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Analyzing An Organizational Change Process Using the HPO Framework: the Case of A Rwandese Bank

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Abstract
Over the past decades, the financial industry has been affected by sustained liberalization and synchronization of the financial markets as well as new developments in information technology. This caused the banking industry in emerging markets to become more competitive due to increased bank sizes caused by acquisitions and mergers while they did not necessarily become more profitable. In this article the organizational restructuring process of a bank in Rwanda is investigated on its effectiveness. The high performance organization (HPO) diagnosis was applied, consisting of a questionnaire (containing questions on the quality of the organization) and interviews with the top management of the bank. This diagnosis established the HPO status of the bank. The questionnaire was also applied at three other banks in Rwanda for comparison purposes. The HPO Diagnosis clearly indicated the reasons why the restructuring efforts of the case company had not resulted in better organizational results and in fact had led to under-par performance compared to the other three banks. The diagnosis also yielded multiple improvement possibilities for the bank to make its restructuring efforts still successful. The research findings will make it possible for Rwanda Bank to improve its performance to the benefit both of its clients and stakeholders. The findings will also benefit other Rwandan banks in their efforts to achieve higher organizational performance.

Keywords: High Performance Organizations; Organizational Restructuring; Organizational Change; Rwanda; Banking; Performance Assessment

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1. Introduction

Over the past few decades, the finance industry has become increasingly more competitive due to financial liberalization, globalization, technological advances, new market entrants, acquisitions and mergers. In addition, the global financial crisis in 2008 negatively affected economic growth in emerging economies, especially in countries still undergoing financial reform (Akinsola et al., 2017). In response, many organizations and financial institutions adopted strategies to sustain organizational performance and to preserve their competitive advantage against rivals (De Wit and Meyer, 2010). In this competitive environment, Rwanda Bank (a pseudonym, on request the bank has been made anonymous) decided to review it strategies in order to improve its performance.

Rwanda Bank originally was an umbrella institution holding several saving and credit cooperatives with limited banking authorization. In the beginning of the past decade the bank merged all its cooperatives into one single bank to create a full-fledged retail and commercial bank with a full banking license and accompanying supervision of Rwanda’s Central Bank. The bank at that time also increased its equity and, under influence of the government’s economic liberalization and privatization program (Ulrich and Thomas, 2014), accepted a new foreign investor as strategic partner which helped the bank through the transformation to a commercial bank. The new strategic investment as well as the new commercial bank license -- and requirements -- imposed several changes to the bank and created a new organizational culture, based on cross-cultural diversity and a customer oriented strategy. Usually an increase in capital, if well applied, should lead to positive financial results, maximizing the wealth of the owners and giving satisfaction to all stakeholders. However, although the bank recorded positive returns the first year after the investment, the following years it experienced considerable financial losses and high staff turnover. And in the second year, the bank faced corporate governance issues whereby the Board of Governance was removed and totally renewed and new key management team members were brought in. Thus, despite the financial injection, the organizational change seemed not to have led to better organizational performance.

In this article, we describe research aimed at investigating and assessing the major structural and behavioral performance issues at Rwanda Bank which might have affected the organizational change to be less successful. As our research tool we used the HPO Framework (de Waal, 2007, 2012), a scientifically validated technique to evaluate the performance of an organization and identify possible performance problems and improvement possibilities. The study also includes a comparison with the organizational results and high performance organization (HPO) status of several other commercial banks in Rwanda. The research findings have both theoretical and practical implications. There has been limited research into high performance in Rwanda and therefore our research contributes to the literature on performance improvement especially in the HPO field. Practically, the research findings will make it possible for Rwanda Bank to improve its performance to the benefit both of its clients and stakeholders. Possibly, our findings will also benefit other Rwandan banks in their efforts to achieve higher organizational performance.

The remainder of this article is structured as follows. The next section contains the literature study on the Rwandan banking sector and the HPO Framework. The latter also contains a justification why in particular the HPO Framework was used. This is followed by descriptions of the case company and the applied research method. Subsequently the research results are given and analyzed in-depth. The article ends with a conclusion, the limitations of the study and opportunities for future research.

2. Literature Review

2.1. The Rwandan banking sector structure

Rwanda, at the time of our research which was at the end of last decade, was mainly a cash-based society where bank accounts were mostly used for cash deposits and withdrawals and many people paid creditors or bills in cash. The Rwandan banking sector only consisted of eight commercial banks, one housing bank, one development bank, three microfinance institutions and 416 small Saving and Credit Cooperatives (Alliance for Financial Inclusion, 2014). The commercial banking sector was small, serving around 14 percent of the bankable habitants while 33 percent were served by the microfinance institutions and cooperatives. In 2012, 33 percent of population were having product or service from a formal financial institution, which increased four years later to 65 percent (FinScope Rwanda, 2016, p. 33). The competition in the financial sector increasingly intensified, as multiple international players entered the Rwandan market in past few years. This leads to the need of continuous improvement in order to compete with others and also contribute to economic development in the country (Kelly and Palmucci, 2014).

2.2. The HPO Framework

In this study, we use the HPO Framework (de Waal, 2007, 2012) as the evaluation tool of the change process at and performance status of Rwanda Bank. According to De Waal (2012, p.5), "an HPO is an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by focusing in a disciplined way on that which really matters to the organization". The HPO Framework is based on an extensive literature review (de Waal, 2012) and subsequent testing in practice on causality (de Waal and Goedegebuure, 2017). In addition, Do and Mai (2020, p. 305) stated that "across the HPO literature, we found only the HPO framework developed by de Waal (2012) as an example of scientifically validated conceptualization of HPO." We therefore decided to take this framework as the evaluation tool in our research. Another reason to use the HPO Framework is that this framework has been applied previously in the African context (de Waal, 2012; Bagorogoza et al., 2013; de Waal and Chachage, 2011; de Waal and Olale, 2019; Honyenuga et al., 2014) and in the banking sector (de Waal and Frijns, 2011; de Waal et al., 2009; Yusuph, 2010).

The HPO framework was developed based on a descriptive literature review (Phase 1) and an empirical study in the form of a worldwide questionnaire (Phase 2) (de Waal, 2012). This questionnaire yielded 2015 responses of 1,470 organizations worldwide.

Based on the collected data and applying a principal component analysis 35 characteristics, with both a significant and a strong correlation with organizational performance, were identified. In addition, with a factor analysis from these 35 characteristics five factors were extracted. The HPO research shows that there is a direct and positive relationship between the five HPO factors and competitive performance (de Waal and Goedegebuure, 2017): the higher the scores on the HPO factors (HPO scores), the better the results of the organization, and the lower the HPO scores the lower the competitive performance. The five HPO factors are described underneath (based on de Waal, 2020).

2.2.1. Management Quality

HPO managers maintain trust relationships with their employees, by showing appreciation for their loyalty, treating them with attention and respect, and developing and sustaining a good relationship with them. They encourage employees to have faith and trust in themselves and others, and they treat them in a fair and honest manner. They have integrity and are a role model for employees and colleague managers through their honesty, sincerity, dedication, enthusiasm, respectful attitude, strong ethical values, credibility and consistent behavior. They are not afraid to show their weaknesses and they are neither complacent nor arrogant. They are decisive, avoid "paralysis by analysis", and propose quick and effective actions while stimulating others to also take action. HPO managers coach and facilitate employees in such a way that these can achieve better performance. They support, help and protect employees from outside influences, when and where necessary. They are always approachable for their employees. At the same time, they hold their employees responsible for their results and take corrective action when they do not perform well. They put their focus on achieving results, underline to employees the responsibility for their own performance, and are not afraid to take the difficult decisions (such as firing a person). They have an effective, self-assured and strong management style, developed through the continuous communication of the values of the organization and making sure that all their employees know the organizational strategy and support that strategy. Where necessary, HPO managers coach their employees in letting their own activities contribute to the achievement of the organizational strategy.

2.2.2. Openness and Action Orientation

An HPO has an open culture, which means that there is a lot of dialogue between managers and employees and among employees themselves, to exchange knowledge and experiences, increase commitment to the organization, and to create clarity on all organizational levels about what is important for the organization and what it wants to achieve. Managers explicitly ask for the opinions and ideas of their employees and act on that information. There is a lot of mutual respect and everybody is asked to get involved in the important affairs of the organization. There is room for experimentation and failure in the organization and there is no fear of taking (calculated) risks and making mistakes (as long as these are not repeated mistakes): these are seen as opportunities for learning. People give each other honest and sincere feedback with the goal to make things better, and this feedback is received as such. Knowledge is not power in an HPO, shared knowledge is. The HPO culture is action-driven. There is good, deep thinking about issues but HPOs do not suffer from "paralysis by analysis." They do not overanalyze but balance thought and action. Thus they take enough time for adequate decision-making but then turn their decisions quickly into actions to solve problems immediately. As a consequence, decisions can be made even though these are not optimal and people realize they might have to adjust these decisions and chosen course of action based on new information which becomes available because action was taken.

2.2.3. Long-Term Orientation

For an HPO long-term survival and contribution to stakeholders is much more important than short-term successes for shareholders. The organization and its people are extremely client-oriented: they listen carefully to what clients want and need, they understand the values and interests of clients, build excellent long-term relationships with them and have regularly direct contact with them. HPOs aim to increase the value for clients, and they involve clients directly in the organization's affairs, such as development of new products and services, or the best way to perform new tasks. Their basic attitude is that every party that comes into contact with the organization should have a good feeling about the interaction because the organization added value to them and made things just a bit better for them, and if this is the case it is only natural for the organization to exists as long as possible to make as many parties as happy as possible for as long as possible. The organization trains and grooms its people in such a way that new management can be promoted from within. Most managers have worked for a long time in the organization, albeit in different positions and possibly different locations, and thus know the organization, its stakeholders, its products and services, its employees and its industry very well. And because they are HPO managers they can use this knowledge to good effect. HPOs are also a secure workplace, both in the physical as the psychological way. Regarding the latter, people can make mistakes without having to be afraid for being fired. In fact, laying off people is the last resort for an HPO.

2.2.4. Continuous Improvement and Renewal

HPOs have a strategy that is unique, either in content ("what the organization wants to achieve") or in execution ("how the organization does things") or (ideally) in both. This means that it is very clear for (potential) clients why they should go to this organization and not to other comparable organizations in the sector. An HPO also keeps developing new strategies for those strategies that are no longer unique or no longer working. The organization then does it utmost to put this unique strategy into practice. It improves, simplifies and aligns the processes in the organization so it can act quickly and effectively on changing circumstances. Unnecessary procedures and tasks are removed and information overload is combatted. The organization does track the information that really matters, by using critical success factors and key performance indicators. It also tracks precisely whether objectives still contribute to the organization's strategy and goals and whether they are fulfilled. Difficult issues are reported immediately to both managers and employees so they can deal with these quickly, and improve the way the organization is working. An HPO feels a moral obligation to continuously strive for the best results, for its clients and its stakeholders. To this end, products, processes and services are continuously improved and renewed. This is supported by a commitment to strengthen continuously the core competencies of the organization and its people.

2.2.5. Employee Quality

An HPO has a diverse and therefore complementary workforce. New people are hired that already have HPO traits, such as a high degree of flexibility and resilience needed to recognize and address organizational problems in a creative way. At the same time these new hires will have different skills from the current workforce so that continuously new competencies are added to the organization's skill base. People are continuously developed, through formal and informal training, on-the-job training, coaching, and through working with other organizations. Regarding the latter there is an explicit goal to create High Performance Partnerships (HPPs). In this kind of environment employees want, supported by their managers, to achieve extraordinary results for which they want to be held accountable and receive feedback on.

An organization can evaluate its current performance level compared to the high-performance level, and identify challenges and possible improvements on the route to high performance by conducting an HPO diagnosis. The HPO diagnosis process starts with management and employees completing the HPO Questionnaire, which consists of statements based on the 35 HPO characteristics. Respondents rate their organization on a scale of 1 (*not at all*) to 10 (*very much so*) on these statements. The individual scores are averaged to provide scores on the HPO factors for the complete organization. These average scores indicate which HPO factors and characteristics the company needs to improve in order to become an HPO. For these factors and characteristics the organization drafts improvement actions which are incorporated in an HPO transformation plan.

3. Case Company

Rwanda Bank was a cooperative banking system, consisting of multiple independent saving and credit cooperatives, with limited banking authorization and supervised by the Rwandan Central bank. Originally established in the 1970 s under another name, the bank eventually merged in the first decade of this century with another bank to form the retail and commercial Rwanda Bank with a full banking license under Central Bank supervision. In that same period Rwanda Bank accepted a new foreign investor holding one third of the share capital of the bank, this investor – a foreign bank – also became the strategic partner of Rwanda Bank. The vision of the bank was to become the leading retail bank of Rwanda by offering a full range of financial services in the urban and the rural areas in a market-driven and financially sustainable way, historically based on its cooperative characteristics. In recent years, Rwanda Bank came under increasing competitive pressure as at least four new commercial banks entered the market as well as ten new microfinance institutions. This fact, coupled with the transition of going from a cooperative to a commercial bank, caused organizational performance to be less than expected and required by the bank's shareholders. Although the bank recorded positive returns the first year, it experienced financial losses the following year and witnessed high staff turnover. In the same period, the bank faced consecutive newspapers articles undermining its reputation by revealing sensitive internal information. In the immediate years after the merger, the bank faced governance issues where both the executive and non-executive board of governance was removed and totally renewed.

Thus, we have here a case of a bank that changed its business orientation considerably to achieve higher competitive advantage (i.e. by merging to become a commercial bank), but instead experienced lower organizational performance. Our research aimed at investigating and assessing the major structural and behavioral performance issues at Rwanda Bank which might have affected the organizational change to be less successful than expected and desired. As mentioned before, as our research tool we used the HPO Framework (de Waal, 2007, 2012).

4. Research Approach

Our research is qualitative of nature using the case study approach, which is defined as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context" (Yin, 1994, p. 23). The subject of study is an organizational performance assessment of the current situation of Rwanda Bank (Lusthaus et al., 1999). Our research is conducted using deductive reasoning by means of application of the HPO Framework (de Waal, 2012). We used multiple sources of evidence as recommended by Yin (1994) and by Blumberg (2008) to allow searching and converging findings to construct validity. Firstly, data was collected by means of the HPO Questionnaire (de Waal, 2012), which was distributed to managers who worked at least two years at Rwanda Bank. As HPO was still a fairly new concept in Rwanda, a pre-test was conducted to assess the ease of understanding of the questionnaire by the respondents. Five people were asked how long it took them to complete it as well as the level of convenience they found in understanding the questions. The average to fill in all the questions has been fifteen minutes while all of respondents confirmed the questionnaire was easy to understand, no changes were therefore made to it. Our research sample covered all managerial levels in the bank, from Chief Officer to Heads of Department, Branch Managers, Managers of Unit and Team leaders. We used convenient sampling method to arrive at a group of 38 out of the bank's 106 managers. On the peers' side, questionnaires were submitted to managers at the same ratio of key informants as the case company. We received 59 fully completed questionnaires out of 76 distributed. Secondly, data was collected through semi-structured interviews conducted face to face with the bank's top management. The interview questions were aimed at discussing the scores derived from the HPO Questionnaire, to get 'the story behind the numbers.' Three people have been interviewed: the Chief Executive Officer of Rwanda Bank, the Head of Human Resources and the Head of Shareholders affairs. These interviewees were in a position to provide insights about the behavioral and structural transformations made in the company. Each interview took about 45 minutes, with us taking notes during the discussion.

Secondary data source were also considered using the bank's financial statements, by-laws and three years business plan, archival records, annual reports of competitors, articles and online academic journals as well as other studies conducted in the same field of research. The analysis of the secondary data showed the following changes made in Rwanda Bank:

- ***Organizational structure*** - the dissolution of the former bank umbrella and its autonomous saving and credit cooperatives, with their capital merged together to become the basis for the new bank; attainment of a full banking license provided by the Central Bank to conduct business operations as a commercial bank, requiring new and more rigorous internal policies and procedures as required for commercial banks, to the abandonment of cooperative internal rules; a new governance structure; and a new operational model where the structure of the autonomous cooperatives now became centralized in a head office with a hub-and-spoke distribution system.

- ***Organizational culture*** - instead of a cooperative where profits were used to reduce the costs of financial services and investments in social benefits, the bank now strived for profit maximization; the former logo representing the rural culture and mindset of the farmer was transformed into a modern symbol with new colors; the old transactional focus was converted to a customer focus (requiring the establishment of a commercial department in charge of marketing, product development, sales and service delivery, and corporate customers); the entrance of a multicultural workforce and mindset through the cooperation with the foreign strategic partner; the French language in use in the old bank for 30 years was replaced by English which initially took staff time to adjust too.

- ***Organization's stakeholders*** - all members of the cooperatives automatically become shareholders of the new bank but not all members were informed about this change in a timely manner; the non-executive governance bodies which were active in the neighborhood of the branches were transformed into advisory councils; the terminology normally used for services offered to 'members' was replaced by services offered to 'customers' as the bank was now also open to non-members and non-shareholders; and a new performance management and payment system was implemented for employees.

According to the HPO definition given above, an organization can only be considered to be high performance in comparison to its peers. Therefore the banks operating in Rwanda were analyzed to get a top three of peers for Rwanda Bank. As information from independent parties on the performance of Rwandan financial institutions was missing, we studied the annual financial reports of the banks and compared total assets, total deposits, total portfolio and total equity to arrive at a competitive ranking of three top banks: Bank of Kigali (BK), Banque Commercial du Rwanda (BCR, nowadays I & M Bank as a result of being acquired by I & M Bank Kenya), and ECOBANK Transnational Inc (ECOBANK). We asked managers at each of these banks to also complete the HPO Questionnaire, and we received 10, 6, and 5 completely completed questionnaires from respectively BK, BCR and ECOBANK respondents.

5. Research Results and Analysis

Exhibit 1 gives the scores for the HPO factors and accompanying characteristics as given by Rwanda Bank's managers.

Exhibit 1: Rwanda Bank's HPO scores

HPO FACTORS	Scores

Continuous Improvement and Renewal	***5.81***
1. The organization has adopted a strategy that sets it clearly apart from other organizations	5.65
2. In the organization processes are continuously improved.	6.55
3. In the organization processes are continuously simplified.	5.26
4. In the organization processes are continuously aligned.	5.06
5. In the organization everything that matters to performance is explicitly reported.	4.68
6. In the organization both financial and non-financial information is reported to organizational members.	5.23
7. The organization continuously innovates its core competencies.	6.94
8. The organization continuously innovates its products, processes and services.	7.10
Openness and Action Orientation	***4.92***
9. Management frequently engages in a dialogue with employees.	3.42
10. Organizational members spend much time on communication, knowledge exchange and learning.	4.42
11. Organizational members are always involved in important processes.	4.68
12. Management allows making mistakes.	4.42
13. Management welcomes change.	6.71
14. The organization is performance driven.	5.87
Management Quality	***5.76***
15. Management is trusted by organizational members.	5.55
16. Management has integrity.	5.97
17. Management is a role model for organizational members.	5.55
18. Management applies fast decision making.	5.45
19. Management applies fast action taking.	5.71
20. Management coaches organizational members to achieve better results.	5.94
21. Management focuses on achieving results.	6.13
22. Management is very effective.	5.26
23. Management applies strong leadership.	5.58
24. Management is confident.	6.39
25. Management is decisive with regard to non-performers.	5.87
Employee Quality	***6.28***
26. Management always holds organizational members responsible for their results.	6.77
27. Management inspires organizational members to accomplish extraordinary results.	6.00
28. Organizational members are trained to be resilient and flexible.	5.84
29. The organization has a diverse and complementary workforce.	6.52
Long-Term Commitment	***4.92***
30. The organization maintains good and long-term relationships with all stakeholders.	6.39
31. The organization is aimed at servicing the customers as best as possible.	5.42
32. The organization grows through partnerships with suppliers and/or customers.	5.77

33. Management has been with the company for a long time.	3.71
34. The organization is a secure workplace for organizational members.	4.48
35. New management is promoted from within the organization.	3.74

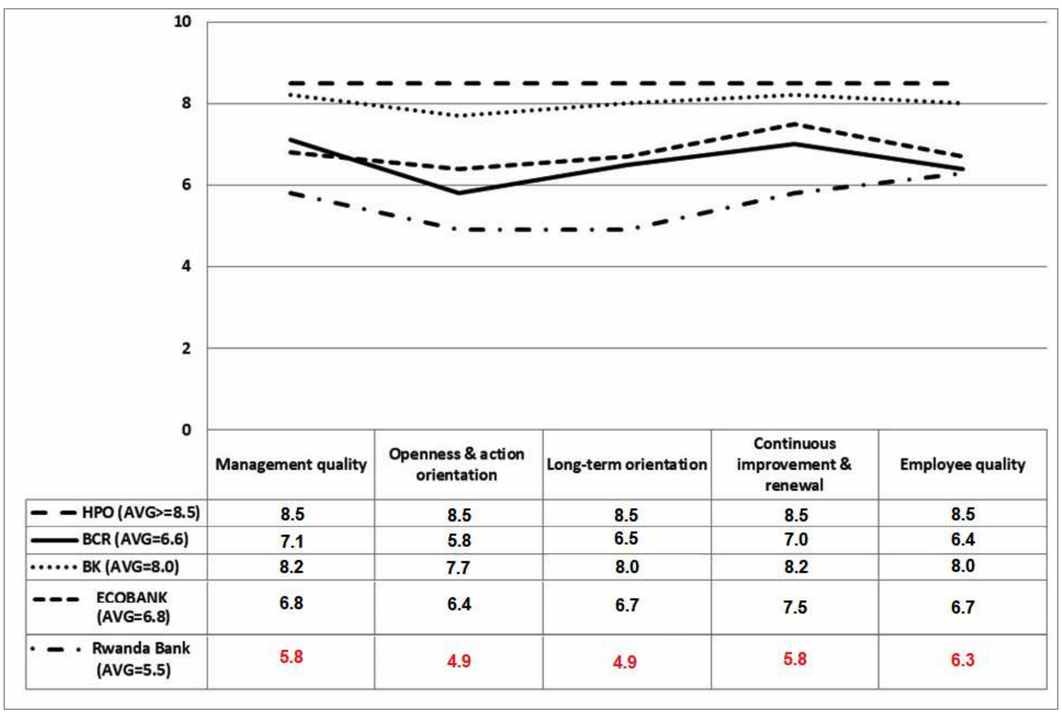
Exhibit 2 gives the scores for the HPO factors for Rwanda Bank and the Top 3 banks in Rwanda, while Exhibit 3 compares the HPO scores for Rwanda Bank with the Top 3 banks graphically.

Exhibit 2: HPO scores and financial results for Rwanda Bank and the Top 3 banks

HPO Factors	Rwanda Bank	BK	Top 3 BCR	ECO-BANK	Top 3 average
Average HPO score	5.5	8.0	6.6	6.8	7.1
End year Net profit (in the year of the research) (in millions Rwf)	1,222	6,178	2,782	1,360	3,440

Exhibit 2 shows that Rwanda Bank not only scores lower than all of the Top 3 banks for all five HPO factors, but also achieves lower financial results. Exhibit 3 shows that the Top 3 banks basically have the same HPO profile (i.e. shapes of the graphs are similar) while the profile of Rwanda Bank deviates quite a bit. Both Exhibits indicate that the intended positive performance consequences of the merger and change in strategic directions have been insufficiently reflected in the performance of the bank. This required immediate corrective action from the management of Rwanda Bank. The scores on the HPO characteristics as depicted in Exhibit 1 formed the basis for the semi-structured interviews.

Exhibit 3: HPO scores for Rwanda Bank and the Top 3 banks



In these interviews the focus was put on the low-scoring characteristics, the reasons for these low scores and the possible improvements to be made to increase the scores on these characteristics. Underneath the results of the discussions are given. To protect anonymity we are not giving quotes from the interviewees but focus on giving a summary of the discussions.

5.1. Management Quality

The low scores for this factor can be explained by the governance issues Rwanda Bank faced a few years back when the board of governance and the executive management were removed and a new management team took office. Evidently this disruption is still reflected in the scores as this new top management seemed not to have yet gotten the full commitment, dedication and trust from the middle and lower management.

Managers should start to work on developing a strong and clear leadership style which creates trust, enthusiasm and confidence among the workforce, by particularly praising cases of high integrity, and communicating performance-driven values throughout the company so that the entire workforce knows and embraces these (Roijen et al., 2017).

5.2. Openness and Action Orientation

The openness culture of the company seem not yet firmly in place as knowledge exchange and involvement in the company's important processes are perceived as not being sufficient, showing that the organization needs to further involve its employees in providing their opinions when making its strategies instead of only issuing directives. Top management did hold regular meetings with the senior managers and branch managers but not with the 1600 employees. In addition, employees did not feel their opinions to be valued as the dialogue with their managers was not very frequent. Job execution should not be restricted to the tasks in the job description but employees should be encouraged to provide innovative ideas in all projects, amongst others by informing them what is going on in the company. And, although Rwanda Bank's management is perceived as welcoming change, at the same time it seemed not ready to allow making mistake as a supported way of learning. According to the interviewees, this especially regarded cash transactions because in cash handling a single mistake could be very expensive for the bank. Thus the disciplinary committee held employees personally responsible for the financial losses due to their mistakes, which basically did not encourage experimentation.

Rwanda Bank was planning to introduce a new approach where each quarter each executive member would visit one of the branches, to inform branch personnel about the events going on in the bank and to exchange opinions with the staff on the daily running of the business. In general, the bank's managers should spend more time on dialogue and exchange knowledge to develop new ideas aiming at increase people's performance and make the organization more performance driven. In addition, awareness sessions should be conducted on the need for a cultural change in the bank, through discussions on the constructive and unconstructive features of the culture in place and the new culture to adopt. Management should have an open door policy in which they frequently go out to not only their employees but also the bank's customers and stakeholders. In regard to the 'learning by mistakes mechanism' mistakes in processes and behavioral incidents should be reviewed by a specialized operational risk unit and be seen as sources of learning, innovation and creativity.

5.3. Long-Term Commitment

The scores and interviews showed that in Rwanda Bank management seemed to be more focused on what they could get out from new employees to make the new commercial bank operational in the shortest period of time, rather than how to meet the core needs of the workforce already in place. As the latter was the biggest portion, missing their commitment to the organizational restructuring process made it harder to make this process successful. Moreover, such management behavior opened the door to people who might want to undermine the success of the transformation which actually did occur at Rwanda Bank. Because of the influx of new management to guide the transformation, not only were managers not long with the company, promoting from within the bank basically came to a standstill. This resulted in multiple Chief Executive Officers being appointed and then leaving the bank and many branch managers leaving.

The bank did establish a department of shareholders affairs in order to sustain the involvement of the shareholders. It also introduced a community fund to sustain the long term relationship with the society by financing community development projects like water sanitation and roads. The bank could start to maintain strong and long term partnerships with customers through establishing a Customer Relationship Management system and modern customers information database system, and the appointment of Customer Relationship officers. In addition, the bank should put more effort in helping its employees obtaining business knowledge and understanding instead of just focusing on technical understanding enhancement. Staff members are then seen as partners of not only management but also of customers.

5.4. Continuous Improvement and Renewal

It turned out that the overall strategy of Rwanda Bank to try to position itself apart from competitors was either not yet clearly seen by the respondents and the interviewees or it had not worked yet. Also, hardly any performance information was available which made the chance on successful continuous improvement, although embraced by many managers, not very high. In fact, matters affecting performance negatively were not explicitly reported so corrective measures were not put in place timely.

Management should start to make sure that each organizational member understands clearly where Rwanda Bank wants to go and what the difference between Rwanda Bank's strategy and that of the competitors is. In addition, the strategy formulation process should not only focus on management involvement but also consider the inputs of teams at the tactical and operational levels in the bank. Also, a performance management system should be implemented that accurately tracks the execution of the bank's strategy, with a particular interest on performance driven behavior and other non-financial indicators such as customer satisfaction, innovation and creativity, and that makes quick corrective actions possible.

5.5. Employee Quality

The influx of new personnel did help Rwanda Bank to establish a diverse workforce and this workforce was certainly encouraged to achieve good results. Unfortunately, the bank did not have in place yet career development paths for its employees and also lacked proper policies for staff promotion, staff retention and dealing with high potentials, making this workforce less effective than it could have been and also, just as with management, creating a high turnover.

Rwanda Bank was planning to start focusing more on employee engagement to fight employee turnover, by introducing an employee turnover performance indicator into the performance appraisal system of managers. In addition, the bank should put in place a high potential policy to promote from within as much as possible, encourage employees to become leaders by rewarding the best thinkers and celebrating their achievements, and encourage employees to develop and apply multiple skills and talents instead of only fulfilling the tasks in their job description.

6. Conclusion

Rwanda Bank undertook a strategic organizational restructuring with the aim to achieve higher performance but basically failed in this intention. Clearly, implementing a structural change in itself does not automatically lead to higher organizational performance. It has to be accompanied with changes in organizational culture and behaviors. Conducting an HPO Diagnosis clearly identified the areas where the bank should focus its next improvement efforts in order to make the organizational restructuring a success yet. The HPO Diagnosis yielded multiple suggestions for those improvement efforts. In order to make these efforts successful, the following is recommended to the management of Rwanda Bank:

- Management should discuss with employees the need and urgency of becoming an HPO considering the current global and domestic competitive forces, outlining that the standard reached by the Top 3 banks should serve as the baseline for Rwanda Bank and not the ideal to reach.

- Management should take time to identify, fully understand and -- most importantly -- adopt the value drivers of the company referring to the importance of the non-financial factors of an HPO.

- As the bank is a regionally spread, the improvement efforts that should lead to the HPO status should be tested by starting with one or two departments or by one or two branches instead of the whole bank at once.

- Management should analyze and decide on the most critical HPO factors to start to improve, instead of embracing all improvements at once. This approach also prepares the managers' mind for the transition to HPO status. Top management itself should emphatically be involved in the improvement efforts as this is one of the most important success factors of a successful improvement (de Waal,2018; Douglas et al., 2015)

- Management should identify change agents in the company who can function as HPO Ambassadors (de Waal, 2012), and also ensure an appropriate feedback system is in place so that accurate non-financial performance information is collected, reported and proper corrections are made.

There are several limitations to our study, with the main one being that we were not able to conduct longitudinal research to evaluate whether the recommendations from the HPO Diagnosis worked in practice, and which ones were most effective. In addition, our sample population was limited to managers which undoubtedly created a bias in the scores (these were probably higher than scores which would have been given by employees, see de Waal, 2012). Although the HPO Questionnaire was applied at four banks, the in-depth HPO diagnosis was only conducted at one bank so our research findings cannot just be generalized to the financial sector in Rwanda. Future research should concentrate on replicating our study at other Rwanda financial institutions and on longitudinal research at these institutions to evaluate the actual mechanisms of improvement and its effectiveness. Inside Rwanda Bank a comparative study could be conducted among the branches to identify HPO leaders and laggards and also identifying the differences between these leaders and laggards.

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