EFFECT OF CHANGE MANAGEMENT PROCESSES ON EMPLOYEE PERFORMANCE IN INSURANCE INDUSTRY: A CASE OF MINET INSURANCE IN NAIROBI, KENYA

BY

MUNGAI GRACE WAIRIMU

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2019
EFFECT OF CHANGE MANAGEMENT PROCESSES ON EMPLOYEE PERFORMANCE IN INSURANCE INDUSTRY: A CASE OF MINET INSURANCE IN NAIROBI, KENYA

BY

MUNGAI GRACE WAIRIMU

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Master’s Degree in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2019
STUDENT’S DECLARATION

I, the undersigned declare that this project is my original work and that it has not been submitted to any other college or other institution of higher learning for academic credit other than United States International University -Africa

Signed: ___________________________       Date: __________________

Mungai, Grace Wairimu (ID: 653298)

This project has been presented for examination with my approval as the appointed supervisor

Signed: ___________________________       Date: __________________

Dr. James Karimi Ngari

Signed: ___________________________       Date: __________________

Dean, Chandaria School of Business
COPYRIGHT
All rights reserved. No part of this proposition might be delivered or transmitted in any form or by any means being electronically, mechanical, including photocopying, recording or any data stockpiling without earlier composed authorization from the author. All rights reserved.

Mungai Grace Wairimu © (2019)
ABSTRACT
The general objective of the study was to determine the impact of change management processes on employee performance at Minet Insurance. The following research objective will guide the study with the purpose of addressing the research problem; to establish the effect of organizational structure on employee performance, to establish the effect of communication on employee performance and to establish the effect of leadership on employee performance.

The study used descriptive survey to integrate the components of the study, a population of 36 employees was used a sample size, simple random sampling technique was used as the sampling technique, a structured questionnaire was used for data collection, research procedures showing each step on how the study was carried out was presented. Data Analysis was done using SPSS Software and data presented in tables and figures. Regression analysis was used to explain the extent with which changes in the dependent variable could be explained by changes in the independent variable.

Using Pearson’s product moment correlation analysis, the study concluded that there was a significant positive correlation between organizational structure and employee performance because \( r=0.911 \). The study further revealed that the major organizational structure elements which have a significant effect on employee performance include top management involvement in decision-making processes, structure effect on employee attitude and vertical organizational structure. The firm should strive to maintain higher standards of these elements within its workforce.

As regards the effect of communication on employee performance, the study showed that there was a significant positive correlation between the two variables at 0.888. The study further revealed that the major communication elements which have a significant effect on employee performance include smooth flow of information, influence of outsiders such as suppliers and use of various forms of communication such as radio and telephone. It is therefore recommended that the firm should strive to improve its communication elements to improve employee performance.

As regards the effect of leadership on employee performance, the study showed that there was a significant positive correlation between the two variables at 0.951. The major
leadership elements which have a significant effect on employee performance include embracing teamwork, faster decision-making and effective leadership. It is therefore recommended that the firm should strive to maintain effective leadership in its operations. Since this study was a case study involving one firm, it could be argued that the researcher could not get a representative view of firms in a similar industry due to limitation in scope. Further research in this area should consider increasing the sample size so that better results can be achieved. More research should also be done on the various elements of organizational structure, communication and leadership.
ACKNOWLEDGEMENT

I wish to thank God for giving me strength to write this project. I acknowledge Dr. James Karimi Ngari for his supervision. I wish to express my gratitude to my colleagues and fellow students for their encouragement throughout. Be blessed
DEDICATION

I dedicate this study to my family and friends for their prayers and support throughout this project
# TABLE OF CONTENTS

**STUDENT'S DECLARATION** ................................................................. ii
**COPYRIGHT** ..................................................................................... iii
**ABSTRACT** ......................................................................................... iv
**ACKNOWLEDGEMENT** ....................................................................... vi
**DEDICATION** ..................................................................................... vii
**TABLE OF CONTENTS** ....................................................................... viii
**LIST OF TABLES** ............................................................................... xi
**LIST OF FIGURES** ............................................................................. xii

**CHAPTER ONE** .................................................................................. 1
  **1.0 INTRODUCTION** .......................................................................... 1
    1.1 Background of the Study ............................................................... 1
    1.2 Statement of the Problem ............................................................. 5
    1.3 General Objective ........................................................................ 6
    1.4 Specific Objectives ....................................................................... 6
    1.5 Significance of the Study ............................................................... 6
    1.6 Scope of the Study ....................................................................... 7
    1.7 Definition of Terms ..................................................................... 7
    1.8 Chapter Summary ........................................................................ 8

**CHAPTER TWO** .................................................................................. 9
  **2.0 LITERATURE REVIEW** ............................................................... 9
    2.1 Introduction .................................................................................. 9
    2.2 Effect of Organizational Structure on Employee Performance .......... 9
    2.3 Effect of Communication on Employee Performance ...................... 14
    2.4 Effect of Leadership on Employee Performance .............................. 17
2.5 Chapter Summary ........................................................................................................... 22

CHAPTER THREE ................................................................................................................. 23

3.0 RESEARCH METHODOLOGY ......................................................................................... 23
3.1 Introduction .................................................................................................................. 23
3.2 Research Design ......................................................................................................... 23
3.3 Population and Sampling Design ............................................................................... 23
3.4 Data Collection Methods .......................................................................................... 24
3.5 Research Procedures ................................................................................................. 25
3.6 Data Analysis Methods ............................................................................................. 25
3.7 Chapter Summary ....................................................................................................... 25

CHAPTER FOUR .................................................................................................................. 26

4.0 RESULTS AND FINDINGS ............................................................................................. 26
4.1 Introduction ................................................................................................................ 26
4.2 Demographic Information ........................................................................................ 26
4.3 Effect of Organizational Structure on Employee Performance ............................. 28
4.4 Effect of Communication on Employee Performance .............................................. 32
4.5 Effect of Leadership on Employee Performance ....................................................... 36
4.6 Chapter Summary ...................................................................................................... 40

CHAPTER FIVE ................................................................................................................... 41

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ....................................... 41
5.1 Introduction ................................................................................................................. 41
5.2 Summary of the Study ............................................................................................... 41
5.3 Discussion ................................................................................................................... 42
5.4 Conclusions ................................................................................................................ 50
5.5 Recommendations ..................................................................................................... 50
REFERENCES ........................................................................................................... 52

APPENDICES ........................................................................................................... 62

Appendix 1: Questionnaire ......................................................................................... 62
Appendix 2: Introduction Letter .................................................................................. 66
Appendix 3: NACOSTI Certificate ............................................................................. 67
LIST OF TABLES

Table 3.1: Population Distribution .......................................................... 23
Table 4.1: Effect of Organizational Structure on Employee Performance ............... 29
Table 4.2: Correlation between Organizational Structure and Employee Performance .... 30
Table 4.3: Organizational Structure Model Summary .................................................. 30
Table 4.4: Organizational Structure and Employee Performance Anova ...................... 31
Table 4.5: Coefficients (Organizational Structure and Employee Performance) ............. 31
Table 4.6: Effect of Communication on Employee Performance ..................................... 33
Table 4.7: Correlation between Communication and Employee Performance ................. 34
Table 4.8: Communication Model Summary .......................................................... 34
Table 4.9: Communication and Employee Performance Anova ..................................... 35
Table 4.10: Coefficients (Communication and Employee Performance) ....................... 35
Table 4.11: Effect of Leadership on Employee Performance .......................................... 37
Table 4.12: Correlation between Leadership and Employee Performance ...................... 38
Table 4.13: Leadership Model Summary ............................................................. 38
Table 4.14: Leadership and Employee Performance Anova ........................................ 39
Table 4.15: Coefficients (Leadership and Employee Performance) ............................. 39
LIST OF FIGURES

Figure 4.1: Respondents’ Gender .................................................................26
Figure 4.2: Respondents’ Age.................................................................27
Figure 4.3: Respondents’ Level of Education.............................................27
Figure 4.4: Management Levels .................................................................28
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

New needs of management have been created due to the fast-changing needs of organizations and individuals. Change is mostly desired to produce projected goals. In today’s corporate world, there is constant movement of people in and out of an organization due to corporate reorganization. Most organizations globally have reorganized with the intent of being more effective and achieve higher performance levels (Todnem, 2014). Previous studies have shown that organizational change initiatives fail to be implemented or are not sustainable in the long term. Mosadeghrad and Ansarian (2014) estimate that about two-thirds of change initiatives fail. As such change management cannot be handled single handedly; it needs to be monitored to achieve the desired objectives. One of the reasons why that happens is that change agents who always follow specific and formal change management procedures had a 52 percent project success rate, compared to a 36 percent success rate for practitioners who improvise according to the situation (Yi, Gu, & Wei, 2017). Olajide (2014) also asserts that successful implementation of business process transformation requires a fundamental organizational change not only in terms of management processes but also organizational structure and culture. These changes in management processes and organizational structure affect the human aspect of management as they require a reconstruction of employees’ work and relationships.

Organizational change is about optimizing the operating standards which therefore requires that those who trigger change to have talent and qualities that deliver success and inspire employee confidence. According to Todnem (2014), there are key salient steps with regard to successful organizational change management which include creating a sense of urgency for change, communicating the message while getting involved in the change process and also providing a base for the achievement of the change. Khan, Raza and Shaju (2017) argued that the drivers of change in any organization includes economic forces that call for restructuring, a merger or acquisition, and changes in the corporate culture, the dynamic nature of people’s preferences and needs, changing technology, increased global competition. Growth of technology for example would lead to employees’ lay off in an organization and such change would be met with resistance (Al-Nashmi & Amer, 2014). Global competition has also contributed to organizations to adopt especially when competing for market share. Global corporations are also increasing being faced with
different rules and regulations where they may need to change to comply and adopt to continue to their area of jurisdiction (Marković-Radović, 2008).

According to Kiesnere and Baumgartner (2019), organizational change can take the form of processes where tasks are commonly altered and employees are disrupted from their usual routine. It can also be in the organizations structure. The structure can be changed due to a merger where the hierarchy is altered and personnel report to different authorities. Such changes should be managed carefully to inspire confidence and make the change successful with minimal resistance (Martinez-Leon & Martinez-Garcia, 2011). Changes in culture referring to beliefs, values and attitudes can have a profound impact on every aspect of the organization, including innovation, compliance, and productivity. Other forms of organizational change are on products, knowledge, personnel, technology or on a firm’s mission and strategy (Muscalu, 2014).

Employee performance is a critical success factor for any organization and its profitability in a dynamic environment. Nowadays organizations require employees who contribute more than their job scope and far from goals expectations. Most of the organization dealing with contemporary challenges put more emphasis on employee performance (Wright, Gardner, & Moynihan, 2003). Different authors have argued that service firms like banking sector invest more on their work force to maintain long term relationship with them and to increase their performance along with job satisfaction. Downsizing, mergers, innovations and re- structuring of an organization usually decrease employees’ performance and morale.

In one of the Country Clubs in South Africa’s Kwazulu Natal, a study was conducted to assess the influence of employee involvement in the club’s decision-making process and their participation in the firm’s change management processes. The study revealed that generally when employees are involved in organizational change processes, their commitment and performance improve. The study further showed that in the case of the targeted country club under review, most of the employees especially the lower level members of staff were not consulted by the club’s top leadership on the design of the change that was to be implemented. In addition, there was irregular and inadequate communication among employees in various levels in the club’s organizational structure. The study concluded that lack of employee participation in the change management processes brought some level of resistance (Tefera & Mutambara, 2016).
the organizational change. However, they also believed that their immediate supervisors and managers provided them continuous feedback on the day-to-day operation of their individual departments to help them achieve their departmental objectives.

According to Kinanga and Cheruiyot (2015), some of the effects of change in an organization on employee performance include mental stress especially when change is taken unfairly, or lack of timely communication from management can increase the stress levels. An organization can also lose employees' trust and loyalty for example when changes touch on cutting down their salaries or benefits, employees can result to seeking employment elsewhere. Major restructuring of an organization impacts employees by having them make life changes such as relocation, or adjustments on their benefits and salaries can be met with resistance. Change management is important to mitigate the negative impact it can have on the organization (Sharmila, 2013).

According to Jalagat (2016), change management emphasizes the need for the Change Management Plans and strategies to be formulated within the context of overall organizational strategies and objectives and to be responsive to the changing nature of the organization's external environment. It is an approach which requires interpretation and adaptation by practitioners to ensure the most suitable fit between business strategies and plans. Thus, the overall themes of change management are the integration of all institutional functions, adherence to broad organization goals and responsiveness to the external environment (Wanza & Nkuraru, 2016). A study done on the effects of change management on the performance of Rwanda Revenue Authority shows that all changes made in authority in the past four years have been well planned and implemented. Most of employees in the institution form the study have generally embraced the changes made in the organization and at the same time resulting into overall organizational performance. The successful implementation of change is attributed to fast adoption of changing technology, training and development of employees, modernizing legal instruments and developing new infrastructure and equipment effects of change management on the performance of Rwanda Revenue Authority. Basing on the data collected, all changes made in Rwanda Revenue Authority in the past four years have been well planned and implemented. Most of employees in the institution have generally embraced the changes made in the organization and at the same time resulting into overall organizational performance. Considering the general change benefits RRA has benefited from change through employing modern Technology,
Training and developing its staff, modernizing legal instruments and developing new infrastructure and equipment (Ndahiro, Shukla, & Oduor, 2015).

According to Wachira and Anyieni (2017), organizations in Kenya are going through restructuring to adapt to changes and also respond to dynamic nature of the business environment. A study done on the effect of change management on employee effectiveness in the banking industry shows that the leadership of an institution is key in inspiring performance of employees in a change initiative (Omaido & Deya, 2019). It involves goal-setting activities and periodic review from the leadership. It also identified that organizational change should be flexible enough to adopt to challenges and uncertainty. The management also should be efficient in its role to evaluate how change is being implemented to deliver performance (Bordia, Hobman, Jones, & Callan, 2004).

According to Kipkoech and Kimencu (2018), Minet is a trusted pan-African advisor that offers and delivers risk and human capital solutions to its customers. It is the largest Aon Global Network Correspondent, with access to a network of over 50,000 customers in 120 countries. Minet has proprietary data, research and analytics that can manage and securing future risks and provide clients with an unrivalled advantage. The company started its operations almost 70 years ago under the name JH Minet Company. In 1997 Aon, the leading global provider of human resource consulting and outsourcing and risk management, acquired the U.K. shareholder, London Minet, as part of their African expansion strategy. Consequently, the company became Aon Minet, and subsequently Aon. In 2017 private equity firm Capitalworks acquired Aon’s shareholding in several African operations, alongside local shareholders including governments in many markets, which has created what is now Aon’s largest Global Network Correspondent (Ndalu, 2016).

Minet’s vision is dubbed “Securing Africa’s Future.” Its mission statement is, “To be Africa’s trusted risk advisor by delivering innovative and relevant risk and human capital solutions; growing sustainable partnerships and making a meaningful contribution to the communities we serve”. The company’s values include honesty, expertise, agility, respect and teamwork (Ndalu, 2016). Some of the risks covered by Minet include actuarial services, affinity and group insurance, art, jewelry and other high value assets, business continuity management, captive and insurance management and casualty/liability. Others are claims management and advisory, construction all risk, crisis management, crop and yield insurance, cybercrime etc. Some of the reinsurance services offered by Minet include data,
analytics and benchmarking, facultative reinsurance and treaty reinsurance. The firm also does consultancies on best employer studies, compensation consulting services and surveys, employee benefit consulting and employee engagement among other consulting services (Kipkoech & Kimencu, 2018).

1.2 Statement of the Problem
Whenever change is proposed in an organization, there will always be forces for and against those changes. Ideally, adoption of change management in an organization is aimed at improving employee performance (Rizescu & Tileaga, 2016). However, when such changes give mixed results as is the case with some of the past empirical studies, then a problem arises. For instance, studies by Wanza and Nkuraru (2016), Olajide (2014) and Khosa, Rehman, Asad, Bilal and Hussain, (2015) found a positive relationship between change management factors and employee performance. On the other hand, Dauda and Akingbade (2011) study on the effect of technological change on employee performance on the manufacturing industry in Nigeria’s Lagos state found no significant relationship between the two variables. Due to dynamic changes in the business environment worldwide, insurance companies as well tend to keep on changing their marketing strategies in order to remain relevant with the changing times and maintain and retain customers at the same time. Although organizational change is a common phenomenon in the business environment, most firms lack the necessary knowledge and awareness needed for the effective management of such change (Indermun, 2014).

Minet Insurance has undergone the process of transition since its inception almost 70 years ago under the name JH Minet Company. In 1997 Aon, the leading global provider of human resource consulting and outsourcing and risk management, acquired the U.K. shareholder, London Minet, as part of their African expansion strategy. Consequently, the company became Aon Minet, and subsequently Aon (Ndalu, 2016). In 2017 private equity firm Capitalworks acquired Aon’s shareholding in several African operations, alongside local shareholders including governments in many markets, which has created what is now Aon’s largest Global Network Correspondent called Minet (Ayanzwa, 2017). Consequently, these changes were instituted in the areas of organizational structure, communication and leadership. This study sought to investigate the effect of each of these three elements of organizational change on employee performance in an insurance company. It is on this
context that this study sought to investigate the effect of change management on employee performance, a case of Minet Insurance.

1.3 General Objective
The general objective of this study was to examine the effect of change management processes on employee performance in Minet insurance company in Kenya.

1.4 Specific Objectives
The following were the specific objectives of this study:

1.4.1 To evaluate the effect of organizational structure on employee performance.

1.4.2 To investigate the effect of communication on employee performance.

1.4.3 To assess the effect of leadership on employee performance.

1.5 Significance of the Study
The beneficiaries and the users of this study were:

1.5.1 Minet Insurance Management
The research is important to the management of Minet Insurance as it shows the relationship between change management practices and employee performance. This assists management come up with appropriate strategies to implement relevant elements of change management processes that have a positive effect on employee performance. To the research department, the study highlights areas of concern and strength which helps the firm have an advantage over its competitors in the market.

1.5.2 Partners and Businesspeople
This study intends to make practical contributions to the partners and investors with Minet Kenya. This helps insurance brokers, service providers and other partners in navigating through the impact of organizational change and the impact it can have on the performance of staff in delivering organization objectives and manage risks of the effects of change.

1.5.3 Fellow Researchers
The findings were useful to other researchers looking to fill in gaps in research addressing the impact organizational change on employee’s performance. It gives themes for further research and support other researchers on literary citations.
1.6 Scope of the Study
This study focused on the management team of Minet Insurance company in Kenya at all levels of management (top level, mid-level and lower level). The researcher collected data for analysis within a span of three months with effect from May 2019. Minet Insurance Company limited is located at Minet House along Nyerere road in Nairobi. The researcher expected that one of the limitations they would encounter was reluctance by some of the respondents to give out information regarding their firm. The researcher assured them that their responses would be treated with utmost confidentiality for the purposes of this study only.

1.7 Definition of Terms
1.7.1 Change
Change is part of a continuing work in progress that seeks out competing voices and works with the resulting contradictions, ambiguities and tensions of a messy reality. It represents competing but complimentary narratives that destabilize as well as validate existing organizational routines. Change is inevitable due to continuous technological development, complex multi-national organizations, frequent partnering across national borders, companies no longer have the luxury of banking on historic procedures to predict the future, the new normal for corporates and other businesses has become continuous change (Yi et al., 2017).

1.7.2 Change Management
Change management is an ongoing attempt to understand industry dynamics where businesses must be involved in and an organization internal dynamic. This deals with the impact of change and adaptation so as to maintain coherence between the involved elements of change process. Change management can answer questions in the organization about where the change is, what can be impacted by the change, the type of change as well as how organizational change is propagated. The approaches to change management varies across organizations which determines its success or failure (Pieterse, Caniëls, & Homan, 2012).

1.7.3 Employee Performance
Employee performance indicates the financial or non-financial outcome of the employee that has a direct link with the performance of an organization and its success. It is realized
through the involvement of employees in the production process of an organization through communication between them and the management. Change process in an organization is aimed at empowering staff to perform better when change happens (Shaikh, Tunio, & Shah, 2017). In this study, the parameters used to measure performance are employee participation in the organization’s decision-making process, positive feedback from customers and employee ability to meet or surpass set targets.

1.7.4 Insurance

Insurance is a form of risk management useful to individuals, corporates or assets to edge against the risk of an uncertain loss. An insured party is bound by a contract known as an insurance policy that outlines the conditions and circumstances under which the insurer will compensate the insured party. The insurer charges the insured a premium where in an apparent loss, the insured can submit a claim to the insurer for processing to be compensated (Zouhaier, 2014).

1.8 Chapter Summary

This chapter presented the background on the effect of change management processes on employee performance at Minet Insurance. It also highlighted the problem statement, general and specific objectives of the study. In addition, the chapter highlighted the significance and scope of the study. Chapter two focused on the literature review that was used in the study. Chapter three discussed the methodology that was used in the study. In chapter four, the study results and findings were presented, whereas chapter five gave the conclusion, recommendations and discussion of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter presented a literature review of the relevant previous studies conducted regarding the effect of change management processes on employee performance. Section 2.2 of the chapter was on the effect of organizational structure on employee performance. Section 2.3 discussed the effect of communication on employee performance. Section 2.4 delved on the effect of various leadership styles on employee performance. Lastly, section 2.5 summarized the whole chapter.

2.2 Effect of Organizational Structure on Employee Performance
Interest in studying the various forms of Organizational structure in different business setups has attracted widespread attention in various parts of the world in the recent past. Managers of new firms who want to design organization structure for their firms face difficult decisions (Steiger, Hammou, & Galib, 2014). They must choose from a myriad of alternative frameworks available that will suit their firms’ interests in terms of various job descriptions and departments. The first task the managers will have to contend with is to decide on individual jobs, secondly, they have to focus on the departments or groups of jobs suitable for their firms, and lastly consider how the issue of delegation of authority will be handled throughout the structure (Al-Qatawneh, 2014).

2.2.1 Types of Organizational Structures
In some organizations, organizational structure is bureaucratic. Firm activities are structured functionally based on specialty such as market department, sales department, customer service department, etc (Rishipal, 2014). Functional Structures encourage employees to dedicate their efforts to a single function. This eliminates confusion because roles and expectations are clearly defined. It is however important to note that functional structures do not facilitate strong communication between various departments within an organization (Awa, 2016).

Another form of organizational structure is divisional structure (Fairfield, 2016). In this type of structure, leadership is structured according to different projects or products. In such an arrangement, one is likely to have one holding company operating multiple subsidiaries. Each of the subsidiaries run a different line of business under one holding company’s name.
Some organizations prefer a matrix type of organizational structure. Under matrix structure, employees have multiple reporting lines and bosses. Employees report to a divisional manager and sometimes act as project managers for specific projects. While large organizations tend to prefer tall organizational structures, small ones and startups prefer flat structures (Sarman, Ani, Mazlan, & Yahya, 2018).

### 2.2.2 Flat Organizational Structure

It may be argued that the rationale for flattening organizational structure hierarchies is to empower lower level employees be involved in the decision-making process in an organization. However, empirical studies have identified instances where flattened hierarchies have resulted in the emergence of highly restrictive structures (Rishipal, 2014). Tall bureaucratic structures have also been found to restrict employees’ participation in the organizations’ decision-making processes. Besides, this structure proved inflexible and time consuming because decisions must follow top-bottom hierarchy of authority (Mori, 2017). Although decisions are made comparatively quicker in flattened type of organizational structures, teamwork is key. Top management in these structures are the ones controlling the way tasks and responsibilities are distributed among employees. Thus, although the input of lower cadre employees is considered, top management still control the direction major decisions should take (Rishipal, 2014).

The controversy concerning the mixed and contradicting interrelationship between organizational structure and employee performance will continue bothering scholars and future researchers (Omondi, Rotich, Katuse, & Senaji, 2017). This trend will stop when a more universally accepted empirical study proves otherwise regarding these two concepts. It is worth noting that a firm’s organizational structure refers to that formal system which clearly indicates the task and reporting relationships that exists in an organization. It is intended to control, coordinate and motivate employees to work together towards achieving some set organizational goals. Employee performance, on the other hand, is effort put by an employee towards meeting those targets on individual level. Employee performance can be assessed by the efficiency and effectiveness of an individual to achieve a set target. It comprises the actual results achieved by an employee when measured against actual inputs used (Akinbowale, Jinabhai, & Lourens, 2013).
In the United States of America and Canada, Kessler (2007) examined the influence of organizational structure on performance of university faculty members. The study used a sample of 1135 full time faculty members working in 229 academic departments. Comparing the performance of faculty members working in organically structured departments with those working in mechanically structured departments, higher levels of job satisfaction was reported in the former than latter group of faculties. In addition, faculty members working in structured departments were less prone to abusive behaviors than their counterparts working in more mechanistically structured departments. This study findings were consistent with (Csaszar, 2012) revelation regarding effect of organizational structure on employee performance in mutual funds in the United States. In this study, organizational structure was conceptualized as the decision-making structure among a group of individuals. The study findings revealed that organizational structure significantly affected the performance of employees in a wide range of organizations. Specifically, the study established that as consensus threshold required by the committee in charge of selecting projects was increased, omission errors increased, commission errors decreased, and the number of projects approved decreased.

In the Czech Republic, a study was conducted to investigate the relationship between organizational structures and employee performance. The study used individual adaptive performance and job embeddedness as the dependent variables while organizational structure was used as the independent variable. A sample of 216 hotel employees was used and the structural equation modelling technique was used to analyze the data. The study findings showed that organizational structure had no direct influence on both employee performance and job embeddedness. The study further established that a mechanistic organization structure had a positive relationship with job embeddedness but did not have a direct influence on individual adaptive performance (Kanten, Kanten, & Gurlek, 2015). This disagrees with Al-Jaradat, Nagresh, Al-Shegran and Jadellah (2013) study on the relationship between change management and employee performance in Jordan. In this study organizational structure, individuals and technology exhibited a positive relationship with employee performance at 0.589, 0.711 and 0.648 correlation coefficients respectively.

In an attempt to appreciate the fact that the success of any business enterprise is pegged on its performance, Alipoor, Ahmadi, Pouya, Ahmadi and Mowlai (2017) studied interrelationship between the structural aspects of a firm’s organizational structure on
performance of employees in Ahvaz hospital in Iran. The study targeted all the hospital’s 589 employees as at June 2016. A sample volume of 239 employees was calculated using the Cochran formula. Stefan Robbins research tool with 24 questionnaires was used as proxy for organizational structure while Patterson questionnaire of 15 questions was used to measure employee performance. Cronbach’s alpha coefficient test was used to check the questionnaires reliability. Results of the study indicated that organizational structure had a significant negative relationship with employee performance in Ahvaz hospital. This was inconsistent with Nwonu, Agbaeze and Obi-Anike (2017) study on Nigerian manufacturing firms. In this study, organizational structure had a significant positive relationship with employee performance measured in terms of effectiveness and innovativeness at 78.7% and 91.7% respectively.

Two more studies in Nigeria exhibited a positive relationship between organizational structure and employee performance. In the first instance involving brewing firms, Shabbir (2017) revealed that technology and nature of hierarchical layers had significant positive relationship with employee performance. So were findings on effect of narrow span of control on employee performance in technical and service firms in Nigeria (Ogbo, Chibueze, Orga, & Igwe, 2015). Using communication, organizational values, mission and reward systems as proxies for organizational structure, Misigo and Moronge (2017) studied performance of employees in the State Department of Water under the Ministry of Water and Irrigation in Kenya. The study employed both primary and secondary sources of data to conduct the research. The study showed that all the independent variables namely organizational communication, organizational values, mission and reward systems affected employee performance positively.

2.2.3 Vertical Structure

In a vertical organizational structure, communication is mostly one-way from bottom to the top. In a flat organizational structure, there are numerous lines of communication have removed several layers of communication within the organization thus spreading power across multiple positions. This may lead to better decision-making but can be confusing and cumbersome especially when everyone does not agree (Rishipal, 2014).

In today’s ever-changing business environment, the need to align the firm’s organizational structure and its strategic goals occupies a central place in the mind of managers in those
Organizational structures are important to an organization because they assist managers in streamlining a firm’s operations towards meeting set goals (Nwonu et al., 2017). Organizational structure affects an employee’s performance in an organization directly. It also affects an individual’s attitude and behavior for example, commitment to the firm, job satisfaction, motivation and intention to quit (Shabbir, 2017).

Organizational structure is used as a control mechanism to monitor an employee’s work outcomes. They ensure that managers in different departments closely supervise people working under them. This is aimed at achieving set organizational goals. An organization’s organizational structure describes its internal characteristics (Al-Qatawneh, 2014). These internal characteristics are crucial to management because they are critical towards the firm’s success or failure in the long run. One of these internal characteristics is firm performance. Organizational structure of a firm defines the scope of behavior, level of accountability and lines of authority within the firm. In addition, the relationship that exists between the firm and its external environment. The structure also shows the pattern of relationship between different departments within an organization (Mugizi, Nuwatuhaire, & Turyamureba, 2019). Organizational structure in most business enterprises determines the formal lines of communication between the firm and the outside world and between individuals within the same organization (Teixeira, Koufteros, & Peng, 2012).

The effectiveness of an organization’s structure has a direct relationship with its performance. Thus, chances of poor organization structure resulting in poor performance are high no matter how capable the manager is (Nwonu, Agbaeze, & Obi-Anike, 2017). Besides, a poor organization structure does not promote individual growth in organizations, nor does it satisfy an employ towards self-fulfillment and psychological health. This is a recipe for frustrations, failure and conflict which has a significant negative effect on the organization’s overall growth and development. Besides general employee performance, previous empirical studies have also established that there exists a positive relationship between organizational structure and optimum job satisfaction (Olajide, 2015). This will eventually have a corresponding effect on employee productivity. Thus, for better performance both at an individual level in respect of employee performance and overall firm performance, the less ambiguous the organizational structure, the better (Matte, 2017).
2.3 Effect of Communication on Employee Performance

Without overemphasizing the importance of communication, the art of communication may be defined as the means by which employees interact and work towards achievement of a common organization goal (Asamu, 2014). In addition, just like blood flows in people and water flows in streams, communication flows in organizations for them to survive. This therefore is to say that there can be no organizational success without effective communication which enables employees to perform better (Abbasi, Siddiqi, & Azim, 2011). Hence, for subordinates to perform, managers need to have communication skills that will help them pass message to the subordinate implementors of programmes in the firm for improved performance to be realized in a business setup (Ramadanty & Martinus, 2016).

2.3.1 General View

Communication has a significant effect on how people in a work environment relate. It is instrumental in ensuring smooth flow of information, resources, and policies. Communication in the organization means communicating with one another in the company (Agarwal & Garg, 2012). The process includes sending and receiving messages using various modes of communication through different existing layers of authority. Several previous studies contend that effective communication enhances employee performance and by extension firm performance (Asamu, 2014). The same studies also opine that communication influences peoples’ perception and opinions about other people, business competitors, communities and society at large. When used as a managerial tool, communication facilitates information sharing among firm employees, coordinates their activities and reduces unnecessary managerial burdens that are all aimed at improving overall organizational performance (Bhardwaj & Punia, 2013).

According to Husain (2013), communication may be defined as “the transmission and reception of ideas, feelings and attitudes verbally or non-verbally to produce a favorable response”. Cacciattolo (2015) defines the word to mean “the process by which information is exchanged between two or more people so as to motivate on influence behavior”. Other scholars like Al-Fedaghi, Alsaqa and Fadel (2009) define communication as the exchange of information between the source (sender) and destination (receiver) so that action is taken to achieve something. It is also important to note that different study disciplines define communication differently. Although some of these definitions are human centered, others
are not. For instance, communication can happen through use of sophisticated machines such as computers but in some instances, less sophisticated reproducing devices such as photocopiers may be used (Olatokun & Adeboyejo, 2009).

The way a journalist views communication may not be necessarily be the same as a preacher’s view of the word. It is therefore obvious that so far, no single standard or universally accepted definition of the word communication that is supported by research. Accountants, lawyers, sociologists, medical practitioners and all other professions define communication differently based on their varying orientations and perspectives (Olatokun & Adeboyejo, 2009). Psychologists for instance define communication as the process by which the communicator transmits stimuli in most cases verbal symbols to modify the behaviors of the person being communicated to. Sociologists on the other hand view communications as the basis for which human relations exit and develop (Lunenburg, 2010). The word communication is derived from the latin word-communis which basically means common or shared understanding. The word therefore attempts to establish the commonness that exists between the sender and receiver of information (O’Neil, 2008).

2.3.2 Internal Communication

Internal communication may be defined as the sharing of information within an organization for business purposes. This form of communication may take place via radio, telephone, mail, speech, paging, internet, internet connections, fax, closed circuit television, electronic mail, and computer networks. Operationally, internal communication may be defined as the exchange of information between management and employees within an organization. This information may be either formal or informal. Communications involve use of technology to send and receive messages. Communications may be facilitated through newsletters, surveys, suggestion boxes, circulation materials etc. Communication in the firm focuses on connecting employees, work groups and the organization for purposes of achieving organizational goals (Balakrishnan & Masthan, 2013). According to Karanges, Johnston, Beatson and Lings (2015), Communication in the organization facilitates supportive employees.

A good number of firms do not fully understand the importance of internal communication in as far as creating mutual understanding between management and employees is concerned. In a study carried out in Poland, Wińska (2010) observed that communication acts as a control to human behavior. It supports motivation among employees working for
an organization because it clarifies to them what needs to be done, how and who. Lázár, (2018) contend that misunderstandings in communication is likely to happen when communication is done in different languages. Employees are key stakeholders in any organization. Their knowledge of a firm’s vision and mission assists them to work towards achieving certain set goals. Karanges, Johnston, Beatson and Lings (2015) opines that internal communication normally takes place within the same organization. People coordinate organizational resources internally. Interaction between management and employees is mainly through such media as internal memos, letters or circulars. Internal communication is further divided into horizontal communication, vertical communication, downward communication, upward communication and quasi-vertical communication. Horizontal communication is also sometimes referred to as lateral communication whereby information is transmitted along the same level in a firm (Lunenburg, 2010). This could occur between the same or different team members on the same lateral level. The advent of information technology such as email favors horizontal communication in organizations. People can now work together remotely even in different locations (Abbas, Muzaffar, Mahmood, Ramzan, & Rizvi, 2014).

McPhee (1988) defines vertical communication as communication that entails two different movements, either “up down” or “down to up” along the organizational hierarchy. In short, it involves downward and upward mode of communication. The other form of communication is downward communication. Just as the name suggests, this form of communication involves movement of information from the top-level management to the lower cadre members of staff (Lunenburg, 2010). The opposite of downward communication is upward communication. In quasi-vertical communication, worker representatives such as labour unions usually do intermediation between management and employees whenever need arises for instance when workers are planning to go on a strike.

Nwata, Umoh and Amah (2016) conducted a study to investigate the effect of internal organizational communication on employees’ performance in some selected banks in Nigeria’s Port Harcourt. Communication was measured in terms of upward communication and downward communication. The results of the study showed that internal communication had a significant influence on employee performance measured in terms of employee efficiency and effectiveness. This study findings were in agreement with Atambo and Momanyi (2016) research findings on Kenya Power and Lighting Company
employees’ performance in Kenya’s South Nyanza region. The study concluded that downward communication was responsible for timely information dissemination. Upward communication on the other hand was responsible for timely feedback to management because employees can raise complaints to the management. Once this happens, chances are that employees’ performance improves.

2.3.3 External Communication

External communication involves interaction between the firm and the immediate environmental elements such as creditors and customers. Effectiveness of external communication is dependent on how perfectly internal communication is handled. Some of tactics used in external communication include using press kits, brochures, new releases, factsheets and annual reports to communicate with the outside world (Rajhans, 2012). Other tactics such as open houses and tours, conferences, speeches, and doing public projects are all directed to external audiences. According to Shaikh, Tunio and Shah (2017), external communication has a significant effect on firm performance. Besides, it can be used as indicators of how likely the firm can go in terms of being visionary in the business it is doing.

Rajhans (2012) further believes that good business habits are good external communication indicators. Thus, as a business enterprise grows, the corresponding desire for good communication also increases. The researcher further admits that many business organizations have now integrated communication programs into their strategic plans and annual targets.

In Romania, Avram (2015) found that both internal and external forms of communication significantly influenced the visibility of institutions of higher learning in the market. Internal communication in universities is between the university management and its staff and students, while external communication is between the university in terms of potential students and the other academic stakeholders.

2.4 Effect of Leadership on Employee Performance

The importance of leadership in any organization cannot be underestimated. It plays a crucial role towards an organization’s success. Although several studies on leadership have been conducted in the past, there is no consensus yet on the definition of leadership that can be construed to be universal definition (Basit, Sebastian, & Hassan, 2017). Iqbal, Anwar and Haider (2015) defines leadership as the ability to influence the behavior of other
people towards achievement of set goals. Ahmad, Abbas, Latif and Rasheed (2014) perceives leadership as a reciprocal process of social influence whereby leaders and their subordinates influence one another in order to achieve set organizational goals. Thus, leadership may be viewed as a combination of skills, traits, characteristics and behaviors that leaders use when dealing with their subordinates. Khan and Nawaz (2016) views leadership as a managerial behavior pattern designed to balance personal and organizational interest such that personal interests do not supersede organizational interests.

In short, leadership style refers to the way a leader leads other people. Some leaders are interested work output and not with the people concerned to produce output. Other leaders on the other hand pay more attention to the working relationship existing between them and their subordinates than the job (Kotur & Anbazhagan, 2014). Previous empirical studies on the effect of leadership style on employee performance seem to favor leadership style that has the interest of employees at heart than a leadership style that focusses more on output at the expense of employee relationship. Yusuf-Habeeb and Ibrahim (2017) defines leadership style as the ability to possess some personality traits that compels subordinates to follow a leader. On the other hand, Ekaningsih (2014) defines leadership style as effort applied by a leader to motivate his or her subordinates to achieve set organizational goals. Leaders express leadership styles in many ways. These, among others, include formulation of organizational goals and objectives, establishing firm structures, managing and motivating employees in an organization and providing leadership. The leadership style chosen by a leader to perform the said roles will define whether set organizational goals are achieved or not (Krishnan, 2012).

2.4.1 Democratic Leadership
Just as the name suggests, democratic leadership is a very open type of leadership to run a team. Team members share ideas freely amongst themselves and discussions are open. Every team member is given a seat and discussions are conducted freely. Everyone in the team contributes to the discussion. Thus, democratic leadership is sometimes known as participative leadership in other literature (Khan et al., 2015). Previous studies have identified democratic or participative leadership style to be more effective and leads to improved employee performance than other leadership styles. Since this leadership style encourages contributions from all group members, empirical studies have attributed such participation to boost group morale (Saeed, Hussain, Ali, & Hussain, 2016). Veliu,
Manxhari, Demiri and Jahaj (2017) contend that democratic, autocratic and transformational leadership styles have a positive effect on employee performance. However, charismatic, bureaucratic, laissez-faire and transactional leadership styles have insignificant negative effect on employee performance.

2.4.2 Autocratic Leadership

Autocratic leadership on the other hand gives full empowerment to the leader with minimal participation from the followers. Autocratic leaders do not consult other members of the organization when making decisions. They set all policies by themselves, they predetermine the methods to be applied in the workplace, they determine the duties to be undertaken by their followers, and finally, technical and performance evaluation standards are set by the leader. Since decision-making is done by one person, it is usually faster. Although the autocratic style of leadership is not very popular, it is ideal in situations when decisions must be made very fast or when followers are not productive (Veliu et al., 2017).

In Kenya’s Turkana County, Ing’ollan and Roussel (2017) established that autocratic leadership style significantly influenced employee performance at 52.2%. This was followed by affiliative leadership style at 49.9% rating. Ahmad, Hussain and Tariq (2014) contend that autocratic leadership style is good in the short-term while democratic leadership style is good in the long-term. Another leadership style is the laissez-faire type of leadership. Some typical characteristics associated with this leadership style include management doing very little supervisory work. Such leadership behaviors include the leader staying away from employees, too much delegation of supervisory roles, and the leader generally being not proactive (Chaudhry & Javed, 2012).

2.4.3 Laissez-faire Leadership

Previous studies have proved that laissez-faire leadership style is the least effective and satisfying of all leadership styles. This is because this leadership style is associated with little sense of accomplishment, clarity, little sense of teamwork, and followers generally do not hold dear respect for their supervisors (Chaudhry & Javed, 2012). Transactional leadership style is one which displays behaviors which are associated with corrective and constructive transactions. The corrective style is commonly known as Management-by-Exception whereas the constructive style is commonly known as Contingent Reward or active and passive (Rothfelder, Ottenbacher, & Harrington, 2013). In transactional leadership, organizational expectations are clearly defined, and performance is promoted
to achieve the set levels. Management-by Exception and Contingent Reward are the two major behaviors associated with 'management' functions in any business organization. Full range transactional leaders exercise these two types of transactional leadership and more (Amirul & Daud, 2012). Khan and Nawaz (2016) favor transformational and transactional leadership styles.

Basit, Sebastian and Hassan (2017) used a sample size of 100 from one private organization in Selangor in Malaysia. The study showed that democratic leadership style was the most preferred followed by laissez-faire leadership style and then autocratic leadership style. Democratic leadership style had the highest mean value of 3.784 and standard deviation of 0.8124. It was followed by laissez-faire leadership style with the second highest mean score of 3.416 with a standard deviation value of 0.5858. Autocratic leadership style ranked last with the lowest mean value of 3.404 with a standard deviation value of 0.7330.

2.4.4 Bureaucratic Leadership
Bureaucratic leadership style focuses on rules, regulations and procedures to manage project teams. It is a style that has the strictest rules and diffused among several departments in an organization or people. It is a classic style of leadership that is used in most organizations that do not encourage innovation and change. Bureaucratic leadership style is also common with leaders who feel insecure and uncertain regarding their stay or role in an organization. Bureaucratic leaders are often familiar with the organization’s various policies and guidelines. Some people in a bureaucratic setup who may feel that things are beyond their control will not hesitate to refer any difficulty to a leader higher in demand (Idrus, Sudiro, & Rohman, 2014).

2.4.5 Transformational Leadership
Transformational leaders attempt to focus on developing their followers and satisfying their needs. Managers who exercise transformational leadership style in their organizations lay more emphasis on development of employees’ value systems, moralities and motivational level with the development of their skills (Ekaningsih, 2014). This leadership style acts as a bridge between leaders and followers in as far as developing a clear understanding of the follower’s values, interests and motivational levels are concerned. By working in an organizational setup, transformational leadership helps followers achieve their goals. Transformational leadership style encourages its followers to be adaptive to any possible changes in the working environment (Sundi, 2013). Transformational leadership may also
be defined as a model for understanding employees’ extraordinary effort and performance in a business setup. It stresses employees’ self-sacrifice for the good of the firm. Ojokuku, Odetayo and Sajuyigbe (2012) favored transformational and democratic leadership styles to be used in the banking industry in Nigeria. In India’s telecommunications sector, Ahmad, Abbas, Latif and Rasheed (2014) study favored transformational leadership style. So did Abubakar and Ahmed (2017), Al-Harthy, Nor and Yusof (2016) and Paracha, Qamar, Mirza, Ul-Hassan and Waqas (2012).

2.4.6 Charismatic Leadership
Although charismatic leadership may be recognized, it is usually perceived with less tangibility when compared with all the other leadership styles. This is usually so because it is very difficult to define an individual’s charisma by simply examining that person. Veliu et al., (2017) defines charisma as an untraditional influence of followers by their leader who possesses exceptional qualities as far as the followers are concerned. In most cases, charismatic leadership emerges during crisis times. This usually occurs when basic values, institutions, and organization’s legitimacy are brought into question. Genuine charisma is always linked to something "new". During extraordinary times, this "new" issue calls for charismatic leadership style so that actions, movements, and events which are out of the ordinary can be performed for the good of the organization. Charismatic leadership can be attributed to the sociological and psychological belief of the followers and not necessarily the quality of the leader. To a leader, “charismatic” emotion beliefs evoked by followers can compel the leader to demand obedience from them (Aaltio-Marjosola & Takala, 2000).

In Pakistan, a study was carried out to assess the relationship between charismatic leadership and organizational effectiveness in the country’s telecom sector. The study revealed that charismatic leadership had a positive relationship with organizational effectiveness. Employee recognized charismatic leaders without any form of conflict and performed well thus improving organizational effectiveness. Charismatic leaders can build successful teams. They can also easily recognize employees’ abilities and skills which have a positive effect on their productivity. The study further established that charismatic leaders motivate and assist employees to be loyal to the organization (Ansar, Aziz, Majeed, & Rassol, 2016).
2.5 Chapter Summary
Chapter two reviewed the literature on the effect of change management processes on employee performance. The chapter analyzed the effect of organizational structure, communication and leadership styles on employee performance. The next chapter discusses the research methodology applied in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presented the methodology adopted by the researcher in conducting this study. The chapter also covered research design, population and sampling design, data collection method and research procedures and data analysis methods. The chapter ended with a chapter summary.

3.2 Research Design
Research design refers to the general plan whose aim is to address the specific objectives of the topic under review (Rahi, 2017). The design also contains information about areas where data is to be collected and how that data will be collected and analyzed. This study adopted a descriptive research design because it delved much on describing the causal relationship between the independent and dependent variables used in the study. The independent variables in this study were organizational structure, communication and leadership styles while employee performance was the only dependent variable.

3.3 Population and Sampling Design

3.3.1 Population
According to Majid (2018), population refers to the aggregate of all targeted elements to be used in the study. Members of a population share common characteristics. In research, a population is the whole collection of elements that are of concern in the study. In this study, the target population comprised employees of Minet Insurance but limited to people with supervisory roles. The study focused on 38 respondents representing senior level management, middle level and lower level managers as indicated in Table 3.1 below.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Population (Frequency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Level Management</td>
<td>5</td>
</tr>
<tr>
<td>Middle Level Management</td>
<td>11</td>
</tr>
<tr>
<td>Lower Level Management</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: Minet Insurance Human Resource Department, 2019
3.3.2 Sampling Design

3.3.2.1 Sampling Frame
Sampling frame may be defined as the list of all elements in a population from which the sample is drawn (Majid, 2018). Sample frame comprise the precise list of members of a given population. Whenever random sampling is carried out, the sampling frame comprises of the entire list of cases in a population from which the sample is derived. The sample frame for this study was obtained from Minet Insurance Company Human Resource Department which had the latest information regarding the firm’s staff establishment as at the time of the research.

3.3.2.2 Sampling Technique
Sing and Masuku (2014) define sampling technique as a process of selecting a representative sample size from the targeted population. It is usually classified into probability and nonprobability sampling. Data from Minet Insurance human resource department as at the time of the study indicated that the firm had a total staff establishment of 350 employees distributed across the group’s 11 branches spread across Kenya. For this research, consideration was given for management staff who are easily accessible and available at the firm’s Head Office.

3.3.2.3 Sample Size
Francis et al., (2010) defines sample size as referring to the number of individual pieces of data collected in a survey. Sample size in statistics is important because it assists the researcher determine the accuracy and reliability of the survey findings. Since the target population of the study was small, a census survey was used (Ragab & Arisha, 2018).

3.4 Data Collection Methods
This study heavily relied on primary data because the researcher sought information from the interviewees directly (Murgan, 2015). The said primary data was collected using structured questionnaires. The first section of the questionnaire contained the respondents’ demographic information. The second section of the questionnaire contained questions based on the first specific objective. The third section of the questionnaire contained questions related to the second specific objective. The fourth and last section of the questionnaire contained questions that related to the third specific objective. Sections two, three and four of the questionnaires was made up of closed-ended questions measured using
a five-point Likert scale where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4= Agree and 5=Strongly Agree.

3.5 Research Procedures
After seeking permission from the University to collect data from Minet Insurance Company, the researcher e-mailed the questionnaires to the respondents. A pretest of the questionnaire was conducted using a few respondents from the targeted population to test the questionnaire’s reliability. After the pretest, necessary corrections were made on the questionnaire. The researcher then collected data by distributing the pretested questionnaires via e-mail and waited for response from the respondents. The responses from the respondents were then entered and coded in Excel awaiting further analysis.

3.6 Data Analysis Methods
Questionnaire responses via e-mail were checked for errors so that necessary corrections could be made before data analysis can commence. The data was coded, cleaned and analyzed using the Statistical Package for Statistical Sciences (SPSS). Qualitative data analysis technique was used in the study because primary data source was solely used. The study used both descriptive and inferential statistics to explain the relationship between the variables. Descriptive statistics were displayed in form of percentages and frequencies while Pearson correlation was used to give inferential statistics. The study results were presented in form of tables and figures.

3.7 Chapter Summary
This chapter focused on the research methodology that was used in the study. It discussed the research design, population and sampling design, data collection methods, research procedures and the data analysis. The next chapter presents the results and findings arising from the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter gave background information on study respondents in general. This chapter was broken down into sub sections according to study’s specific objectives. Section 4.3 presented findings on the relationship between organizational structure and employee performance at Minet Insurance Company Ltd. Section 4.4 provided findings on the relationship between communication and employee performance. Section 4.5 gave findings on the effect of leadership on employee performance. Data findings were presented in form of tables and percentages for easier interpretation.

4.2 Demographic Information

4.2.1 Response Rate

Out of a sample size of 36, the researcher collected 30 dully filled questionnaires from the respondents. This translated to 83% return rate which was representative enough and good for generalizations. Baruch (1999) opined that a response rate which is greater than 50% is representative and good enough for a research.

4.2.2 Gender of the Respondents

The researcher sought to ascertain the gender representation of the targeted respondents. The study found out that majority of them were male at 60% followed by female at 40% as illustrated in Figure 4.1 below. This is an indication that male staff were more than their female counterparts at Minet Kenya. This showed that performance of male at Minet was more influenced by change management processes than female.

![Respondents' Gender](image)

**Figure 4.1: Respondents’ Gender**
4.2.3 Age of the Respondents
The study sought to establish the respondents’ age distribution. The study revealed that most of the respondents were of between 31-35 years of age followed by those in the age category of between 26-30 years at 33.30%. The third category comprised respondents of age between 20-25 years at 16.70% as illustrated in Figure 4.2 below. This indicated that most of the respondents were in the youth age bracket in Kenya (31-35 years) whose performance was influenced by change management processes at Minet.

![Figure 4.2: Respondents’ Age](image)

4.2.4 Respondents’ Education Levels
The study also sought to ascertain the respondents’ educational levels. It was established that majority of them were undergraduates at 73.30%, followed by graduates at 16.70%. Diploma holders were last at 10% as illustrated in Figure 4.3 below. Since most of the respondents were first degree holders; the researcher concluded that majority of the employees at Minet had enough knowledge on change management processes and how it affected their performance.

![Figure 4.3: Respondents’ Level of Education](image)
4.2.5 Management Levels

The study sought to determine the respondents’ job categories. Majority of them were middle level managers at 46.70%, followed by lower level employees at 43.30%. Senior level managers were the least at 10% of the organization’s total workforce as illustrated in Figure 4.4 below. This indicated that performance of middle-level employees at Minet Kenya was more influenced by change management processes compared with employees in other levels of management.

![Figure 4.4: Management Levels](image)

4.3 Effect of Organizational Structure on Employee Performance

The first specific objective that the study sought to address was effect of organizational structure on employee performance at Minet Insurance Company. Table 4.1 below indicates the statistics of the variables used in the study. The mean value in support of the argument that Top management is responsible for the direction major decisions should take was 4.87 with a standard deviation of 0.35. The mean for the argument that your firm's structure affects an individual’s attitude and behavior stood at 4.80 with a standard deviation of 0.41. The contention that firm's structure has a positive influence on employee performance had a mean of 4.73 with a standard deviation of 0.45. As regards the argument that in a vertical organizational structure, communication is mostly one-way from bottom to the top, the average was 4.70 with a standard deviation of 0.47. The average value is support of the arguments that Minet’s organizational structure encourages teamwork, each department focuses on specific functions and there is flexibility and adaptability in decision-making was 4.67 for each statement. The respective standard deviations were 0.48, 0.55 and 0.66. Minet’s organizational structure encourages teamwork was 4.67 with a standard deviation of 0.48. As regards to the argument that Minet’s organizational structure is aligned to firm's goals and objectives, the mean was 4.60 with a standard deviation of 0.50. The average measure in
support of the contention that each department's roles are clearly defined was 4.57 with a standard deviation of 0.50. The contention that Minet’s communication and decision-making are faster in your organization had a mean of 4.53 with a standard deviation of 0.51. The mean in support of the argument that there is ease of communication between departments was 4.43 with a standard deviation of 0.63. Finally, regarding the argument that firm activities are structured functionally based on departments, the mean was 4.33 with a standard deviation of 0.61.

**Table 4.1: Effect of Organizational Structure on Employee Performance**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management is responsible for the direction major decisions should take</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>13%</td>
<td>87%</td>
<td>4.87</td>
<td>0.35</td>
</tr>
<tr>
<td>Your firm's structure affects an individual’s attitude and behavior.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>4.80</td>
<td>0.41</td>
</tr>
<tr>
<td>Your firm's structure has a positive influence on employee performance.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>27%</td>
<td>73%</td>
<td>4.73</td>
<td>0.45</td>
</tr>
<tr>
<td>In a vertical organizational structure, communication is mostly one-way from bottom to the top.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>70%</td>
<td>4.70</td>
<td>0.47</td>
</tr>
<tr>
<td>Your firm's organizational structure encourages teamwork</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>33%</td>
<td>67%</td>
<td>4.67</td>
<td>0.48</td>
</tr>
<tr>
<td>Each department focuses on specific functions</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>27%</td>
<td>70%</td>
<td>4.67</td>
<td>0.55</td>
</tr>
<tr>
<td>There is flexibility and adaptability in decision-making</td>
<td>0%</td>
<td>3%</td>
<td>0%</td>
<td>23%</td>
<td>73%</td>
<td>4.67</td>
<td>0.66</td>
</tr>
<tr>
<td>Your organizational structure is aligned to firm's goals and objectives</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
<td>60%</td>
<td>4.60</td>
<td>0.50</td>
</tr>
<tr>
<td>Each department's roles are clearly defined</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>43%</td>
<td>57%</td>
<td>4.57</td>
<td>0.50</td>
</tr>
<tr>
<td>Communication and decision-making are faster in your organization</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>47%</td>
<td>53%</td>
<td>4.53</td>
<td>0.51</td>
</tr>
<tr>
<td>There is ease of communication between departments</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>43%</td>
<td>50%</td>
<td>4.43</td>
<td>0.63</td>
</tr>
<tr>
<td>Firm activities are structured functionally based on departments</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>53%</td>
<td>40%</td>
<td>4.33</td>
<td>0.61</td>
</tr>
</tbody>
</table>
4.3.1 Correlation between Organizational Structure and Employee Performance

Pearson correlation was conducted to determine the statistical relationship between organizational structure and employee performance. The two variables exhibited a strong positive relationship because \( r = 0.911 \). Since \( p = 0 < 0.05 \) indicates that the independent variable, organizational structure is a good predictor of the dependent variable, employee performance. This is illustrated in Table 4.2 below.

Table 4.2: Correlation between Organizational Structure and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Organizational Structure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.911**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>N</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).

4.3.2 Regression between Organizational Structure and Employee Performance

Regression analysis was carried out to determine the linear relationship between organizational structure and employee performance. The coefficient of determination \( R^2 \) tells us the level at which the variation in the dependent variable is explained by the independent variable. From the results in Table 4.3 below, the adjusted \( R^2 \) is 0.824. This implies that 82.4% variation in employee performance could be explained by organizational structure. Other factors not captured in the model were responsible for 17.6% variation in the dependent variable. The correlation coefficient \( R \) of 0.911 is an indication that there was a strong positive association between organizational structure and employee performance.

Table 4.3: Organizational Structure Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.911a</td>
<td>0.83</td>
<td>0.824</td>
<td>2.41405</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Organizational Structure
4.3.3 ANOVA between Organizational Structure and Employee Performance

The ANOVA (Analysis of variance) as indicated in Table 4.4 below is a measure used to indicate the level of significance with which the regression model could be relied upon as a predictor of the dependent variable. The statistical significance (p-value, 0<0.05). Using the F-distribution table, 1 tailed test, 28 df at 5% level of significance, F-calculated, 4.196<F-critical value of 137.076. Both p and F critical values indicate that the regression model is significant and therefore a good predictor of the dependent variable.

Table 4.4: Organizational Structure and Employee Performance Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>798.827</td>
<td>1</td>
<td>798.827</td>
<td>137.076</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>163.173</td>
<td>28</td>
<td>5.828</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>962.000</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- a Dependent Variable: Employee Performance
- b Predictors: (Constant), Organizational Structure

4.3.4 Coefficients for Organizational Structure and Employee Performance

The findings presented in Table 4.5 below show that the regression equation was:

Employee Performance = -3.491+1.214 Organizational Structure. The influence of organizational structure was reported at beta or r = 0.911>p=0 hence significant. Besides, p=0<0.05, hence significant. Using the t-statistic, organizational structure has a statistically significant effect on employee performance at Minet Insurance company. This is because a unit increase in the independent variable results to 11.708 increase in employees’ performance in the firm.

Table 4.5: Coefficients (Organizational Structure and Employee Performance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-3.491</td>
<td>3.656</td>
<td>-0.955</td>
<td>0.348</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>1.214</td>
<td>0.104</td>
<td>0.911</td>
<td>11.708</td>
</tr>
</tbody>
</table>

- a Dependent Variable: Employee Performance
4.4 Effect of Communication on Employee Performance

Table 4.6 below presents the summary statistics on the effect of communication on employee performance. The statement that communication ensures smooth flow of information, resources, and policies in Minet, radio, telephone and internet are some forms of communication within Minet and communication in your organization involves outsiders such as suppliers had a mean of 4.70 support with a standard deviations of 0.47, 0.47 and 0.65 respectively. The mean in support of the statement that communication has a significant effect on how people in Minet relate was 4.67 with 0.48 standard deviation. The average value agreeing with the statements that technology is used in sending and receiving messages within your organization and your firm engages in corporate social responsibility projects to interact with external audience was 4.63 with a standard deviation of 0.49. The mean value supporting the argument that employees within Minet engage with one another most of the times stood at 4.57 with a standard deviation of 0.50. The arguments that communication in Minet insurance involves insiders such as employees and the argument that communication in Minet may be facilitated through newsletters, surveys, suggestion boxes and circulation materials had a mean support of 4.53 with a standard deviation of 0.51. The average value supporting the statement that your firm uses press kits, brochures, new releases, factsheets and annual reports to communicate with stakeholder. was 4.50 with a standard deviation of 0.68. The mean support of the argument that communication in Minet Insurance is facilitated through newsletters, surveys, suggestion boxes and circulation materials stood at 4.53 with a standard deviation of 0.51. On average, 4.50 of the respondents in this study support the argument that Minet uses press kits, brochures, new releases, factsheets and annual reports to communicate with its stakeholder. The standard deviation in this instance was 0.68. The mean of respondents in support of the argument that Minet engages with immediate environmental elements such as creditors and customers most of the time was 4.43 with a standard deviation of 0.57. The average value in support of the contention that communication between Minet Insurance and other stakeholders depends on how effective its internal communication is stood at 3.80 with a standard deviation of 0.76.
Table 4.6: Effect of Communication on Employee Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication ensures smooth flow of information, resources, and policies in your organization.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>70%</td>
<td>4.70</td>
<td>0.47</td>
</tr>
<tr>
<td>Radio, telephone and internet are some forms of communication within your organization</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>70%</td>
<td>4.70</td>
<td>0.47</td>
</tr>
<tr>
<td>Communication in your organization involves outsiders such as suppliers</td>
<td>0%</td>
<td>3%</td>
<td>0%</td>
<td>20%</td>
<td>77%</td>
<td>4.70</td>
<td>0.65</td>
</tr>
<tr>
<td>Communication has a significant effect on how people in your organization relate.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>33%</td>
<td>67%</td>
<td>4.67</td>
<td>0.48</td>
</tr>
<tr>
<td>Technology is used in sending and receiving messages within your organization</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>37%</td>
<td>63%</td>
<td>4.63</td>
<td>0.49</td>
</tr>
<tr>
<td>Your firm engages in corporate social responsibility projects to interact with external audience</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>37%</td>
<td>63%</td>
<td>4.63</td>
<td>0.49</td>
</tr>
<tr>
<td>Employees within your firm engage with one another most of the times</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>43%</td>
<td>57%</td>
<td>4.57</td>
<td>0.50</td>
</tr>
<tr>
<td>Communication in your organization involves insiders such as employees</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>47%</td>
<td>53%</td>
<td>4.53</td>
<td>0.51</td>
</tr>
<tr>
<td>Communication in your firm may be facilitated through newsletters, surveys, suggestion boxes and circulation materials</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>47%</td>
<td>53%</td>
<td>4.53</td>
<td>0.51</td>
</tr>
<tr>
<td>Your firm uses press kits, brochures, new releases, factsheets and annual reports to communicate with stakeholder.</td>
<td>0%</td>
<td>3%</td>
<td>0%</td>
<td>40%</td>
<td>57%</td>
<td>4.50</td>
<td>0.68</td>
</tr>
<tr>
<td>Your firm engages with immediate environmental elements such as creditors and customers most of the time.</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>50%</td>
<td>47%</td>
<td>4.43</td>
<td>0.57</td>
</tr>
<tr>
<td>Communication between your firm and other stakeholders depends on how effective your firm’s internal communication is.</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
<td>3.80</td>
<td>0.76</td>
</tr>
</tbody>
</table>
4.4.1 Correlation between Communication and Employee Performance

Pearson correlation was conducted to determine the statistical relationship between communication and employee performance. The two variables exhibited a strong positive relationship because $r=0.88$. Since $p=0<0.05$ indicates that the independent variable, communication, is a good predictor of the dependent variable, employee performance. This is illustrated in Table 4.7 below.

Table 4.7: Correlation between Communication and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Communication</th>
<th>Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.888**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td><strong>Employee Performance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.888**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

4.4.2 Regression between Communication and Employee Performance

Regression analysis was carried out to determine the linear relationship between communication and employee performance. The coefficient of determination $R^2$ tells us the level at which the variation in the dependent variable is explained by the independent variable. From the results in Table 4.8 below, adjusted $R^2$ is 0.781. This implies that 78.1% variation in employee performance could be explained by communication. Other factors not captured in the model were responsible for 21.9% variation in the dependent variable. The correlation coefficient $R$ of 0.888 is an indication that there was a strong positive association between communication and employee performance.

Table 4.8: Communication Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.888a</td>
<td>0.788</td>
<td>0.781</td>
<td>2.69734</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Communication
4.4.3 ANOVA between Communication and Employee Performance

The ANOVA (Analysis of variance) as indicated in Table 4.9 below is a measure used to indicate the level of significance with which the regression model could be relied upon as a predictor of the dependent variable. The statistical significance ($p$-value, $0<0.05$). Using the $F$-distribution table, 1 tailed test, 28 df at 5% level of significance, $F$-calculated, $4.196<F$-critical value of 104.222. Both $p$ and $F$ critical values indicate that the regression model is significant and therefore a good predictor of the dependent variable.

Table 4.9: Communication and Employee Performance Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>758.282</td>
<td>1</td>
<td>758.282</td>
<td>104.222</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>203.718</td>
<td>28</td>
<td>7.276</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>962.000</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Dependent Variable: Employee Performance
b Predictors: (Constant), Communication

4.4.4 Coefficients for Communication and Employee Performance

The findings presented in Table 4.10 below show that the regression equation was: Employee Performance = -10.688+1.037 Communication. The influence of communication was reported at beta or $r = 0.888>p=0$ hence significant. Besides, $p=0<0.05$, hence significant. Using the $t$-statistic, communication has a statistically significant effect on employee performance at Minet Insurance company. This is because a unit increase in the independent variable results to 10.209 increase in employees’ performance in the firm.

Table 4.10: Coefficients (Communication and Employee Performance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-10.688</td>
<td>4.892</td>
<td>-2.185</td>
<td>0.037</td>
</tr>
<tr>
<td>Communication</td>
<td>1.037</td>
<td>0.102</td>
<td>0.888</td>
<td>10.209</td>
</tr>
</tbody>
</table>

a Dependent Variable: Employee Performance
4.5 Effect of Leadership on Employee Performance

Table 4.11 below presents the summary statistics on the effect of leadership on employee performance. The argument that teamwork is embraced at Minet Insurance has a mean support of 4.80 with a standard deviation of 0.41. The argument that leadership style in Minet Insurance is associated with little sense of teamwork had a mean support of 4.73 with a standard deviation of 0.45. The argument that decision-making in Minet is faster had a mean support of 4.70 of the respondents with a standard deviation of 0.47. Same was the case with the argument that leadership in Minet Insurance company has untraditional influence over its employees especially during crisis times. The mean in support of the arguments that leadership style in Minet Insurance company encourages employees not to hold dear respect for their supervisors and that Minet’s leadership to a greater extent has attributed to the sociological and psychological belief of the followers and not necessarily the quality of the leader was 4.63 with a standard deviation of 0.49. The arguments that everyone in the team contributes to the discussion, there are rules, regulations and procedures that guide operations and conduct in your organization and leadership style in Minet is hesitant to change initiatives everyone in the team contributes to the discussions at the organization, had a mean support of 4.57 with a standard deviations of 0.50, 0.63 and 0.68 respectively. The arguments that leadership style in Minet has a significant effect on employee performance and leadership lays more emphasis on development of employees’ skills each had a mean of 4.50 with 0.51 standard deviation. Finally, the average value in support of the fact that Minet’s leadership encourages its employees to be adaptive to any possible changes in the working environment was 4.47 with a standard deviation of 0.51.
Table 4.11: Effect of Leadership on Employee Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teamwork is embraced in your organization</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>4.80</td>
<td>0.41</td>
</tr>
<tr>
<td>Leadership style in your organization is associated with little sense of teamwork,</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>27%</td>
<td>73%</td>
<td>4.73</td>
<td>0.45</td>
</tr>
<tr>
<td>Decision-making in your firm is faster</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>70%</td>
<td>4.70</td>
<td>0.47</td>
</tr>
<tr>
<td>Leadership in your organization has untraditional influence over its employees especially during crisis times.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>70%</td>
<td>4.70</td>
<td>0.47</td>
</tr>
<tr>
<td>Leadership style in your organization encourages employees not to hold dear respect for their supervisors</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>37%</td>
<td>63%</td>
<td>4.63</td>
<td>0.49</td>
</tr>
<tr>
<td>Leadership in your organization is to a greater extent attributed to the sociological and psychological belief of the followers and not necessarily the quality of the leader.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>37%</td>
<td>63%</td>
<td>4.63</td>
<td>0.49</td>
</tr>
<tr>
<td>Everyone in the team contributes to the discussion.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>43%</td>
<td>57%</td>
<td>4.57</td>
<td>0.50</td>
</tr>
<tr>
<td>There are rules, regulations and procedures that guide operations and conduct in your organization.</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>30%</td>
<td>63%</td>
<td>4.57</td>
<td>0.63</td>
</tr>
<tr>
<td>Leadership style in your organization is hesitant to change initiatives</td>
<td>0%</td>
<td>3%</td>
<td>0%</td>
<td>33%</td>
<td>63%</td>
<td>4.57</td>
<td>0.68</td>
</tr>
<tr>
<td>Leadership style in your organization has a significant effect on employee performance</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
<td>50%</td>
<td>4.50</td>
<td>0.51</td>
</tr>
<tr>
<td>Leadership in your organization lay more emphasis on development of employees’ skills.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
<td>50%</td>
<td>4.50</td>
<td>0.51</td>
</tr>
<tr>
<td>Your organization's leadership encourages its employees to be adaptive to any possible changes in the working environment.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>53%</td>
<td>47%</td>
<td>4.47</td>
<td>0.51</td>
</tr>
</tbody>
</table>
4.5.1 Correlation between Leadership and Employee Performance

Pearson correlation was conducted to determine the statistical relationship between leadership and employee performance. The two variables exhibited a strong positive relationship because \( r=0.951 \). Since \( p=0<0.05 \) indicates that the independent variable, leadership is a good predictor of the dependent variable, employee performance. This is illustrated in Table 4.12 below.

**Table 4.12: Correlation between Leadership and Employee Performance**

<table>
<thead>
<tr>
<th></th>
<th>Leadership</th>
<th>Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlation</td>
<td>1</td>
<td>.951**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>N</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Employee Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlation</td>
<td>.951**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

4.5.2 Regression between Leadership and Employee Performance

Regression analysis was carried out to determine the linear relationship between leadership and employee performance. The coefficient of determination \( R^2 \) tells us the level at which the variation in the dependent variable is explained by the independent variable. From the results in Table 4.13 below, adjusted \( R^2 \) is 0.900. This implies that 90.0% variation in employee performance could be explained by leadership. Other factors not captured in the model were responsible for 10.0% variation in the dependent variable. The correlation coefficient \( R \) of 0.951 is an indication that there was a strong positive association between leadership and employee performance.

**Table 4.13: Leadership Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.951a</td>
<td>0.904</td>
<td>0.900</td>
<td>1.81789</td>
</tr>
</tbody>
</table>

\( a \) Predictors: (Constant), Leadership
4.5.3 ANOVA between Mobile Banking Service Accessibility and Firm Performance

The ANOVA (Analysis of variance) as indicated in Table 4.14 below is a measure used to indicate the level of significance with which the regression model could be relied upon as a predictor of the dependent variable. The statistical significance (p-value, 0<0.05). Using the F-distribution table, 1 tailed test, 28 df at 5% level of significance, F-calculated, 4.196<F-critical value of 263.1. Both p and F critical values indicate that the regression model is significant and therefore a good predictor of the dependent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>869.468</td>
<td>1</td>
<td>869.468</td>
<td>263.1</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>92.532</td>
<td>28</td>
<td>3.305</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>962.00</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Dependent Variable: Employee Performance
b Predictors: (Constant), Leadership

4.5.4 Coefficients for Leadership and Employee Performance

The findings presented in Table 4.10 below show that the regression equation was: Employee Performance = 9.867+0.753 Leadership. The influence of leadership was reported at beta or r = 0.951>p=0 hence significant. Besides, p=0<0.05, hence significant. Using the t-statistic, communication has a statistically significant effect on employee performance at Minet Insurance company. This is because a unit increase in the independent variable results to 16.22 increase in employees’ performance in the firm.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>9.867</td>
<td>1.826</td>
<td>5.402</td>
<td>0</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.753</td>
<td>0.046</td>
<td>0.951</td>
<td>16.22</td>
</tr>
</tbody>
</table>

a Dependent Variable: Employee Performance
4.6 Chapter Summary

This chapter has analyzed information received from the field and presented it in form of tables and figures. The next chapter, which is chapter five will discuss, analyze and interpret the study findings. In addition, the chapter will provide conclusions and recommendations for further studies based on the specific objectives discussed in the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter provided the summary, conclusions and recommendations based on the study findings in chapter four.

5.2 Summary of the Study
The study examined the effect of change management processes on employee performance in the insurance industry in Kenya- a case of Minet Insurance Company Ltd. Specifically, the study sought to address the following specific objectives: effect of organizational structure, communication and leadership on employee performance. The data collection instrument used to collect the primary data used in the study was the questionnaire. Primary data information obtained from 30 dully filled questionnaires from a target sample size of 36 respondents was used in the study. This translated to 83.3% response rate which was representative enough about the topic under review. The study adopted a descriptive research design approach. The study’s target population comprised of 38 employees of Minet Insurance drawn from all the tree levels of management namely top level, middle level and lower cadre employees. This target population was selected because it was representative enough of Minet’s workforce which had a better understanding of the relationship between change management processes and employee performance in the organization. This target population provided the researcher with relevant information regarding change management processes that influence employee performance in the insurance sector in Kenya. Stratified random sampling technique was employed to select the appropriate sample size for the study. Statistical Package for Social Sciences (SPSS) software version 22.0 was used to compute descriptive statistics such as the standard deviation and the variable means. The researcher used inferential statistics mainly correlation and regression analysis to explain the interrelationship existing between the independent and dependent variables in the study.

The study addressed the first specific objective concerning the relationship between organizational structure and employee performance. Regression analysis of the variables revealed that there existed a strong positive association between the two variables because the correlation coefficient R was 0.911. Therefore, other factors seem not to play a
significant role in affecting employee performance. However, the following factors mentioned in the study had a significant effect on employee performance. They include top management's responsibility for the direction major decisions should take, the firm's structure affects an individual’s attitude and behavior, firm's structure has a positive influence on employee performance and in a vertical organizational structure, communication is mostly one-way from bottom to the top. Other change management process attributes which had a low association with employee performance include firm activities are structured functionally based on departments, each department's roles are clearly defined, there is ease of communication between departments and communication and decision-making are faster at Minet Insurance.

As regards the effect of communication on employee performance, the study findings indicated a strong positive link between the variables which stood at 88.8%. Communication attributes such as communication ensures smooth flow of information, resources, and policies in your organization, communication in your organization involves outsiders such as supplier and radio, telephone and internet are some forms of communication within your organization have a greater influence on employee performance because their means were higher. The third specific objective of the study sought to address the effect of leadership on employee performance at Minet Insurance. The study established that their relationship was significantly positive at 95.1%.

5.3 Discussion
5.3.1 Effect of Organizational Structure on Employee Performance
Interest in studying the various forms of Organizational structure in different business setups has attracted widespread attention in various parts of the world in the recent past. Managers of new firms who want to design organization structure for their firms face difficult decisions (Steiger et al., 2014). They must choose from a myriad of alternative frameworks available that will suit their firms’ interests in terms of various job descriptions and departments. The first task the managers will have to contend with is to decide on individual jobs, secondly, they have to focus on the departments or groups of jobs suitable for their firms, and lastly consider how the issue of delegation of authority will be handled throughout the structure (Al-Qatawneh, 2014).
In some organizations, organizational structure is bureaucratic. Firm activities are structured functionally based on specialty such as market department, sales department, customer service department, etc (Rishipal, 2014). Functional Structures encourage employees to dedicate their efforts to a single function. This eliminates confusion because roles and expectations are clearly defined. It is however important to note that functional structures do not facilitate strong communication between various departments within an organization (Awa, 2016). Another form of organizational structure is divisional structure (Fairfield, 2016). In this type of structure, leadership is structured according to different projects or products. In such an arrangement, one is likely to have one holding company operating multiple subsidiaries. Each of the subsidiaries run a different line of business under one holding company’s name.

Some organizations prefer a matrix type of organizational structure. Under matrix structure, employees have multiple reporting lines and bosses. Employees report to a divisional manager and sometimes act as project managers for specific projects. While large organizations tend to prefer tall organizational structures, small ones and startups prefer flat structures (Sarman et al., 2018).

It may be argued that the rationale for flattening organizational structure hierarchies is to empower lower level employees be involved in the decision-making process in an organization. However, empirical studies have identified instances where flattened hierarchies have resulted in the emergence of highly restrictive structures (Rishipal, 2014). Tall bureaucratic structures have also been found to restrict employees’ participation in the organizations’ decision-making processes. Besides, this structure proved inflexible and time consuming because decisions must follow top-bottom hierarchy of authority (Mori, 2017). Although decisions are made comparatively quicker in flattened type of organizational structures, teamwork is key. Top management in these structures are the ones controlling the way tasks and responsibilities are distributed among employees. Thus, although the input of lower cadre employees is considered, top management still control the direction major decisions should take (Rishipal, 2014).

The controversy concerning the mixed and contradicting interrelationship between organizational structure and employee performance will continue bothering scholars and future researchers (Omondi et al., 2017). This trend will stop when a more universally
accepted empirical study proves otherwise regarding these two concepts. It is worth noting that a firm’s organizational structure refers to that formal system which clearly indicates the task and reporting relationships that exists in an organization. It is intended to control, coordinate and motivate employees to work together towards achieving some set organizational goals. Employee performance, on the other hand, is effort put by an employee towards meeting those targets on individual level. Employee performance can be assessed by the efficiency and effectiveness of an individual to achieve a set target. It comprises the actual results achieved by an employee when measured against actual inputs used (Akinbowale et al., 2013).

This study addressed the first specific objective concerning the relationship between organizational structure and employee performance. Regression analysis of the variables revealed that there existed a strong positive association between the two variables because the correlation coefficient R was 0.911. This was consistent with Nwonu, Agbaeze and Obi-Anike (2017) study on selected manufacturing firms in Nigeria’s Enugu state, and Setiawan, Putrawan, Murni and Ghozali (2016) study at Universitas Ternama in Indonesia. The other study which exhibited a positive relationship between organizational structure and employee performance was Funminiyi (2018) study in central Nigeria.

In Austria and China, Hao, Kasper and Muehlbacher (2012) found out that organizational structure had both direct and indirect effect on employee performance. Direct effect is however more significant than the indirect effect in almost different cases. The study revealed that comparing organizational learning with innovation, organizational structure had a more effect on the former than the latter. The study further established that the relationship between organizational learning and performance was indirect through innovation. The study also revealed that in Austria, both technical and managerial innovation elements of organizational structure influence employee performance. However, in China, managerial innovation component of organizational structure was found to have an insignificant effect on performance. Whereas firms in Austria preferred structural-oriented innovation, their counterparts in China preferred learning-oriented innovation. The study also established that in a technology intensive industry, organizational structure affects firm performance mainly through organizational learning and innovation. On the other hand, in traditional industry or capital-intensive industry,
organizational structure affects firm performance mainly through innovation without organizational learning.

5.3.2 Effect of Communication on Employee Performance
As regards the effect of communication on employee performance, the study findings indicated a strong positive link between the variables which stood at 88.8%. Communication attributes such as communication ensures smooth flow of information, resources, and policies in your organization, communication in your organization involves outsiders such as supplier and radio, telephone and internet are some forms of communication within your organization have a greater influence on employee performance because their means were higher. This was consistent with Nwata, Umoh and Amah (2016) study to investigate the effect of internal organizational communication on employees’ performance in some selected banks in Nigeria’s Port Harcourt. In this study, communication was measured in terms of upward communication and downward communication. The results of the study showed that internal communication had a significant influence on employee performance measured in terms of employee efficiency and effectiveness. The study findings were also in agreement with Atambo and Momanyi (2016) research findings on Kenya Power and Lighting Company employees’ performance in Kenya’s South Nyanza region. The study concluded that downward communication was responsible for timely information dissemination. Upward communication on the other hand was responsible for timely feedback to management because employees can raise complaints to the management. Once this happens, chances are that employees’ performance improves.

In the United States of America and Canada, Kessler (2007) examined the influence of organizational structure on performance of university faculty members. The study used a sample of 1135 full time faculty members working in 229 academic departments. Comparing the performance of faculty members working in organically structured departments with those working in mechanically structured departments, higher levels of job satisfaction was reported in the former than latter group of faculties. In addition, faculty members working in structured departments were less prone to abusive behaviors than their counterparts working in more mechanistically structured departments. This study findings were consistent with (Csaszar, 2012) revelation regarding effect of organizational structure on employee performance in mutual funds in the United States. In this study, organizational
structure was conceptualized as the decision-making structure among a group of individuals. The study findings revealed that organizational structure significantly affected the performance of employees in a wide range of organizations. Specifically, the study established that as consensus threshold required by the committee in charge of selecting projects was increased, omission errors increased, commission errors decreased, and the number of projects approved decreased. In Romania, Avram (2015) found that both internal and external forms of communication significantly influenced the visibility of institutions of higher learning in the market. Internal communication in universities is between the university management and its staff and students, while external communication is between the university in terms of potential students and the other academic stakeholders.

Communication has a significant effect on how people in a work environment relate. It is also instrumental in ensuring smooth flow of information, resources, and policies. Communication in the organization means communicating with one another in the company (Agarwal & Garg, 2012). The process includes sending and receiving messages using various modes of communication through different existing layers of authority. Several previous studies contend that effective communication enhances employee performance and by extension firm performance (Asamu, 2014). The same studies also opine that communication influences peoples’ perception and opinions about other people, business competitors, communities and society at large. When used as a managerial tool, communication facilitates information sharing among firm employees, coordinates their activities and reduces unnecessary managerial burdens that are all aimed at improving overall organizational performance (Bhardwaj & Punia, 2013).

External communication involves interaction between the firm and the immediate environmental elements such as creditors and customers. Effectiveness of external communication is dependent on how perfectly internal communication is handled. Some of tactics used in external communication include using press kits, brochures, new releases, factsheets and annual reports to communicate with the outside world (Rajhans, 2012). Other tactics such as open houses and tours, conferences, speeches, and doing public projects are all directed to external audiences. According to Shaikh, Tunio and Shah (2017), external communication has a significant effect on firm performance. Besides, it can be used as indicators of how likely the firm can go in terms of being visionary in the business it is doing. Rajhans (2012) further believes that good business habits are good external
communication indicators. Thus, as a business enterprise grows, the corresponding desire for good communication also increases. The researcher further admits that many business organizations have now integrated communication programs into their strategic plans and annual targets.

5.3.3 Effect of Leadership on Employee Performance

The third specific objective of the study sought to address the effect of leadership on employee performance at Minet Insurance. The study established that their relationship was significantly positive at 95.1%. Previous studies have identified democratic or participative leadership style to be more effective and leads to improved employee performance than other leadership styles. Since this leadership style encourages contributions from all group members, empirical studies have attributed such participation to boost group morale (Saeed et al., 2016). Veliu, Manxhari, Demiri and Jahaj (2017) contend that democratic, autocratic and transformational leadership styles have a positive effect on employee performance. However, charismatic, bureaucratic, laissez-faire and transactional leadership styles have insignificant negative effect on employee performance.

Autocratic leadership on the other hand gives full empowerment to the leader with minimal participation from the followers. Autocratic leaders do not consult other members of the organization when making decisions. They set all policies by themselves, they predetermine the methods to be applied in the workplace, they determine the duties to be undertaken by their followers, and finally, technical and performance evaluation standards are set by the leader. Since decision-making is done by one person, it is usually faster. Although the autocratic style of leadership is not very popular, it is ideal in situations when decisions must be made very fast or when followers are not productive (Veliu et al., 2017). In Kenya’s Turkana County, Ing’ollan and Roussel (2017) established that autocratic leadership style significantly influenced employee performance at 52.2%. This was followed by affiliative leadership style at 49.9% rating. Ahmad, Hussain and Tariq (2014) contend that autocratic leadership style is good in the short-term while democratic leadership style is good in the long-term. Another leadership style is the laissez-faire type of leadership. Some typical characteristics associated with this leadership style include “do nothing” or “hands-off” leadership attitude. Such leadership behaviors include the leader staying away from employees, too much delegation of supervisory roles, and the leader generally being “inactive, rather than proactive or reactive” (Chaudhry & Javed, 2012).
Previous studies have proved that laissez-faire leadership style is the least effective and satisfying of all leadership styles. This is because this leadership style is associated with little sense of accomplishment, clarity, little sense of teamwork, and followers generally do not hold dear respect for their supervisors (Chaudhry & Javed, 2012). Transactional leadership style is one which displays behaviors which are associated with corrective and constructive transactions. The corrective style is commonly known as Management-by-Exception whereas the constructive style is commonly known as Contingent Reward or active and passive (Rothfelder et al., 2013). In transactional leadership, organizational expectations are clearly defined, and performance is promoted to achieve the set levels. Management-by Exception and Contingent Reward are the two major behaviors associated with 'management' functions in any business organization. Full range transactional leaders exercise these two types of transactional leadership and more (Amirul & Daud, 2012). Khan and Nawaz (2016) favor transformational and transactional leadership styles.

Basit, Sebastian and Hassan (2017) used a sample size of 100 from one private organization in Selangor in Malaysia. The study showed that democratic leadership style was the most preferred followed by laissez-faire leadership style and then autocratic leadership style. Democratic leadership style had the highest mean value of 3.784 and standard deviation of 0.8124. It was followed by laissez-faire leadership style with the second highest mean score of 3.416 with a standard deviation value of 0.5858. Autocratic leadership style ranked last with the lowest mean value of 3.404 with a standard deviation value of 0.7330.

Bureaucratic leadership style focuses on rules, regulations and procedures to manage project teams. It is a style that has the strictest rules and diffused among several departments in an organization or people. It is a classic style of leadership that is used in most organizations that do not encourage innovation and change. Bureaucratic leadership style is also common with leaders who feel insecure and uncertain regarding their stay or role in an organization. Bureaucratic leaders are often familiar with the organization’s various policies and guidelines. Some people in a bureaucratic setup who may feel that things are beyond their control will not hesitate to refer any difficulty to a leader higher in demand (Idrus et al., 2014).

Transformational leaders attempt to focus on developing their followers and satisfying their needs. Managers who exercise transformational leadership style in their organizations lay
more emphasis on development of employees’ value systems, moralities and motivational level with the development of their skills (Ekaningsih, 2014). This leadership style acts as a bridge between leaders and followers in as far as developing a clear understanding of the follower’s values, interests and motivational levels are concerned. By working in an organizational setup, transformational leadership helps followers achieve their goals. Transformational leadership style encourages its followers to be adaptive to any possible changes in the working environment (Sundi, 2013). Transformational leadership may also be defined as a model for understanding employees’ extraordinary effort and performance in a business setup. It stresses employees’ self-sacrifice for the good of the firm. Ojokuku, Odetayo and Sajuyigbe (2012) favored transformational and democratic leadership styles to be used in the banking industry in Nigeria. In India’s telecommunications sector, Ahmad, Abbas, Latif and Rasheed (2014) study favored transformational leadership style. So did Abubakar and Ahmed (2017), Al-Harthy, Nor and Yusof (2016) and Paracha, Qamar, Mirza, Ul-Hassan and Waqas (2012).

Although charismatic leadership may be recognized, it is usually perceived with less tangibility when compared with all the other leadership styles. This is usually so because it is very difficult to define an individual’s charisma by simply examining that person. Veliu et al., (2017) defines charisma as an untraditional influence of followers by their leader who possesses exceptional qualities as far as the followers are concerned. In most cases, charismatic leadership emerges during crisis times. This usually occurs when basic values, institutions, and organization’s legitimacy are brought into question. Genuine charisma is always linked to something ”new”. During extraordinary times, this ”new” issue calls for charismatic leadership style so that actions, movements, and events which are out of the ordinary can be performed for the good of the organization. Charismatic leadership can be attributed to the sociological and psychological belief of the followers and not necessarily the quality of the leader. To a leader, “charismatic” emotion beliefs evoked by followers can compel the leader to demand obedience from them (Aaltio-Marjosola & Takala, 2000).

In Pakistan, a study was carried out to assess the relationship between charismatic leadership and organizational effectiveness in the country’s telecom sector. The study revealed that charismatic leadership had a positive relationship with organizational effectiveness. Employee recognized charismatic leaders without any form of conflict and performed well thus improving organizational effectiveness. Charismatic leaders can build
successful teams. They can also easily recognize employees’ abilities and skills which have a positive effect on their productivity. The study further established that charismatic leaders motivate and assist employees to be loyal to the organization (Ansar et al., 2016).

5.4 Conclusions
5.4.1 Effect of Organizational Structure on Employee Performance
Using Pearson’s product moment correlation analysis, the study concluded that there was a significant positive correlation between organizational structure and employee performance because r=0.911. The study further revealed that the major organizational structure elements which have a significant effect on employee performance include top management involvement in decision-making processes, structure effect on employee attitude and vertical organizational structure. The firm should strive to maintain higher standards of these elements within its workforce.

5.4.2 Effect of Communication on Employee Performance
Using Pearson correlation, the study established that communication had a significant positive relationship with employee performance because r=0.888. The study further revealed that the major communication elements which have a significant effect on employee performance include smooth flow of information, influence of outsiders such as suppliers and use of various forms of communication such as radio and telephone. Thus, the firm should strive to improve its communication elements to improve employee performance.

5.4.3 Effect of Leadership on Employee Performance
The study concluded that there was a significant positive relationship of 95.1% between leadership and employee performance. The major leadership elements which have a significant effect on employee performance include embracing teamwork, faster decision-making and effective leadership. The firm should strive to maintain effective leadership in its operations.

5.5 Recommendations
5.5.1 Recommendations for Improvement
5.5.1.1 Effect of Organizational Structure on Employee Performance
In order to improve its organizational structure, Minet Insurance may wish to evaluate the functions and compatibility of its organizational structure. Since the relationship between these two variables was significantly positive, it is therefore, recommended that Minet
Insurance should see their structure as a major determinant of performance and as such, redesign their structure for optimal performance.

5.5.1.2 Effect of Communication on Employee Performance
Regression analysis on the correlation between communication and employee performance was significantly positive. Minet Insurance should embrace smooth flow of information, influence of outsiders such as suppliers and use of various forms of communication such as radio and telephone to improve employee performance.

5.5.1.3 Effect of Leadership on Employee Performance
The study established existence of a strong positive relationship between leadership and employee performance. Based on this finding, it is recommended that Minet Insurance should embrace teamwork, faster decision-making and effective leadership since they carry more weight in improving employee performance.

5.5.2 Recommendations for Further Research
Since this was a case study involving one insurance firm, future researchers should consider targeting more insurance companies to get a more representative view of the industry. The bigger the sample size, the higher the chances of having better results. More research should also be done on the various elements of organizational structure, communication and leadership other than the ones captured in this study.
REFERENCES


APPENDICES

Appendix 1: Questionnaire
Effect of Change Management Processes on Employee Performance at Minet Insurance Company in Nairobi, Kenya

The following questionnaire is divided into three sections for ease of administration and will require approximately 5 to 10 minutes of your time to complete. For purposes of confidentiality, please do not include your name. To enhance the quality of survey, please provide as much detail as possible. Participation is strictly voluntary, and you may refuse to participate at any moment.

SECTION A: GENERAL INFORMATION

Please tick ONE appropriate box below

1. Gender: Male ☐ Female ☐


3. Level of Education:
   Diploma ☐ Undergraduate ☐ Graduate ☐

4. What is your management level in the Organization?
   Senior Level ☐
   Mid-Level ☐
   Lower-Level ☐
SECTION B: TO EVALUATE THE EFFECT OF ORGANIZATIONAL STRUCTURE ON EMPLOYEE PERFORMANCE

Please indicate the extent to which you agree or disagree with the following statements by ticking the relevant number. (1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree, 5=Strongly Agree).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Structure Types</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm activities are structured functionally based on departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Each department focuses on specific functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Each department's roles are clearly defined</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is ease of communication between departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Flat Structure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication and decision-making are faster in your organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is flexibility and adaptability in decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm's organizational structure encourages teamwork</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management is responsible for the direction major decisions should take</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vertical Structure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In a vertical organizational structure, communication is mostly one-way from bottom to the top.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your organizational structure is aligned to firm's goals and objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm's structure has a positive influence on employee performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm's structure affects an individual’s attitude and behavior.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION C: TO INVESTIGATE THE EFFECT OF COMMUNICATION ON EMPLOYEE PERFORMANCE

Please indicate the extent to which you agree or disagree with the following statements by ticking the relevant number. *(1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).*

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication in General</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication has a significant effect on how people in your organization relate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication ensures smooth flow of information, resources, and policies in your organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication in your organization involves insiders such as employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication in your organization involves outsiders such as suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal Communication</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radio, telephone and internet are some forms of communication within your organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology is used in sending and receiving messages within your organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication in your firm may be facilitated through newsletters, surveys, suggestion boxes and circulation materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees within your firm engage with one another most of the times</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Communication</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm engages with immediate environmental elements such as creditors and customers most of the time.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication between your firm and other stakeholders depends on how effective your firm’s internal communication is.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm uses press kits, brochures, new releases, factsheets and annual reports to communicate with stakeholder.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your firm engages in corporate social responsibility projects to interact with external audience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION D: TO ASSESS THE EFFECT OF LEADERSHIP ON EMPLOYEE PERFORMANCE

Please indicate the extent to which you agree or disagree with the following statements by ticking the relevant number. (1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree, 5=Strongly Agree).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Democratic Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork is embraced in your organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Everyone in the team contributes to the discussion.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Autocratic Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision-making in your firm is faster</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style in your organization has a significant effect on employee performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Laissez-faire Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style in your organization is associated with little sense of teamwork,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style in your organization encourages employees not to hold dear respect for their supervisors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bureaucratic Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are rules, regulations and procedures that guide operations and conduct in your organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style in your organization is hesitant to change initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transformational Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership in your organization lay more emphasis on development of employees’ skills.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your organization's leadership encourages its employees to be adaptive to any possible changes in the working environment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charismatic Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership in your organization has untraditional influence over its employees especially during crisis times.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership in your organization is to a greater extent attributed to the sociological and psychological belief of the followers and not necessarily the quality of the leader.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU FOR TAKING YOUR TIME TO COMPLETE THIS QUESTIONNAIRE
TO WHOM IT MAY CONCERN

26TH JUNE 2019

Dear Sir/Madam,

REF: PERMISSION TO CONDUCT RESEARCH- GRACE WAIRIMU MUNGAI

STUDENT ID NO. 653298

The bearer of this letter is a student of United States International University (USIU)-Africa pursuing a master’s Degree in Business Administration.

As part of the program, the student is required to undertake a dissertation on the “Effect of Change Management Processes on Employee Performance in Insurance Industry: A Case of Minet Insurance” which requires her to collect data.

Please note that information provided will be treated with utmost confidentiality and will only be used for academic purposes.

Kindly assist the student get the appropriate data and should you have any queries contact the undersigned.

Yours Sincerely,

[Signature]

Prof. Antony Njuguna
Dean School of Graduate Studies, Research and Extension
Tel: 0730 116 442
Email: annjuga@usi.ac.ke
Appendix 3: NACOSTI Certificate

THIS IS TO CERTIFY THAT:  
MISS. GRACE WAIRIMU MUNGAI  
of UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA, 19524-100  
Nairobi, has been permitted to conduct research in Nairobi County  
on the topic: EFFECT OF CHANGE MANAGEMENT PROCESSES ON EMPLOYEE PERFORMANCE IN INSURANCE INDUSTRY: A CASE OF MINET INSURANCE  
for the period ending:  
23rd July, 2020  
Applicant's Signature  
Date Of Issue: 25th July, 2019  
Fee Received: Ksh 1000  
Permit No: NACOSTI/P/19/31254/31812  

Director General  
National Commission for Science, Technology & Innovation  

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION  

Ref No. NACOSTI/P/19/31254/31812  
Date: 25th July, 2019  

Grace Wairimu Mungai  
United States International University  
P.O. Box 14634- 00800  
NAIROBI  

RE: RESEARCH AUTHORIZATION  

Following your application for authority to carry out research on “Effect of change management processes on employee performance in insurance industry: A case of Minet Insurance,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 23rd July, 2020.  
You are advised to report to the County Commissioner, and the County Director of Education, Nairobi County before embarking on the research project.  
Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.  

Godfrey P. Kaleiwa, MSc, MBA, MBIM  
FOR DIRECTOR-GENERAL/CEO  

Copy to:  
The County Commissioner  
Nairobi County.  
The County Director of Education.