Helen Ebongkeng

ORGANIZATIONAL CHANGE AND PERFORMANCE

Case study: African Financial Company SOFINA S.A, Cameroon

Thesis
CENTRIA UNIVERSITY OF APPLIED SCIENCE
Business Management
March 2018

ABSTRACT

Centria University of Applied Sciences	Date March 2018	Author Helen Ebongkeng
Degree programme Business Management		
Name of thesis ORGANZATIONAL CHANGE AND PERFORMANCE Case study: African Financial Company (SOFINA) S.A, Cameroon		
Instructor Birgitta Niemi		**Pages** 28 + 1
Supervisor Birgitta Niemi		

The financial industry in Cameroon has experienced a boom with the emergence of new financial institutions to offer financial services to customers. To be able to stand out of the rest means financial institutions must be able to serve their customers more effectively and efficiently than competitors. The availability of high speed internet connections, top speed computers are some of the available resources to help provide customers with excellent quality services. Change is important in every organization because it helps them compete with other organizations and lead them to company goals.

The main aim of this report is to evaluate the impact of organizational change on the performance of micro finance institutions which was effectively carried out in SOFINA, with the main objective of looking at the challenges most micro finance institutions faces and how changes can be put in place to overcome such challenges. The research was also based at exploring the relationship between the concept of organizational change and performance management. A questionnaire was used to collect information, while secondary data was used to collect information from the internet, books found in library and from some documents from the responses of the questionnaire issued. Based on the result obtained, the main findings indicate that organizational change has an impact on the staff and customers of SOFINA.

Based on the findings, it shows that change in micro finance institutions is necessary. It is worth mentioning that the underlined aim of any change initiative is to enhance economic and shareholders' value as well as maximizing profit. Because of this, managements of change and transition needs to be taken as a core activity in achievement of organizational survival and growth. To crown it all, organizational change is likely to improve on the performance of micro finance institutions as it will lead to better efficiency and effectiveness.

Key words

Organization, Organizational Change, Organizational Performance, Change management

ABSTRACT

ABSTRACT

CONTENTS

FIGURES

1 INTRODUCTION

The business world is becoming very competitive with the emergence of modern technologies. New methods of carrying out businesses to provide customers with a better quality of products or services. Customers' satisfaction is the focal point for every business which means business owners must use all possible means to make their customers satisfied. Satisfied customers may become loyal customers thereby increasing the profit margin of the company. It is for this reason change is essential in every organization. Change is important if a company wants to remain competitive and successful. The birth of modern technologies, customers' competitors are some of the push factors for change to occur in an organization. Customers' needs, and expectations are ever changing, forcing organizations to search for better ways to meet the needs of their customers.

An organization's success can most often be attributed to internal and external parameters each playing varying roles and contributing in significant proportions to the overall success. For an organization to be able to achieve a competitive advantage, more emphasis must be played on the personnel in the organization as this constitute the real assets of every organization that has a great and immense role to play for the achievement of an overall organizational success. Harrington (2003) said for an organization to achieve successful results and have a very productive workforce, they have no choice but to employ talented employees. An organization can be described as the commonly called survival model. In this case, the main objective of the organization is to keep a keen eye on its existence and continuity. Most of the organizations operating under this model are based on multi-operative arrangements and most of them are communal. (Harisalo, 2008)

The financial industry in Cameroon has experienced a boom with the emergence of new financial institutions to offer financial services to customers. To be able to stand out of the rest means financial institutions must be able to serve their customers more effectively and efficiently than other competitors. The availability of high-speed internet connections, top speed computers are some of the available resources to help provide customers with excellent quality services. Change is important in every organization because it helps them compete with other organizations and lead them to company goals.

The objectives of every organization or business cooperation is to make profit and achieve goals, while remaining competitive. This has made change and performance to be the most discussed topic in all organization. In this research, it will be important to look at change management and performance management from an organizational point of view. The changing environment, low performance of employees and the desire to be more competitive in the industry may be some of the reasons for an organization to want to change certain points. After implementing the change, there will be a need to access the impact of the changes that has been carried out. The first objective of this research is to define and study the concept of organizational change management and performance management. Secondly, the research will explore the relationship between the concept of organizational change and organizational performance. The final objective will be to analyze the effect of change management on the performance of an organization.

The research question is; What is the impact of organizational change on the performance of SOFINA and other enterprises? From the main research question, the researcher developed some sub research questions. What are the internal and external forces that cause change in microfinance institution? Why do employees resist change and what can be done to overcome resistance to change? What are the challenges faced by SOFINA that can cause them to change their performance?

To help explain the research results, questionnaires were designed and sent to the manager and employees who have a better knowledge about the company. The questions were sent by emails and Wechat message to explain the questions. In addition, the questionnaire was also sent to customers who had stayed in the case company, the questionnaire shows how satisfied and loyal they are and the factors which may influence organizational change and performance will be discovered as well. A 3 weeks period was provided for the respondents to response to the questions. The data and information collected from the questionnaire were analyzed. Furthermore, literature will be studied to obtain basic knowledge about the concepts of organizational change and performance.

2 CHANGE MANAGEMENT AND PERFORMANCE MANAGEMENT

In this chapter, the concepts of change management and performance management will be discussed. Organizational change drivers and types of organizational change will be analyzed here. At the end of the chapter, some effects or impacts of change on the performance of an organization will analyzed.

2.1 Change Management

Change management is the process, tools and techniques to manage the employee side of a change to achieve the required business outcome. Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transactions resulting in the adoption and realization of change. An organization can deliver its strategy. This entails the optimal alignment of positions, accountabilities and authorities, people, deliverables and task. If these are not well aligned, performance will be sub optional. Research shows that only about 50 % of manager direct report relationships are optimally aligned, so it seems unlikely that most organizations are best positioned to deliver their strategies. Georges (2016) defines organizational change as the adoption of innovative ideas or behaviour of an organization due to external and internal pressures.

Organizational change is all about optimizing the performance standards of an organization and this may sometimes occur as either due to the ability of the organizations managerial staff to be proactive or reaction to environmental changes or the presence of a crisis. Whatever the case maybe, the organization will always require a well talented and very capable managerial staff to trigger any change and for it to be successful. Van de Ven & Poole (1995) made some valuable propositions to the causes or organizational change. They proposed that organizational change can be best explained with the aid of theories such as the life-cycle theory, the dialectical theory and the teleological theory. The dialectical theory believed that an organization is just like a culturally diverse society with very opposing views and opinions wherein new organizational values develop because of one force dominating the other and a goal is thereafter established thus resulting to organizational change. Increased comprehensiveness of more planners with more resources would thus lead to better planning teams, better analysis of the environments, better options for new systems, better choices of such systems and better implementation plans, all of which would lead eventually to improved performance.

Organizational change can also be the process of increasing organizational effectiveness and facilitating personal and organizational change using interventions driven by social and behavioural science knowledge. Another definition of organizational change is a planned process of change in an organizations culture through the utilization of behavioural science technology, research and theory (Burke, 1982). Kotler & Schlesinger (2008) clearly states that organizational change means organizational transformation. Rapid changes however do occur in many organizations because of very tense competitive environments where organizations have to operate and lead to increased competition, sales, revenue and organizational expansion. From a global perspective, the concept of organizational change can be an organizational wide transformation, which may include aspects like change in the organizations missions, culture, modus operandi, partnership agreements, merger decisions, and much more. David & Rachid (2003) made very significant contributions through research and pointed out that to a very high degree, employee obligation and commitment are required if the organization aims to achieve its growth and prosperity objectives.

According to Lewin (1951) in the process of bringing about effective change, noted that individual experience has two major obstacles to change. Firstly, they are unwilling to change long established attitudes and behaviors. The second major obstacle noted by Lewin (1951) was that change frequently last only for a brief time. After a brief period of trying to do things differently individuals often return to their traditional pattern of behavior, this also occurs with most microfinance institutions. Almost everybody is nervous about change, many will resist it continuously and sub continuously. Change will have a negative impact on those who are afraid in many cases. However, the targeted population for change will come to realized that the change was for the better.

Organizational change looks both at the process in which a company or any organization changes its operational methods, technologies, organizational structure, whole structure, or strategies, as well as what effects these changes have on it. Organizational change usually happens in response to or because of external or internal pressures. It is all about reviewing and modifying structures specifically management structures and business processes. Small commercial enterprises need to adapt to survive against larger competitors they also need to learn to thrive in that environment. Large rivals need to adapt rapidly when a smaller, innovative competitor comes onto the scene. To avoid falling behind, or to remain a step ahead of its rivals, a business must seek out ways to operate more efficiently and cost effectively. Change is something that should be embraced not feared. Only with change will businesses be able to lay the foundations for long-term success. It is an undisputed fact that change is just a necessary process or a complete set or processes to embrace at all cost, many people and most employees still find it very difficult and bone breaking to accept the changes. “For any people, the spectra of change produce what is sometimes called as the Factor fear, Uncertainty and Doubt” (Dulger, 2009). According to Dulger (2009), most people generally have resistance towards change. Individuals take actions and work groups operate processes in organizations to compete effectively with other organizations that provide products or services similar to their own. Competing effectively requires an organizations top management team to set specific objectives that, if achieved, guide the organization to a location in its environment where it can achieve its mission and maintain its profit or funding level.

However, the life-cycle theory is of the assertion that every organization is an entity of its own with both an internal and external environment with cycles from birth, growth, maturity and declination. Furthermore, the teleological theorist is of the perspective that any change in an organization is as result of an attempt to achieve an ideal state with continuous processes starting from goal setting, execution, evaluation and finally restructuring. Change is inevitable, is for better or for worst, depending on where you view it. Change is something that presses on our comfort zone. Change has an adjustment period which varies on the individual or an organization. It is measured by the impacts on all who are connected to it. For instance, organizations like SOFINA were facing lot of challenges but since organizational change was introduced these challenges have been overcome. Virtuous organizational action is the perceived exercise of collective behaviour that indicates the organization is following principles that leads to some form of moral or ethical betterment. At the level of individual, virtues involved admirable qualities of one’s character and conformity of ones conduct to moral and ethical principles of right which makes one’s self and society morally better and promotes wellbeing and their good life (Hill & Sandage 2001).

2.1.1 Organizational Change Drivers

An organization’s change drivers according to Murthy (2007) include:

Economic forces: If there is a recession, a company may have to lay off workers, this requires restructuring. A merger or takeover also means total reorganization and changes in corporate culture.

Changing customer needs and preference: People’s lifestyles and how they shop, work and spend their leisure times are forever changing. Since the advent of the Internet, these changes have been occurring at significantly faster rates.

Technological forces: New hi-tech systems and devices have completely changed how commercial enterprises do business and interact with other entities in the marketplace. New business models such as virtual collaboration and outsourcing are only possible today thanks to the Internet and ultra-high-speed communications. Without technological change, our business leaders would still be dictating correspondence to human beings, who would then type them out and arrange for them to be distributed to the relevant people wasting an incredible amount of time and resources.

Increased global competition: If a new rival comes onto the scene with completely different commercial behaviours, the other players may have to adapt, especially if that competitor is successful in gaining market share.

Rules and regulations (government forces): When companies are faced with new legislation or rules imposed by the relevant regulatory authorities, they need to do two things: 1. Comply with them. 2. Adapt so that they may continue to thrive.

2.1.2 Types of Organizational Change

What type of organizational change a company requires or is going through varies, depending on the person’s point of view. A manager in technology may see it in terms of systems, tools, software, hardware, etc., the CEO will invariably perceive change in terms of structure and strategy, an operations manager will mainly see it in terms of processes, etc. In most of cases, the change is so complex and intricate that nobody can really define it fully from a specific standpoint. Below are some of the common types of organizational change (Georges, 2016).

Mission and Strategy: A company’s aims and goals and how it plans to accomplish them. Hardly any change in an organization is not related to its mission and strategy. Mission and strategy affect every part of a business, therefore any change in this area has a company-wide impact.
Policies and Legal Agreements: Changing these may be highly unpopular with customers and the workforce. Any type of change in this area, even a minor one, may have a significant impact on a company.

Organizational Structure: The hierarchy within an organization, which defines each job and department, their function and where they report to. When two commercial enterprises merge, or one takes over another, there are major structural changes. Sometimes the change may be minor, such as when a new team is established.

Processes: A collection of linked tasks which find their end in the delivery of a product or service to a consumer. Processes and tasks are commonly altered during organizational change. In some organizations, changing or upgrading processes is ongoing or done on a regular basis.

Personnel: Including hiring, firing, training, roles, responsibilities, and other changes related to the workforce.

Culture: Refers to the pervasive beliefs, values and attitudes that characterize a firm and guide its practices. Any change in these areas can have a profound impact on every aspect of the organization, including innovation, compliance, and productivity.

Products: Changes to products, and everything related to encouraging consumers to buy them marketing and sales are an essential focus for most organizations.

Knowledge**:** Supports every product, process, initiative, project and program. Change here refers to the knowledge assets of the company. Knowledge asset are the information or skills within an organization that make it more competitive or valuable.

Technology: today, virtually every commercial enterprise is some kind of Tech Company. Sometimes a company makes changes to its technology infrastructure, automations, systems, hardware, software, etc.

2.2 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against intended goals and objectives (Virgina D. 2009). In other words, organizational performance can be understood by how well an organization is doing to achieve its goals. It is very important for the owners or managers of an organization to know the performance rate of their organization to be able to know what changes they can introduce. Without the knowledge of the performance, it will be difficult for the executives of the organization to know when exactly changes are needed in the organization. From past literatures, performance seem to be a very complex concept. More attention needs to be given to how performance is assessed. Superior performance means that the work is done effectively and efficiently. Organizational performance refers to a long-range effort to improve an organizations problem-solving capacity and its ability to cope with changes in its external environment with the help of eternal or internal behavioural- scientist practitioners, or change agents, as they are sometimes called. According to Chen et al., (2002), organizational performance is all about goal accomplishments through the transformation of inputs into outputs. From a content perspective, performance is all about economy, efficiency and effectiveness. It brings out the relationship between effective and minimal cost (economy), the outcome and achieved outcome (effectiveness), between realized and effective cost (efficiency).

Deficient performance maybe the basis for the management of organization to start the process of change. This maybe reflected from the profit margin or market share of the organization. When the management of an organization is faced with this situation, they will start the search for better management or organizational strategies that will be able to improve the situation of the organization. After these changes have been carried out, it will be now time the effectiveness of the changes on the organization. It will be important to consider performance measures and performance referent. Performance measure is a Metrix along which organization can be gauged. Some managements of organizations use profit, stock price and sales to get a better understanding of the wellbeing of the organization. Performance referent is a benchmark used to make sense of an organization's standing along a performance measure (Short & Palmer, 2003). It is very important for managers to rely on various kinds of measures of performance to check the success of their organizations.

2.3 The Effect of Organizational Change on Performance

The concept of the organizational change comes from the nature and environment of the organizations. Change basically means series of events which supports the process of development in organizations.

Organizational change generally means rightsizing, new development and change in technologies, re-scheduling operations and major partnerships. Organizational change includes Mission changes, Strategic changes, Operational changes (including structural change), Technological changes, Changing the attitudes and behaviours of personnel's, Counter resistance from different employees of companies and align them to strategic directions of the organization (Kreitner & Kinicki, 2007).

There are two elements which can make an employee to perform well; there is the tangible and intangible element. The tangible element deals with recruiting the right persons for a given task, having he right tools for the job, good physical working environment and having an appropriate reward for the job. Intangible element range from the easily definable and such as working for a highly respected organization is highly personal such as feeling recognised and having a sense of achievement. A good leadership and line management have the most profound impact on performance of people. It makes sense of have good physical working conditions but these will make less difference than good leadership. Soldiers have to work in dire conditions but good leaders ensure they continue to be loyal and motivated despite the physical environment (Bourne & Bourne, 2011)

Changes affect performance at the individual, team and organizational level. Individuals learn through curiosity and experimentation, teams learn by encouraging diversity of ideas and input, organizations learn by disciplines continuous improvement and experimentation. When a change occurs, good things happen. Individuals have a more robust life and are more committed to work. Teams are more productive and organizations and competitive. Learning is employees' responsibility; it is not enough to say that someone else should learn. Each person is accountable to oneself and though that person accountability should take responsibility for learning. This requires making choices, seeing consequences and taking corrective action so that each cycle of behaviour is better than the last (Kumar & Ramsay. 2014).

2.3.1 Employee Performance

Employee performance is vital for the success of every organization and profitability in this dynamic environment. Nowadays organization requires such type of employees who contribute more than their job scope and far from goals expectations. Most of the organizations managing with contemporary challenges put more emphasis on employee performance. According to some authors, 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 restructuring of the organizations usually decrease employees’ performance. In additions to that, task, quantity and quality, changing location and time constraints radically affect the work life of employees. Nowadays, many companies are facing current challenges and need to put more concentration on increasing employees' performance. Hence, to connect in valuable performance, managers need to let employees have more power to design their jobs and roles. Thus, employees will find their jobs more fit between employees' needs, skills and values. The deficiencies of employee performance will be overcome by effective leadership, communication, motivation, employee development, tolerance to change, procedural justice, and organizational culture. Some of the following effects may occur on employees’ performance due to an organizational change: (Georges, 2015)

Mental stress: Organization change, particularly when the changes are broad in reach and several changes occur simultaneously, it results to increased stress-related prescriptions by employees. There may be many causes for increased stress levels, including perceived injustices or unfairness, lack of timely communication by management or fear of future changes.

Loss of loyalty: Many companies look to salaries and benefits as the first places to cut back when looking to make changes that involve cost-saving. When this happens, it is inevitable that some employees will leave the company to seek employment elsewhere. The employees that remain, whether they stay voluntarily or because they could not find employment elsewhere, are often resentful. Motivation decreases, taking job performance along with it. Employees lose their company loyalty and may even become angry enough to purposefully sabotage the company.

Increased time away from work: When organizational changes are announced, particularly when there is downsizing involved, employees generally divide into one of two groups: those who will attempt to control their fate and those who want to get out before the changes occur. The group taking control will usually dig in, increase their productivity, hit their deadlines and do everything they can to shine in front of their managers hoping they will sail through the changes with their job intact. The remaining employees cope with the changes by avoiding them. You may see these employees taking longer lunch hours, coming in later and leaving earlier or simply not coming into the office at all. Whether they are looking for new jobs or simply avoiding the office, expect to see an increase in employee sick days while you carry out the organizational changes.

Life changes: Some organizational changes require major restructuring, resulting in sweeping life changes for many employees. Typical changes that negatively impact a portion of the employees are salary cuts, loss of benefits, downgrading in job position, job loss or relocation to another city, state or country. These can be devastating changes to employees, particularly those who are supporting families. The best way to handle these changes while keeping the morale up of the remaining or unaffected employees is by communicating with all the employees every step of the way and treating the affected employees with fairness and compassion.

2.3.2 Strategy

Strategy is the term given to the overarching goals and objectives of a business. Strategy decisions affect what line of business a company is in, who it serves and how it serves them, as well as how the company operates internally. It can be difficult to predict exactly what will happen when an organization changes its strategy. Changing an organization's strategy can change the way the organization operates, altering everything from organizational structure to the daily routines of employees. (Neba, 2016)

Changing strategy can have many positive effects. New strategic directions can help a company to adapt to changes in the legal environment or the marketplace. New strategies can help a company to perform more effectively or cost-efficiently, or can help them to enter a new, more profitable industry or market segment. Changes in strategy can also help a stagnant company to reclaim its former growth rates. Not all the effects of change are positive. Internal employee resistance can be a major barrier to effective change implementation, as certain people strongly resist any kind of change to the status quo or daily routine. There is also always the possibility of failure in new initiatives, leaving a company in a worse position than it was before the change. (Neba, 2016)

2.3.3 Stakeholders

Change is inevitable and any effort to manage change is uniquely complex. Organizational Change Management (OCM) is centred on managing the people side of change, and there are some key strategies you can use to involve your stakeholders throughout the process so that change is empowered, not imposed. The goal is to involve stakeholders in each change so that they are empowered to guide its success. How quickly individuals adopt a new change and become productive in it depends on leadership and stakeholder engagement. This key discipline discourages imposing changes upon individuals. Instead, it encourages actively and adequately involving stakeholders throughout the process while also applying thought leadership. The idea is to effectively communicate and advocate for meaningful change in such a way that people do not feel it is being done to them, but with them. All individuals want to feel empowered in the workplace and as though they are important to its success. Without leadership and stakeholder engagement, changes can be perceived as edicts that can quickly alienate your stakeholders. To achieve the greatest level of success with your changes, focus on opportunities to involve leadership and stakeholder collaboration from the start. Empowering change by engaging early on with the people directly affected by the change and communicating its benefits increases the likelihood of acceptance. Even the smallest lack of awareness or indifference to your stakeholders can quickly manifest into a problem that will negatively impact your business. Being sensitive to your stakeholders can bring about a change in a progressively evolutionary way, rather than a reactionary one. (Georges, 2015).

2.3.4 Shareholders

A shareholder is a person that owns at least one share of stock in the company. As a shareholder, a person stands to make money when the company is doing well or lose money during tough times. This means being a shareholder comes with some risks. The good news is that, unlike owning the company, there is no personal liability. If the company is sued, a shareholder will not lose any private property or assets other than their investment. Financial decisions are those that affect the bottom line in terms of revenue and profits. Decisions like taking on debt for expansion may turn away potential investors. This may be a warning sign that the company's revenues will not turn to profits. This will have a negative effect on the value of stocks. Sometimes operational decisions are made like the launching of a new product or merging with another company, if the launching or merging is successful, then the company's stocks will have more value and attract more investors but if it fails then there will be a drastic withdrawal of investors. (Georges, 2015).

2.3.5 Competitors

Organizations are also dependent on their environments**.** The notion that as the environment changes organizations should change their strategies has long been held. With rapid change, interpretation and response become more difficult tasks for organizations. Complex environments that change rapidly are labelled turbulent environments. Environmental change affects the ways in which organizations interpret strategy and performance. As environments change rapidly, there is increasing pressure on organizations to produce valuable outputs faster and more efficiently. Gupta and Wilemon (1990, 24) argue that the rules of the game of new product development have changed. They suggest that the environment for new product development is characterized by increased competition, modern technologies that make existing products obsolete, changing customer needs and shorter product life cycles, higher development costs, and increased need for involvement of customers, vendors, and strategic partners in the development process. Major changes in markets, technologies, or government regulations may elicit different organizational responses and strategies than incremental change may evoke.

2.3.6 Customers

Process change has focused on the improvement of operational performance measures such as the actual waiting time of a service system. However, process redesign may not only change the actual waiting time but also have significant impact on perceived waiting time. Process changes affect customer perceptions on waiting and customer satisfaction. When a company or an organization wants to implement change, it should always consider on how it will also affect its customers /consumers. That is, if the change is based on changing a product strategy, then it might affect its customer's satisfaction towards the way he or she always acquire such products or consumes it thereby losing some of its customers or the amount in which its goods/ services are purchased. When the company takes off or implements new services in its structure, it may or may not please its clients thereby reducing their satisfactory level. (Georges, 2015).

3 PRESENTATION OF CASE COMPANY

A detailed study of the case company will be discussed in this chapter when the case company was formed and what its primary activities. The main activities of the case company together with its products and services will be discussed in this section of the research. Some of the details were received from researcher's internship report during time at the case company in 2016.

3.1 Background of the Study Area

African financial company SOFINA was created in August 1996 with the collaboration of the Ministry of Agriculture and with the judiciary form of cooperatives. SOFINA is a microfinance that began its operations in 2001 after the approval of decree number 6587/MINEF, COBAC decision number D-20017/40 to become the African Financial Company of the second category with two original agencies. It has progressively grown into the regions of Cameroon with 20 agencies. Since its creation, the company has always used the name SOFINA and its registered capital has increase from 100,000,000 XAF (Central African CFA Franc) to 200,000,000 XAF (Central African CFA Franc). This is because of efficient and quality staff being employed by the company. A company is measure relative to the size of its workforce and its capital. (www.sofina-sa.com/news.php)

SOFINA is in Kumba South West region located beside the main market with most of the people around doing small businesses. As such, the environment is surrounded mostly with government and private workers. The management of SOFINA was initially chosen by the owners themselves as an institution to involve civilians. The first activities of this microfinance institution were based on money transfer, savings and loans while the present activities are based on saving and loans. The main mission of this African financial company is to promote savings, credit and provide financial services to customers excluded from the financial system (http://www.sofina-sa.com/news.php).

"Microfinance has evolved as an economic development approach intended to benefit low-income men and women. It refers to the provision of financial services to low-income clients, including the self-employed" (Ledgerwood, 2000). This microfinance is category one in Cameroon and it deals with its members. The purpose of this microfinance is to alleviate poverty and mobilize savings among its members. Also, this micro finance institution is in the urban area to help people living in abject poverty. There are also a few civil servants and workers of other credit unions, agriculture also contribute highly to the union. This is mostly in subsistence farming which helps some of the members who are famers to cultivate few crops that they can consume and sell. Commercial services such as craft work, carving which generates income to members who will then save money in financial institutions. In the world today, micro finance is a common source of finance to business men and entrepreneurs that are helping members in every social, economic or any financial situation affecting them (http://www.sofina-sa.com/news.php).

3.2 Main Activities in SOFINA

SOFINA being a micro finance company that carries out certain activities which could be grouped into three categories (http://www.sofina-sa.com/news.php). These activities include,

Banking operations**.** African financial company is involved in the receipts of funds from the public, it also takes into consideration the provision and management of means of payment.

Related operations. It also performs the activity of foreign exchange, buying and selling securities or other financial products such as saving account, salary account and current accounts.

Investment operation. They finance micro projects such as giving out loan to finance a business.

The main aim of every organization is to make profits. It is the duty of every organization to put in place strategy to achieve their objectives. As a result, SOFINA Kumba has been able to meet its objectives by targeting the following; small and medium size enterprise, small and medium size industry, contractors, business men and women, civil servants most especial CNPS pensioner and CAMPOST workers, private sector salary earners, farmers and state agents (http://www.sofina-sa.com/news.php).

3.3 Products and Services

SOFINA Kumba is a micro-finance institution, and its activities are related to services. The products offered by SOFINA are intangible products for instance, savings account and current occount.one can define the account and current account. One can define the account as an accounting statement on which is written all transactions between the bank and its customer (www.sofina-sa.com/news.php).

The product and services offered by SOFINA are;

Saving account; it is an account available for customers to grow their savings. It produces an annual interest, for the customer to benefit from his interest, he/she must respect the rules of savings, that is the possibilities to leave the bank and make use of your money. The account operate as follows, deposits can be made during working hours by any persons other than the account holder, if the third party has the account number and name of the account holder. Withdrawals can be made at any time, especially during working hours and at agencies of SOFINA. For withdrawal in branches other than where the account is domiciled, one must bear the costs of displaced withdrawals. Conditions needed for the opening of a saving account include; a minimum amount of 15000frs, a valid photocopy of national identity card, four passport photos and by laws for group accounts (www.sofina-sa.com/news.php)

Salary account; this account is meant for both salary earners of public and private sector. This enables the workers to obtain their monthly salary from SOFINA. When a customer has a salary account, he is provided with a personal cheque book that is used to withdraw money at the end of the month. When a customer has a salary account, he can obtain a loan or an overdraft from the bank. Conditions needed for the opening of a salary account include; a minimum amount of zero francs, a valid national identity, a stamped application address to the director of salary, four passport size photos, most recent payslip and an attestation of non-indebtedness if the customer is already runs an account in another bank (www.sofina-sa.com/news.php)

Current account; this account is mostly for business people. With a current account, no interest is given to the customer, but the customer can withdraw his money at any time. When a customer opens a current account, it is advisable for the customer to own a cheque book which would enable him to withdraw money from his or her accounts. The current account provides the advantages of a loan and overdraft unlike a saving account. Conditions needed for the opening a current account are minimum amount of 25000 XAF (Central African CFA Franc), photocopy of a valid identification card, and a four-passport size photo (www.sofina-sa.com/news.php)

Company account; it is meant mostly for small and medium size enterprises or industries. It operates in the same way as a current account and has the same advantages as a current account. A company account can be open on following conditions; a minimum requirement of 5000frs, a valid identification card, a business license. Four passport size photos of signatories and finally a memorandum of association or article of association for public limited company. However, the above accounts are not the only accounts available in SOFINA. There are other accounts such as, project account, term deposit, personal account and Islamic saving account (www.sofina-sa.com/news.php).

3.4 Operations

The activities of SOFINA are centred on cash operations. It carries out cash operations such as cash deposit and withdrawal of funds, transfer of funds within its agencies which permit customers to either deposit or withdraw money in the different agencies. Apart from this, it equally renders services, transfer of money through minute cash and Western Union and the exchange of foreign currencies (www.sofina-sa.com/news.php).

Cash deposit operations: Once you are a customer in this African financial company and owned either a saving or current account, current and company account you are expected to deposit money in your account. When a customer wants to deposit money in his account, he is given a cash deposit slip to provide the following information, the beneficiary, date, account number, amount and signature. Filling the cash deposit slip with this information helps the cashier to facilitate the operations. The customer account is then credited with the amount deposited. Following the principle of double entry, when a customer deposits money in his account, the account of the customer is credited, and the account of the bank is debited (www.sofina-sa.com/news.php).

Cash withdrawal operations: Cash can be withdrawn from the bank using either the cash withdrawal slip or personal cheque book depending on the type of account. With the saving accounts, when a customer opens a saving account, he is provided with a saving booklet. This saving booklet is divided into the date, deposit or withdrawal. It is recorded in the saving booklet. When a customer wants to withdraw from a saving account a cash withdrawal slip is used to fill his or her information. While with the current and salary account withdrawal is being done using a personal cheque. In the absence of a personal cheque, counter cheque (chequier de guichet) is being used. When a counter cheque is used, the amount is deducted from your account as charges. The counter cheque is then endorsed. Conclusively, when a withdrawal is done in a customer account, the account of the customer is debited and that of the bank is debited (www.sofina-sa.com/news.php).

Transfer operations: African financial company has two different transfer operations that is the minute cash and Western Union. With the minute cash, a customer can send and receive money nationally within the various agencies of SOFINA, like Bafoussam, Douala and Yaoundé. When a customer transfer's money, there are some charges allocated to the amount. The charges would depend on the amount sent. This money can be received in the specific destination within three minutes. SOFINA also operates a transfer system known as Western Union. With Western Union, you must not be a customer of SOFINA bank before you benefit from these services, it is open to every person. With Western Union, money can be sent and received nationally and internationally. Upon receiving money through Western Union, the customer is required to fill the receiving form with some valid and vital information received from the sender. (www.sofina-sa.com/news.php).

4 RESEARCH RESULTS AND ANALYSIS

In this chapter, all the data collected from the field survey will be analyzed. The questionnaires are analyzed to find or identify some recommendations that could be given to the case company. Once a favourable research has been done, the researcher can then choose appropriate methods of data collection and analysis. In addition, the research methods and techniques will be discussed in the next chapter. Quantitative research method was used in this research. In order to achieve the objective, a single case study is used in this thesis research.

The data was collected from the management, employees and some loyal customers who were connected with updating changes in their work. One objective of the thesis was to make the gap between the management and employees smaller that is the reason why data was collected from both groups. Data was gathered by sending questionnaires to both the manager and employees and analyze their own point of view at the end. The questionnaire is targeted to find out opinions and expectations of the employees about the change situation in SOFINA and other microfinance institutions. Another intention is to compare the opinions of management with those of the employees, that makes it possible to decrease gap between the management and employees (Cohen & al., 2000). The options for answers will be 'Yes', 'No' and 'I don't know'. The questionnaire was as short as possible and the intention is to make it as easy to answer as possible. The questionnaire was sent by email with a small converging note that gave information about the study. The questions can be found as Appendix 1.

As a way of data collection, a questionnaire survey was conducted among the employees of the case company. A total of 28 questionnaires were sent out but only 20 feedbacks were received making a respond rate of 71.4%. These questions were structured in such a way that it was possible to get a clear picture of what the employees felt about the changes and how important the changes were to them after undergoing it.

A total of 20 questionnaires feedbacks were receive of which a greater proportion of the employees at SOFINA were males 60 % and the rest 40 % were females as indicated in FIGURE 1.

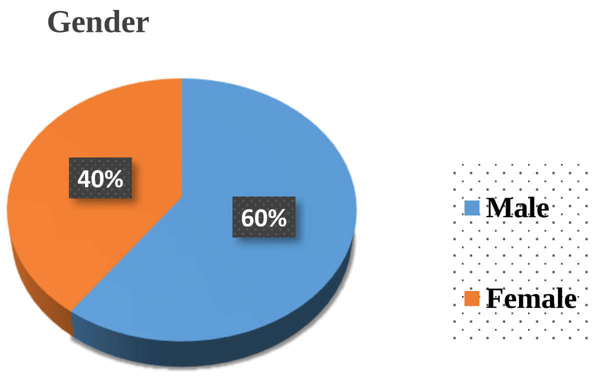

FIGURE 1. Gender identification of respondents (Field survey, 2018)

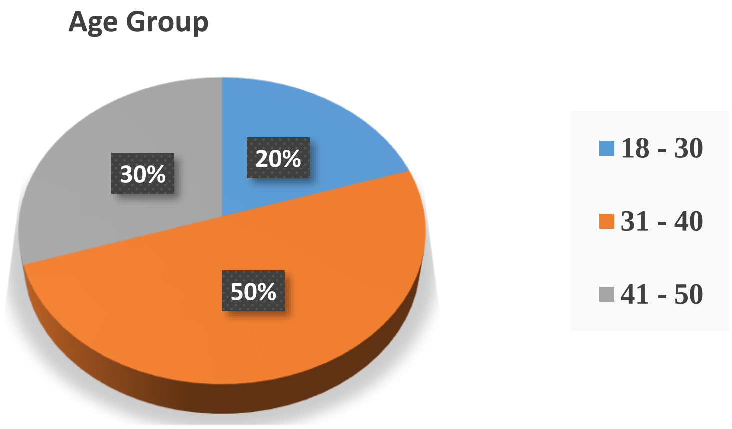

FIGURE 2. Age group identification of respondent (Field survey, 2018)

The above FIGURE 2, shows that 4 respondents in the study representing a proportion of 20 % were between the ages 20-30 years, 6 corresponding to 30 % of the respondents were of the group 41-50 years and the majority of the respondents were between 31-40 years.

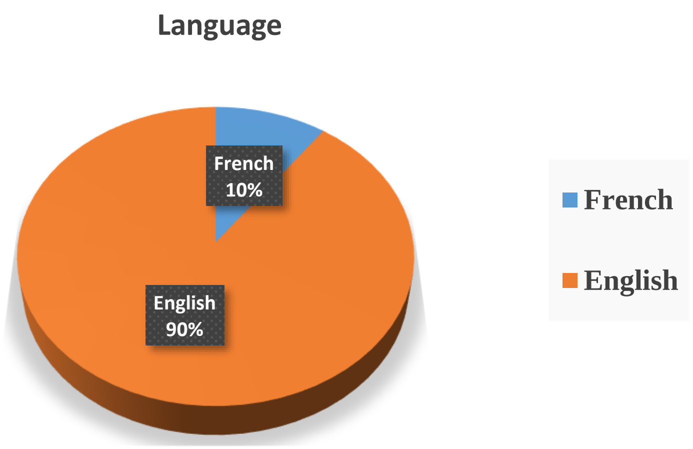

FIGURE 3. Language identification of respondents (Field survey, 2018)

SOFINA is operating a bilingual country which has two official languages, French and English. It was important to know the number of the employees that were French and English speakers. Language can be a problem in the company. Some customers may not understand the customer service personnel maybe because they customer is a pure English speaker and employee is a pure French speaker. From the survey, 18 (90 %) out of the 20 employees that filled the questionnaires were English speakers while the remaining 2 (10 %) were French speakers.

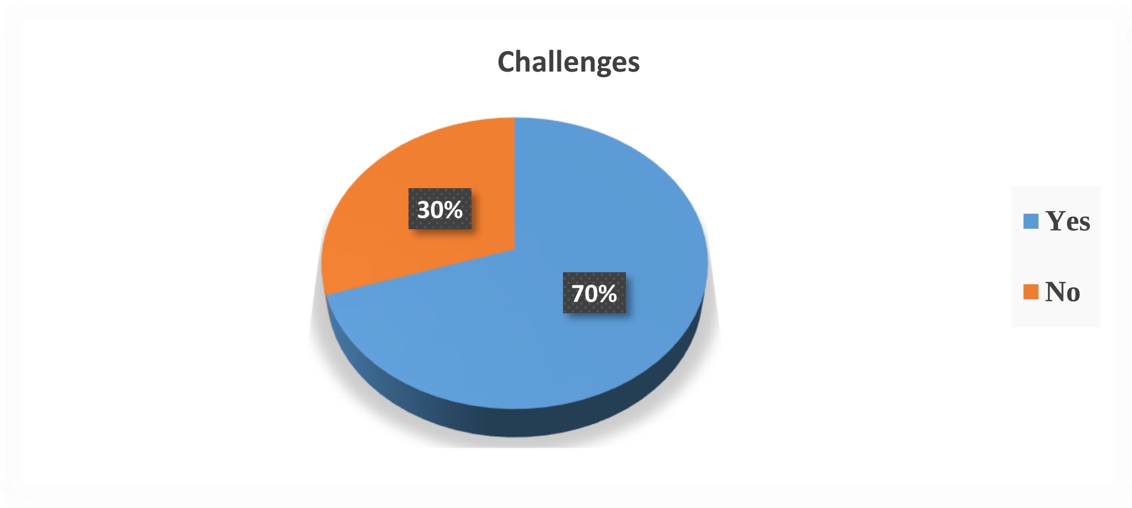

FIGURE 4. Perception of challenges faced by workers (Field survey, 2018)

As an employee, when you meet a customer who is very aggressive because of the delays with his transaction, is a challenge for the employee? This is the reason FIGURE 4 indicates that 70 % of the employees are facing challenges in their job.

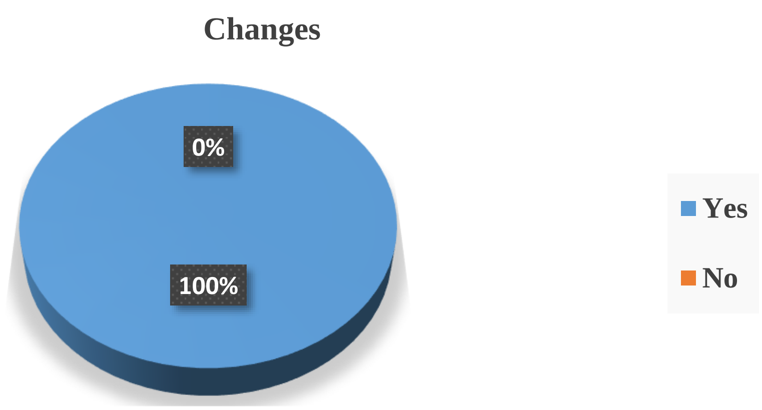

FIGURE 5. Changes to overcome challenges in the company (Field survey, 2018)

The feedback from customers, employees, looking at the profit levels and market share of a company, the management can get a clear indication that changes are needed. Employees of SOFINA reported to the management that they are facing some challenges in their job activities, customers complaining of so much delays when they come for banking services at the bank push the management to implement some changes by introducing new technologies, well defined job description to help with the challenges.

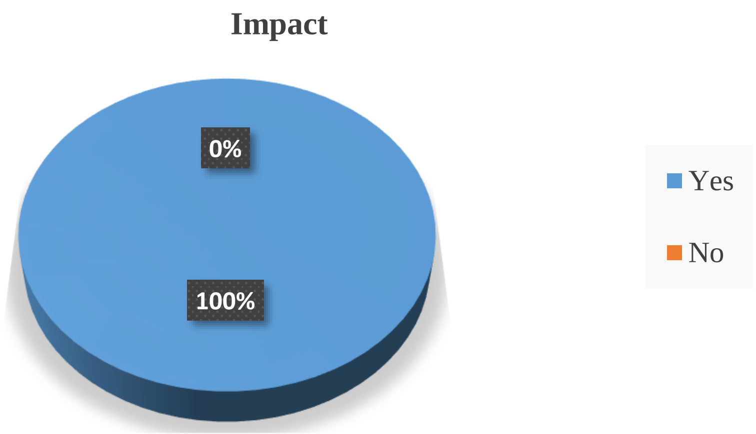

FIGURE 6. Impact of changes on the performance of the company (Field survey, 2018)

FIGURE 6 shows the impact of the changes on the performance of the staff of the case company because their job descriptions were well defined. Employees indicated that they were happy with the situation of the company in the way activities are being carries out. They felt comfortable in their daily routines at the company. Change is a difficulty thing for everyone but when you are encouraged and given the confidence that you can do then every will love to embrace the change

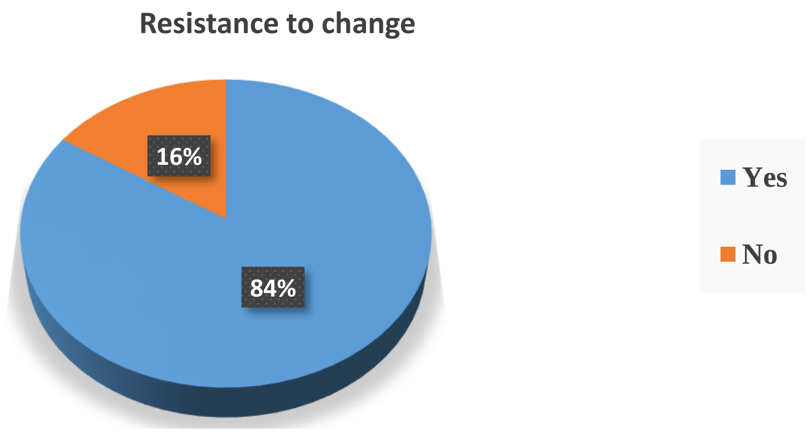

FIGURE 7. Resistance to change by employees of the company (Field survey, 2018)

FIGURE 7, it shows that most of the employees resisted change. Some people are just used to old habits and find it very difficult to change the way they have been carrying out some of their job activities. It could also be that some employees think change will come with the implementation of new technologies which they will find hard to adapt to. Complicated computer programs for making the sending of money easier and faster. Because of these changes, it may be possible that some employees may lose their jobs. That could be some of the reasons for some employees being resistant to change in the company.

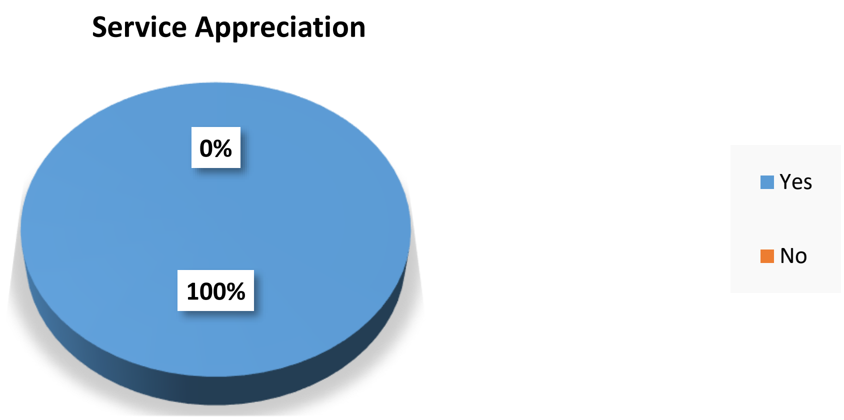

FIGURE 8. Customers' appreciation of services quality after the changes (Field survey, 2018)

Change in every organization is to improve the service quality to their clients. These changes are brought about to make transactions faster, so clients do not waste so much time when they come to carry out any transaction. Changes are for the customers and it will be rewarding if they customers appreciate the changes. FIGURE 8 shows us that, all the customers appreciated the changes they company was carrying out as indicated by the employees who sever these customers.

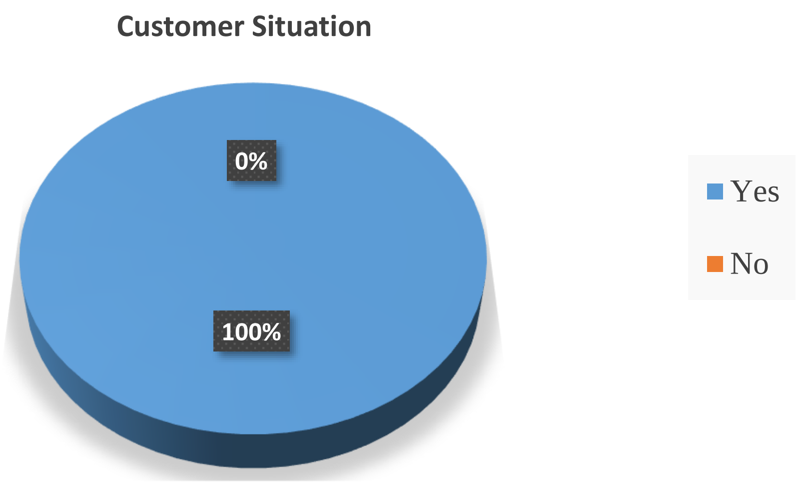

FIGURE 9. Customer situation at SOFINA (Field survey, 2018)

The employees of SOFINA all indicated that they have been experiencing an up rise in the number of customers coming for services at the bank. They said a word of mouth is bigger that any advert. This could have been because of some customers telling their friends about the improvements in the company and how they are better now.

5 CONCLUSION

This thesis was carried out to evaluate organizational change and performance of an organization which was effectively carried out in SOFINA, with the main objective to look at the challenges most institutions faces and how changes can be put in place to overcome such challenges. Questionnaires were used to collect information, while secondary data was used to collect information from internet, books found in library also from some documents from the organization. The interpretation was based on the answers gotten from the responses of the questionnaire issued. Based on the results obtained, the main findings indicate that organizational change has an impact on the staff and customers of SOFINA. The researcher therefore recommends that organizational change has an impact on the performance of micro finance institutions.

Based on the findings of this study that organizational change have on the performance of micro finance institution which was carried out in SOFINA, show that the change in micro finance institutions is a necessity. It is worth mentioning that the underlined aim of any change initiative is to enhance economic and shareholders value as well as maximizing profit. Because of this, management of change and transition needs to be taken as a core activity in achievement of organizational survival and growth. The research findings also proved that, for a firm to gain a competitive advantage over it rivals, it must be able to provide sustainable practice which is unique to them and which can support any predicted or unpredicted changes in the business environment. The results of this study show that microfinance institutions using organizational change is likely to improve on their performance. To crown it all, organizational change is therefore a necessity in the performance of microfinance institutions as it will lead to better efficiency and effectiveness.

From the findings, the researcher came to discover that at the level of employees and management of SOFINA, they all had to respond that there is an impact of organizational change on the performance of their institution. Therefore, the researcher decided to make a test such that, if the respondents where positive that is more than 50 % it shows organizational change has an impact on performance. From the above figures, it can be seen that the responses regarding to the change is more than 50 %, therefore showing that organizational change has an impact on performance on SOFINA.

From the research findings, it was discovered that some workers resist changes in an organization because of the way the change is being performed. Nevertheless, some recommendations have been proposed by the researcher to help solve these problems. Therefore, if all financial institutions and business organizations take the recommendations in to consideration, they will see how organizational change can effectively increase output as well as profit margin.

The board of members should intensify the organizing of strategic training programs for the staff to be educated more on organizational change and current changes. They should be guided to understand that nobody remains competitive in a changing world; microfinance institutions must innovate and adopt their corporate objectives so that they can have new opportunities. Management should put in place measures to ensure that workers respect working hours and measures to reduce the rate of absenteeism. Management should try as possible to respect the regulatory and supervisory system put in place by COBAC (Commission Bancaire de l'Afrique Centrale) and OHADA (Organisation for the Harmonization of Corporate Law in Africa) uniform act on companies as most of the regulations are not yet effectively implemented.

Employees should take training programs organized by the management seriously especially training programs. More to that they should try to respect working hours and absenteeism without any good reasons. Employees should also be committed to their various duties and they should try to finish any task given to them. According to the researcher, the bases for further studies to be carried out on this problem by other researchers are as follows; research should be carried out on the strategies that an organization can use to effectively implement change in credit unions. Research should also be carried out on duties of the manager to his subordinates. This will go a long way to educate managers on the importance of the performance for change.

REFRERENCES

Bourne M. & Bourne P. (2011). Hand book corporate performance management. 1st Edition

Burke W. Warner (1982). Organization Development: Principles and Practices. Published by Scott Foresman 1982

Chen Z. X., Anne S. Tsui, Jing-Lih Farh (2002). Journal of Occupational and Organizaional Psychology; September 2002; 75, ABI/INFORM Gobal

Cohen L., Manion L. & Morrison K. (2000) Research Methods in Education 5th Edition. 14

David M., & Rachid Z. (2003). Employee involvement, organizational change and trust in management: The International Journal of Human Resource Management. Volume 14, 2003- Issue 1

Dulger, M. (2009). Human side of change: A conceptual model. Journal of Economics, 1-28

Georges F. T. (2016). Understanding Orgainzations

Georges F. T. (2015). Organizational Behavior

Gupta. A, & Wilemon D. (1990). Improving R&D/Markting Relations: R&D's Perspective. 24

Harrington, J. (2003). Training adds up, Incentive.177(6).

Harisalo R. (2008). Organisaatioteoriat. Tampere University Press

Hill C. Peter, & Sandage J. Steven, (2001). The Virtues of Positive Psychology: The Rapprochement and Challenges of an Affirmative Postmodern Perspective. September 2001

Ledgerwood J. (2000). Microfinance Handbook: An institutional and Financial Perspective (English). Washington, DC: World Bank.

Lewin K. (1951). Field theory in social science; selected theoretical papers. D. Cartwright (ed.). New York: Harper & Row.

Kotler, J., & Schlesinger, L. (2008). Choosing strategies for change. Harvard Business Review, 120-140.

Kreitner, Robert, & Kinicki, Angelo (2007). Organizational Behavior, 7th Edition. New York, NY: McGraw-Hill/Irwin.

Kumar P. & Ramsay Philip L. (2014). Learning and Performance Matter

Neba P. N. (2016). Blue Book of Success

Short J. C., & Palmer T. B. (2003). Organizational Performance referents: An empirical examination of the content and influences. Organizational Behavior and Human Decision Processes, 90, 209-224

Van de Ven, A. and Poole, M 1995, “Explaining development and change in organizations”, Academy of Management Review

Virgina D. (2009). Handbook of Research on multi-agent system: semantics and Dynamics of organization models

www.sofina-sa.com/viewpage.php?page_id=1 Read 27.01.2018

APPENDIX 1

Questionnaire

I am Helen Ebongkeng from Centria University of Applied Sciences Finland. The purpose of the questionnaire is to find out the impact of change on the performance of SOFINA Kumba branch. I have work as an intern in your establishment in 2016. The questionnaire is designed to assist the researcher in partial fulfilment of the award of a bachelor’s degree in business management. It will be of great important to me if you give me your kind collaboration by providing answers to these questions. As mentioned earlier the data collected shall be used for academic purpose.

1) What is your gender?

☐ Male ☐ Female

2) How old are you?

☐ 18 - 30 ☐ 31 - 40 ☐ 41 - 50

3) What language do you speak fluently?

☐ English ☐ French

4) In exercising your duties as a worker, do you face any challenges?

☐ Yes ☐ No

5) Have some chances been put in place to overcome the challenges?

☐ Yes ☐ No

6) Has the changes have an impact on the performance of the institution?

☐ Yes ☐ No

7) During the change process, were they some employees that resisted?

☐ Yes ☐ No

8) Do customers appreciate the services of the institution after the changes?

☐ Yes ☐ No

9) Has the number of customers of the institution increased as a result of the changes implemented?

☐ Positive ☐ Negative