UGANDA MANAGEMENT INSTITUTE

ORGANIZATIONAL CHANGE AND FINANCIAL PERFORMANCE: THE CASE OF UGANDA REGISTRATION SERVICES BUREAU

BY

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DECLARATION

I, Kateregga Faridah, declare that this dissertation is a result of my original and independent work and has never been submitted for a degree in any other University or institute for any award

Sign……………………………………

Date……………………………………

APPROVAL

This dissertation has been written under our supervision and has been submitted for the award of a Masters degree in Management studies of Financial Management with our approval as Uganda Management Institute supervisors.

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DEDICATION

This work is dedicated to my late father Haj Muhammod Kateregga, my late mother Hajat Faridah Kateregga, my husband Muhammad Bisaso and lovely children; Faisal, Fahema, Fayha and Fazla.

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LIST OF ACRONYMS/ABBREVIATIONS

ANOVA	Analysis of Variance
ATM	Automated Teller machine
CEO	Chief Executive officer
CCS	Cambodian Civil Service
FY	Financial Year
GoU	Government of Uganda
HPD	Highest Paid Director
ICT	Information Communication Technology
MoJCA	Ministry of Justice and constitutional Affairs
NPM	New Public Management
NSE	Nairobi Security Exchange
NTR	Non Tax Revenue
OLS	Ordinary Least Squares
ROA	Return on Assets
ROE	Return on Equity
ROS	Return on Sales
TFP	Total Factor Productivity
UK	United Kingdom
URSB	Uganda Registration Services Bureau

ABSTRACT

The interest in carrying out this research was propelled by data that shows that since its formation in 1998, there has been a remarkable rise in the number of companies registered, civil registrations and trademarks registered including a significant increase in non-tax revenue collections. Guided by three objectives, the research adopted a correlation research design in which primary data was collected from a sample of 82 employees. The main statistical analyses used included a Pearson correlation and regression analysis. The outcome of the empirical analysis showed that changes in the salary structure and ICT adoption had a significant contribution in explaining financial performance of the Bureau. On the other hand, change in the administrative structure was insignificant in explaining this likelihood. The Key recommendations were that in order to be financially effective, the Bureau's attention should focus on addressing the problem of insufficient staffing, reducing bureaucratic tendencies and advocate for proper decentralization of power at the directorate levels.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study examined the contribution of organizational change on the financial performance of Uganda Registration Services Bureau (URSB). Organizational change in this study was conceived as the independent variable and was operationalized in terms of change in salary structure, change in administrative structure, and adoption of Information Communication Technology (ICT). Whereas financial performance was the dependent variable which was measured in terms of Non Tax Revenue collections, registrations and absorption rates of funds. This chapter presents the background to the study, the statement of the problem, the purpose, the objectives, the hypotheses, the scope, the significance and operationalisation of definition of terms and concepts used in the study.

1.2 Historical background

From early 1980s, many countries around the globe have embarked on public sector management transformations with the aim of improving performance of public entities (Economic Commission for Africa, 2004). This is due to new public management (NPM) whose emphasis is moving from conventional public administration to public management which has seen the state shifting towards 'managerialism'(Economic Commission for Africa,2004). As such, the conventional approach of service delivery in the public service and at organizational level, founded on bureaucratic hierarchy, centralization and direct control is being substitute by an enterprise culture and market-

based public service management as Holmes and Shand (1995) emphasize. Apart from government intervention in the economy to uphold social welfare, several justifications have been put forward to explain the emergence of independent public sector entities in a number of countries (Bouckaert and Peters 2001)

Between 1989 and 2002, the Government of Uganda (GoU) initiated Public Service reforms which were entrepreneurial-like reforms, driven by the neo-liberalism of the New Public Management (NPM) or new managerialism principles. The aim of these reforms was to enhance service delivery in public service. It was envisaged that these interventions would automatically increase performance and correct distortions in service delivery especially in public service. Accordingly, the reforms in the public sector led to the creation of semi – autonomous public organizations or Agencies which have a linkage to a line ministry with the aim of separation of policy from implementation. The resultant semi–autonomous public organizations created are responsible for execution while the line ministry is responsible for policy setting. The semi-autonomous public organizations are given greater flexibility in operations and empowered to strengthen accountability for better performance (URSB Annual Report FY 2011/2012). Gradually new public institutions including private ones and non-government organizations came into the limelight with better organizational methodologies.

According to the URSB Annual report of 2016/17 , the trend of NTR collections has been growing in general from 2010/11 shs 2billion was collected , 2011/12 shs 7.5billion was collected ,2012/13 shs 20.6billion was collected , in 2013/14 shs 20.3 billion was collected , in 2014/15 shs 23.4billion was collected, in 2015/16 shs 26.8 billion was collected .There has been a notable growth in NTR

performance which has been attributed to a reduction in revenue leakages following establishment of strong internal control policies and procedures. With the planned automation of the business, civil and intellectual property registries and further improvement in infrastructural, technological and legal reforms, URSB has the potential to grow revenue collections to over Ushs 4 billion per month. (2013/14 Annual report)

As a result of these reforms, Uganda Registration Services Bureau was created. This semi-autonomous public organization has a linkage to the ministry of justice and constitutional affairs (MoJCA) which is responsible for policy direction as the line ministry for URSB. The Minister of Justice and Constitutional Affairs is responsible for choosing the URSB Board of Directors and the Registrar General, as well as offering direction to the Bureau in relation to policy, accountability and other strategic matters (URSB Strategic Implementation Plan 2012).

1.3 Theoretical Background

In many cases, theories are invented with an aim of understanding, explaining, challenging and predicting a fact, event or an occurrence and to extend existing body of the literature within the limits of significant hypotheses. Theories help in introducing, describing and are important in explaining why the research problem is being investigated (Sekaran, 2005). Based on the paradigms of organizational changes, the theoretical orientation of this research was based on the agency theory, tournament theory and diffusion of innovations theory.

Jensen and Meckling's (1976) "agency theory explains how to best organize relationships in which the principal delegates the work to an agent with an intention of increasing organizational

efficiency". For example in the context of this study, the Minister of Justice and Constitutional Affairs appoints the Board of Directors and the Registrar General of Uganda Registration Services Bureau with a responsibility of registering businesses, intellectual property rights, trademarks and so on. In this way, the agents appointed (management of the Bureau) perform tasks delegated by the principal (minister). Thus the agency theory is a vehicle through which the functions delegated to the agent (i.e., an employee) are assessed by the principal (i.e., an employer).

Equally important in this study was Lazear and Rosen's (1981) tournament theory which has been used by researchers to explain certain situations where instead of marginal productivity, differences in employee compensation are based on relative differences between individuals. For example, within the managerial ranks of employees in the URSB, there are different staff categories ranging from senior staff (senior officers, officers and assistant officers) and junior staff (drivers, secretaries and office attendants). The theory suggests that top executive salaries may surpass any measure of their marginal product and the organization remains economically efficient. In this sense, efficiency is obtained when salaries act as an incentive to the lower cadres in an organization. These lower cadres accept wages that are less than their own marginal product, freely enter into a profitable quasi lottery were the main reward is the job of the top executive. The theory assumes that in order to provide adequate incentives, it may be necessary to offer a higher difference in the salary structure among the different ranks of an organization. Indeed, to emphasize the relative importance of tournament theory, Antle and smith (1986) cited by Main, O'Reilley and Wade, (1993) found that "executive pay is significantly related to the corporation's performance". As such, the theory supports the practice of rewarding employees based on their

effort and good performance. In view of this argument, this study sought to determine the role of salary structure of employees on the financial performance of URSB.

Developed by Everett Rogers (1983), "the diffusion of Innovation is based on the process by which an innovation is transmitted using certain channels between and among a group of people". The theory rests on the premise that that a new technology diffuses or spreads throughout society in a predictable pattern. As in the case of ICT adoption, the theory suggests that an innovation is initially adopted by few organizations as soon as they hear of it while others will take longer to try something new and still others will take much longer. Realizing the benefits of ICT services such as business productivity software, desktop computers, wired or wireless intranet, laptops, hand-held devices among others, this innovation will be diffused to other organizations and consequently investment in ICT will increase. This is done with an aim of coping with the dynamics of the external environment and a way of moving to a knowledge-based society which is a key driver towards achieving higher performance.

1.4 Conceptual Background

In this study, the researcher considered the influence of change in salary structure, administrative structure, and adoption of ICT on financial performance of Uganda Registration Services Bureau.

According to Chad (2008), "organizational structure is the formal pattern of how people and jobs are grouped in an organization". It involves arrangement of activities and allocation of tasks to different employees for different activities in order to achieve the organizational goals and a way

by which different components are brought together in a coordinated manner and relationships among various levels in the chain of command.

Salary structure refers to a system that determines the procedure of how much an employee is to be compensated in terms of salaries and wages based on an employee's rank, level or status within the organization, working experience in the organization, education level and so on. As an effective compensation program, salary structure helps in ensuring that pay levels for groups of jobs are not only internally and externally competitive but are also equitable. A well designed salary structure allows management to reward performance and skills (The Registry Newsletter Vol 1, 2015). In this study, the salary structure was measured in terms of type of structure, salary levels and mode of salary increment as the institution changed from the traditional salary structures of having numerous layers/ ranges with relatively small distance between them to the broad band structure which in addition to consolidating pay grades, it is also more flexible with wider salary ranges. For this reason, Mullins (2010)   suggest that different reward systems may more strongly harmonize different generic strategies and considerably relate to higher levels of performance in an organization.

In this study, adoption of ICT was conceptualized to refer to URSB's level of utilization of computers, telephones, video conferencing, internet and intranet to enhance communication and the electronic processing, data capturing, and information transmission. This included the use of computers for data storage, use of internet, intercom and intranet for communication, monitoring and evaluation. Adoption of ICT requires that employees work in a cooperative manner,

information sharing with an aim of solving problems while caring for their clients and workmates. According to John Roberts (2007), the re allocation of decision authority has been made more effective with information communication technology by linking managers of different units directly.

In this study, financial performance was conceptualized as all Non Tax Revenue collections, registrations and funds absorption rates. This outcome variable was hypothesized to be dependent on the inputs that included changes in the salary structure, changes in administrative structure and adoption to information communication technology.

1.5 Contextual Background

Uganda Registration Services Bureau (URSB) is a semi- autonomous statutory body that was established by Chapter 210 of the Laws of Uganda in 1998 to take over the functions of the Registrar General's Department under the Ministry of Justice and Constitutional Affairs. This was followed by the government's adoption of a recommendation by Private Sector Competitiveness Project, 2004 of making the Registrar General's department an autonomous corporate body so as to improve performance with the aims of transforming Uganda into a modern economy.

The Bureau registers businesses, intellectual property rights, act as official receiver, registers trademarks, civil marriages and adoptions, and collection of Non Tax Revenue (NTR) through the web based applications responsible for tracking and processing of registrations services with the intention of being efficient, effective, self-sustaining and customer focused. The new developments came with the establishment of the current organizational structure which was approved by ministry of public service in the year 2010 and the staff recruited on contract terms.

Various departments were created, the reporting structure changed whereby the registrar general who supervises all other staff reports to the chairman of the board of directors other than the minister. The directors who report to the Registrar General head the departments and are assisted by managers and other senior and junior staff.

Having put in place a new organizational and administrative structure, the creation of the new positions called for a new salary structure thus with effect from December 2011, the Bureau established a new salary structure from the traditional to the broad band in which it has fewer structures with wider salary ranges. It is determined according to skills and staff positions. The staff members are recruited on a three years' contract from the previous permanent and pensionable terms. Will these changes achieve the goals for which they were created?

The changes were not limited to the administrative structure and salary at the Bureau but also the current URSB information communication technology infrastructure provides internet and intercom for communication and monitoring. The simple database application is used for storage of data and specialized functions like business, intellectual property and civil registrations from the old system of storage on shelves and use of type writers. We are yet to find out whether these new adoptions have improved financial performance at URSB.

According to the URSB annual report of 2011/2012 the non-tax revenue collection for the FY 2011/2012 was 7.5 billion compared to the 5.8 billion for FY 2010/2011 showing an increase of 28.4%. The number of companies, Civil and trademarks registered increased. The expenditure increased from 2.3.bn to 2.8 billion showing an increase of 82% and the time taken to register a

company reduced from a week to three days. The absorption of released funds increased from 94% to 95% respectively. This study was conducted to establish whether the changes in administrative structure, salary structure and adoption to information communication technology have affected the financial performance of URSB.

1.6 Statement of the Problem

Organizational changes have been discussed by many scholars, with major emphasis laid on financial performance. Institutions all over the world have adapted to changes such as organizational structural changes, salary structural changes and automation, with the aim of improvement in financial performance. Organizational changes are now moving to the forefront of NPM as a result of the increased expectations from customers and an increased focus on revenue and growing competition between public and private sector organizations (Berkley, 2003).

At URSB the NTR collections' trend has been growing at an increasing rate of 15% on average for the past five Financial Years from 7.5billion in 2011 to 26.8 billion in 2015. (Ursb finance performance June 2016) NTR performance has consistently exceeded the NTR targets set by the Ministry of Finance. (Annual report 2013/14) The number of companies registered has increased over the years from 39682 to 50318 In 2015 and there has also been an increase in the absorption of funds released from the consolidated funds from shs 400 million to 14 billion and the rate of absorption of these funds has increased to the rate of 98% in 2015. For the previous 5 years in general, there has been a notable growth in NTR performance which has been attributed to a reduction in revenue leakages following establishment of strong internal control policies and procedures. With the planned automation of the business, civil and intellectual property registries

and further improvement in infrastructural, technological and legal reforms, URSB has the potential to grow revenue collections to over Ushs 4 billion per month.(2013/14 Annual report)

A number of changes have taken place including the administrative structure, the formation of departments, the reporting structure changed from the ministry to the board of directors and top management. The salary structure has changed from the traditional salary structures of having numerous layers/ ranges with relatively small distance between them to the broad band structure which besides consolidating pay grades to fewer structures, it is also more flexible with broader salary ranges. Since September 2010 the institution has moved from the traditional type writers and old storage facilities and has adopted ICT. This study therefore sought to find out whether the improvement in financial performance in terms of NTR collections, company registrations and absorption of released funds has been a result of the changes that have taken place at URSB.

1.7 Purpose of the Study

The purpose of the study was to assess the role of organizational changes on financial performance of Uganda Registration Services Bureau.

1.8 Specific Objectives

1. To establish the relationship between changes in administrative structure and financial performance of URSB

2. To establish the extent to which changes in salary structure affects the financial performance of URSB.

3. To establish the degree to which adoption of information communication technology influences the financial performance of URSB

1.9 Research Questions

The study wanted to find answers to the following questions:

1 What is the relationship between changes in administrative structures and financial performance of URSB?

2 To what extent have changes in the salary structure affected financial performance of URSB?

3 To what degree does adoption of Information Communication Technology influence financial performance of URSB?

1.10 Hypotheses

These are the predicted answers to the research questions of the study.

1. There is a significant positive relationship between changes in administrative structures and financial performance of URSB.

2. Changes in the salary structure significantly affect the financial performance of URSB.

3. There is a relationship between adoption of information communication technology and financial performance of URSB.

1.11 Conceptual framework

The following is a diagrammatic model or representation of the relationship between variables and how they were operationalised for the purpose of the study.

Organizational

Administrative structures
- Departmentalization

Salary Structure
- Type of structure
- Salary levels

Adoption of ICT
- Computerization of data

Financial

Revenue growth rate
Registration growth rates

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Source: Derived from: Kadir et al 2000 and modified by the researcher from the
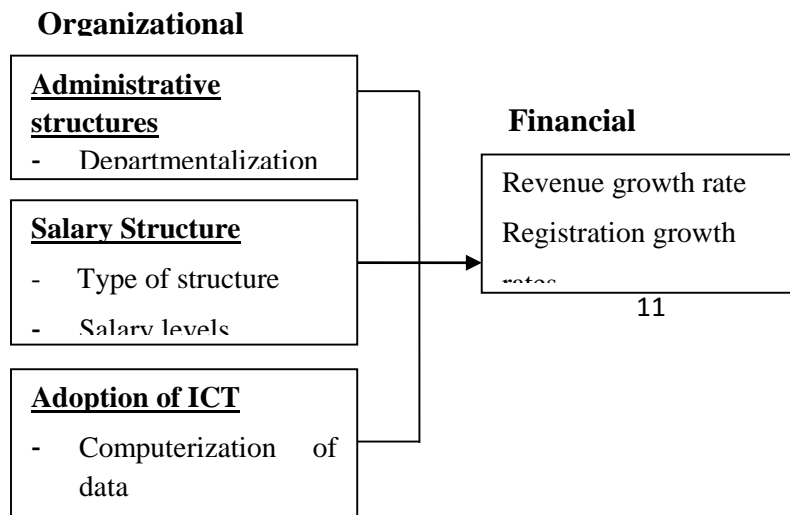
Figure 1: Conceptual Model

The Conceptual framework illustrates the diagrammatic representation of a problem comprising of organizational structure changes and financial performance. It should be noted that administrative structure, salary structure and adoption to ICT are the pillars of organizational change in this framework. Administrative structure was conceptualized as departmentalization, reporting relationships and staffing levels whereas salary structure was conceptualized as type of structure, salary levels and mode of salary increment. Finally adoption to ICT considered the computerization of data, use of internet, intercom and intranet. The dependent variable (financial performance) was measured in terms of NTR collection rates, registration rates and funds absorption rates.

1.12 Significance of the Study

It is the belief of the researcher that the study will add to the existing knowledge on organizational structural changes and financial performance. Results will help in the improvement of financial

performance of URSB, improve on implementation of organizational changes in public institutions and also stimulate further research.

The research will be important to the staff, the administrators of URSB and implementers of organizational changes in public institutions. It will emphasize the contribution of organizational changes to financial performance of URSB.

1.13 Justification of the study

As NPM shifts the emphasis from traditional public administration to public management, the state is being pushed towards managerialism from the traditional model of organization and delivery of public services to a market based public service management. As these organizational changes continue to spread in public institutions/agencies, there are few studies that have been undertaken on the effect of NPM –driven reforms on agencies in Uganda. No study has been undertaken to ascertain on whether the organizational changes have any influence on financial performance of URSB.

1.14   Scope of the Study

The study was carried out in URSB offices in Kampala comprising of the directorate of business registration and liquidation, the directorate of civil registry, the directorate of the registrar general and the directorate of finance and administration all housed at Georgian house. This was easily accessed and 83 % of URSB staff so far are based at the head office in Kampala district.

1.14.1 Geographical scope

The study was carried out at URSB head offices situated on Plot 5 George Street at Georgian House in Kampala District.

1.14.2   Time scope

The period covered is from when URSB became an autonomous self-accounting body in 2010 up to 2015. This is because the URSB Act came into force in 2004 however the self-accounting status was granted in 2010 and has so far covered 5 years since its enaction and the researcher felt that the information would suffice in order to analyze its financial performance.

1.15   Operational Definitions

Organizational Structural Changes was operationally defined as the change in the framework of an organization and its pattern of management by the creation of new departments, changes in the reporting structure from the ministry to the Board of Directors and the staff reporting procedures from the Public service structures to the corporate structures which flow from Directors, managers senior staff and other officers.

Salary structure was operationally defined as the monetary and non-monetary benefits to staff in terms of levels and modes of increments and determination of the benefits based on non-traditional public service rates.

Information communication technology was operationally defined as computerization of data and use of internet, intercom and intranet for purposes of interaction.

Financial Performance was operationally defined as the monetary collections of NTR, funds absorption and the number of registrations in a given period of time.

With that introduction which includes the historical, theoretical, conceptual and contextual background, significance of the study and statement of the problem the researcher reviewed the literature related to this study in the next chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The main thrust of this study was to assess the role of organizational changes on financial performance of Uganda Registration Services Bureau. Although many factors have been reported to significantly influence financial performance of organizations, this study rests on the premise that organizational changes play a vital role in explaining the variations in the financial performance of URSB. This chapter focuses on the review of related empirical studies that have explored the role of organizational changes on financial performance of organizations. The chapter begins with the presentation of the theoretical review before the actual review of the literature. Among the literature reviewed include educational journals, newspaper articles, textbooks, publications, periodicals, dissertations and literature from the internet. .

2.2 Theoretical review

Theoretical studies of organizational change have attracted the attention of scholars. As noted in the previous chapter, this study was based on three theories with an aim of understanding the extent to which the three aspects of organizational change influence financial performance of URSB. The following subsections present the theoretical review for each of the three theories adopted.

2.2.1 Agency theory

The theory rests on the premise that explains how best relationship can be organized in which one party delegate the work while another party does the work. In this arena, an agent is hired by the

principal to do the work which the principal is unwilling or unable to do. In a legal perspective and understanding of the theory, (Jensen and Meckling, 1976) considers it as a contract where an agent is contracted or hired by a principle to perform some action. According to Pava (2009), "the economic variants of agency theory emphasize the costs and benefits of the principal-agent relationship". In addition, whereas a favorable agency cost is one that raises the value of shareholders, the undesirable agency cost arises when the actions of the managers fail to match with the interests of the principal. An example would be a case when the management put their own interests at the expense of organizational long-term performance. Accordingly, the theory proposes that the agent has a moral obligation for his actions, which he can hardly dismiss simply because he acts as an agent for another. Viewed from a perspective that people make resolutions and take actions that are beneficial to them, the agent is expected to behave selfishly. In turn, the principal is expected to take strategic steps geared at limiting the damage caused by that kind of behavior. Some of the most popular approaches to limit this behaviour include writing contracts and defining job expectations that encourage positive behaviour from the agent. These involve rewarding good performance, penalties for poor performance and performance incentives.

Although the agency theory is criticized for relying on an assumption of the selfishness of the agents, it can still help in shaping the researcher's understanding of the role of administrative structure and financial performance of organizations. The theory provides insights into the reasons why managers voluntarily produce audited financial reports on an annual basis. In addition, the theory can explain why administrative structures differ across organizations, companies and

corporations and for that reason, the theory further emphasizes the rules set / imposed by the appointing authority (minister of justice and constitutional affairs) on managerial actions.

From an agency theory perspective therefore, this study sought to determine the link between administrative structure and financial performance of organizations.

2.2.2 Tournament theory

Invented by Lazear and Rosen (1981), "tournament theory is used to describe certain situations where differences in employee compensation are based on relative differences between individuals rather than marginal productivity". One relevant example in this study is where one's ability is key , more emphasis is laid on the managerial ranks of employees in URSB where there are different staff categories ranging from senior officers, assistant officers who constitute senior staff to secretaries, drivers and office attendants referred to as junior staff.

In this theory, it is hypothesized that the job promotions are not only limited but are also determined by the performance of an employee. In this context, only one person can be the registrar general. It can also be in the interest of the organization to structure employee compensation so that top managers are paid highly as a way of motivating employees at lower levels in the hierarchy. One of the major reasons for paying top mangers' highly is to give those lower in the hierarchy a motivation for hard work not to give only senior officers themselves the incentive to perform well.

The theory assumes that the number of layers in the salary structure between the bottom and top depends on the heterogeneity of the workers.It also presumes that in job hierarchies, anticipation for future promotions plays major part in increasing employee performance on a job and his prospects future promotion.

The intention of the researcher in this study was to test the prediction that salary structure enhances the financial performance of an organization on the premise that higher pay translates into higher performance levels by inducing the level of effort among employees that are highly paid. However, mixed findings have often been reported.

2.2.3. Diffusion of innovation theory

This theory was developed by Rogers (1983). In this theory, Rogers explained the process of technological diffusion as a way of communicating an innovation among members of a social system through certain channels over time. Adoption is explained as a decision to make full use of an innovation as the best course of action available. The theory explains diffusion as the process through which ideas, practices, or objects are communicated and adopted by members of a given setting (Rogers,1983). The relevance of this theory in this study is based on the premise that when organizational staff perceive relative advantage or usefulness of new ICTs such as immediacy, convenience and affordability, it is assumed that they are more likely to adopt it (Roberts and Amit, 2003 cited by Monyoncho, 2015). In the context of this study, this theory is important in guiding organizations to initiate change and adopt ICT in order to eradicate paper transactions thus ensuring effective and fast service delivery.

2.2.4   Stakeholder theory

With regard to the dependent variable financial performance of the URSB being predicted by organizational change, the study was rooted in the stakeholder theory proposed by Freeman (1984). In his perspective Freeman (1984) emphasizes that all stakeholders have decisions to make in terms of whether the utility a firm provides them is greater than what they give up from other opportunities. By this logic, firms that tend to make their stakeholders better off are those that are able to retain their support and participation and thrive overtime. A central premise of stakeholder theory is that focusing on stakeholders and in this regard employers of the URSB by making worthwhile changes in administrative structure, improving their remuneration and availing them adequate ICT facilities helps a firm achieve high performance. This assertion has been emphasized by authors such as Freeman, Harrison and Wicks (2007). According to these authors, there is a linearly positive relationship between stakeholder-oriented management and firm performance which is measured in terms of Return on Equity (ROE), Return on Assets (ROA), Return on Investment (ROI) and other indicators. For purposes of this study, financial performance was measured in terms of NTR collection rates, registration rates and funds absorption rates. In particular, Phillips (2003 quoted by Harrison and Wicks, 2013) identifies a firm's legitimate stakeholders as those groups to whom the firm owes an obligation based on their involvement in the cooperative scheme that constitutes the organization and makes it a going concern. Key among these are suppliers of capital, equipment, materials, and labor. From a stakeholder perspective, measuring performance through tangible and intangible factors that are important to core stakeholders allows an organization to understand what stakeholders need to help form new ideas about how the organization will perform in the future. Harrison and Wicks (2013) thus conclude that if the ability to create utility for stakeholders' matters, and is a central predictor of future firm

performance, then it is important to find ways of capturing more complex notions of value in a systematic and comprehensible fashion.

2.3. Review of the related literature

Due to the importance of organizational change on the survival and performance of organizations, there is significant and enormous empirical evidence confirming and concluding that financial performance of organizations is linked to organizational specific variables which include administrative structure, salary structure and adoption of ICT on financial performance of companies, organizations, institutions and the like.

2.3.1 Relationship between administrative structure and financial performance

In any organization, the type and composition of the administrative structure determines the direction that the company takes which affect its profitability and general operations. As Wangui (2013) posits, changes in the directorship of an organization may result into a positive or negative change on the performance of an organization. This is because directors can exploit the advantage of their vast experience to make a significant change at both levels, but as Palmberg (2010 cited by Wangui, 2013) observes, the only time available for them is that which helps them to get involved in those few decisions to which they can make a significant contribution. Literature related to the impact of administrative structure on financial performance has been controversial, with some researchers reporting positive while others negative relationship between administrative structures and financial performance of organizations. This section of the literature presents an

overview of the empirical studies that have examined the influence of administrative structure on the performance of organizations.

Ongoso (2014) in his study which focused on companies listed on the Nairobi Securities Exchange (NSE) established strong positive relations between the size of the board and financial performance of the firm and a strong positive link between the board committee size and the financial performance of the listed companies on the NSE.

Wangui's (2013) research sought to establish the relationship between CEO and chairmanship changes and stock performance of the manufacturing companies listed in the Nairobi Securities Exchange,2013. The outcome of this investigation revealed a positive abnormal performance following change of CEO albeit it was not concentrated in or confined to the days immediately following change. Specifically, there was a positive significant relationship between return on security and return on stock after CEO change. The same analysis revealed the existence of abnormal negative performance prior to change in CEO. The study thus recommended that in order to turn around underperforming firms, the board needs to hire an outsider CEO instead of a corporate insider.

The above studies suggest that administrative structure may be positively or negatively associated with a firm's financial performance. As can be seen in the preceding review, the linkage between administrative structure as an antecedent of financial performance has attracted significant attention in the literature. However, one of the major characteristic in the literature is its failure to

reach a compromise on the nature of the relationship. According to Demsetz and Villalonga (2001) cited by Welch, (2003), "the conflicting results may stem from differences with respect to the measurement of variables, sample period, estimating technique among others". This study sought to add to the limited evidence regarding this relationship in the Ugandan context, where to the researcher's knowledge no study has been conducted to account for the influence of administrative structure on the financial performance of URSB. This study is therefore considered timely as a way of bridging the gap in the existing body of knowledge.

2.3.2 Effect of salary structure changes on financial performance

Salary structure can be referred to as "total reward" that encompasses the variable play, base salary, variable pay including other benefits an employee gets in return for her labour. Provision of all these benefits can help employees understand the full value of what they are getting (Anderson, 2007). The compensation literature as indicated by Murphy (1999 cited by Fernandes, 2005) suggests that "compensation should be related to measures of stock-based performance, not only because this is the desired by shareholders, but also because high stock returns should signal positive information on the actions taken by managers". Studies have examined whether reward structure of employees has a bearing on financial outcomes of companies and/ organizations. Whereas a vast strand of the literature points to the fact that better remuneration enhances performance, some other studies find negative relationship between the two variables. The question that begs for an answer in this study is: Do changes in salary structure relate to the financial performance of URSB? Many studies have tried to answer this question but findings are inconsistent and different from each other. In addition, most of these studies lay emphasis on

whether Chief Executive Officers' compensation relate to performance leaving middle level managers and lower cadres out in investigating the role of compensation on financial performance. Following the previous studies, this research tried to determine whether there is any relationship between employee compensation and financial performance of URSB. Some of the empirical studies that have explored this relationship in other countries are reviewed in this section.

While examining the link between firm performance, board structure and top executive pay', Fernandes (2005), used a panel of firms from the Portuguese Stock Market, where the institutional context was similar to most other European countries. Although the results confirmed a large effect of firm size on top executive compensation, there were however no significant relationship between the board remuneration and company performance. On his part, Tariq (2010) studied the relationship between the compensation given to the chief executive officer and the performance of the company. The findings revealed a negative and insignificant relationship between pay and performance. This suggests that pay in itself does not translate into performance. Ozkan (2007 cited by Tariq, 2010) suggests that "there is a positive relationship between CEO pay and the performance of a company". The result show that the positive relation is only for cash compensation but when total compensation is considered then the relationship becomes less significant. On the other hand a study by Brick et al. (2005 cited by Tariq, 2010) shows that there is a strong negative relation between CEO compensation and the performance of a company.

In his research on the relationship between CEO remuneration and banks size and performance of six Canadian banks for a period 2007-2008', Kutum's (2015) results of the Pearson coefficient showed no significant relationship between CEO remuneration and Bank Performance (measured

by ROA, ROE and Profit Margin). Junaidu and Sani (2014) wanted to empirically test 'the linkage between executive compensation and financial performance of listed banks in Nigeria'. Panel data for a period of five years was used to examine this linkage. As a whole, the study found a positive and significant link between executive compensation and the profit before tax of the sampled banks.

A study by Tarus, Basweti and Bitange (2014) assessed the effect of executive compensation on the financial performance of insurance companies in Kenya (2014). In measuring financial performance, the three researchers used Incurred Claims Ratio, Solvency Ratio, Capital, Expense Ratio and Adequacy Ratio. Their results failed to prove a significant relationship between the four performance ratios and cash compensation. In particular, the findings revealed a weak and statistically insignificant positive relationship between capital and CEO remuneration. Other performance ratios namely solvency ratios, Incurred Claims Ratio and Expense Ratio had negative and insignificant coefficients which suggest that an increase in executive compensation is associated with a decline in each of the aforementioned three performance ratios. The study therefore concluded that "key performance ratios should not be used as key considerations in determining executive compensation among the insurance companies".

From the above studies it can be seen that although many have asserted that pay is closely linked to performance, some other studies have reported a negative impact on performance. To this point however, little or no empirical validation of this widely held belief has been reported in the Ugandan context. This thesis provides such confirmation.

2.3.3 Influence of information communication technology adoption on financial performance

In the modern financial dispensation, the usage of computers and other advanced technologies have increasingly been adopted. To this effect, a plethora of evidence points to the fact that a great deal of diffusion of Information and Communication Technologies (ICTs) has helped to enhance organizational performance (using various measures), growth, productivity and their survival. Considering the dynamism in ICT adoption as a driver to various outcomes, this section encompasses a review of the research findings regarding the contribution of ICT on performance of organizations.

A study carried out by Zipporah and Oloko (2015) sought to establish whether bank innovations have contributed to the financial performance of commercial banks in Kenya. Using commercial banks secondary data for a five years' period between 2009 and 2013 during which banks greatly invested in technological innovations. The study established that a number of innovations that had been identified which included online banking, ATM banking, mobile phone banking, and agency banking had a positive impact on the financial performance of the commercial banks in Kenya over the five years period between 2009 and 2013.

In their survey, Taiwo and Agwu (2016) investigated the impact of information technology on accounting systems and organizational performance. The study utilized secondary data and Pearson's correlation was used for analysis for a sample of 20 staff in financial services and other related accounting departments in Covenant University. The results of the empirical findings

indicated a significant positive relationship between ICT system and accounting system and a significant positive relationship between ICT and organizational performance. Based on the analysis carried out and the findings, it was recommended that in order to improve organizational performance managers should invest more in ICT technologies.

Olajide (2013), examined the impact of Information and Communication Technology (ICT) on insurance companies' profitability and found that there is there is a positive relationship between ICT adoption and insurance companies' profitability in Nigeria. It was therefore recommended that banking institutions should consider intensifying the internet banking; investing in ATMs, keep adopting and using mobile banking in their operations as these will ensure services accessibility by customers thus improving financial performance. In order to prove whether the same relationship exists in the Ugandan context, the current study was deemed necessary.

In his study on Analysis of the values of return on asset (ROA) arising from ICT investment in the US', Kozak (2005) reported a 51 percent increase in the value of the return on asset for the US banking sector. This suggested that, improvement in ICT investment coupled with wide office networks and range of offered services helped to generate additional revenues for banks emphasizing the fact that most of the operations require higher ICT investment. In a similar study on investments in ICT and bank business performance in Ghana, Osei and Harvey's (2011 cited by Adekunle and Rafiu, 2014) established that that investment in ICT tend to increase profitability (ROA and ROE) for high ICT level banks than for lower ICT level banks.

Okwu (2015), examined the effects of ICT adoption on Nigerian and Johannesburg Stock Exchange markets and according to the findings, ICT adoption had heterogeneous effects during the study periods. Specifically, the usage of internet, mobile phone subscriptions and ownership of personal computers had positive and significant relationships with market capitalisation of the stock exchanges contrarily to subscriptions to fixed telephone lines which negatively impacted on the markets. In view of the findings, the study recommended that if the goal of having an integrated global, continental and regional stock and financial markets is to be achieved, then there is need to invest more in ICT innovations and adoptions

It can therefore be seen from the foregoing review that adoption of ICT has multifaceted impacts. The literature has indicated that besides an important parameter in influencing the growth of firms, ICT is important in improving the efficiency of firms by easing communication and interaction between the clients and customers, by cost cutting through   e-commerce and ICT enabled management techniques leading to firms' performance. It has also been established that adoption of ICT can also reduce operational costs and enable a firm to improve information flows among others. To the knowledge of the researcher, no study has been conducted in URSB to determine the causal relationship between ICT adoption and financial performance. Therefore, in an area which has been under explored, the findings of this study were expected to confirm what previous studies have established regarding the significant impact of ICT on financial performance of URSB thus allowing for a better understanding of the underpinning influence of ICT in enhancing or inhibiting the performance of the Bureau thereby generating new insights into which policy makers can look at ICT from the prism of factors contributing to performance. In this way, the findings of

study offer legitimate contribution. Considering the foregoing literature, the researcher hypothesized that: adoption of ICT positively impacts on the financial performance of URSB.

2.4   Summary

This chapter reviewed the related literature in relation to the influence of organizational change on the performance of companies/organizations. As sighted by different researchers and scholars, the impact of the organizational structures considered in this study continues to be a controversial issue in explaining the performance of an organization with some inconsistent results. For example, at some point, the literature suggests a robust linkage between change in the administrative structure and organizational performance while in other studies; it suggests a blurred relationship between these two variables. Quite convincingly, the empirical evidence further shows that better compensation and adoption of ICT at the workplace provide favorable conditions for enhancing the performance of companies/organizations. But in spite of the abundant literature on the effect of organizational change on organizational performance, more focus has been laid on manufacturing companies, Automobile Industries, telecom industries, banking institutions, stock exchange markets, insurance companies or education institutions. From the literature reviewed there is need to carry out a study on the negative effects of changes in use of ICT on the revenue collection at URSB. There is also need to study other aspects of administration like leadership style and its impact on the revenue collection in an organization. There is need to carry out the study to establish whether the improvement in the financial performance of URSB in terms of an increment in the non-tax revenue collected and the increase in the number of companies registered has a relationship with the changes that have been taking place at URSB including the changes in the salary structure from the traditional to the broad band.

In the year 2013/14, URSB realized total NTR collections of Ushs 20,377,180,626 (FY2012/13: 20,695,712,485) in non-tax revenue. The funds were remitted to treasury as required by the URSB Act, Cap 2010. The collections for the year showed a slight decrease of 1.5% in collections over the previous year and this fall in revenue implied that there was need to invest in NTR generating activities in order to achieve collections beyond that level while leveraging on service delivery. But in general, there has been a notable growth in NTR performance which has been attributed to a reduction in revenue leakages following establishment of strong internal control policies and procedures. With the planned automation of the business, civil and intellectual property registries and further improvement in infrastructural, technological and legal reforms, URSB has the potential to grow revenue collections to over Ushs 4 billion per month.(Annual report 2013/14)

None of the study known to the researcher either locally or in the African region has investigated the impact of organizational change on financial performance of registration service Bureaus focusing on the three explanatory variables on which the related literature has been reviewed. Therefore, the literature on the drivers to financial performance of organization as an antecedent of organization change is lacking in Uganda. Therefore, this research contributes towards filling the gap by contributing to the existing body of knowledge through exploring the extent to which selected indicators of organizational change influence the financial performance of URSB. However the financial performance can not only be attributed to changes in administrative structure, salary structure and adoption to ICT only. There are other conditions like the skilled human resource, leadership style, better internal control measures which can lead to better finical performance which can be addressed by other studies to be undertaken.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the detailed methodology that was used in the collection of data. It highlights the research design, study population, sample size and selection, sampling methods and procedure, data collection methods and data collection instruments, target population, data analysis and presentation.

3.2 Research Design

In this study, a correlation research design was used. This design is particularly aimed at describing the linear relationship between or among variables. Isaac and Michael (1977) note that "correlational research aims at investigating the existence and the degree of a relationship between

two or more quantitative variables. If two variables are highly related, scores on one variable could be used to predict scores on the other variable". The choice for this type of design was because the study aimed at examining the correlation between organizational changes on financial performance of public institutions.

3.3 Study Population

The target population was the staff of URSB whose total population at the head office was 124 staff at the time of this research. The study population consisted of 4 registrar Generals staff, 5 Directors, 11 Managers, 50 Officers and 54 support staff from the head office.

3.4 Sample Size

In this study, the sample size corresponding to a population of 124 is 94 as indicated by Krejcie and Morgan's (1971 cited by Amin, 2005) table of sample determination. However, the actual number of participants constituted a total of 82 respondents giving a highly satisfactory response rate of 87.2 percent. The respondents included: officers (senior officers, officers and assistant officers) and support staff (secretaries, office attendants and drivers). These were considered to be best suited to give pertinent information relating to the role of organizational change on financial performance. Table 1 presents a detailed distribution of the anticipated and actual sample size including the sampling techniques employed in selecting the various categories of respondents.

Table 1: Showing population, Sample and sampling technique

Category	Population	Actual sampled size	Sampling technique
Officers	70	56	Purposive sampling
Support staff	54	26	Simple Random sampling
TOTAL	**124**	**82**	

Source: URSB staff list (2015) sampled using Krejcie & Morgan, cited in Amin (2005)

3.5 Sampling Methods and Procedure

Purposive sampling was used in selecting respondents from the office of the Registrar General, Directors, Managers and Officers. These officers play a central and strategic role in making policies that impact on financial performance of URSB. Thus, their opinions, views, inputs and knowledge as well as experience were expected to enrich the research. On the other hand, selection of support staff that included secretaries, drivers and office attendants was done using simple random sampling. The justification for using this sampling technique was because it was all inclusive and gave equal chance to respondents at all levels to participate in the study without bias. This made it easier to obtain accurate and adequate data needed for the research. The sample used was also considered to have a higher level of information disclosure.

3.6 Data Collection Instrument

3.6.1 Questionnaire

Self-administered questionnaires were used in gathering quantitative data from officers and support staff of URSB. The rationale behind the use of close ended questions was because of the advantage they have in collecting quantitative data because they ease the burden of dialogues that would waste resources. The instrument was composed of five sections where section A elicited information regarding the background information of the respondents. This enabled the researcher get an indication of the nature of the employees in the URSB. Section B was on administrative structure. This was followed by section C on salary structure while sections D and E were on adoption of ICT and financial performance respectively

3.7 Data collection Methods

3.7.1 Interviews

For purposes of data triangulation, the researcher used face to face interviews to get opinions from the registrar general, directors and managers .The researcher felt this would be effective because it would enable her obtain other information that may not have been obtained using questionnaires. The purpose of the interview guide collected general qualitative information from different stakeholders with regard to what they considered to be the perceived influence of organizational change on financial performance of URSB.

3.7.2 Document Review

This was employed to access available secondary data. The researcher read through records at the Bureau like registers, to ascertain the registrations done in the directorates of Civil and Business, Finance records to ascertain the Non Tax revenue collections, URSB publications, URSB policy papers, guidelines and various URSB circulars and directives concerning the research area.

3.8 Data Validity and Reliability

3.8.1 Reliability

In testing the reliability of the instruments, the researcher used Cronbach Alpha coefficient which gives the average correlation of items in the questionnaire. Four reliability tests were computed for the four variables, all of which were based on a 5-point Likert scale of "strongly disagree" to "Strongly agree". The result of reliability coefficient was above 0.7 for all the variables (see Table 2 for reliability coefficient).All coefficients were above the minimum of 70 recommended by Nunally and Bernstein(1994)

Table 2: Reliability coefficients

Variable	Cronbach's Alpha	N of Items
Administrative structure	.763	8
Salary structure	.867	6
Adoption of ICT	.747	8
Financial performance	.701	8

As shown in Table 2, all the four variables in the questionnaire attained a high degree of internal consistency since their reliability values were above 0.70. This implies that the questionnaire was highly reliable and internally consistent.

3.8.2 Validity

According to (Mugenda and Mugenda ,1999), "validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study". To ensure relevance, precision and content validity of the instrument, the instruments were subjected to face validity by the supervisors where each item/question was assessed in relation to the objectives to evaluate and ensure that the questions measure the traits that were required. Following this assessment, amendments were made and the final instrument was developed and administered to the respondents

3.9 Procedure of Data Collection

An introduction letter was secured from the head of programmes to be taken to the field for clearance. Upon being granted permission, the researcher conducted the interviews with registrar general, directors and managers after fixing interviews dates. The research instruments to officers and support staff was administered by the research assistants who were trained by the researcher. The officers and support staff were given questionnaires and were collected after a period of two weeks.

3.10 Data Processing and Analysis

3.10.1 Quantitative analysis

Data was analyzed using two principle methods in accordance with the approaches in the research that is quantitative and qualitative analyses. The Quantitative data from the field was coded, entered and cleaned using the Statistical Package for Social Science (SPSS) for Windows. At univalent level, frequency analyses were performed to indicate respondents' opinions for each questionnaire item. The main statistical analyses used in establishing the relationship between the variables under investigation included the use of Pearson correlation and regression analysis. The former was employed to measure the association between the independent and the dependent variable. On the other hand, a multiple regression model was used in order to determine the combined effect of the independent variable on the dependent variable. The study adopted the following regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (1)$$

Where: Y = Index of financial performance,

α = Constant,

X_1 = Index of administrative structure,

X_2 = Index of Salary structure,

X_3 = Index of ICT Adoption

ε = error term that captures the influence of other variables that affect financial performance but are not included in the model.

3.10.2 Qualitative Analysis

The qualitative data generated from key informant interviews was categorized in themes in accordance with research objectives and reported in narrative form along with the findings from quantitative analysis.

3.11 Ethical consideration

The following ethical considerations were observed by the researcher during the course of the study.

First of all, information concerning age of the respondents was obtained to ensure they are equal to or above 18 years of age. Secondly the researcher respected the confidentiality of information provided by the respondents throughout the study. In doing this, anonymity of participants was maintained at all times by not using any identifiers or personal information in the questionnaires. For purposes of confidentiality of the participants, numbers were assigned on the questionnaires and not their names for purposes of protecting their identity.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter, the results of the study are presented, analyzed and interpreted in the context of the hypotheses of the study. Besides data on the organizational change and the financial performance of URSB, additional data (in the questionnaire) was collected about respondents' background information. Thus, the chapter first presents the background variables of respondents. This is followed by the description of organizational change and financial performance including the verification of the respective hypotheses.

4.2 Description of respondents' background information

In this section, the background information that was sought include: gender, age, years in the organization, designation and department. These are summarized in Table 3

Table 3: Respondents' background information

		Frequency	Percent
Gender	Male	41	50.0%
	Female	41	50.0%
Age	Below 20 years	2	2.4%
	20-30 years	23	28.0%
	31-40 years	38	46.3%
	41-50 years	16	19.5%
	Above 50 years	3	3.7%
Years in the organization	1 year	3	3.7%
	2 years	14	17.1%
	3 years	21	25.6%
	4 years	26	31.7%
	5 years+	18	22.0%
Designation	Senior officer	18	22.0%

	Officer	28	34.1%
	Assistant officer	10	12.2%
	Secretary	6	7.3%
	Driver	10	12.2%
	Office attendant	10	12.2%
Department	Civil registry	10	12.2%
	Business registry	15	18.3%
	Finance & administration	28	34.1%
	Intellectual property	9	11.0%
	Registrar general	20	24.4%

As noted in the previous chapter, out of the population of 124 staff, comprising officers and support staff of URSB at the head office. However, 82 staff members responded. Questionnaires were collected and used in the analysis. This gave a highly satisfactory response rate of 87.2 percent. Table 3 shows that in a sample that comprised 82 officers and support staff, there was an equal representation of males and females of 50 percent each. Turning to age, the findings show that the major category of respondents were employees in the age bracket of 31-40 years and were represented by 38(46.3%) respondents. These were followed by the staff between 20-30 years (28%). Next to this category were employees aged 41-50 years (19.6%) with only 3.7 percent above 50 years. The results further show that most of the participants were officers occupying top administrative positions (senior officers, officers and assistant officers) who in total constituted 56(68.3%) members while support staff were represented by 26(37.7%). They included secretaries, drivers and office attendants.

In any form of investigation such as this one, the trustworthiness of the information provided highly depends on the period of service a person has been working in an organization. Compared to employees with higher experience, individuals /whose duration of service is low are less likely to offer dependable information on which reliable conclusions and plausible recommendations can

be made. Thus, with regard to period of service, most of the respondents 65(79.2%) had a working experience of not less than three years in the Bureau. This period was considered sufficient for them to get acquainted with the operations of the Bureau thereby providing adequate and reliable information relating to how they perceived changes in the organization and how these changes have impacted on the perceived level of financial performance of URSB. Moreover, since the study was on financial performance, preference was given to respondents in the finance and administration departments because they are the ones mainly concerned with the daily handling of financial matters of the Bureau. They were therefore presumed to have vital information relating to both financial performance and the changes that the Bureau has experienced in the recent years.

4.3 Description of the dependent variable (financial performance)

As indicated in the first chapter of this thesis, financial performance was the outcome variable which was hypothesized to be dependent on three antecedents of organizational change that included administrative structure, salary structure and adoption of ICT. In the second chapter, an attempt was made to review a number of empirical studies that have explored the effect of organizational change on the financial performance of firms, organizations and companies. The measures that past studies have used to analyze performance include return on assets, return on equity, company sales and most of the studies used secondary data by looking at the financial records of firms over a specific time period. In this study, the researcher used primary data by obtaining the opinions of the staff working with the URSB with the help of questionnaires and interviews with key informants. In other words, the study relied on perceptions of the staff to determine whether financial performance of the institution has increased or deteriorated over the

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recent years. The responses were on a likert scale ranging from "strongly disagree" to "strongly agree". A low score (1) was assigned to extremely negative responses while extremely positive responses were awarded higher scores (4). For example a score of 1 represented strongly disagree while 4 meant strongly agree. The former implied very low financial performance while the latter signified very high performance. Six items were used as proxies for estimating the level of financial performance. In presenting the descriptive statistics, strongly disagree and disagree responses were combined and interpreted as a single unit and the same procedure was followed in interpreting positive responses (strongly agree and Agree responses). This was done for purposes of simplifying the interpretation of the results. Table 4 presents the descriptive statistics for respondents' opinions regarding the six indicators of financial performance explored in this study.

Table 4: Respondents' opinions in relation to financial performance of the URSB

		Frequency	Percent
NTR monthly targets are consistently met	Disagree	31	38.3%
	Not sure	28	34.6%
	Agree	22	27.2%
There has been an increase in NTR collections over the years	Disagree	2	2.5%
	Not sure	4	4.9%
	Agree	75	92.6%
NTR collections may at times exceed the monthly targets	Disagree	18	22.0%
	Not sure	32	39.0%
	Agree	32	39.0%
NTR collections always exceed set targets	Disagree	33	40.2%
	Not sure	39	47.6%
	Agree	10	12.2%

All funds released to URSB are absorbed appropriately	Disagree	13	15.9%
	Not sure	31	37.8%
	Agree	38	46.3%
There has been an increase in the number of registrations over the years	Not sure	1	1.2%
	Agree	81	98.8%

In assessing financial performance of the Bureau in terms of Non Tax Revenue (NTR), the results show that although monthly NTR targets are not consistently met (38.3%), the findings revealed that over the years, there has been an increase in NTR collections (92.6%). This is perhaps attributed to an increase in the number of registrations which was reported by nearly all (98.8%) respondents.

Transparency and adequate utilization of the resources is vital in all attempts geared at keeping institutions afloat. Although the analysis showed inconsistencies in meeting monthly NTR targets and that NTR collected hardly exceeds the set targets (40.2%), the findings show that nearly half of the respondents (46.3%) agreed that the funds released to URSB are absorbed appropriately and indeed allocated to specific priorities of the Bureau such as procurement of ICT infrastructure, compensation of the staff and strengthening the administrative structure of the Bureau among others.

In order to get an overall indicator of financial performance, the responses for each respondent on the dependent variable were summed up to get an index which was used as a proxy for financial performance. These scores ranged from 6 to 30 with higher scores signifying higher performance levels while low scores implied that financial performance of the URSB was considered low. This aggregated score was important in the verification of the hypotheses on the relationship between

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the three constructs of organizational change on financial performance of URSB. Specifically, the researcher was interested in finding out whether there was a linear relationship between the constructs of organizational change and financial performance using correlation tables and regression analysis.

4.4 Relationship between administrative structure and financial performance

In this study, the administrative structure was considered to be a vital component of organizational change that significantly impinges on financial performance of institutions. The assumption was that once the nature of the administration is improved, this would lead to quick decision making, managing client relationships, adequacy in assigning roles to the staff working in different departments, thereby enhancing the performance of an organization. To obtain respondents' opinions with regard to how they perceived the nature of the administrative structure in the Bureau, eight close ended items were formulated and respondents were requested to provide their independent opinions by indicating their agreement and disagreement with each of the eight proxies of administrative structure. The responses to these items provided the researcher a basis on which conclusions were made. For purposes of easing the interpretation of the findings, descriptive statistics for the negative and positive responses ie   (strongly disagree and disagree) and (Agree and Strongly Agree) respectively were combined and interpreted as a single block. Table 5 provides a summary of the descriptive statistics.

Table 5: Respondents opinions on the nature administrative structure in the URSB

		Frequency	Percent
	Disagree	28	34.1%

The current structure facilitates quick decision making	Not sure	4	4.9%
	Agree	50	61.0%
The roles of each department are well defined	Disagree	15	18.3%
	Not sure	5	6.1%
	Agree	62	75.6%
There are clear reporting lines	Disagree	19	23.2%
	Not sure	2	2.4%
	Agree	61	74.4%
The current structure allows directorates to exercise their powers	Disagree	23	28.0%
	Not sure	9	11.0%
	Agree	50	61.0%
The current structure provides directors with autonomy to make decisions	Disagree	25	30.5%
	Not sure	15	18.3%
	Agree	42	51.2%
The staffing levels are sufficient	Disagree	55	67.1%
	Not sure	14	17.1%
	Agree	13	15.9%
The current structure allows decentralization of powers	Disagree	25	30.5%
	Not sure	20	24.4%
	Agree	37	45.1%
The structure is not Bureaucratic / has no layers	Disagree	51	62.2%
	Not sure	22	26.8%
	Agree	9	11.0%

In Table 5, the findings show that most of the respondents' opinions was that the current structure of the administration at the URSB has been crucial in facilitating quick decision making as a total of 50(61%) reported. This appears to suggest that most of the employees are generally contented

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and look at the current administration as exemplary. This is perhaps attributed to among other things measures that have been undertaken by the administrators to ensure that the roles of each department are well defined as three quarters of the sample (75.6%) reported. This kind of division of labour is indeed important in increasing the level of efficiency, productivity, morale and expertise among employees as each one would specialize in the field where she has a comparative advantage thereby harnessing the skills and competencies of each employee to the maximum.

Delegation of authority is an important tool in organization function that has been found to reflect effective administration. By delegating, powers and authority are divided and shared amongst the subordinates. With delegation, a manager, is reproducing herself through the process of multiplying her roles with her employees which helps the manager reduce her work load. This helps her to concentrate her energy on very important issues or work on important areas. In one of the key informant interview questions, interviewees were asked to mention what they considered to be the major administrative structure. One of the respondents summarized the structure as one that has allowed effective delegation of authority. This, according to the interviewee has facilitated putting in place clear reporting lines that clearly spell out areas of accountability, who handles what and when and also provides room for grooming. According to the findings, 61 percent of the sampled respondents reported and appeared to be contented with the current structure in the sense that it has permitted directorates to exercise their power and autonomy to make decisions within their departments to the extent that when matters are to be referred to higher levels, most of the respondents (74.1%) averred that there are clear reporting lines.

Notwithstanding the above revelations, the findings show that the Bureau experiences a problem of understaffing. This problem was reported by more than fifty percent of the respondents (67.1%). Understaffing has far reaching consequences. In the key informant interviews, respondents were asked to mention the weakness of the current URSB structure and in the responses, the problem of understaffing came on the fore. Consequently, the existence of unfilled gaps resulted into an increase in the workload on a few individuals thus having negative impact on effective delivery of services. Besides leading to inefficiencies as one person is made to perform the tasks of another or other people, the increase in the workload also threatens staff retention in an organization.

Defined as even and systematic distribution of authority at every level of management, decentralization of powers is important in developing initiative and creativity, managerial talent, teamwork among subordinates and quick decision making. However, the results in Table 5 appear to be in contrast with the ideal situation since less than a half (45.1%) of the staff responded in the affirmative. This also explains why most of the participants (62.2%) reported that the administrative structure is highly Bureaucratic a factor that was also reported in the key informant interview as one of the major weaknesses of the current administrative structure that adversely affects quick decision making. Indeed, as indicated in the results of the questionnaire and key informant interviews, as the level of Bureaucracy and red tape increase, chances are very high that decision making may become difficult thus affecting the institution as a whole. Whereas Bureaucracy can provide organizations with a framework to handle even the most complicated situations, the end result of this framework may not bear fruit. For example innovations and creativity may be discouraged by bureaucratic tendencies in organizations.

Having obtained the responses on how participants perceived the administrative structure of URSB, the responses for each participant were combined into an aggregated score by adding and obtaining the sum of scores. Since the rating was based on a 5-point likert scale and that the total number of items on administrative structure were eight, this means that the minimum score was 8 while highest possible score was 40. The latter represents an unfavorable perception of the administrative structure while the former signifies a more favorable structure. The rationale behind summing up these responses was that the researcher was interested in determining whether positive or negative perception on the administrative structure has a bearing on the perceived level of financial performance of the Bureau. Thus, since the method of analysis involved the use of a Pearson correlation and regression analyses, it was necessary to obtain an overall measure of this independent variable to find out whether the two indices move in the same direction. In other words, the researcher was interested in determining whether there is a statistically significant positive relationship between the responses on administrative structure and financial performance of URSB. The results of this analysis are summarized in Table 6.

Table 6: Correlation between administrative structure and perceived financial performance of The URSB

		Changes in administrative structure	Financial performance
Changes in administrative structure	Pearson Correlation	1	.161
	Sig. (2-tailed)		.149

	N	82	82
Financial performance	Pearson Correlation	.161	1
	Sig. (2-tailed)	.149	
	N	82	82

In the correlation Table, the computed value of the Pearson correlation coefficient is 0.161. Since this coefficient is positive, this means that positive perceptions towards the changes in administrative structure of URSB are correlated with perceived financial performance of the organization. But despite taking a positive value, the relationship is statistically insignificant since the sig-value of 0.149 is greater than 0.05. This led to the acceptance of the null hypothesis that there is no significant relationship between administrative structure and financial performance of URSB. Thus, the findings provide empirical evidence regarding a weak and statistically insignificant relationship between administrative structure and financial performance of URSB. This suggests that changes in administrative structure in URSB are not in themselves enough in explaining the financial performance of the Bureau. In other words, there are other factors that explain financial performance of the Bureau rather than changes in administrative structure.

4.5 Relationship between salary structure and financial performance

In the second objective, this study sought to examine the relationship between salary structure and financial performance of URSB. The assumption was that responses on this parameter would have a bearing on the responses on financial performance of the Bureau. Six items were formulated in the questionnaire on which participants were asked to react to each by indicating their level of

agreement or disagreement. Table 7 presents the responses in form of frequency counts and percentages.

Table 7: Respondents' opinions in relation to salary structure in the URSB

		Frequency	Percent
The salary structure is fair	Disagree	40	49.4%
	Not sure	2	2.5%
	Agree	39	48.1%
The salary structure recognizes performance	Disagree	44	54.3%
	Not sure	11	13.6%
	Agree	26	32.1%
Salary ratio paid between the highest employee and lowest employee is fair	Disagree	54	65.9%
	Not sure	18	22.0%
	Agree	10	12.2%
The salary increment is implemented consistently in equal value	Disagree	40	48.8%
	Not sure	17	20.7%
	Agree	25	30.5%
The salary paid is competitive compared to other institutions	Disagree	17	20.7%
	Not sure	10	12.2%
	Agree	55	67.1%
The salary structure recognizes the principal of equal pay for work	Disagree	32	39.5%
	Not sure	13	16.0%
	Agree	36	44.4%

According to the results in Table 7, most of the respondents had negative perceptions on the salary structure in the URSB. A case in point is that despite the insignificant difference in the frequency

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counts between participants who agreed and respondents who disagreed with the first statement, slightly more (49.4%) described the salary structure as being unfair. In addition, more than a half (54.3%) reported that the structure hardly recognizes performance albeit to some extent tries to recognize the principal of equal pay for work (44.4%). On being asked to comment on the salary ratio paid between the highest and the lowest employee, more than two thirds 54(65.9) described the difference as being unfair although competitive with other institutions as 55(64.1%) participants reported. In the interaction with key informants, the findings still revealed some lack of unfairness in the way employees were being paid. For example, when interviewees were asked to comment on the weaknesses of the URSB salary structure, varied negative responses were given as indicated in the following excerpts:

> *"The disparity between the highly paid and the less paid is too big. Specifically, the current structure tends to favour top officers while lower officers are paid peanuts. Consequently the structure tends to increase the retention of the former than the latter."*

> *"The weakness is that the payroll doesn't include non-monetary benefits such as housing, transport allowance medical, lunch and career advancement/training especially for lower cadres in the hierarchy. As a result, people are not motivated to give in the best."*

> *"When compared with other institutions URSB pays less leading some staff leaving for greener pastures."*

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"The gap between salary levels for each grade is not fair e.g. office attendant and driver."

All in all, one major observation from the above findings is that the findings in both quantitative and qualitative analysis were generally negative, an indication that although some were apparently happy, most employees of the Bureau were dissatisfied with the current salary structure. The researcher's aim was to therefore determine whether the variations in the responses have a link with the responses pertaining to the perceived level of financial performance of the URSB. To confirm this relationship, a Pearson correlation was used and the statistics showing this relationship are summarized in Table 8.

Table 8: Correlation between salary structure and financial performance of the URSB

		Changes in salary structure	Financial performance
Changes in salary structure	Pearson Correlation	1	.357
	Sig. (2-tailed)		.001
	N	82	82
Financial performance	Pearson Correlation	.357	1
	Sig. (2-tailed)	.001	
	N	82	82

In Table 8, we see a positive value of the correlation between salary structure and financial performance of the URSB. This is given by the coefficient value of 0.357. Besides being positive, the relationship between the two variables was statistically significant since the sig-value of 0.001 was less than the level of significance (0.05) at which the null hypothesis was tested. It therefore follows that other factors remaining constant, respondents who were fairly contented with the salary structure were also more likely to rate the Bureau highly with regard to its financial performance. Consistent with the quantitative results summarized in Table 8, findings from the interviews also showed a close linkage between salary structure and financial performance of the Bureau. The lead question in the interview guide sought to find out whether they thought the URSB salary structure influences the performance of the Bureau. Some of the responses are given in the following narratives:

> *"It does influence performance because it motivates the highly paid staff and limits corruption tendencies as well as leakages of NTR because people who earn a high salary are accountable and dedicated to their jobs".*

> *"Yes it does since it motivates staff and it is on average better than that of many organizations in Uganda"*

> *"People at different levels earn differently. Therefore, the difference in earnings encourages hard work as people aim for bigger positions".*

The results thus concur with the tournament theory on the premise that an increase in compensation positively affects financial performance. The conclusion derived from this finding

is that improvement in staff compensation significantly increases the likelihood of having positive perception on financial performance.

4.6 Relationship between adoption of ICT and financial performance of the URSB

The third and final objective aimed at finding out whether a relationship exists between adoption of ICT and financial performance of URSB. This was propelled by the various studies done elsewhere that reported a positive contribution of information and communication technology (ICT) on various aspects of human lives, activities and interactions. However, since no study has been conducted in URSB to confirm this contribution, this study was considered imperative. To elicit their responses on the various aspects of ICT adoption, eight statements were formulated in the questionnaire and respondents were asked to tick the response that best described their opinion. The descriptive results of their answers are depicted in Table 9

Table 9: Respondents' opinions in relation to adoption of ICT

		Frequency	Percent
Operations of the Bureau are computerized	Disagree	3	3.7%
	Agree	79	96.3%
There are adequate computers at URSB	Disagree	11	13.4%
	Not sure	4	4.9%
	Agree	67	81.7%
There is an effective internal communication system	Disagree	21	25.6%
	Not sure	5	6.1%
	Agree	56	68.3%
All computers are connected to the internet	Disagree	10	12.3%
	Not sure	21	25.9%
	Agree	50	61.7%
The internet is reliable	Disagree	33	40.2%
	Not sure	18	22.0%
	Agree	31	37.8%
There is easy interaction between the headquarters and the regional offices	Disagree	12	14.6%
	Not sure	10	12.2%
	Agree	60	73.2%
Most of the staff have institutional computers	Disagree	10	12.2%
	Not sure	4	4.9%
	Agree	68	82.9%
The registration function has been computerized	Disagree	13	15.9%
	Not sure	3	3.7%
	Agree	66	80.5%

In table 9, most of the respondents agreed with the statements relating to adoption of ICT in the

Bureau. In the analysis, a significant proportion (96.3%) stated that the operations of the Bureau

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are computerized. This, according to the results has been made possible by the procurement of adequate ICT infrastructure (81.7%) in the Bureau and by the time this research was conducted, majority of the staff (82.9%) had and were using institutional computers for daily activities of the institution. These included registration function as indicated by 80.5 percent, effective internal communication system (68.3%) and easy interaction between the head office and regional offices (73.2%). The results from the interview held with some key informants revealed the most important areas in which ICT has been vital in transforming the operations of the Bureau.

"The IT system is a new innovation at URSB. For example we no longer have manual certificates since their issuance is now done online. In-house communication is now faster and better all of which have eased our work and improved timelines in service delivery."

"The ICT system has rolled out the Business Registration System (BRS), Electronic Document Management System (EDMS) which have enhanced ease of doing business by online registration and decentralization of URSB services in the region".

"The ICT system has eased internal and external communication through the use of e-mails, international video calling as well as video conferencing."

Despite the above contribution of ICT a major challenge identified was that despite being connected to the internet (61.7%), a fairly large proportion of the respondents (42.2%) complained that the internet is not reliable. Unstable internet at the place of work puts the work of the Bureau

at a standstill as this is likely to have a detrimental effect on internal and external communication including the registration function.

Having given a description of respondents' answers to items on ICT adoption, a global index was obtained by summing up the responses on ICT and correlating this index with the index of financial performance. Since most of the studies cited in the related literature reported a positive connection between adoption of ICT and performance of firms, this study also attempted to explore whether the same relationship exists at URSB. Like in the preceding analyses, a Pearson correlation was employed to ascertain whether a linear relationship exists between these two variables. The outcome of the statistical analysis is summarized in Table 10.

Table 10: Correlation between adoption of ICT and financial performance of the URSB

		Adoption of ICT	Financial performance
Adoption of ICT	Pearson Correlation	1	.355
	Sig. (2-tailed)		.001
	N	82	82
Financial performance	Pearson Correlation	.355	1
	Sig. (2-tailed)	.001	
	N	82	82

According to the findings in Table 10, adoption of ICT at the workplace is positively and significantly linked to the financial performance of URSB. In the findings, the value of the

correlation is 0.355 while the sig-value is 0.001 and lies below the level of significance 0.05. The results confirm the research hypothesis which stated that adoption of ICT is positively related to financial performance of URSB. That is to say, computerization of the operations of the Bureau, having ICT facilities connected to reliable internet to mention but few, goes a long way in facilitating interaction between headquarters and regional offices and also helps in simplifying the registration function of the Bureau all of which have a potential of boosting NTR monthly targets and collections and an increase in annual number of registration. The role of ICT clearly came out in the interviews when respondents were asked whether they thought the URSB IT system has improved the performance of the Bureau. The following are some of the narrative excerpts from qualitative findings on the influence of ICT in improving the performance of the Bureau.

> *"Has greatly improved and I believe that in the next five years everything will be driven by ICT. No documents getting lost because all requisitions are now made online".*

> *"It has improved the Bureau's performance especially when you look at the NTR collections and reductions in leakages of collections. It is a big indicator of performance as well as reduction in the time spent to deliver services."*

> *"There is little time wasted by staff moving from one place to another. Instead they use internet for communication with clients and staff working in different regions and/ or offices".*

> *"It has positively affected the performance because of the registered progress in service delivery and collections."*

> *"ICT has partly contributed to the performance of the Bureau in terms of accuracy, timeliness of reporting reduction in revenue losses and a substantial increase in NTR collections."*

In view of the vital contribution ICT has had on enhancing the performance of the Bureau, most of the interviewed directors saw increasing expenditure on ICT and training of staff in specialized ICT skills as important avenues geared towards a continued effective service delivery.

4.7 Results of the multiple regression analysis

The results of the bivariate analysis do not provide conclusive evidence regarding the determinants of any phenomenon, because such analysis only depicts a one on one relationship between two variables, whereas in reality hosts of factors play their role simultaneously. For that reason, the multiple regression analysis procedure was applied in this research to determine how the three explanatory variables affect the dependent variable. The regression model was constructed in a way that it defines financial performance as a function of three sets of independent variables. These variables include Changes in administrative structure, changes in salary structure and adoption of ICT. In this study, the researcher was particularly interested in finding the magnitude to which each of the predictor variable accounts for financial performance and the significance of the explanatory variables. The results of this analysis are shown in the Table 11.

Table 11: Multiple regression summarizing the influence of organizational change on financial performance of the URSB

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2.391	.349		6.846	.000

Changes in administrative structure	-.013	.084	-.017	-.151	.880
Changes in salary structure	.128	.063	.245	2.025	.046
Adoption of ICT	.202	.102	.242	1.985	.051

F= 5.340	Sig= .002
R=.413	R Square=.170

a Dependent Variable: Financial performance

In Table 11, the coefficients for changes in salary structure and Adoption of ICT were positive implying a positive relationship between these two independent variables and the dependent variable. The Unstandardized coefficient of the explanatory variables show that financial performance of URSB is likely to go up by .128 times when the salary structure is improved by one unit and the same dependent variable is predicted to go high by .202 times if the level of ICT adoption increases by one unit holding other factors constant. On the other hand, the results show that change in the administrative structure negatively impact on the financial performance of the Bureau. A critical look at this variable shows that the coefficient of administrative change is so negligible (-.013) that we can hardly speak of any serious negative impact on the financial performance. This is confirmed by the corresponding p-value given at the end of the table which shows that change in the administrative structure was insignificant in predicting the financial performance of the Bureau. This is because its p-value (.888) was greater than 0.05, the level at which the null hypothesis was tested. On the other hand, changes in the salary structure and adoption of ICT had their respective p-values as 0.046 and 0.051. This means that the two variables were significantly important in explaining the financial performance of the Bureau at 5% and 10

percent respectively. This suggests that an improvement in each of these two parameters translates to improvement in the financial performance of URSB.

Beneath the table are values of F-statistic (5.340) with its associated p-value equal to .002. With a sig value of the F-statistic being .000, the regression model was significant. This implies that some of the variables entered in the model play a significant role in accounting for the variability in the financial performance of URSB. Other statistics below the table include the value of R (.413) and R-squared (.170). R is the coefficient of multiple correlations between the independent variables and the dependent variable. The R-squared indicates the rate at which the explanatory variables affect the dependent variable. This means that, holding other variables constant, the three predictor variables account for 17% in explaining the variability in the financial performance of URSB. This implies 83 percent of the Bureau's performance is accounted for by factors such as leadership style, quality of human capital, working environment, working experience and others. These factors emerged from the key informants' interviews in which respondents emphasized that there're quite a number of parameters that can explain the variations in the dependent variable besides the ones considered in this research. The findings thus point to other areas of organizational change that future studies should be geared to.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

The primary objective of this study was to establish relationship between organizational change and financial performance of URSB. Never the less the findings of this study would remain

oblivious to the readership of this study if they are not backed up with a discussion, a summary, viable conclusions and feasible recommendations to which this chapter will bring its attention. These are presented according to the three objectives of the study.

5.2 Summary

This study set out to assess the impact of organizational changes on financial performance of Uganda Registration Services Bureau. The impetus for carrying out the study was founded on the premise that at URSB, a number of changes have taken place including salary structure from the traditional structure of many layers to the broardband consolidated salary, the administrative structure from the centralized administration at the line ministry to a decentralized administration being managed by the board of directors and adoption of ICT from the traditional old type writers to computerization in the activities of the Bureau.(Annual report 2013/14) The study therefore intended to determine whether the changes have had a contribution in improving the Bureau's performance.

Guided by three specific objectives, the study adopted a correlational research design to describe the relationship between the dependent (financial performance) and the independent variables (that is: changes in administrative structure, changes salary structure and adoption of ICT). Data collection was done using questionnaires and interviews and a sample size of 82 respondents was used in drawing conclusions resulting from the Pearson correlation and regression analysis. The results of the empirical analysis revealed the following findings.

Regarding the first objective which sought to determine the relationship between administrative structure and financial performance, the results of both the correlation and regression analysis showed that administrative structure is not a statistically significant factor in explaining the

Bureau's performance. This is because the sig-values were above the level of significance. Accordingly, the null hypothesis was accepted. This hypothesis stated that: there is no significant positive relationship between changes in the administrative structure and financial performance of URSB. The findings showed no relationship between administrative structure and financial performance other factors may have contributed to this other than the administrative structure. Some participants indicated in their responses to the interview that the leadership style and internal control measures in place may play a big role in curbing leakages of collections of NTR thus improving financial performance.

Turning to the second objective which aimed at finding out the relationship between changes in salary structure and financial performance of URSB, the study found out a positive and statistically significant relationship between changes in the salary structure and financial performance of URSB. The changes in the salary structure from the traditional public service structure which had several layers but lower and also the terms of employment of being permanent and pensionable to the broadband which has fewer layers and on consolidated and contractual terms led to better finance performance since the employees indicated that they were more motivated by the pay and worked harder; and also the leakages of NTR collections due to corrupt tendencies reduced. The responses from the staff indicated that the higher pay provided as compared to other government institutions also motivated the employees to work effectively and efficiently thus improving the NTR collections and increase in the number of registrations leading to better financial performance of URSB

Thirdly, it was established that adoption of ICT is significantly important in explaining the financial performance of the Bureau. The use of computers for capturing data, registering of

companies by use of online certificates other than the rudimentary type writers improved the time taken to register a company due to reduction in the time taken to make a search, and registers a company thus improving in the number of registrations made at a given time. The use of video telephone has also reduced the time taken in movement of staff and saved for performing registration services which are paid for thus improving the financial performance of URSB. The introduction of the Business Registration System (BRS) and Electronic Document Management System(EDMS) have greatly lead to reduced turnaround time in registering a company thus improving the financial performance of URSB since the increase in the number registrations leads to more collections of NTR.

The findings therefore suggest that an improvement in salary structure and adoption of ICT led to improvement in the financial performance of URSB.

5.3 Discussion

In this section, the discussion of the findings obtained on each of the three study objectives is presented.

5.3.1 Relationship between administrative structure and financial performance of URSB

The first objective was intended to examine the relationship between administrative structure and financial performance of URSB. Eight items in the questionnaire formed the central constructs used in obtaining responses on administrative structure.

In the descriptive analysis, it was established that the current structure in URSB facilitates quick decision making and the roles of each department are well defined. Moreover, most respondents

acknowledged that in addition to the presence of clear reporting lines, the current structure allows directorates to exercise their powers. However, findings indicated that the Bureau experiences the problem of insufficient staffing levels, including Bureaucratic structure with several layers. It was also noted that the current structure fairly allows decentralization of powers. Accordingly, this study provides important new insights on the areas which should be worked on so as to improve the administrative structure of the Bureau.

The results of the study on the relationship between board structure and financial performance using Pearson correlation coefficient and regression analysis revealed a weak and statistically insignificant relationship between the two variables. This was in sharp contrast with the researcher's initial proposition that hypothesized a significantly positive relationship between changes in the administrative structure and financial performance of URSB. Besides being insignificant, one of the most interesting parts of the outcome from the regression statistics was the negative coefficient of the independent variable (board structure) and financial performance.

The negative finding is contrary to a number of previous empirical studies done elsewhere that revealed a positive and significant relationship between the administrative structure and financial performance. For example, the findings fail to support Ongoso's (2014) results that revealed a strong positive association between board size and corporate financial performance. They are also not in line with Golden and Zajac (2001) who found board size to have a positive influence on strategic change for smaller boards. In the same line, the outcome of this study hardly corroborates Kapopoulos and Lazaretou (2006) study which indicated that "a more concentrated ownership

structure positively relates to higher firm profitability". The findings of Wanza and Kagwiria (2016) also unearthed positive relationships between structural changes and organizational leadership on university employees' performance. Similarly, the findings are not in line with those reported by Seema (2015) whose study revealed a positive and significant relationship between promoters' shareholding and the two financial measures that included Return on Assets (ROA) and Return on Equity (ROE) in India during the period 2004-2014. Contrary to the results in the previous chapter, Yigit (2014) found a significant positive relationship between executive structure and organizational performance.

However, the results corroborated empirical studies that have reported an insignificant relationship between administrative structure and financial performance of organizations. The major studies that render credence with the outcome of the current study are worth pointing out. Regarding the negative coefficient, the findings corroborate Yermack's (1996) argument that an increase in the number of directors has a negative impact on coordination, communication and swift decision-making which makes it increasingly difficult to enhance the performance of companies. For many years, Berle and Means (1932 cited by Yigit 2014) had sounded the same warning when they noted that if the percentage of ownership increases, the professional managers will have less control and as a result, there will be a negative relationship between ownership structure and performance. Regarding the insignificant effect, Omar, Zijl, Keitha and Waresul (2007) also found ownership structure to have an insignificant impact on performance. Also consistent with the findings of this study, are the findings of Sevcenco, and Kin (2013) who after employing a linear regression

analysis found out that proportion of shares held by a state or corporate companies has no significant effect on the performance of private listed companies.

By and large, the findings of this research support agency theory by lending a hand to reduce agency cost through putting in place various administrative and Bureaucratic layers as indicated in the descriptive statistics, organization performance is adversely affected. According to Duggan (n.d) , "organizational structure can inhibit or promote performance, and this may depend on how effectively the supervisory relationships and workflow influence productivity".

Organizational structure delineates the departmental structure, workflow and supervisory relationships within a company. The more layers of administration a firm has the higher the chances of producing a more complex organizational structure yet, as we all know, decision making is delayed in bureaucratic organosations.Accordingly the findings suggest that changes in administrative structure are not in themselves enough in explaining the financial performance.

As a caveat, the results send strong signals to the directors of URSB that instead of laying much emphasis on the administrative structure, they should understand that for the most part, they need to appreciate that although in a dynamic environment boards are important for smooth functioning of organizations in order to match the desired level of financial performance, it would be more prudent for them to pay special attention on antecedents of organizational change that have a statistically significant bearing on improving financial performance. In the context of this study, the two major factors identified include staff compensation and adoption of ICT.

5.3.2 Relationship between salary structure and financial performance

The aim of the second objective was to determine relationship between salary structure and financial performance in URSB. In the descriptive analysis, the findings generally showed that on most of the items dealing with salary structure, the responses were negative. A case in point is that more employees described the salary structure as being unfair and hardly recognizes individual performance. In the same analysis, the findings also showed the difference in the salary ratio between the highest and the lowest paid employee being described as unfair although competitive with other institutions. Obviously, this dissatisfaction suggests that renewed efforts are necessary to raise / improve on employee compensation in order to achieve higher level of financial performance. This submission/observation is based on the results of both the correlation and regression analyses which revealed a positive and significant relationship between salary structure and financial performance of URSB. This implies that other factors remaining constant, higher level of contentment with the salary structure significantly explains higher financial performance.

Consistent with the above findings, several empirical studies done in other countries have also reported significant influence of employee compensation and organizational performance. For example, Mander's (2012) analysis also revealed a significant relationship between equity-based compensation and company performance. In addition, the findings in this study align themselves with Amessa and Leigh (2003) who also proved a strong positive relationship between profitability and pay for the highest paid director (HPD). Also in corroboration with the outcome of this investigation, Shakerin, Natalie and Low (2014) results of both Pearson correlation and Regression

analysis showed a significantly positive contribution of CEO pay and the three indicators of firm performance namely; Return on Assets, Return on Equity, and the firm's profit margin. This means that in order to strengthen its financial performance, URSB should improve on the compensation structure of its staff. This will guarantee sustained financial performance. This argument is in line with Ribaun (2011) who revealed that "pay was either the most important, or at least a highly significant factor influencing performance".

As flagged off in the descriptive results where most employees complained that the salary structure in URSB doesn't recognize performance, compensation plans should ideally show the value of each type of job on the Bureau's overall performance. Eg In some companies the technical jobs are the most vital, whereas for others it's the frontline customer service positions that determine the success of the company against its competitors. Under such circumstances pay-for-performance plans tie an individual's pay directly to his or her ability to meet performance targets. Broadly, the evidence derived in this study is consistent with a notion that compensation plans are significantly vital in explaining the extent to which an employee contributes towards achieving the goals of an organization. Among the various forms of compensation considered important, literature emphasizes the use of monetary (direct) or nonmonetary compensation (indirect) plans or a combination of the two. Indirect forms of compensation include any intangible benefit(s) a worker obtains from his employer. Examples include job security, flexible working hours, career advancement, praise and recognition, health insurance; retirement, accommodation, etc. On the other hand, monetary forms of compensation can include increasing an employee's annual salary, hourly wage, profit-sharing bonuses or any performance-based pay that an employee receives.

In general terms, from both the results and the literature relating to organizational performance, it has been established that salary structure is a device by which managers can potentially work to obtain desired performance outcomes from employees. It may well be, therefore that because of the significant links between financial performance and employee remuneration, URSB should strengthen compensation structure of its employees by using various incentive plans which support both short and long terms financial performance. Bonuses can for instance show that an employer appreciates and rewards his employees' good performance. On the other hand, incentives which are described as bonus pay when specified performance objectives are realized go a long way in inspiring employees for better performance and are a great stimulus to achieve organizational goals.

5.3.3. Relationship between adoption of ICT and financial performance of URSB

Propelled by studies done elsewhere, the aim of the third and final objective was to find out whether a direct link exists between adoption of ICT and financial performance of URSB. From the results presented in the previous chapter, the findings showed a direct nexus between ICT adoption and financial performance of the Bureau. That is to say, computerization of the operations of the Bureau, having ICT facilities connected to reliable internet goes a long way in facilitating interaction between head office and regional offices and also helps in simplifying the registration function of the Bureau all of which were seen to have a positive and statistically significant relationship with the perceived level of financial performance.

The outcome of both the Pearson correlation and regression analysis, reinforce the results of previous researchers that have also established a linear relationship between adoption of ICT and organizational performance. First, the findings are supportive of the results of Wanza and Kagwiria (2016) which established that technological changes greatly impact on employees' performance. Similarly, a study carried out by Zipporah and Oloko (2015) in Kenya using Pearson Product Moment Correlation Coefficient and Multiple regression also established that online banking, ATM banking, mobile phone banking and agency banking had positively impacted on the financial performance of commercial banks. Also in corroboration with the outcome of this study, the findings of Mason (2006) revealed that ICT skill shortages have an indirect negative impact on performance which means that in order to improve organizational performance managers should invest more in ICT technologies. Lending support to the findings in this study, Taiwo and Agwu's (2016) empirical findings also showed a significant and positive relationship between ICT system and organizational performance. Similarly, Olajide's (2013) findings using the analytical tools used in this study also concluded that ICT adoption positively relates with insurance companies' profitability in Nigeria.

In principle, evidence derived in this research is consistent with a notion that by embracing ICT in all facets of their activities and dealings, the impact of ICT adoption would give significant contributions on financial performance by improving the efficiency and effectiveness of carrying out various tasks by different employees and facilitating easy communications, monitoring and improvement in service delivery. Therefore, it is in recognition of the contribution of ICT to financial performance and the fact that there is need for the diffusion of information on impacts of

ICT which can lead to an increased awareness of the value of information systems in the adequate fulfillment of the Bureau's mandate of registering businesses, intellectual property rights, trademarks, civil marriages to mention but a few.

However, concerted attempt to match this awareness with ICT investments is needed to give rise to effective utilization of the ICT gadgets to achieve the expected financial outcomes. This underscores the need for the top management of URSB to implement and put emphasize on policies that improve optimal utilization of ICT resources. As a starting point, the findings reflect the need for staff to train in the use of ICT in their respective departments. This would enable them to effectively integrate ICT applications in their daily operations. In light of this submission, Ashrafi and Murtaza (2008) posit that "application of ICT to enhance the performance of organizations of all types around the world do not only help to cut costs and improve efficiency but also for providing better customer services".

5.4 Conclusions

5.4.1 The aim of the first objective was to determine the relationship between the administrative structure and financial performance. There was change in the administrative structure where by the reporting lines were changed from the line ministry to the board of directors and a number of departments created, there was an increase in staffing levels from members of only one department of the registrar general at the ministry to a number of staff in the newly created departments including compliance, audit, finance and public relations. From the findings, the researcher was unable to successfully establish a significant relationship between these administrative structure and financial performance. In other words, the more layers of administration, the higher the

chances of producing a more complex organizational structure which affects effective coordination, communication and swift decision-making. In other words, one may argue that the different dimensions of board structure considered in this study were insignificant in explaining the financial performance of URSB which implies that this variable is not among the aspects of organizational change that enhance financial performance of the bureau. The study therefore concludes that as the bureau seeks to increase its financial performance, there is need to consider other structural dimensions of organizational change (but not board structure) that significantly match the desired level of financial performance.

5.4.2   In the second objective, it was expected that changes in the salary structure would have direct relation with the financial performance of URSB. In line with this assumption, the results in this confirmed that pay is one of the major determinants of motivation and demotivation to perform work roles, an understanding that can be used by policy-makers in making strategic reforms in the bureau with an aim of improving the bureau's performance. The change in the salary structure from traditional with various layers with small intervals to that of the broadband with less layers and bigger intervals and consolidated contractual terms motivated staff and lead to improvement in the number registrations thus an increase in NTR collections. Low pay leads to corruption, or employees diverting their commitment from their primary duties to other jobs. It is therefore concluded that if the bureau's staff are well paid, performance will increase as a result of increased commitment to their work.

5.4.3   Regarding the third objective, the study found a positive and significant relationship between ICT adoption and financial performance of URSB. This means that continuous investment

in ICT products leads to optimal financial performance in corporate organizations. This is mainly a result of reduced transactions costs and red tape inherent in old system of storage on shelves and use of type writers. There was an introduction of use of computers and the improved system of BRS and EDMS both improving efficiency in the registration and movement of documents thus reducing the time taken to register a company. The use of telephones as means of communication between staff reduced the movement of staff form one level to another and also improved interaction between staff at the heads office and those in the regional offices. The study therefore concludes that organizations that want to increase their financial performance should invest and embrace ICT in all ramifications which is achieved via added convenience. ICT creates unprecedented opportunities for proper planning, organizing, coordinating and effective delivery of services.

5.5 Recommendations

As a result of the findings of the study, the following recommendations are made:-

5.5.1   The findings provide important new insights on the areas which should be worked upon to improve the administrative structure of the Bureau. Specifically, the study recommends that instead of laying emphasis on a few components of administrative structure, attention should also focus on addressing the problem of insufficient staffing levels, initiating pertinent mechanisms aimed at reducing Bureaucratic tendencies including proper decentralization of powers. These three components were found lacking in the current board structure.

5.5.2   URSB should strengthen the compensation structure of its employees using monetary (direct) and nonmonetary (indirect) compensation plans or a combination of the two. This is because of the findings which indicated that employee compensation is among the key parameters inducing higher financial performance in URSB.

5.5.3   From the findings, the study recommends that URSB should implement and emphasize policies that enhance investment in ICT for the Bureau's operations if the quest for financial performance must be a reality. This is because higher adoption of ICT was found to have positive influence on financial performance

5.6 Limitations of the Study

Inability of the respondents to provide adequate information is one of the limitations experienced in data collection that was brought about by lack of knowledge and, or skepticism about the purpose of availing the required information. Some respondents were therefore reluctant to open up even after explaining to them the aim of this study.

In the processes of carrying out interviews, it was difficult to state a given question in such a way that it would carry the same meaning for each respondent thereby eliciting different responses from the interviewees. Nevertheless, this problem was offset by the inclusion of only those respondents who were ready and willing to share their experience on the topic in question.

It was hard for some respondents to remember information or state the truth about a more confidential question. Some may have therefore been dishonest in their responses. However, because the researcher consulted a wide range of participants, there is high probability that the responses given are a general reflection of the situation in the study area.

5.7 Contributions to Knowledge

According to (Petre and Rugg, 2010) "making a significant contribution means adding to knowledge or contributing to the discourse – that is, providing evidence to substantiate a conclusion that is worth making". Original contribution to knowledge involves: uncovering new facts or principles, suggest relationships that were previously unrecognized, challenge existing truths or assumptions, afford new insights into little-understood phenomena, or suggest new interpretations of known facts that can alter man's perception of the world around him, Petre and Rugg (2010). Thus, acknowledging that the essence of research is to find more knowledge and add to the existing body of knowledge the following are some of the ways in which this study has contributed to the existing body of knowledge.

Contribution to the literature: Although empirical literature has for long reported the predisposing factors for organizational performance, surprisingly, little empirical evidence is available in Uganda and in this context URSB. This study has contributed to the existing body of literature by testing the independent impact of the three independent variables on the performance of the Bureau. Therefore, in an area which has been under explored, the analysis presented in this research confirmed what previous studies have established regarding the significant impact of the three explanatory variables on the Bureau's performance. Another contribution of this research to the existing knowledge is in terms of the methodology that was adopted to accomplish the study objectives. By reviewing empirical studies related to the topic in question, new methods in tackling the same problem were identified. These included: the research design, data collection methods, sample size and data analysis which were changed to tackle the same problem in-order to bring

out a unique study. For example, some researchers used only questionnaires whereas others used secondary data in their study but in addition to the questionnaires, the researcher also used key informant interviews. In addition, different inferential statistics were utilized to bring a difference in the analyses adopted by previous researchers. Specifically, the contribution in this area was that in addition bivariate analysis (Pearson correlation), the study used a multiple regression which helped in making the findings outstanding.

5.8 Areas for future research

Due to limitation of time and resources the researcher could not cover all the staff in the regional offices thus restricted herself to the main office. This means that conclusions should be interpreted as applying to the staff working at the main office. This limitation points to the direction that further research could take.

Since the research was based at the head offices, it would be important to increase the coverage to include different employees working in all regional offices of the Bureau. Considering the fact that the subject of organizational change is general and issues surrounding it are quite pertinent, The same study can be extrapolated to different employees, with larger sample sizes and surveys of this nature be conducted at different periods so that details of the individual differences in the Bureau's employees can be more fully explored and any institutional differences (if any) can be found.

The research design adopted in this study should also be replicated to other organizations and institutions, with an aim of determining whether variations in the organizations influence the level of performance. These expansions should result in a better understanding of the factors influencing performance besides organizational change.

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APPENDICES

Appendix i: Questionnaire

Dear Respondent,

I am a Master of Management Studies of Finance Management student at Uganda Management Institute, as part of the program, am conducting a study: Topic Organizational Change and Financial Performance. A case of Uganda Registration Services Bureau.

The study seeks to examine the role of organisation change on financial performance. As one of the target respondents, your opinions are very important to this study. The information provided will be used for academic purposes and will therefore be treated with ultimate confidentiality.

Kindly spare some time and answer the questions by writing in the space provided or ticking the answer of your appropriate choice.

SECTION A; DEMOGRAPHIC CHARACTERISTICS

For this section, please **Tick** an opinion you agree with against the options given.

1. Gender   (a) Male   ☐   (b)   Female   ☐

2. Age : (a) Below 30 years ☐ (b)31-40 ☐ (c) 41-50 ☐   (d) Above 50 ☐

3. Designation :(a)Senior Officer☐ (b)Officer ☐(c)Assistant officer ☐   (d) Secretary ☐   (e)Driver ☐ (f) office attendant ☐

5. Number of years in Organisation.

  (a) 1yr ☐   (b) 2yrs ☐   (c) 3yrs ☐ (d) 4 yrs ☐ (e) 5yrs and above☐

6. What is your department?

a) Civil Registry ☐ b) Business ☐ c) Finance & Admin☐ d) Intellectual Property ☐

e) Registrar General ☐

SECTION B: ADMINISTRATIVE STRUCTURE

In this section use the scale provided to tick or circle a number that describes your opinion.

1 = **"**Strongly disagree" **(SD), 2** = "Disagree" **(D), 3 = "Not** Sure" **(NS), 4= "**Agree" **(A),**

5 = "Strongly Agree" **(SA)**

Administrative structure		SCALE				
		SD	D	NS	A	SA
1	The current structure facilitates quick decision making	1	2	3	4	5
2	The roles of each department are well defined	1	2	3	4	5
3	There are clear reporting lines	1	2	3	4	5
4	The current structure allows directorates to exercise their powers	1	2	3	4	5
5	The current structure provides directors with autonomy to make decisions	1	2	3	4	5
6	The staffing levels are sufficient	1	2	3	4	5
7	The current structure allows decentralization of powers	1	2	3	4	5
8	The structure is not Bureaucratic / has no layers	1	2	3	4	5

SECTION C : SALARY STRUCTURE

Salary Structure		SD	D	NS	A	SA
9	The salary structure is fair	1	2	3	4	5
10	The salary structure recognizes performance	1	2	3	4	5

11	Salary ratio paid between the highest employee and lowest employee is fair	1	2	3	4	5
12	The salary increment is implemented consistently in equal value	1	2	3	4	5
13	The salary paid is competitive compared to other institutions	1	2	3	4	5
14	The salary structure recognizes the principal of equal pay for work	1	2	3	4	5

SECTION D: ADOPTION TO INFORMATION COMMUNICATION TECHNOLOGY- ICT

	adoption to ICT	SD	D	NS	A	SA
15	Operations of the Bureau are computerized	1	2	3	4	5
16	There are adequate computers at URSB	1	2	3	4	5
17	There is an effective internal communication system	1	2	3	4	5
18	All computers are connected to the internet	1	2	3	4	5
19	The internet is reliable	1	2	3	4	5
20	There is easy interaction between the headquarters and the regional offices	1	2	3	4	5
21	Most of the staff have institutional computers	1	2	3	4	5
22	The registration function has been computerized	1	2	3	4	5
SECTION E: FINANCIAL PERFORMANCE						
Responses to Financial Performance		SD	D	NS	A	SA
23	NTR monthly targets are consistently met	1	2	3	4	5
24	There has been an increase in NTR collections over the years	1	2	3	4	5
25	NTR collections may at times exceed the monthly targets	1	2	3	4	5
26	NTR collections always exceed set targets	1	2	3	4	5
27	All funds released to URSB are absorbed appropriately	1	2	3	4	5
28	There has been an increase in the number of registrations over the years	1	2	3	4	5

THANK YOU FOR YOUR TIME

Appendix ii: Interview guide

Administrative Structure

1. How is the URSB administrative structure

2. What are the strengths and weaknesses of the URSB structure?

3.How has the structure affected the overall performance of the Bureau?

SALARY STRUCTURE

4. Have you accessed the URSB salary structure?

5.What are the strengths and weaknesses of the URSB salary structure?-----------------------------

6. Do you think the URSB salary structure influences the performance of the Bureau---------------

ADOPTION TO ICT

7. Comment on the URSB IT system --

8.Do you like the current URSB IT system?---

9. Do you think the URSB IT system has improved the performance of the Bureau?

………………………………………………………………………………………

THANK YOU FOR YOUR TIME

Appendix iii: Interview guide for the registrar general

1. For how many years has URSB been in existence?

2. For how long have you worked with URSB?

3. How long have you been the head of URSB

4. Have you witnessed any changes at URSB?

5. What are these changes if any ?--

Administrative Structure

6 .How is the URSB administrative structure?--

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7. What are the strengths of the URSB administrative structure? -------------------------------------

----

8.What are the weaknesses of the URSB administrative structure -------------------------------------

----

9How has the administrative structure affected the overall performance of the Bureau?

SALARY STRUCTURE

10. What is the URSB salary structure like ie is it broad band with less layers but big or the

traditional with many layers? ---

11. What are the strengths of the URSB salary structure? --

12.What are the weaknesses of the URSB salary structure? ---

13. Do you think the URSB salary structure influences the performance of the Bureau? -----------

----

14. If yes how? And if no how --

<u>ADOPTION TO ICT</u>

15. Do you have any comments on the URSB IT system of the Bureau? -----------------------------

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17. Would you say you like the current URSB IT system as it is today? If yes what makes you

like it and if no what would you recommend ---

----

18. Do you think the URSB IT system has improved the performance of the Bureau?

 If yes how ---

If no why? --

19. Do you have any comments about the trend of the revenue growth rate of the Bureau? --------

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20. Do you have any comments on the registration rates of the Bureau? -----------------------------

21. Do you have any comments on the funds absorption rate of the Bureau? ------------------------

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22.Do you have any thing you would like to say about any changes that you think can influence

the performance of the Bureau?--

23. Any other comments from you as the head of the Bureau since its inception? -------------------

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THANK YOU FOR YOUR TIME

Appendix IV: Document review check list

1. URSB performance reports

2. URSB human Resource Manual

3. URSB policy and guide lines

4. URSB journal

5. URSB newsletters

6. URSB Annual reports

Appendix V: Letter from UMI for field commencement

UGANDA MANAGEMENT INSTITUTE

Telephones:	256-41-4259722 /4223748 /4346620 256-31-2265138 /39 /40 256-75-2259722	Plot 44-52, Jinja Road P.O. Box 20131 Kampala, Uganda Website: http://www.umi.ac.ug
Telefax:	256-41-4259581 /314	
E-mail:	admin@umi.ac.ug	

Your Ref:

Our Ref: G/35   17th October, 2016

TO WHOM IT MAY CONCERN

MASTERS IN MANAGEMENT STUDIES DEGREE RESEARCH

Ms. Kateregga Faridah is a student of the Masters in Management Studies of Uganda Management Institute 25th Intake 2011/2012, **Reg. Number 11/MMSFM/25/016.**

The purpose of this letter is to formally request you to allow this participant to access any information in your custody/organization, which is relevant to her research.

Her research Topic is: *"Organizational Change and Financial Performance: The Case of Uganda Registration Services Bureau".*

Yours Sincerely,

Stella Kyohairwe (PhD)
AG. HEAD, POLITICAL AND ADMINISTRATIVE SCIENCE

Appendix Vi : Plagarism test