, and rescheduling of duties. It is in the light of this, that this study investigated the nature and processes of organizational change, with a view to clarifying the links between organizational change and performance of employees in the seventeen sampled banks in Akure, Ondo State. Akure town in Ondo State was purposively selected for this study because the town houses the State head offices of all the banks operating in Ondo State. In other to have a representation of each unit in the banks covered in this study, purposive sampling technique was used in selecting respondents in four units/departments namely business development, operations, compliance/audit and security. Questionnaire was administered to elicit information from the selected respondents for this study. Out of the 17 banks selected in Akure, 254 employees were randomly selected as respondents for this study. Secondary data were sourced from banks, journals, internet resources and government documents. Data collected were analyzed using both descriptive and inferential statistics. The results established that the major organizational changes that were witnessed in the selected banks include structural change (78.08%); functional change (79.16%); technological change (85%); and behavioral change (82.6%). The results revealed that lack of a company-wide definition of change (54.4%); lack of a strategic plan for change (72%); view of quality as a quick fix (71.2%); were key major factors that ignited organizational change in the selected banks in the study area. In addition, the study discovered evidence of significant positive relationship between employees' performance and structural change ($r=1,017$; $\rho=>0.05$), behavioral change ($r=10.026$; $p<0.05$), functional change ($r=3.395$; $p<0.05$), while technical change ($r=-5.342$; $p<0.05$) had negative relationship with innovative performance of employees in the selected banks in Akure, Ondo State. The study concludes that it is important for banks in developing countries particularly Nigeria, to formulate effective organizational change strategies and create more awareness among employees about organizational change to allay the fear of the aftermath effects as these will enhance the outputs of their workforce. The study recommended that the Nigerian banking structure and procedures should be improved upon and made to pay attention to risks and continuously scan the environment in order to consolidate the benefit of change.

Keywords: Organization, Performance, Employee, Bank.

 DOI: http://dx.doi.org/10.22159/ijss.2022v10i5.43596. Journal homepage: https://innovareacademics.in/journals/index.php/ijss

INTRODUCTION

Businesses across the world are restructuring their operations and re-strategizing to overcome stiff competition facing the business world (Gomez-Meija *et al*., 2007). And so, change management is one of the strategies open to every organization which supports the process of its development (Kassim *et al*., 2010). Organizational change comes from the nature and environment of the organizations. Basically, change refers to the series of events which supports the process of development in organizations (Kassim *et al*., 2010). Pointedly, organizational change means rightsizing, new development and change in technologies, rescheduling operations and major partnerships (McNamara, 2011). Broadly, change is a dynamic and recurrent process with a vital and influential nature on all organizations, including banks. It is worth of note that organizational change means organizational transformation and is interchangeably used in the literature (Kotter and Schlesinger, 2008).

Since its reformation in 2005, the Nigerian banking industry has undergone significant and prominent changes. In 2004, the reformation exercise which started to help banking institutions become stronger players and to ensure longevity, resulted in higher returns to stakeholders over time and greater impacts on the Nigerian economy (Soludo, 2004). Before the reformation period, the banking industry had witnessed series of turbulent times. Specifically, the decade 1995–2005 was traumatic for the Nigerian banking industry; with the magnitude of distress reaching an unprecedented level, thereby making it an issue of concern not only to the regulatory institutions but also to policy analysts and the general public. Thus, the need for a drastic overhaul of the industry became quite apparent (Elumilade, 2010).

Meanwhile, these reforms preceded the backdrop of crisis in the banking industries due to highly. Undercapitalization of deposit taking banks; weaknesses in the areas of regulatory and supervisory framework; weak management practices; and the tolerance of deficiencies in the corporate governance behavior of banks (Uchendu, 2005). The changes in this sector have been remarkable over the years, in terms of the number of institutions, ownership structure, as well as depth and breadth of operations. Before the recent reforms, the state of the Nigerian banking sector was very weak (Soludo, 2007). In the quest to improve the Nigerian financial sector, certain strategic moves such as mergers, acquisition, technological changes, and organizational re-structuring have been embarked on (Ezike, 2009; Adegbaju and Olokoyo, 2008; Soludo, 2007; DeBandt and Davis, 2000; Akpan, 2008).

Furthermore, in today's dynamic and competitive economy, the organizations require more well qualified, dedicated and capable employees to achieve their speculated goals and objectives, and to prosper in the intense competitive environment. By effectively utilizing talented people, organizations can achieve successful results and develop a highly productive work force (Harrington, 2003). Batool (2013) postulated that workforce is most essential and imperative for organizational competitiveness. Human resource plays a major part toward organizational progress and is the real asset of organizations.