



# The impact of organizational change towards employees' performance in the banking sector in Malaysia

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## ABSTRACT

The main objective of this study is to analyze the impacts of organizational changes towards employees' performance in the banking sector in Malaysia. The factors that will be discussed in this study include communication, leadership, procedural justice, employees' development and tolerance to change. The location that been selected are Penang and Perak. A sample size of 450 respondents in the questionnaire had been conducted. The questionnaire was design and distributed through randomly sample to employees. The Statistical Package for Social Science (SPSS) software had been used in order to run the reliability analysis, frequency analysis, explaining the correlation coefficient analysis and test of hypothesized relationships among the dependent variable and the independent variables. As a result, it had been found that communication, procedural justice, employees' development and tolerance to change has positive significant relationship with employees' performance. On the other hand, leadership has the negative significant relationship with employees' performance.

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## Introduction

Banks are competing intensely in a highly competitive environment to offer quality oriented services according to customers' expectations. Researchers are studying various key segments of banking sector like operations, service quality, employee satisfaction, customer satisfaction, financing products, efficiency, financial performance to better understand and serve the community at large. Numerous studies have highlighted the key concept of quality services/products offered by the banks. Customers became a centre for all banking activities due to increased competition for greater market share. Focusing on customer satisfaction has been the key to increasing service quality according to customers' expectations in the banking sector (Zairi, 2000). Hanson (2000) suggested that service quality shows the organization's ability to meet customers' desires and needs. So organization must improve their services to meet the customers' wants and requirements. It is found that customers' perception of service quality is very important for managers to compete in the market (Hoffman and Bateson, 2002).

Since Malaysia's independence in 1957, its financial landscape has gone through tremendous changes. The first step in the revolutionary process was the gradual deregulation of the financial sector (Bank Negara Malaysia), as at 31 August, 2007, there were 10 domestic commercial banks and 16 foreign owned commercial banks operating in Malaysia. Bank mergers, deregulation and increased competitive pressures have also created dramatic changes in the Malaysian banking industry. Currently, Malaysian banks face the challenges of greater market satisfaction in order to cultivate customer loyalty (Lam & Bojei, 2007).

The banking scenario in Malaysia has changed significantly since the Asian economic crisis. After 50 years of independence from British, Malaysia faced a lot of globalization such as employees in banking industry faces organization changes like

reorganization as well as greater variation in workload due to rapid technological changes. The employees of the bank sectors may have the fear towards the changes of working environment, organizational culture and organization management. It is very important that employees must be physically attached to their banks. It can affect the efficiency and effectiveness of the organization and ultimately affect the accomplishment of predetermined organizational goals as well as the employee's performance. The organizational change can have difference impact towards the employees' performance. It is depends on how the employees view it and how the environment of the working situation that the employee prefer. According to Isaksen, et al., (2000-2001), he reckons that the employee will be more motivated and they are willing to give their best contribution when they feels that the workplace have high degree of challenge and have the sense of belonging as cited in (Bowman, 1996).

According to Doppler and Lauterburg (2000), they states that most of the people do not like to change the way they do their work especially when they does not have any idea of the goal and who will gain the benefit from the changes as cited in (White, 2003). The organizational change will bring the impact for the employees' performance in different views. There are some people who might accept it and some might not, depending on how the perception of the employees is and how well the changes go. The purpose of this study is to examine the perception of employees towards organizational change in the banking sector in Penang and Perak, Malaysia.

## Problem Statement

Employees' ability to absorb the organizational change would be one of the important issues. In order for the employees to secure their employment in the organization, they need to have the ability to adapt to the changing environment. There is not only the need to understand the human factors, but also the need to have the skill to manage and lead change effectively and

efficiently to maintain or even to improve their own performance. Employees need to have a good communication skill when dealing or communicating with customers, beside that they also need to have their certain skill to compete with other employees. So it's very important for an employee to have a multiple skill to secure their position on the banking industry.

Apart from these, communication between the employees and employers would be one of the key elements for the organizational change (Smith and Reinertsen, 1995; Rowe, 2000) as cited in (Qian, 2007). The communication network will become critical when the environment is significantly changed. If there is a good communication between the employees and employers, and the proper information of strategic relevance of imposed organizational change being told, this can help the employee to accept the change. Better acceptance of the change will lead employees to have better performance. There is very important to have a good employer to motivate their employees to work hard, give them a guideline to complete a task, help the employees to solve the problems that they face, in order to improve the bank result and profitability.

#### **Literature Review**

In this research, there is impact of organization changes towards employees' performance in banking industry. There is different opinion and statement from different resources. Based on the collected data, there are five factors that being studied which are communication, leadership, procedural justice, employees' development and tolerance to change. These factors are believed will be useful and helpful for the studies. In this chapter, the definitions and theories regarding to the independent variables as well as the dependent variables which is employees' performance will be discuss. It is believes that the new framework in this research will play a vital role in the studies.

#### **Banking Industry in Malaysia**

Banking industry is an important industry for any countries and it executes a number of roles in the economy. Bank Negara Malaysia is the central bank of Malaysia, which is responsible for managing the monetary policy in Malaysia. The Bank is accountable for making sure the stability of financial system and promoting advance financial sector. Besides, it develops the financial system infrastructure and fosters the financial inclusion in Malaysia. The bank plays a significant banker and adviser role to the government as well (Bank Negara Malaysia, 2010).

Furthermore, there are numbers of commercial banks in Malaysia. According to Ghuslan, Muhammad and Abidin (2010), they found that there were 9 domestic and 13 locally integrated foreign commercial banks were functioning via a network of 1,979 branches across Malaysia in the end of the year 2008. There were 9 out of 5 domestic banks are existent in 18 countries in the way of operating as joint ventures, subsidiaries and branches. Moreover, the 21 foreign banks offer liaison services and smooth the progress of information exchange but not carry out the normal banking business in Malaysia. According to Ghuslan et al. (2010) the major uses of commercial banks are to offer the retail bank service, commerce financial infrastructures, treasury services, international payment service and custody services. The turnover rate of employees in the banking sector was founded to be very high in Malaysia (Chan et al., 2011). Employee's turnover is considered as a costly dysfunction that every healthy business must endeavor to diminish or eliminate. Thus, the high or low turnover rates of employees' will impact the organizations' performance. Coping with this outstanding phenomenon, cross-discipline research studies on human capital and banking industry are keen valuable

and effort -worthy to provide practical guideline and strategic action for those banking institution to sustain employees.

#### **Employees' Performance in Banking Sector**

The nature of the banking industry is different from other industrial organizations; the people are more integrated in the area of services. Hence, quality employees will need to predict the success of the organization in the future. According to Sparrow and Hilltop (1994) the past studies stated that the main key to have the capabilities to top in the organization performances is the recruitment and selection practice in the organization, so the main purpose of recruitment is to hire the right people to fill-up the right job position through a structured recruitment process by identifying what characters that the employees have to perform and achieve the goals and objectives of the organization. This can be achieved by the ways that use to select and recruit employees through an accurate and effective analysis, to pick the special capabilities from the employees that being employed (Herzberg and Snyderman, 1957).

Most of the organizations are relying on the roles that are played by each person. Employees who have good responsibility, skill and knowledge will accomplish the tasks to fulfill and achieve the organization's goals and objectives in an effective ways. Thus, the organizations to success will affect by the employees performance. An effective management is having greatevidence on a strong employee engagement (Roberts, 1997).

In addition, the business leaders have viewed the importance of the workforce as their business partners. Therefore, they need to manage well their people to satisfy their development. The appropriate strategy that used in managing the people can be made and measured based on their performances (SAP, 2005). By monitoring and evaluated the performance of the employees, it will make them work hard and it does not only will help them easily to get promote once they get the high evaluation, it also will bring the organization to success effectively.

In conclusion, employee or human capital is the most valuable asset to an organization. According to Huselid (1995) the comprehensive recruitment and selection, job design, training and participation programs will increase the proportion of employees involved in high performance work practices. A well employee will have the ability to solve the problems and meet with the challenges that they faced, and it will constantly increase their performance and give a better service for customers and making profit for the organizations (Heskett, 1986).

#### **Communication**

Communication takes many forms which includes communication climate, supervisor communication, media quality, horizontal communication, organizational integration, personal feedback, organizational perspective, top management communication, as well as subordinate communication. It is related to the communication satisfaction within the workplace and eventually to job performance (Wanguri, 1995). According to Johlke et al. (2000) as cited in Carter and Gray (2007) communication is the key for the people within and between organizations transfer and disseminate information. Internal communication will be central to the alignment of the employee's attitude with the organizational goal (Gronroos, 1990) as cited in (Carter et al., 2007). Besides, it is shows that two way communication between the managers and the employees will result in the employee's performance and outcomes (Johlke and Duhan, 2001) as cited in (Carter et al., 2007).

According to Rich (2008) communication will reduce the uncertainty, increase job security within organization. When organizational change happens, it requires encouragement for more participation of employees and addresses their concern in changes. Based on the research, Govindarajulu and Daily (2004) say that environmental programs, initiatives and goals of an organization should be communicated frequently so the employees know what is expected to accomplish the goals. There is study saying that employees are more prefer on a democratic and open style of communication when there is any issues on changes (Ramus, 2001; Ramus and Steger, 2000) as cited in (Govindarajulu et al., 2004). According to Bordia et al. (2004) as cited in Johansson and Heide (2008) a systematic communication can ensure the possibilities to lessen employee uncertainty and increase their understanding of control and job satisfaction as well as the organization change. The employees will feel more in control of the result when they are being involved in the change process if they have a systematic communication.

#### **Employee Development**

According to Swanson (2001) as cited in Hassan (2007) suggests that employees' development is a procedure of developing or let loose expertise via organization development, training and development for the intention of enhancing their performance. The basis trust of the employees' development is the organizations are the human-made units that depend on human capability for the sake of constituting and accomplishing their objectives and that professionals are advocated of person and group, work procedure and organizational trustworthiness (Hassan, 2007). In order to reinforce the organization's competitive advantages in their market, training promotes raised of employer investment in their employee knowledge and skills. Employee development relies on speculation in human capital. The employees' development system needs to be a long-standing, organized and aim-oriented process, coordinated with the present and future demands of work. The aims of the employees' development system need to be connected to the repetitive expert, personal and working development of every employee. Apart from the optimization and aggiornamento of work procedures and courses, the development and allotment of employee's competency, insuring that they can construct their anticipated involving to the work process is important as well (Alexandru and Silviu, 2010).

According to Fewick and Cieri (2004) as cited in Hassan and Yaqub (2010) suggests that the employees' development in the world networks' performance is intervened via the capability to develop and keep up network hub and faith, and by offering appropriate career outcome to stimulate individual network participants for excellence performance. Investing in employees encourage the escalation of knowledge, skill and capabilities, and development of them in the individual level. It leads to increase the productivity and efficiency on the organization level. It also causes the higher educated and developed of employees in connection with more efficient organizations offer growth of culture, economy, enhance the well-being of society on the society level. According to Volmer, Werner and Zimmermann (2007) suggest that those banks that involve in international business will manage collaboration and consolidate observation of their businesses by designing the employees' development strategies and systems to fulfill their client's needs and improve competitiveness as cited in Kahindi (2011). The practices of employees' development can be used to improve the employee and organization performance Ellinger et al. (2008).

#### **Tolerance to Change**

Hardin's study as cited in (Nikandrou, Papalexandris and Bourantas, 2000) states that tolerance to change is a personal characteristic that clarify action that individual take in order to handle uncertainties and stress in a change situations. Besides, Calabrese (2000) stated that employee's tolerance to change comes from anticipated pain of learning new skill and knowledge that are not their best interest and adapting to new behaviors as cited in (Nikandrou et al., 2000).

In a situation, the way an employee deals with tolerance to change situations, may distorted the outcome of his desired result. According to the research by Sahm (2008) as cited in Jaballa, Allbaity and Shaiban, (2009) the result shows that much of the systematic variation in measured risk tolerance is associated with time constant. It also shows there is modest decline in risk tolerance with age, and an improvement in macroeconomic conditions is associated with an increase in risk tolerance. A person with high tolerance of change perceives changes situations as desirable, challenging and interesting. They neither deny nor distort their complexity of incongruity (Jaballa et al., 2009). According to McCaskill (2010), tolerance to change is important as it allows employees to seek for the changes of time, space and understanding to find the best way to achieve the production of organization as cited in (Kotter and Schelesinger, 1979). There is ability to look into other human being perspective and the ability to control their behavior with the dignity and rights. Besides, people with a low tolerance to change are tend to fight hard to maintain the status quo, often without being able to articulate their reasons for so doing (Peter, 1988). The person with low tolerance of ambiguity experiences stress, react prematurely and avoid ambiguous stimuli (Jaballa, Allbaity and Shaiban, 2009).

According to Hamid et al., (2007), employees of bank will have different levels of tolerance of change for innovation and organizational changes. This is because they are lack of diffusion capability and the lack of investment in training for internal employees. In emerging economies in Asia, branded or co-branded banks are actually separate legal entities and have unique country requirements. For example, the requirements of language and cultural norms such as customer tolerance for waiting times. Therefore, you can't easily do cross-training or rotate staff between banks (Watkins and Wiley, 2009).

#### **Leadership**

According to Stogdill (1974) states that leadership is a leader's behavior into guiding a group of people for the purpose of goal achievement. Hence, leader is play an important role in create organization's vision, encourage the followers with self-confidence to suit them with organization's vision, trough coordination and communication. In addition, there are further influences of activities if an organized group in its effort toward goal setting and goal achievement that reflect the employees shared purposes. Leadership has a major influence on the employees, managers, and organizations performance. Leadership style plays an important role in motivating subordinates to achieve the higher goals (Wang et al., 2005).

According to Denison, Hooijerg & Quinn (1995); Hart & Quinn (1993) as cited in (Wang et al., 2011) leaders who perform a multiple leadership roles will enjoy a high level of organizational effectiveness. In addition, the leadership can help to develop the organization in the future. Besides, there can be in terms of the managerial styles, marketing concept and ethics, service, skills of the people and technical management (Wahab et al, 2009). The organizational performance will improve if employees are likely to share their values and cooperate with

each other's. The leader can also use the reward and punishment system to motivate the employee to do more than they are expected to do|| to accomplish the organizational goals (Yukl, 1989). It supported by Webb (2007) for the employees that have worse performance should be motivated by the leader in term of giving consideration, encouragement, support and motivate the employees toward tasks accomplishment, and by provide a contingent reward system also can rise up the employee's motivation level toward accomplishment of the tasks and increase the production from the employees.

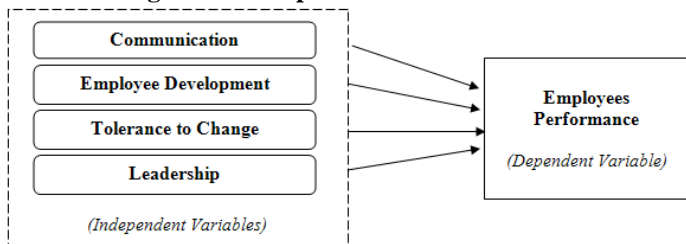
According to Goleman (2000) as cited in (Vigoda, 2007) found that leaders who want the best result should not only rely on a single leadership style. In other words, no leadership styles are preferred in any situation in an organization. Hence, a combination or mix leadership style can improve and maintain an organization's process and increases employee's commitment and increases in the job performance. Different leadership style and behavior may affect the employee performance towards the tasks accomplishment and job performance (Vigoda, 2007). Therefore, leadership style adopted by a leader is strongly related to employees' job performance.

### Methodology

#### Research Framework and Hypotheses

The below proposed theoretical framework for this study is developed based on several research framework conducted by Kang, Kim and Chang (2008) and Tzafrir et al. (2004). The purpose of conducting this research is to investigate the relationship among four variables which include communication, employee development, tolerance to change and leadership and employees' performance in Malaysia banking sector. Figure 4.1 illustrates the relationship between communication, employee development, tolerance to change and leadership and employee's performance.

**Figure 4.1: Proposed Theoretical Model**



#### Hypotheses of the Study

The hypotheses of the study are developed as below:

**H<sub>1</sub>:** There is positive significant relationship between communication and employees' performance.

**H<sub>2</sub>:** There is positive significant relationship between employees' development and employees' performance.

**H<sub>3</sub>:** There is positive significant relationship between tolerance to change and employees' performance.

**H<sub>4</sub>:** There is positive significant relationship between leadership and employees' performance.

#### Respondents profile

From the demographic information, within the sample of 450 respondents, the percentages for gender is remain equally for both male respondents and female respondents which are 50% (100 respondents). Most of the respondents were from age group between 31-40 years old (43.5%). The least respondents were from age group 51 and 50 and above years old (11.5%). Moreover, the result shows that the most respondents is from the Chinese race, which is up to 52.5% (105 respondents), the least respondents which are only 13.5% (27 respondents) is from Malay race. Besides, data result showed the qualification of respondents mostly is under master level which is 48.5%, and

there is only 1% of the respondents from others educational level. From the result, the most working duration experienced by the respondents is from who are work for the duration of 1 -5 years, which is 36% (72 respondents), and the least working duration experienced by the respondents is from who are work for the duration of 16-20 years, which is 9% (18 respondents). Furthermore, most of the respondents have salary range between RM 2,001 to RM 5,000 which is 56.5% (113 respondents), and the least respondents' salary is between RM 11,001 and above which is 11.5% (23 respondents).

#### Primary Data

In this study, primary sources of data had been collected by using survey questionnaires method. The questionnaires were distributed to the employees who working in the banking sector in Penang and Perak. According to Ghauri and Gronhaug's study (2010), through primary data researchers able to collect the data they are more consistent with the research questions and research objectives. For example, researcher can know the specific demographic information about the consumer such as education, income, personality and lifestyle. All this information might not be available collect from secondary data. Furthermore, researchers also able to know about the intentions, people's attitude and buying behavior for a particular product and reason behind consumer behavior, management decision or problems faced in internalization efforts.

Survey questionnaires is the relatively cheap and quick way to collect data and information compare to other methods such as experiment, telephone surveys, literary texts, focus groups and so forth. Moreover, it is less time consuming in obtaining the data from respondents because they will answer the questionnaires respectively instead of take time in explaining questions one by one to the respondents and it can include a large population and wide geographical coverage.

In order to avoid the probabilities of respondents giving unreliable and inaccuracy information, the question in the survey questionnaires were created in a simple and easy manner format. Therefore, using 5-point Likert scale with anchor of (1) —strongly disagree|| to (5) —strongly agree|| is easy to administer and can reduce variability in the results that may be differences and improves reliability of the responses. Besides, it also simplifies the researchers to collecting the data, coding it, checking for error, analyze and interpreting the data.

#### Descriptive Statistics

Based on the Table 4.5below, the average and standard deviation for each of the predictor variables are as follows: Communication ( $\mu=3.86$ ,  $sd=0.52$ ), Employee's Development ( $\mu=3.77$ ,  $sd=0.58$ ), Tolerance to change ( $\mu=3.41$ ,  $sd=0.62$ ) and Leadership ( $\mu=4.10$ ,  $sd=0.55$ ).

**Table 4.5: Summary of Means& Standard Deviations**

Variables	Mean	Std. Deviation
Communication	3.86	0.52
Employee Development	3.77	0.58
Tolerance to Change	3.41	0.62
Leadership	4.10	0.55

#### Reliability Statistics

According to Zikmund (2003), reliability is the degree to which measures are free from errors and hence yield consistent result. The reliability analysis that being used by this SPSS software is to evaluate the independent variable of communication, leadership, procedural justice, employee development and tolerance to change. For this research, the reliability analysis consists of 450 respondents.

**Table 4.6 Reliability Statistic**

No.	Dimensions	Number of Items	Cronbach's Alpha
1	Communication	5	0.871
2	Employee Development	5	0.882
3	Tolerance to Change	5	0.798
4	Leadership	5	0.824

From the table above, it shows that all the independent variables are reliable. This is because all the scored that being obtain has exceed the minimum alpha value which all of it achieve above 0.7. According to the rules of thumb about Cronbach's Alpha coefficient size, the higher the Cronbach's Alpha means the higher the reliability coefficient. Based on the result, the independent variables for procedural justice, employee development and tolerance to change are considering good reliability because it is fall under the Cronbach's Alpha range of 0.7-0.8. On the other hand, the other independent variables such as communication, leadership and dependent variable of employee performance is categorized under very good reliable as they fall under the range of 0.8-0.9. Thus, it can be conclude that all the four independent variables are reliable.

#### Person Coefficient Correlation

##### Communication

**H<sub>0</sub>:** There is a negative significant relationship between communication and employees' performance in the banking sector.

**H<sub>1</sub>:** There is positive significant relationship between communication and employees' performance in the banking sector.

**Table 4.7: Correlations between Communication and Employee Performance**

		Communication	Employee Performance
Communication	Pearson Correlation Sig. (2-tailed) N	1 450	.127 .081 450
Employee Performance	Pearson Correlation Sig. (2-tailed) N	.127 .081 450	1 450

Note: \*\* sig at level 0.01

Table 4.7 shows that the p-value is 0.81 which is more than the significant level of 0.05, ( $p > 0.05$ ). Therefore, H<sub>0</sub> will be accepted and H<sub>1</sub> is rejected since there is a negative significant relationship on communication towards employee's performance in banking sector. The result indicates that Person Correlation (r-value) is 0.127, 12.7%, this represent that there is a positive relationship between communication and employees' performance. Thus, when increasing in communication will lead to increase in employees' performance. The value of this correlation coefficient 0.127 is fall under coefficient range from + 0.00 to + 0.20. Therefore, the relationship between communication and employee performance is slight or almost negligible.

##### Employee Development

**H<sub>0</sub>:** There is a negative significant relationship between employees' development and employees' performance in the banking sector.

**H<sub>1</sub>:** There is positive significant relationship between employees' development and employees' performance in the banking sector.

**Table 4.8: Correlations between Employee Development and Employee Performance**

		Employee Development	Employee Performance
Employee Development	Pearson Correlation Sig. (2-tailed) N	1 450	.368 .000 450
Employee Performance	Pearson Correlation Sig. (2-tailed) N	.368 .000 450	1 450

Note: \*\* sig at level 0.01(2-tailed)

From the analysis, p-value is 0.000, which is less than the significant level of 0.01, ( $p < 0.01$ ). Therefore, reject H<sub>0</sub> and accept H<sub>1</sub>. In other words, there is a positive significant relationship on employees' development towards employees' performance. Based on the result indicates that there is positive relationship between employees' development and employees' performance because of the positive value for the correlation coefficient which is 0.368, 36.8%. Whereby, the increasing in employees' development will lead to increase in employees' performance. The value of this correlation coefficient 0.368 is fall under coefficient range from + 0.21 to + 0.40. Therefore, the relationship between employee development and employee performance is small but definite relationship.

##### Tolerance to Change

**H<sub>0</sub>:** There is a negative significant relationship between tolerance to change and employees' performance in the banking sector.

**H<sub>1</sub>:** There is positive significant relationship between tolerance to change and employees' performance in the banking sector.

**Table 4.9: Correlations between Tolerance to Change and Employee Performance**

		Tolerance to Change	Employee Performance
Tolerance to Change	Pearson Correlation Sig. (2-tailed) N	1 450	.345 .000 450
Employee Performance	Pearson Correlation Sig. (2-tailed) N	.345 .000 450	1 450

Note: \*\* sig at level 0.01(2-tailed)

Table 4.9 indicates that the p-value is equal to 0.000 which is less than 0.01, ( $p < 0.01$ ). Therefore, reject H<sub>0</sub> and accept H<sub>1</sub>. Hence, there is a positive significant relationship on tolerance to change towards employees' performance in banking industry. From the result, Correlation is 0.345, 34.5% shows that there is positive relationship between tolerance to change and employees' performance because of the positive value for correlation coefficient. Thus, when increasing in tolerance to change, employees' performance will getting higher. The value of this correlation coefficient 0.345 is fall under coefficient range from + 0.21 to + 0.40. Therefore, the relationship between tolerance to change and employee performance is small but definite relationship.

##### Leadership

**H<sub>0</sub>:** There is a negative significant relationship between leadership and employees' performance in the banking sector.

**H<sub>1</sub>:** There is positive significant relationship between leadership and employees' performance in the banking sector.

**Table 4.10: Correlations between Leadership and Employee Performance**

		Leadership	Employee Performance
Leadership	Pearson Correlation Sig. (2-tailed) N	1 450	-.090 .204 450
Employee Performance	Pearson Correlation Sig. (2-tailed) N	-.090 .204 450	1 450

According to the analysis, p-value is 0.204 which is more than the significant level of 0.05, ( $p > 0.05$ ). Therefore, accept  $H_0$  and reject  $H_1$ . Thus, there is a negative significant relationship on leadership towards employees' performance in banking sector. From the result, the Pearson Correlation (r-value) between leadership and employees' performance is -0.90, -90%. This means there is a negative relationship between both variables. Whereby, the declining in leadership will lead to increase in employees' performance. The value of this correlation coefficient -0.90 is fall under coefficient range from + 0.71 to + 0.90. Therefore, the relationship between leadership and employee performance is high.

### Conclusions

This study was conducted to determine the employees' performance in terms of organizational change in the banking sector in Malaysia. The strongest influence factor that impacts the organizational change towards employees' performance in banking sector is tolerance to change. Based on this research, tolerance to change is important as it allows employees to seek for the changes of time, space and understanding to find the best way to achieve the production of organization.

The second influential factor is communication. Through communication, employee can exchange of information, knowledge or ideas. In order to minimize the employee's negative reactions when changes happen, communication is very important in an organization. Last but not least, the least significant factor between the employee's performances in banking sector is leadership. Leaders play an important role in motivating and influencing employees to achieve the organizational goals and they are the direct people that understand employee's needs.

In consequence, with the understanding of all factors that affect employee's performance, it can help organization to improve employee's performance. Thus, organization will be able to discover employee's needs and wants and know what exactly the right ways to improve their performance. However, the world is keep changing over the time, so studies must be made accordingly with the changes to fit different situation. Therefore, new factors will be identified in the future that will impact of organizational change towards employee's performance. In conclusion, organization changes will be able to improve the overall performance and become more efficiently and effectively.

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