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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

GRADUATE STUDIES PROGRAM

DEPARTMENT OF BUSINESS LEADERSHIP

**CHANGE MANAGEMENT PRACTICES AND CHALLENGES: THE CASE
OF DEVELOPMENT BANK OF ETHIOPIA**

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A Project Work submitted in Partial Fulfillment of the
Requirement for the Degree of Master of Arts in Business Leadership.

June,2022

Addis Ababa, Ethiopia

Declaration

I, the undersigned, hereby declare that the work contained in this project work is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

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Statement of Certification

This is to certify that Kinfu Tadesse has carried out this research project work on the topic entitled “Change Management Practices and Challenges: The Case of Development Bank of Ethiopia” under my supervision.

This work is original and it is sufficient for submission for the partial fulfillment for the award of Degree of Masters of Art in Business Leadership.

Worku Mekonnen (PHD)

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Date.....

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School of Graduate Studies

This is to certify that this research project work is prepared by Kinfu Tadesse entitled ‘Change Management Practices and Challenges: the Case of Development Bank of Ethiopia’ submitted in partial fulfillment of the requirement for the Degree of Master of Arts in Business Leadership complies with the regulation of the University and meets the acceptable standard with respect to originality and quality.

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ABSTRACT

The objective of this research project is to evaluate the strengths and weaknesses of the DBE's change and project management practices and identify the challenges encountered in the change implementation process.

The study employed a quantitative approach with a descriptive research design in tackling the stated objectives of the research project. The populations of the study were employees and management members of the DBE Hawassa district. Survey data is collected by a questionnaire developed through extensive literature review. The questionnaire was administered to 51 employees and management members of Hawassa district. The collected data is analyzed to describe the status quo by using statistical tools appropriate to the setting.

Based on the data analysis conducted, only a single measure, i.e. 'the executive management makes effective & influential decisions related to change' came out as a single and stand alone 'strength' of the DBE's change management practice.

The data analysis showed that most of the evaluations conducted on the change management practices of DBE yielded mean scores within the range of 'Neutral'.

As per the results analysis, the most notable challenges to DBE's change management practices were found to be: lack of effective communication, prevalence of change-resistant culture and attitude, limited allocation of resources for change management and prolonged (delayed) change project implementation.

Based on the results and conclusions drawn, the following recommendations are forwarded: the bank should improve its change management communications, employee and management engagement, resource allocation to change management, expedite the change project implementation.

Key words: Change, Change Management, Change Management Practice and Challenges

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Acronyms and abbreviations

BSC: Balanced Score Card

BPR: Business Process Reengineering

DBE: Development Bank of Ethiopia

SPSS - Statistical Package for Social Sciences

USAID: United States Agency for International Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

'You never step into the same river twice' Heraclitus, Ancient Greek philosopher.

The global business environment is witnessing an unprecedented pace of changes in every aspect. This unprecedented and fast paced change has dictated organizations of all types and sizes to monitor and reshape the way in which they engage with their immediate environment.(Anderson D. & Anderson L.A., 2010)

Change in plain words means altering the status quo or deviating from the old ways of doing things and instituting new ways, processes, methods and structures of doing things as a response to the internal or external stimuli. The driving forces for change could either come from the inside of the organization or from the outside of the organization. Introduction of change initiatives to any given organization is expected to impact the process, systems, organization structure and job roles in that organization (Voehl. & Harrington, 2016)

Change management is a handy-tool/technique used by organization development professionals, consultants, change managers etc in navigating organizations in the turbulent course of today's business environment.(Smith, 2021)

Nelson and Aaron as cited by Voehl & Harrington (2016), defined Change Management as ‘a disciplined framework for driving business results by changing behaviors.’ Moreover, Voehl & Harrington (2016) describe Change Management as ‘managing the effect of new business process, changes in organizational structures or cultural changes within an enterprise.’

Change management is a systematic process by which the company can predict and respond to the changing business environment in a way that ensures achieving organizational goals efficiently and effectively (Robbins & Judge, 2013).

Striving to keep organizations in constant pace with environmental developments through planned change endeavors is commendable; however, successful implementation of change initiatives don't come easy as planned. A number of researches conducted on different change initiatives across the globe reveal that change efforts often face an unfortunate outcome of failure and/or delayed implementation. As cited by Smith et al (2015), King and Peterson (2007) reported that a staggering 70-80 per cent of failure rate in change initiatives.

As Smith et al (2015) indicated the problem of change initiatives failure is serious but not impossible to improve. With the help of a well-established change management practice, a demonstrated success rates have been recorded.

Hence, examining the best practices in change initiatives, benchmarking, designing a fine-tuned change management plan targeted for the specific organizational realities; and evaluating the progress through the crafted standard best practices would go along way in

reducing risk of change initiative failure and/or ascertaining the achievement of change initiatives.

Moreover, an assessment of the potential challenges in implementing change initiatives is of paramount importance in galvanizing the change management plan through encompassing a more proactive stance.

1.2 Background of the Organization

Development Bank of Ethiopia (DBE) is a specialized public financial institution which has been playing its fair share for the growth and development of the country since its establishment since 1909 G.C. Currently the Bank has Head office, 11 District offices, and 88 Branches (soon to be 99 after full implementation of the reform) strategically positioned all over the country for its efficient operation and fair outreach.

The bank's central assignment is the provision of customer focused lending and technical advice to viable projects in line with government priority areas such as commercial agriculture, agro-processing, manufacturing and extractive industries by mobilizing fund from domestic and foreign sources while ensuring its organizational sustainability.

In 2015/16 the bank has reorganized to run lease financing scheme with a total of 156 approved branches to address SMEs. However the bank has not succeeded in meeting the mission given from the government.

Therefore the board of management and the executive management of the bank took initiative to reorganize the bank in line with the strategic plan of the government in order to support the development agenda of the country.

1.3 Statement of the Problem

Rapid changes in consumer behavior, the global economy and disruptive technological innovations have made it a business imperative for companies to continuously engage in change initiatives to respond promptly to these multiple internal and external environmental stimuli.

Accordingly, organizations might choose to do nothing, be reactive, or take a proactive stance. Choosing to do nothing would likely lead to the organization's ultimate demise. The second option is to choose a reactive strategy. In this case, the organization would consider launching change initiatives after the drivers of change have already impacted the bottom line. The third, and essentially wise, attitude is a proactive approach to change, in which the organization senses environmental stimuli, creates readiness, designs and implements change initiatives in light of immediate organizational realities, and continuously builds on those advances.(Smith, 2021)

Thus, the subject of our concern is a proactive change management or as it is commonly referred in the academic and professional circles as '*change management*'

There are a number of theories and models of '*change*' or '*theories of changing*' as Cummings and Worley (2013)describe them; which can be used to initiate and carry out organizational changes.

As Todnem (2005) cited Guimaraes and Armstrong (1998), while there is an ever-growing general literature emphasizing the importance of change and proposing ways to address it, **very little empirical** evidence has been found to support the various proposed theories and approaches.

Consequently, due to absence of empirically verified (tested) change practices, failure to adequately plan, adopt and set-out an effective change management initiative has resulted in the loss of millions of dollars in failed or delayed organizational change endeavors (Voehls& Harrington, 2016)

Development bank of Ethiopia (DBE) is a century old and one of the two government owned banks, whose development financing impact have been felt in different economic sectors across many years. It has been the major provider of development finance and has been an important stimulant to accelerate the country's economic growth. The bank has been bestowed with the provision of development finance for projects in the priority sectors of the government, commercial agriculture, agro-processing industries, manufacturing, mining and extractive industries. The bank also provides financing for small and medium-sized enterprises (SMEs) through lease financing.

Over the past 10-15 years, the Bank has gone through various stages of reform programs that have resulted in changes to its organizational structure and system of governance. For example, in 2008/09, as part of its modernization, the bank attempted to redesign its workflows and organizational structure using the technique of Business Process Reengineering (BPR). Following the implementation of the BPR the bank introduced a balanced score card (BSC) system to improve the bank's system performance

management. After 6 years of implementation, however, it was found again that the system could not deliver the desired change.

Cognizant of the need for change, the bank decided to implement a comprehensive restructuring program and personnel redeployment in 2015. After three years of the reform implementation the bank's key performance indicators began to fall in alarming pace. This coupled with other structural bottle-necks thwarted the reform program in short period of time.

In 2019, the bank after evaluating the deteriorating situation of the bank, conducted a situation analysis and begun to implement yet another reform program aimed at changing the structure and business model of the bank. Three years into the organizational reform program, the new structure, policy and business model has not yet fully implemented. This lengthy reform program and the past failed change initiatives of the bank require careful analysis of the change management practice of the bank and the challenges being encountered in the change implementation process.

Hence, any organizational change endeavor has to holistically weigh up the best practices in effective change management, adopt a fine-tuned change management plan that is in par with the specific organizational realities, and continuously evaluate its change management implementation as per the crafted best practices and the stipulated implementation plan. Moreover, it is indispensable to pragmatically spell out potential challenges in implementation of the plan to have a more proactive stance.

1.4 Research Questions

In order to address the research problem, the study tried to answer the following research questions:

- What are the strengths and weaknesses of DBE's change and project management in terms of the best practices in change management?
- What are the major challenges encountered in the course of the DBE's organizational change initiative?

1.5 Research Objectives

i. General Objective

The general objective of this study is appraising the DBE's organizational change practices in the light of the empirically tested best practices in change management and the challenges surrounding the change project implementation.

ii. Specific Objectives

- To evaluate the organizational change initiative of DBE in terms of the best practices in effective change management
- To identify the main challenges encountered in the course of DBE's organizational change initiative

1.6 Significance of the Study

Effective organizational change management is not a one-time job. It is a continuous engagement of the organization in meeting the expectations of the various stakeholders

and ultimate improvement of the effectiveness of the organization. Hence, evaluating the current practice of the DBE's organizational change management in terms of the best practices in change management profession will provide the bank with an instrumental feedback to improve the change project's effectiveness.

Moreover, the identification of the major challenges faced during the implementation of the change initiative will give the bank a precautionary and/or corrective lesson (input) for the current and future change initiatives alike.

Furthermore, the study will shed light for further studies on the topic on hand vis-a-vis DBE or organizations with similar orientation like DBE.

In nutshell, the study will have an enormous significance in an evaluative and/or corrective value for the outstanding implementation of the current initiative as well as for other initiatives that may be launched in the bank and other enterprises with similar orientation.

1.7 Scope of the Study

Thematically, the scope of the study is delimited around evaluating the change management practice of Development Bank of Ethiopia (DBE) and identification of challenges encountered in the change implementation process.

The Development Bank of Ethiopia (DBE) has over 11 districts spread all over the country and additional 11 districts are to be established after the full implementation of the organizational reform program. Hence, targeting employees and management members of DBE located in different parts of the country as a population of the study

would have given the better result in terms of representativeness. However, due to limitations in budget, time and manageability constraints, the scope of the study will be limited to the employees and management members working at Hawassa district.

1.8 Organization of the Study

The study comprises of five chapters. The first Chapter is an introduction part which contains the background of the study; and background of the organization statement of the problem; research questions and objectives of the study; significance of the study; scope of the study; and lastly the organization of the study. The second chapter presents thereview of related literatures. This part of the study deals with the literature both the theory and empirical evidences pertinentto the study and the research questions. The methods and procedures used in the process of data collection, analysis and presentation for the study are presented in Chapter 3. This chapter consists of: the research approach and design; the data collection procedure; the population and sample size; the data sources and collection techniques; the data analysis; and the ethical consideration taken into account in data collection process. The results of analyses and the findings of the data and discussion are presented in Chapter 4. Last but not least, Chapter 5 presents the summary,conclusion and recommendation sections.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 What Is Change?

"Change is the only constant in life." Heraclitus.

It has become commonplace to hear and read more and more about the word “change” in our daily personal and professional lives. As Hammer and Chambers (1993) have observed, 'change has become both pervasive and persistent'. It's the new normal; and more than ever, the realities unfolding in every aspect of the societal, organizational and personal levels are revealing the fact that change is here to stay.

So, what does the word ‘change’ mean anyway?

The Cambridge Dictionary defines ‘Change’ as ‘to make or become different’ (alter, vary, convert, turn into, transform); to improve. (Cambridge Dictionary, 2022)

Similarly, dictionary.com defines change as ‘to replace with or exchange for another’(Dictionary.com, 2022)

In essence both definitions describe the act of replacing an old phenomenon with newer version in part or as a whole.

The Merriam-Webster.com online dictionary defines change relatively from close range and angle to what most change management scholars view. It goes on to define change as ‘to undergo a modification of, to give a different position, course or direction to, to make radically different: transform’.(Merriem-websterdictionary, 2022)

How is the concept of the word 'Change' understood and described in the professional literature on change management?

There are many different definitions, but they all point to the idea of “making something different in some particular way.” (Flamholtz and Randle,2008)

As Prosci.com describes, the context of what 'Change' itself is and management of it are two related but unique concepts. Change is ' an initiative or solution being introduced in the organisation to improve the way work gets done, solve a problem, or take advantage of an opportunity '(Prosci.com)

Even though the topic of change and its impact on organizational, societal and on our daily lives is getting a growing attention since a couple of decades ago, change by itself is not a contemporary happenstance *per se*. However, it is the rate of unprecedented changes that is testing organizations of every size and orientation. It is the pace of change in technology, globalization, and the growing competitiveness in business that is posing a serious challenge for any organization to adapt to the unfolding changes.‘This adaptation from old to new is a process that can simply be referred to as change.’ (Okemba, 2018).

Accordingly, any organization to be successful and stay relevant needs to engage in meaningful change management. (Stouten et al., 2018)

An online blog by Tim Stobierski (Harvard business school, January 21, 2020) defines organizational change as ‘the actions in which a company or business alters a major component of its organization, such as its culture, the underlying technologies or infrastructure it uses to operate, or its internal processes.’

As Voehl & Harrington (2016) put forward, any change effort despite whichever approach or tools are employed, it will certainly have an effect on the structure, system, process and jobs of the organization.

2.2 Types of Organizational Changes

Organizations could engage in different varieties of changes depending on the magnitude of the intervention (Incremental or transformational) and the type of response to environmental opportunities or challenges (reactive or proactive). Accordingly, there are two change paradigms (Hayes, 2014):

- *Adapting to change: the gradualist paradigm*
- *The punctuated equilibrium paradigm*: an alternative view of how organizations change

A. Adapting to change: the gradualist paradigm

Organizations utilize gradualist paradigm approach to change, when they decide to respond to environmental opportunities or threats through continuous and incremental change over extended period of time.

As Hayes (2014) refers to Brown and Eisenhardt (1997), gradualist paradigm is well applauded for its agility, pace and continuous change.

The nature of the change itself, being continuous and dependent upon the workers experimentation to improve their process eliminates the participation of any 'change agent' (Hayes, 2014).

As Hayes (2014) refers to Burke (2002), even though more than 95% of change endeavours are evolutionary and gradual by nature, organizations could use some 'jump starting' through punctuated change approach to relieve the system from the feeling of inertia. As Burke (2002) was quoted by (Hayes, 2014), 'Organisation change does occur with continuous attention and effort, but it is unlikely that fundamental change in the deep structure of the organization would happen'.

B. The punctuated equilibrium paradigm: an alternative view of how organizations change

As Hayes (2014) states 'The essence of the punctuated equilibrium paradigm is that systems (organizations) evolve through the alternation of periods of equilibrium, in which persistent '*deep structures*' only permit limited incremental change, and periods of revolution, in which these deep structures are fundamentally altered'

According to the **punctuated equilibrium paradigm**, organizations experience two types of change:

i. Incremental change:

This occurs during the relatively long periods of equilibrium and is associated with the extrapolation of past trends, doing things better, and securing efficiencies.

ii. Transformational change:

This occurs during periods of disequilibrium when the organization, because of the effect of inertia and a failure to recognize the need for change, becomes so misaligned with its external environment that it cannot continue as before.(Hayes, 2014)

C. A typology of organizational change

Hayes(2014) came up with the following adapted organizational change typology after combining the above two paradigms. ‘The extent to which change involves incremental adjustment or transformational change and the extent to which the organization’s response to an opportunity or threat is proactive or reactive, provides a useful typology of organizational change’ (Hayes, 2014)

	Incremental	Transformational
Proactive	Tuning	Reorientation
Reactive	Adaptation	Re-creation

Figure 2.1. Types of organizational change

Source: Hayes (2014), An adaptation from Nadler et al., 1995, p. 24

Nadler et al. (1995), as quoted by Hayes (2014) identified four types of change:

1. Tuning:

It involves seeking better ways of achieving and/or defending the strategic vision, for example improving policies, methods, procedures; introducing new technologies; redesigning processes to reduce cost, time to market and so on; or developing people with required competences. Most organizations engage in a form of fine-tuning much of the time. This approach to change tends to be initiated internally in order to make minor

adjustments to maintain alignment between the internal elements of the organization and between the organization's strategy and the external environment.

2. Adaptation:

An incremental and adaptive response to a pressing external demand for change. It might involve responding to a successful new marketing strategy adopted by a competitor or to a change in the availability of a key resource. Essentially, it broadly involves doing more of the same but doing it better in order to remain competitive. This kind of change is not about doing things in fundamentally different ways nor is it about doing fundamentally different things.

3. Reorientation:

Involves a redefinition of the enterprise. It is initiated in anticipation of future opportunities or problems. The aim is to ensure that the organization will be aligned and effective in the future. It may be necessary to modify the frame but, because the need for change has been anticipated, this could involve a relatively gradual process of continuous frame bending.

4. Re-creation:

A reactive change that involves transforming the organization through the fast and simultaneous change of all its basic elements. Nadler and Tushman(1995) as quoted by Hayes (2014) state that 'it inevitably involves organizational frame breaking and the destruction of some elements of the system. It can be disorienting.

2.3 Drivers of Change

There are different factors that influence organizations to undergo organizational changes. These forces of change could come either from inside or outside the organization. Nonetheless, whichever source they emanate, these environmental forces which levied the need for change upon the organization should be addressed appropriately. Otherwise the organization tastes the bitter result of its negligence, sooner or later. Accordingly, correctly understanding the drivers, their potential impact and ways to adopt to those drivers is very essential. 'We must correctly perceive the signals for change to accurately scope the change needed and the outcomes it needs to produce.' (Anderson D. & Anderson L.A., 2010)

The 'Drivers of Change Model' sheds light on different environmental forces driving change and their direction of influence.'(Anderson D. & Anderson L.A., 2010). The model portrays the seven drivers, four of them are familiar to organizational leaders while the remaining three forces are relatively new to many, yet require serious focus.

As indicated on Anderson D. & Anderson L.A. (2010), the model illustrates that the need for change is catalyzed by dynamic shifts in the environment, which establish new requirements for success in our organization's marketplace. These new customer requirements catalyze a need for new business imperatives (strategies), which then require changes in our organization to execute them. These may include changes to structure, systems, business processes, or technology (content). If these organizational changes are significant enough, then the culture of our organization must also change to shift the way our people operate to fully realize the benefits from the organizational

changes and effectively execute the new business strategies. Culture change then drives the need for change in both our leaders' and staff's behaviors and ways of thinking. The model shows that what drives change moves from what is external and impersonal (environment, marketplace, organizations) to what is internal and personal (culture and mindset).

The Drivers of Change Model portrays a sequence to these change triggers, with one trigger calling forth change in the next, and the next, and so on. While a demand - and - response relationship exists between these various catalysts, there is not necessarily a time delay from one driver to the next. Based on the scope of the changes required in an “upstream” driver, it calls forth changes in downstream drivers, but the execution of the overall set of changes that must occur should be designed and implemented together, that is, all quadrants and all levels together as one integrated change process. In other words, this is a theoretical model to help identify what is driving change and the scope of the changes being called for; it is not an implementation model.

The external drivers — environment, marketplace, business, and organization — are clearly more familiar to leaders, while the more internal and personal ones — *culture, behavior, and mindset* — are new to most, yet equally essential. Many of the current struggles with transformation are a result of leaders not attending to the people components or not attending to them in ways that make a real impact.

Environmental Drivers: The dynamics that occur in the larger context within which organizations and people operate. These forces include the following:

- Social

- Business and economic
- Political
- Governmental
- Technological
- Demographic
- Legal
- Natural environment

Major shifts in any one or more of these areas can catalyze new marketplace requirements for success for organizations.

Marketplace Requirements for Success: The aggregate set of customer requirements that determine what it takes for a business to succeed in its marketplace and meet its customers' needs. This includes not only actual product or service needs but also requirements such as speed of delivery, customization capability, level of quality, need for innovation, level of customer service, and so on.

Changes in marketplace requirements are the result of changes in environmental forces. For instance, as the environment becomes infused with new technology that makes speed and innovation commonplace, customers demand higher quality customized products and services and expect them faster. To succeed in the marketplace, you must meet these new requirements for success, and your organization must go through the changes required to do so.

Business Imperatives: What the company must do strategically to be successful, given its new marketplace (customer) requirements. New business imperatives can include the

systematic rethinking and change to the company's mission, strategy, goals, business model, products, services, pricing, or branding. Essentially, business imperatives pertain to the organization's strategy for succeeding in its market. As environmental forces catalyze new marketplace requirements for success, leaders must respond with a new business strategy.

Organizational Imperatives: What must change in the organization's structure, systems, processes, technology, resources, skill base, or staffing to implement and achieve its strategic business imperatives.

Cultural Imperatives: The norms, or collective way of being, working, and relating in the company, that must change to support and drive the organization's new design, operations, and strategy. For instance, a culture of teamwork may be required to support reengineering business processes (organizational imperatives) to drive the strategy (business imperative) of faster cycle time and increased customer responsiveness.

Leader and Employee Behavior: How behavior must change in both leaders and staff to express the organization's desired culture. Behavior speaks to more than just overt actions: It describes the style, tone, or character that permeates what people do. It speaks to how people's way of being must change to establish a new culture. Therefore, leader and employee behavior denotes the ways in which leaders and employees must behave differently to re-create the organization's culture to implement and sustain the new organizational design.

Leader and Employee Mindset: How leaders' and staff's worldviews, assumptions, beliefs, or mental models must change for people to enact the desired behavior and

culture. Mindset is the underlying force that causes people to behave and act as they do. Becoming aware that each of us has a mindset and that it directly impacts our behavior, decisions, actions, and results is often the critical first step in building a person's and an organization's ability to transform.

Transforming mindset is a prerequisite to sustained change in behavior and culture. A shift of mindset is often required for organizational leaders to even recognize changes in the environmental forces and marketplace requirements, thereby being able to determine the best new strategic business direction, structure, or operation for the organization. A change in employee mindset is often required for them to understand the rationale for the changes being asked of them. And almost always, if the organization is going through significant transformation of its strategy, organizational design, and culture, then leaders and employees must transform their mindsets to operate in it successfully.

2.4 Change Management Concepts

What is Change Management?

It can be argued that successfully managing change is essential for any organization to survive and thrive in the current competitive and ever-evolving business environment. Hence, it is therefore advisable to define 'what' is meant by change management before delving into 'how' to manage change.

As Tim Creasy defines it, change management is "the process, tools and techniques to manage the people-side of change to achieve a required business outcome." (Voehl & Harrington, 2016). As such, Voehl and Harrington (2016) stress the typical role of change management in helping individuals in successfully striding a transition and

adoption to new organizational realities by using various tools. They also distinguish the roles of project management from that of change management in this regard; describing it as ‘Project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing make successful personal transitions resulting in the adoption and realization of change’. Here, they emphasize the role of change management as being focused on the ‘people’ side of the change.

In another literature, Todnem R. cited Moran and Brightman’s (2001) definition of change management as “the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers”. Hence, Moran and Brightman’s (2001) definition of change management adds an additional dimension to the definition proposed by Voehl and Harrington (2016); in essence that ‘direction’ and ‘continuity’ of the change endeavor has been given due attention.

Change management has dealt with change management models, processes, and plans developed to reduce the impact that changes can have on organizations. The existence of effective change management in the organization will have huge contribution in setting up a comprehensive and coherent change management tools, processes and goals. Moreover, the existence of a successful change management capability in the organization aids the business in managing change resistance and improving buy-in. (Teczke et al, 2017).

Accordingly, the following approaches, models and theories have been assessed for the purpose of this research.

2.5 Change management approaches, models and theories

1. Gareth Morgan's Organizational Metaphor

As argued by Cameron and Green (2009), Gareth Morgan's(1986) organizational metaphors could be used to construct a comprehensive and holistic approach to change management.

Morgan defined eight organizational metaphors to better comprehend and explain how businesses operate in today's interconnected environment. Cameron and Green (2009) narrowed down the eight organizational metaphors into four based on their relevance to understand organizational change management. They are described here below.

- ✓ organizations as machines;
- ✓ organizations as political systems;
- ✓ organizations as organisms;
- ✓ Organizations as flux and transformation.

As Cameron and Green (2009) indicated, in practice most organizations use the metaphors by combining them but try to assess the impact of each organizational metaphor on the overall change management endeavor individually.

A. Machines metaphor

The machine metaphor is a commonly used metaphor worth revisiting to examine its implication on organizational change (Cameron and Green,2009).

The notion behind this metaphor is setting ‘how’ organizations should function to operate seamlessly so as to produce what they are established for. According to this view, the organization involves routine operations, well crafted structure and job roles, seamless coordination among the parts of the ‘machine’ and clearly set procedures and standards.

The key beliefs of this metaphor are(Cameron and Green, 2009):

- ✓ Each individual should only have manager to report to
- ✓ There should be clear role assignment
- ✓ Workers should be managed and controlled by clear objectives
- ✓ Teams are no more than the sum of individual efforts
- ✓ Employee discipline, management control should be the reigning mantra of the management.

This leads to the following assumptions about organizational change (Cameron and Green, 2009):

- ✓ The organization can be brought to an agreed final state by those in power
- ✓ There will be resistance and it needs to be managed effectively
- ✓ Changes can be carried out well if they are well planned and controlled.

The serious limitation of this metaphor is its being ‘mechanical’ and devoid of the human element that is central to any organization change intervention. Hence, as Cameron and Green(2009) concluded, ‘Change when approached with these assumptions is therefore hard work. It will necessitate strong management action, inspirational vision, and control from the top down’

B. Political systems metaphor

This metaphor is essential since it recognizes the interplay between power, contending and conflicting interests within the organization (Cameron and Green, 2009).

The key beliefs of this metaphor are (Cameron and Green ,2009):

- ✓ Information on powerful personalities and their network (relationship) is essential
- ✓ There is informal cartel territories within the organization that needs to be understood
- ✓ Informal coalition between individuals are far stronger than formal task groups
- ✓ Resource allocation related decisions are the most vital once.

This leads to the following assumptions about organizational change (Cameron and Green, 2009):

- ✓ Any change intervention must get the support of the powerful and influential personalities and groups
- ✓ Broad based support is essential for any change endeavor to succeed.
- ✓ Awareness of the political map and identification of the potential winners and losers of the change intervention is of critical importance.
- ✓ Strategy on establishing coalitions and negotiation is crucial.

The limitation of this metaphor lies on the fact that it develops an unwanted power politics and Machiavellian conspiracy tactics and power play among organization members (Cameron and Green, 2009)

C. Organisms Metaphor

This metaphor views an organization from the ‘open systems’ perspective, which as Cameron and Green (2009) describes as ... ‘Organizations are seen as setsof interrelated sub-systems designed to balancethe requirements of the environment with internal needs of groups and individuals.’.

The key beliefs of this metaphor are (Cameron and Green,2009):

- ✓ There is no ‘one best way’ to design or lead an organization
- ✓ The flow of information among different parts of the system and its environment is the key to the success of the organization.
- ✓ It is vital to strengthen the fit between individual, team and organizational needs.

This leads to the following assumptions about organizational change (Cameron and Green, 2009):

- ✓ The change readiness of individuals and groups is vital
- ✓ Organizations can design and implement change initiatives when the environmental stimuli calls for it.
- ✓ Collaboration and emotional support for those impacted by the change is critical to the overall success of the change intervention.

The major limitation of this metaphor, as Cameron and Green (2009) indicated is its unrealistic assumption that holds an organization at the mercy of its environment.

D. Flux and transformation metaphor

This metaphor considers the organization as part and parcel of the turbulent environment as opposed to an independent system interacting with the environment, which the previous metaphor assumes. Accordingly, the management cannot impose change interventions, rather change emerges out of the turbulent environment.(Cameron and Green,2009).

The key beliefs of this metaphor are (Cameron and Green,2009):

- ✓ Order naturally comes out of turmoil
- ✓ Organizations have a natural capability to self-renew
- ✓ Key tensions are important for the emergence of new ways of doing things
- ✓ Formal organizational structures (teams, hierarchies) represent only half of the many dimensions of organizational life.

This leads to the following assumptions about organizational change (Cameron and Green, 2009):

- ✓ Change cannot be managed; it emerges
- ✓ Tensions and conflicts are essential aspect of emerging change
- ✓ Managers act as enablers

The major limitation of this metaphor is that it creates a sense of powerlessness for managers and consultants since it diminishes their authority and role in the whole change process.

2. Lewin, three-step model

Widely acclaimed as the founder of the ‘Organization Development’ field of enquiry and practice, Lewin developed the infamous ‘Three-step’, model of change management in 1940s(Stouten et al 2018). The three steps are: 1) Unfreezing, 2) Moving and 3) Freezing

Unfreezing:

As Cameron and Green (2009) describe, the first step involves unfreezing the status quo. This means defining the current state, surfacing the driving and resisting forces and picturing a desired end state.

‘Unfreezing means that old ideas and practices need to be cast aside so that new ideas can be learned.’ Teczke et al (2017)

Moving(Changing):

Moving to the new behavior is a step in which new ideas and practices are learnt. This process involves assisting an employee to reflect reason and work in a variety of new ways. It can be a period of uncertainty, confusion, stress and chaos. Teczke et al (2017)

As Okemba (2018) stresses, this transition involves introducing the change and modifying (changing) the existing system to support the change.

Refreezing:

Refreezing involves strengthening of the change in order to make it parallel with the rest of organizational structures and procedures. This makes the change to be rooted in the organization rather than remaining a peripheral activity. Stouten et al(2018)

The Lewin's three step model utilizes the Morgan's 'Organism Metaphor', which embraces the view of homeostasis or the tendency of an organization to maintain its equilibrium in response to disrupting changes (Cameron and Green, 2009).

However, Cameron and Green (2009) have raised their concern on the utility of the model for organizational development process, which they describe as minimal; rather, it can serve as a planning tool for change interventions.

Moreover, in another criticism on the model, it is accused of being unrealistically simple, and linear, '... Lewin's approach to change was too simple to be implemented in a world where changes within organizations are continuous and are open-ended processes' (Okemba, 2018). Okemba further collects other criticism on the model, like its being ignorant of the fast paced changes (focused on the magnitude of change and neglected speed of change) and the role of organizational game of politics on change intervention.

2. The Kotter model

As described in Bejinariu et al (2017), Kotter's linear model includes the following eight steps :

- 1) Establish a sense of urgency. Discussing today's competitive realities, looking at potential future scenarios. Increasing the 'felt-need' for change;
- 2) Form a powerful guiding coalition. Assembling a powerful group of people who can work well together;

- 3) Create a vision. Building a vision to guide the change effort together with strategies for achieving this;
- 4) Communicate the vision. Kotter emphasizes the need to communicate at least 10 times the amount you expect to have to communicate;
- 5) Empower others to act on the vision. This step includes getting rid of obstacles to change such as unhelpful structures or systems. Allow people to experiment;
- 6) Plan for and create short-term wins. Look for and advertise short term visible improvements.
- 7) Consolidate improvements and produce still more change. Promote and reward those able to promote and work towards the vision. Energize the process of change with new projects, resources, and change agents;
- 8) Institutionalize new approaches. Ensure that everyone understands that the new behaviours lead to corporate success.

The drawback of this model as commented by Cameron and Green (2009) is its lack of consistent energy throughout the eight steps; which they describe as ‘an early burst of energy’.

‘Kotter peaksearly, using forceful concepts such as ‘urgency’ and ‘power ’ and ‘vision’. Then after Step 5, words like ‘plan’, ‘consolidate’ and ‘institutionalize’ seem to imply a rather straightforward process that can be managed by others lower down the hierarchy. In our experience the change process is challenging and exciting and difficult all the way through.’ (Cameron and Green,2009).

Moreover, they argue that ‘change is seen as linear rather than cyclical, which implies that a pre-designed aim can be reached rather than iterated towards.’

3. McKinsey 7 S Model

As described in the Okemba (2018), the McKinsey 7S model is a framework that was invented by Tom Peters and Robert Waterman in the early 1980s. The 7S in the model have been utilized to learn and observe the internal changes within the organization. The model *encompasses structure, strategy, systems, skills, style, staff and shared values*. For successful performance of an organization, there must be a shared understanding and an interconnection between the seven elements.

As Okemba (2018) quoted Kar ‘s (2010) criticism on the model as ‘ the McKinsey 7 S model has been criticized for its lack of representation of key organizational competencies. This therefore makes it difficult to feel the competitive prowess of a strategic business unit’.

4. ADKAR Model

As illustrated in Bejinariu (2017), the ADKAR model was developed by Jeffrey Hyatt of the Prosci Research Inc, in 2006 to view the organizational change process from the individual perspective.

ADKAR model name is an acronym and is derived from the five elements to be observed that the objective of change should meet (Bejinariu, 2017). Hiatt argued that individual resistance to change can be handled through five stages: awareness, desire, knowledge, ability, and reinforcement.

- **Awareness:**The reasons for the change are described at this stage. Here, the management must identify and manage sources of individual resistance to change. 'A natural human reaction to change, even in the best circumstances, is to resist. Awareness of the business or organizational need to change is a critical component to overcoming resistance.'(Prosci.com)

- **Desire to engage in change:** The change sponsors and agents in the organization has to influence employees to accept the change through communicating the benefits of the upcoming change intervention. 'The employee's personal motivators or barriers contribute to their level of desire to use the new software. Each person could have their own unique reasons for engaging or resisting—sometimes reasons that are not even related to the change.'(Prosci.com)

- **Knowledge necessary changes:**Imparting the required knowledge about the change to employees. 'Only after building *awareness and desire* should we begin providing detailed knowledge on the change. Unfortunately, organizations commonly see a change coming and the first step they take is to send employees to training.To make the most of a training investment, it must come after initial awareness and desire building.' (Prosci.com)

- **Ability:**Focus groups with change agents about how people are coping with new ways of working – expect decrease in issues and increase in positive feedback over time. There may still be a gap between knowledge and ability. Knowledge knowing what to do. Ability is being able to put that knowledge into practice.(Prosci.com).

- **Re-enforcing** the change: Control and evaluate the change intervention to achieve successful buy-in. To reinforce change, we need to monitor whether the change is being sustained or not. Who is logging in, following workflows, and using the new system successfully? Where are individuals recognizing new efficiencies in their work? (Prosci.com). Reinforcement confirms that they are expected to continue working in the new way.

5. Emergent change approach

According to the emergent change approach, not all change initiatives can be fully planned. As Smith et al (2014) quoted the work of Burnes (2004), an organization change can usually be identified with one of two main archetypes:

- **Swift and sudden**– a short period of turbulent, typically imposed change designed to deliver quick results, often driven by threats to the organization’s continued success or survival.
- **Developmental and deliberate**– an extended period of patient work to build the organization’s culture and capability.

He goes on to ascertain that the two types of change could be undertaken parallel, as the need arises. Elements of both approaches may be seen in any particular phase of a change, though one or the other usually predominates. Moreover, as different phases of change occur over time, the ‘developmental and deliberate’ may prepare the way for the ‘swift and sudden’ or may be used to align culture and capability with a ‘swift and sudden’ change already made. (Smith et al, 2014).

2.6 Empirical Studies on Best Practices in Change Management

As Todnem (2005) cited Guimaraes and Armstrong (1998) stressed, while there is an ever-growing general literature emphasizing the importance of change and proposing ways to address it, very little empirical evidence has been found to support the various proposed theories and approaches delivered.

As per the research conducted by ©*Prosci* Change Management Institute on 1863 change management leaders, the following seven points have been indicated as the best practices that proved successful in a number of change interventions.

1. Mobilize active and visible sponsorship

An organization leadership with an active engagement, guidance and visible participation in the overall change management process is found to contribute enormously for the success of the change intervention. As per the finding of PROSCI research, ‘Sponsor effectiveness had a direct impact on whether projects met objectives. Active and visible sponsorship has been voted as the first and foremost success factor for change projects that meet their objective. Projects with an extremely effective sponsor met or exceeded objectives (73%) more than twice as often as those with a very ineffective sponsor.(Prosci Inc., 2020)

As per the finding of *Prosci* research, active and visible sponsorship means that the sponsor is(*Prosci*,2020):

- ❖ Supporting the change by giving consistent attention to the change and the need for change management
- ❖ Championing the change by leading and motivating others in the organization
- ❖ Making effective and influential decisions regarding the change, including aligning priorities among other leaders in the organization
- ❖ Maintaining direct communication with the project management and change management teams and being accessible during the change
- ❖ Influencing peers to maintain buy-in and participate in a coalition of sponsorship

2. Apply a structured change management approach

A deliberate and clear approach to organization change avails the arrangements essential to stay on the right track. It allocates sufficient time for important activities and allows room to spot and deal with gaps all the way through the project lifecycle. Utilizing a proper approach also makes processes repeatable for regular application of change management on more interventions all over the organization.

Key words that emerged when participants described this best practice included: *established, customizable, scalable, easy to implement across multiple changes and easy to apply at every phase of the project* (Prosci, 2020).

The above key characteristics describe the needed features from the structured change management plan. On the other hand, content wise, however, the level of detail and sophistication depends on the nature of change to be implemented. (USAID, 2015)

Accordingly, the USAID document (USAID, 2015) on change management best practices lists the following sections as key components of the change management plan

- Vision and goals
- Stakeholders
- Resources
- Time-specific milestones
- Communications tools and strategy, including key messages
- Metrics
- Roles and responsibilities
- Results from change readiness or risk analyses (USAID, 2015)

As per various literature on the use of the change management plan indicate, organizations use it as a guide to the change process, as a measure of monitoring (metrics) etc.

As the 'Prosci' research revealed, 76% use a change management methodology for general guidance, while 46% use it as a checklist for activities and 38% use it to monitor progress (Prosci Inc., 2020)

Again, the *PROSCI* research reported organizations which used a structured change management plan/methodology were 33% more likely to achieve 'good or excellent' change management performance than those without a methodology (Prosci Inc., 2020)

3. Communication

A number of research findings as well as various theories and models on change management confirm that effective communication is vital to the success of a change management and change management projects alike.

The PROSCI institute research finding suggests organizations to ‘Communicate frequently and openly’(Prosci Inc., 2020).As per the PROSCI research finding, effective communication practices are the third most important change management practice critical for achieving change project objectives.(Prosci Inc., 2020).

The PROSCI research listed the following factors to be critical in change management communication: ‘*Consistency, transparency, leveraging multiple communications channels and preferred senders.*’(Prosci Inc., 2020)

Moreover, the USAID change management guide adds two more essential features of ‘*making the communication two-way and making it user-specific (tailored to the specific user’s information needs.)*’.

As the USAID document(USAID, 2015)cites the World Bank publication (2009),the following are some of the benefits of effective communication for change management:

- Communicate the vision, goals, and motivation for change;
- Communicating about the nature, timing, and significance of the change;
- Bring forth involvement and particular expectation from stakeholders;
- addressing concerns, alleviating fears, and encouraging support systems among employees; and
- Giving feedback to employees about their performance during change initiatives and providing feedback to implementers regarding strengths and weaknesses of the change initiative(USAID, 2015)

4. Employee Engagement

Engaging employees has been identified by industry practitioners as one of the major success factors for change. Notable practices in this regard, as indicated by PROSCI research findings (Prosci Inc., 2020), are *building relationships with affected groups, ensure affected groups get the proper training and engage employees in identifying solution and future state* etc. Consistent and continuous employee engagement and participation were reported as crucial components successful change by the participants of PROSCI research. According to the finding, in addition to addressing personal and professional implications, participants engaged employees by collecting employee feedback, engaging employees in identifying a proposed solution and future state of the upcoming change, and leveraging change advocates to create more opportunities for awareness (Prosci Inc., 2020).

As the USAID document (USAID, 2015) cites Fernandez and Rainey (2006), the following are some of the benefits of effective change management engagement: Helps trim down barriers to change by improving buy-in, encourages the sharing of vital information, and encouraging feedback of employees to improve the change during implementation.

5. Dedicate change management manpower and funding

As the PROSCI research finding (Prosci Inc., 2020) reported that availing dedicated resources (manpower) and funding is of paramount importance in achieving the intended change management deliverables. The assignment of a dedicated manpower for the change management improves accountability. Devoted change management manpower and funding means having access to:

- Proper funding and resources

- Devoted resources (manpower) with change management experience

Additionally, it was found that the *agility, flexibility and experience* of the change management team members correlate with change management effectiveness. (Prosci Inc., 2020)

6. Engage and integrate with project management

Change management and project management are two very close disciplines with a complementary relation. Those practitioners who support or oppose the integration of the two disciplines in change intervention have their own rationale for their decision. According to Prosci's (2020) research, the overwhelming majority of research participants (74%) confirmed that they had integrated change management with project management. The same research found that integration resulted in 47% of project goals being met or exceeded, while those who didn't integrate and still achieved their project goal accounted for 30%. By integrating change management and project management, there is a 17% higher chance of successfully achieving the project goal.

The above research also found that of those who have integrated change management into their project management, 57% of participants rated their change management effectiveness (the impact of integration on change management effectiveness) as good or excellent (Prosci Inc., 2020). As the research participants indicated, the following tips for their success:

- Including change activities to the project plan
- Working together with the project team
- Organize the change plans with the project plans

- Providing change management training to the project team

As the research confirms, a growing number of companies are integrating their change management with project management (Prosci Inc., 2020)

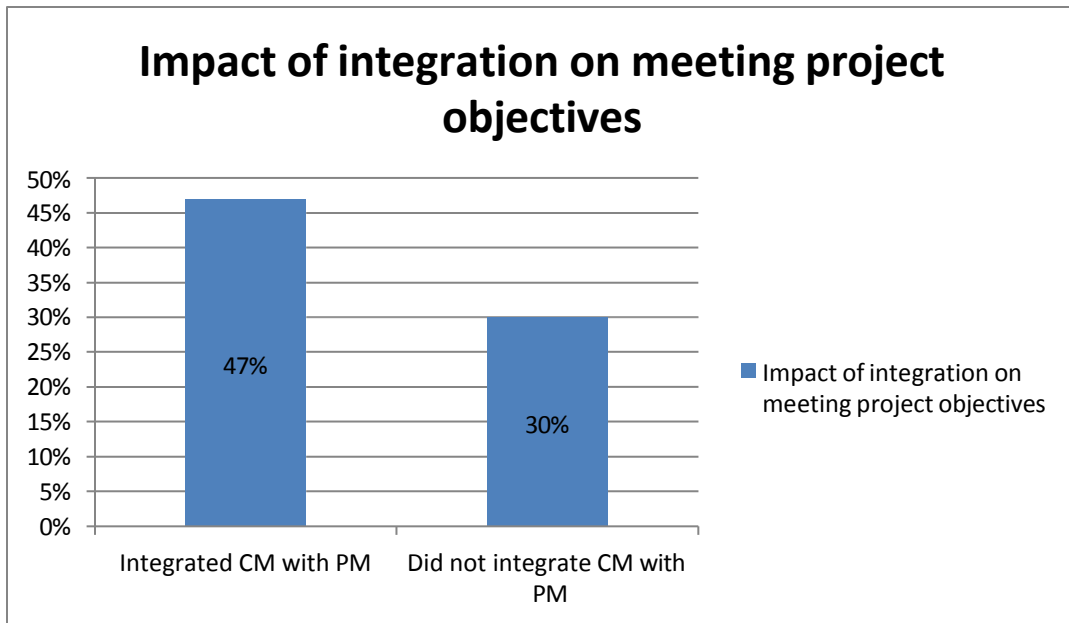


Fig.2.2 The impact of integration on meeting project objectives

(Prosci Inc., 2020)

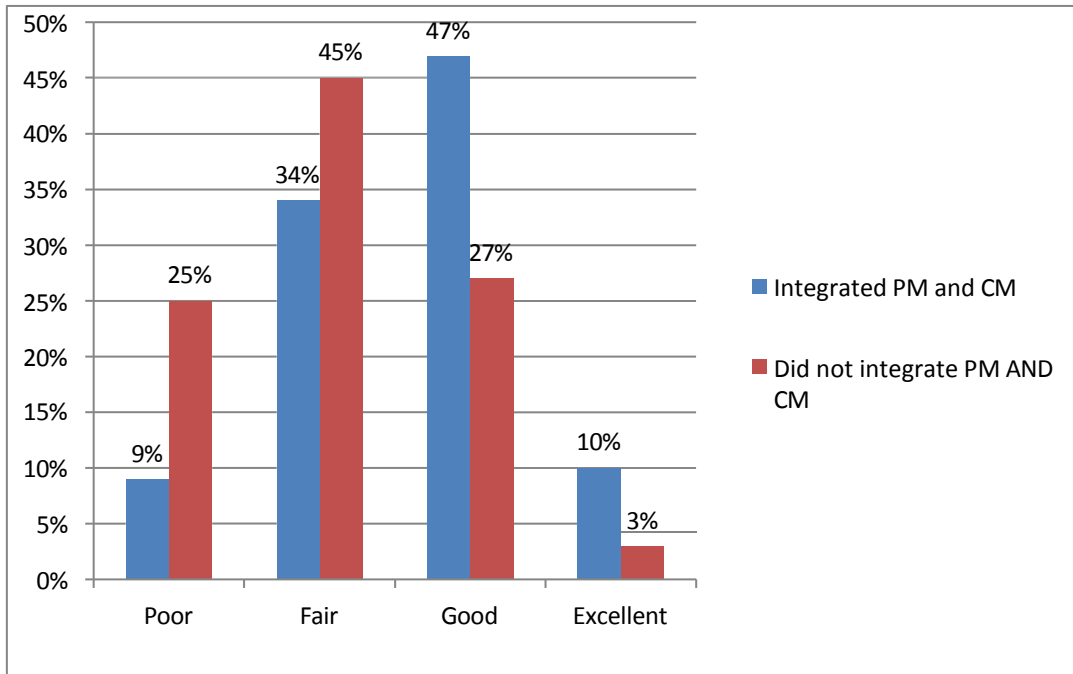


Fig.2.3 The impact of integration on change management effectiveness

(Prosci Inc., 2020)

The dimension of integration ranged (in descending order of integration level) from people, process, results and outcomes, tools and methodology.

7. Engage with and support middle managers

Managers and supervisors play an instrumental role in producing change deliverables. Employees turn to their manager when it comes to overt directions and subtle hints as to how a coming change will affect them. By using their capacity and influence, managers could support team members through their individual change. This will ultimately increase and improve acceptance results of the change project.

The Prosci research participants identified the following steps taken to engage managers and supervisors in change so they could engage their followers. (Prosci Inc., 2020)

i. Emphasize communications

‘The most common step was creating structured, targeted and frequent communications about change and managers’ roles during change. Participants engaged in face-to-face communications and reinforced messages with managers. Participants also created opportunities for managers and supervisors to give feedback.’(Prosci Inc., 2020)

ii. Hold meetings

‘Participants involved managers and supervisors in one-on-one meetings, team meetings, alignment sessions, briefings, town halls and web meetings. Research participants also noted the value of having a project or change management leader attend regularly scheduled meetings for managers and supervisors’(Prosci Inc., 2020)

iii. Focus on awareness

‘Information was provided to managers and supervisors to clarify how changes would impact them and the business rationale for the change including the risk of not changing. Awareness of the importance of change management and the role of the manager was also dealt with.’(Prosci Inc., 2020)

iv. Provide materials, tools and support.

‘Managers and supervisors were given appropriate tools to understand and manage change, including talking points, toolkits, action plans and key message outlines. Managers and supervisors also continued to receive support.’ (Prosci Inc., 2020)

Engage managers

Involving managers in the early stages of a project brought managers into the change. Holding engagement sessions was one tactic for this. (Prosci Inc., 2020)

The USAID study (USAID, 2015) on change buy-in describes that it is vital that a coalition of senior leaders commit and participate in shaping communication and implementation of an initiative. A study of the agency's efforts to encourage stakeholder participation found that organizational change within USAID takes time and requires clear and sustained leadership (USAID, 2015).

2.7 Challenges Faced in the Change Management Process

The Prosci Research participants identified the most challenging obstacles they experienced during the change management process. (Prosci Inc., 2020)

i. Lack of executive support and active sponsorship

Participants indicated that many executives did not understand their role in change management, the resources required, or purpose of the change. (Prosci Inc., 2020). This misunderstanding led to inconsistent communication, visibility and transparency within the organization. Additional barriers emanating from executive sponsorship included dwindling support after go-live, a general lack of buy-in, and infrequent engagement.

ii. Lack of effective communication led to misalignment

Without effective communication—that which is transparent, builds awareness, and aligns with organizational goals—confusion and misalignment became an issue for groups impacted by the change. (Prosci Inc., 2020) As a result, participants had to spend

more time and resources to clarify roles, communicate expectations, and encourage buy-in.

iii. Lack of change buy-in and solution support created resistance

The most likely individuals to resist the change were those who displayed limited engagement and an unwillingness to adopt new processes because they did not understand the change and feared the “unknown.”(Prosci Inc., 2020)Such employees felt comfortable with their current systems and lacked an overall desire to adopt the changes.

iv. .Limited knowledge and resources for change management

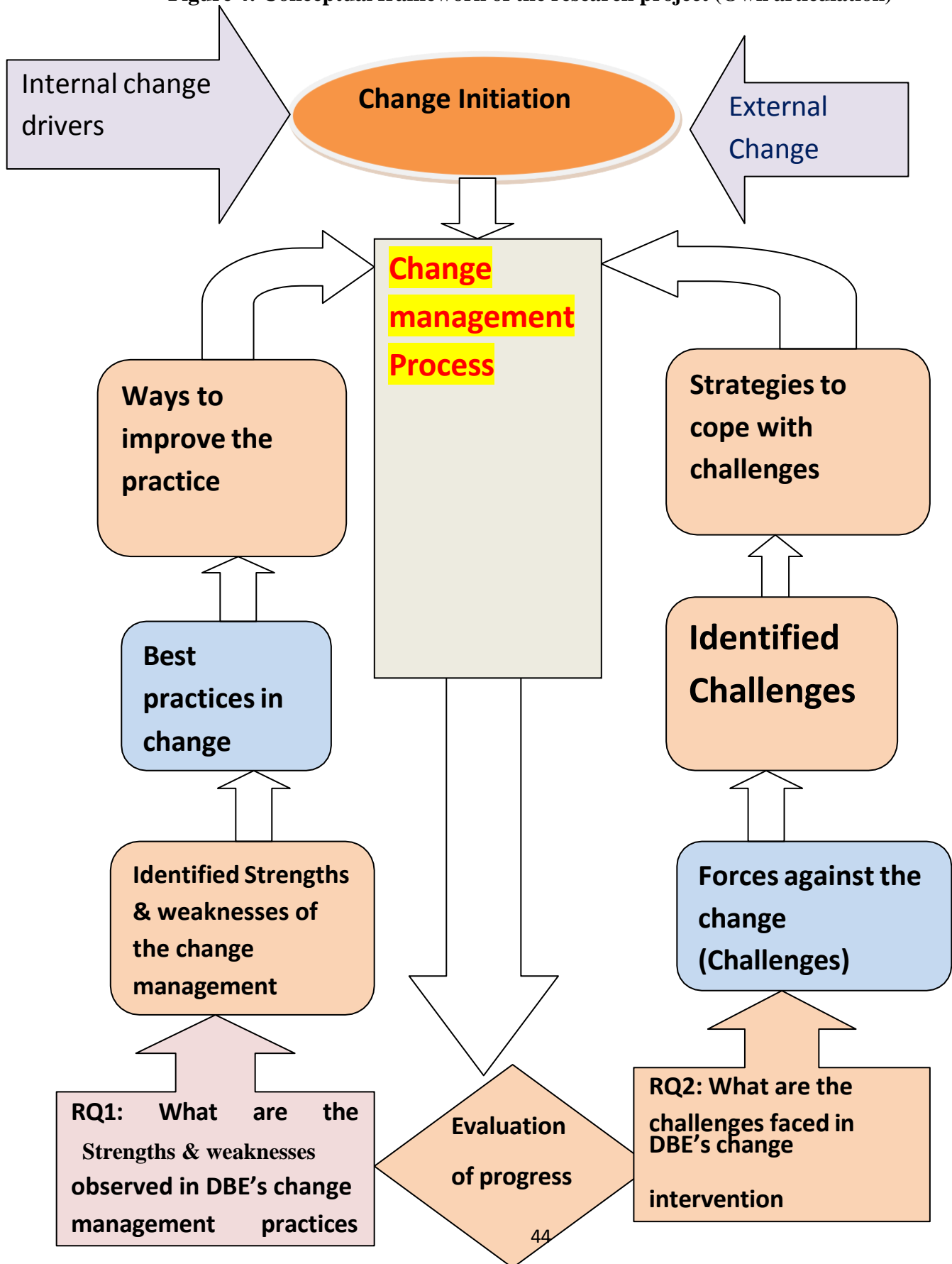
Across all levels of the organization, participants reported a lack of knowledge about what change management is and the value it brings to the organization. This made acquiring the resources and budget necessary for success more difficult. (Prosci Inc., 2020)

Leadership and front-line managers were unwilling to assign budget or personnel to a change management project because they did not see the value in doing so.

2.8 Conceptual Framework of the Research Project

Based on the theoretical and empirical literature the following conceptual framework of the research project was developed to guide the research.

Figure 4: Conceptual framework of the research project (Own articulation)



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research approach, methods and design being used by the study, while highlighting the population and issues related to sampling technique, sample size determination, and data collection instrument. Moreover, the chapter outlines the approach to data collection and analysis for the purpose of answering the research question.

3.2. Research Approach and design

The study employed a quantitative approach with a descriptive research design in tackling the stated objectives of the research project. This is because the objective is to evaluate the strengths and weaknesses of the DBE's change and project management practices and the challenges being faced in the process. Accordingly, the design which allows describing the current state of affairs as they are is a descriptive research design (Kothari, 2004). Hence, survey data is collected and analyzed to describe the status quo by using statistical tools appropriate to the setting, which will be described here below.

3.3 Population and Sampling

The populations of the study were employees and management members of the DBE Hawassa district (total population 68). However, since the study employs a structured survey questionnaire, only those who were expected to be knowledgeable on the subject of the research and easily understand the data collection instrument without any

additional assistance were selected deliberately using *purposeful sampling technique*. Accordingly, staffs that are holding job positions of officer up to team manager and branch manager were taken as target population frame for the study. The total numbers of staff which fall under the stated restriction are 51. Hence, this was taken as the population of the study.

In order to get a more holistic and representative data the purposefully selected population frame was taken in its entirety (all 51 of them) for the survey.

3.4 Data collection

The study employed survey questionnaire developed based on extensive literature review after being critiqued by experts on the field. The study also used the (Prosci Inc., 2020) publication on best practices in change management, with significant adaptation to the organization on hand (DBE). The survey questionnaire was dispatched (sent) through DBE's in-house e-mailing system (Zimbra systems). The response was collected both through email and in person. Collecting the response has not been a challenge since the respondents were physically close and mostly cooperative.

3.5 Data Analysis

The collected data through the questionnaire was filled and tabulated using Ms-Excel and exported to SPSS software for the appropriate data analysis.

The collected data was analyzed and interpreted using SPSS software. The analysis and interpretation of data was in line with the requirements of a quantitative research.

Secondary data in the form of research publications, books, bulletins, online blogs and sources as well as journals were consulted to support the survey data analysis.

3.6 Scale Reliability and Validity

Reliability relates to the extent to which the instrument measures the phenomenon in stable and consistent manner. (Carmines and Zeller, 1979). Accordingly, the Cronbach alpha test of reliability was performed on the scale (On the five scale Likert survey questionnaire) and the test resulted in a score of excellent with a value of 0.93 or 93%. Whereas, the validity concerns itself with the degree to which the items in the instrument reflect the content set (universe) to which the instrument will be generalized. (Straub et al, 2004). The five scale Likert scale questionnaire which was developed after extensive literature review was critiqued by peers and experts. After which the some items were added and some items were axed, words and expressions rephrased and used for the final data collection.

3.7 Ethical Considerations

The study applied the acceptable ethical conduct in undertaking the research project. The respondents were informed of the purpose of the study. Their willingness to participate in the study was asked prior to administering the questionnaire. The study also maintained the respondents' confidentiality at all times.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction:

This chapter explains and discusses the results of the findings based on the analysis of the data collected. The discussion attempts to achieve the goals of the study and to answer the research questions. The chapter particularly addresses the response rate and demographic data of the respondents, change management practices of DBE, and challenges in the bank's change and project management practices are discussed.

4.2. Response rate and demographic data

4.2.1 Response Rate

The study targeted 51 employees and management members of Hawassa district (from the position of officer to the level of team managers/branch managers). As indicated on the methodology part, the selection of respondents is done purposefully based on the assumption that they possess the required understanding of the subject on hand. Accordingly, all of the selected respondents have returned the survey questionnaire through email and in person.

Table 4.1. Response rate		
Item	Number	Percent
Response	51	100%
Non-response	0	0
Total	51	100%

Source:Own Computation (2022)

4.2.2 Respondents demographic data

Looking at the age composition of the respondents, 50% of them are found in the age range of 26-35 followed by age range of 35-45 (35%).

Regarding the sex composition of the respondents, the overwhelming majority (90%) of the respondents are men. The study has included all female employees who are found in the targeted job range (officer up to team manager/branch manager level).

As regards to the educational background of the respondents, 60% of them are holders of B.A. degree while the remainders (40%) are holders of Masters degree and above.

On the subject of the marital status of the respondents, 67% of them are married whereas the remainders are single.

Concerning the job level (position) of the respondents, 52% of them are senior officers, 25% are officer level employees, whereas the remainder (23%) are found in the management team (team managers and branch managers).

The collected data has revealed that 36% of the respondents have experience of 6-10 years, 30% of them have an experience of 11-15 years. Twenty per cent of the respondents have accumulated more than 15 years of experience.

Table 4.2. Demographic Data of the respondents			
Variable	Item	Number	Percentage
Age group	18-25	3	5.00
	26-35	25	50.00
	36-45	18	35.00
	>48	5	10.00
	Total	51	100
Gender	Male	46	90
	Female	5	10
Total		51	100
Educational background	Diploma	0	0
	B.A. Degree	31	60
	Masters and above	20	40
	Total	51	100
Marital status	Single	17	33
	Married	34	67
	Divorce		
	Widow		
	Total	51	100
Job Position	Officer	13	25
	Senior Officer	27	52
	Team manager and branch manager	12	23.00
	Total	51	100
Work experience	<5 years	6	11
	6-10 years	18	36
	11-15 years	17	33
	>15 years	10	20
	Total	51	100

Source: Own computation(2022)

4.3 Results and Analysis

The survey questionnaire was designed on the five scale Likert scale (*Strongly disagree, disagree, neutral, agree and strongly agree having a score value of 1,2,3,4 & 5 respectively*) to evaluate the change management practices and change management project of DBE and the challenges encountered in the process. In doing so, the study utilized various literatures on the subject and in particular on the Prosci Change management research institute'(Prosci Inc., 2020)publication, to develop the survey instrument. The instrument has been critiqued and edited by peers and experts before it was finally administered to the respondents. The collected responses have been analyzed using the appropriate statistical tools. The likert scale responses have been analyzed using percentage, mean and standard deviation. The result of the analysis is presented using narrations and tables as described in the following sections.

4.3.1 Mobilize active & visible executive sponsorship

Under the stated theme five statements were prepared to measure or evaluate the DBE's change management practice. For the statement *'The executive management supports the change and the project management by giving consistent attention'*, 58%of the respondents showed agreement while a small portion of the respondents replied their strong disagreement and disagreement (24%) and the rest showed neutral position(18%).By the same token, the mean value (3.3) indicates the average response of the respondents falls within the neutral range (2.61-3.40) with standard deviation of 1, which indicates strong dispersion from the mean among the respondents

Table 4.3. Mobilize active & visible sponsorship

Questions	Responses					Mea n	STD
	SD	D	N	A	SA		
The executive management supports the change and the project management by giving consistent attention	6%	18%	18%	58%	0%	3.3	1.0
The executive management champions/advocates the change by leading and motivating others in the organization	6%	35%	12%	47%	0%	3.0	1.0
The executive management makes effective and influential decisions related to the change, including aligning priorities with other leaders in the organization	2%	10%	24%	65%	0%	3.5	0.8
The executive management is accessible and has direct communication with the project management and change management teams during the change	6%	24%	17%	47%	6%	3.2	1.1
The executive management influences peers to maintain buy-in and engage in a coalition of sponsorships.	6%	12%	41%	41%	0%	3.2	0.9
Average						3.2	0.9

Source: Own Computation(2022)

A sizable portion of the respondents (41%) responded that *'The executive management does not champions/advocates the change by leading and motivating others in the organization'* and 12% of the respondents showed their neutral position, while 47% of the respondents agreed that the executive management champions the change by exercising leadership.

The majority of respondents (65%) agreed that *'The executive management makes effective and influential decisions related to the change, including aligning priorities with other leaders in the organization'*. The mean (3.5) and standard deviation (0.8) calculated indicate that the majority of the respondents agree to the statement (since the mean value falls within 'agreement' range) and the recorded dispersion from the mean is lower.

As per the survey result around 53% of the respondents agreed that *'the executive management is accessible and has direct communication with the project management and change management teams during the change'*.

On the issue of *the executive management's influence on peers to maintain buy-in and engaging in a coalition of sponsorships*, only 41% of respondents agreed that the executive is doing right; while an equal number of respondents (41%) chose a neutral stance showing their reservation.

In a nutshell, the collective result on the bank's management effort in *'mobilizing active & visible executive sponsorship'* for the change shows that the majority of the respondents showed a neutral stance with a mean value of 3.2 with a standard deviation of 0.9.

4.3.2 Apply a structured change management approach

Around 53% of the surveyed respondents agreed that DBE actually has an established, customizable and scalable change management structure or methodology. By the same token, 58% of the respondents confirmed that DBE’s change management methodology is easy to implement across multiple changes. However, 35% of the respondents responded that DBE’s methodology is not easy to apply at any stage of the project, while a considerable number of respondents(29%) chose to hold a neutral stance on that item.

The overall survey result for evaluating the DBE’s application of a structured change management approach revealed that the majority of responses went to the neutral range, with a mean value of 3.2 and a standard deviation of 0.9 showing closely distributed dispersion around the mean.

Table 4.4. Apply a structured change management approach

Questions	SD	D	N	A	SA	MEAN	STD
DBE has an established , customizable and scalable change management structure (methodology)	0%	29%	18%	41%	12%	3.4	1.0
DBE has a change management methodology that is easy to implement across multiple changes	0%	24%	29%	35%	12%	3.4	1.0
DBE has a change management methodology that is easy to apply at any stage of the project	0%	35%	29%	35%	0%	3.0	0.8
Average						3.2	0.9

Source: Own computation (2022)

4.3.3. Communicate frequently and openly

A significant number of respondents (47%) showed their strong disagreement and disagreement with the statement evaluating whether DBE has consistent and transparent change management communication, while 18% of the respondents voted neutral on the same statement. The mean (2.8) and standard deviation of 1.1 reveal that the majority of responses fall in the range of neutral with a standard deviation score closely dispersed around the mean.

On DBE's track record of using multiple communication channels for change management communication purpose, 36% of the respondents showed their disagreement while a sizable number of respondents (29%) took a neutral stance on the statement.

Regarding identification of the most common source of the change management information, 47% of respondents agreed that top-level sponsors and immediate managers are their common source for change management information; while significant number of respondents (36%) showed their disagreement on the contrary.

Taken as a whole, as per the survey result the assessment whether DBE adopts a frequent and open communication approach to change management, found that the best part of responses were in the neutral range, with a mean of 2.9 and a standard deviation of 1.1, indicating responses scattered in narrow distribution around the mean.

Table 4.5. Communicate frequently and openly

Questions	SD	D	N	A	SA	MEAN	STD
DBE has consistent and transparent change management communication	12%	35%	18%	35%	0%	2.8	1.1
DBE's change management communication uses multiple communication channels	18%	18%	29%	35%	0%	2.8	1.1
Top-level sponsors and employees' immediate managers are often the most important senders of change management information	12%	24%	18%	41%	6%	3.1	1.2
Average						2.9	1.1

Source: Own computation(2022)

4.3.5. Engage with front line employees

A significant number of respondents (47%) disagreed with the statement that DBE's change management emphasizes the personal benefit that employees would gain from the successful implementation of the change project. Surprisingly, 41% of respondents, almost equivalent to those who disagreed confirmed their agreement with the above statement. Hence, the opinion of the respondents is somehow divided.

Regarding whether the change initiative identifies and builds relationships with groups affected by the change, only 35% of respondents agreed to the statement while a significant number of respondents (41%) opted to take a neutral position making the overall response to spread out and consequently the mean value (3.1) rested in the neutral range.

The survey result revealed that 41% of the respondents confirm the change initiative ensures the provision of appropriate training to the change-impacted groups. It also revealed that 47% of respondents agree that the change initiative involves employees in identifying solutions in the course of the change implementation. The overall result indicates the survey result to have a mean value of 3 (neutral range) with standard deviation of 1.02 which confirms the majority of responses are spread close to the mean.

Table 4.6. Engage with front line employees

Questions	SD	D	N	A	SA	MEAN	STD
DBE's change management emphasizes the personal benefit that employees would gain from the successful implementation of the change project.	12%	35%	12%	35%	6%	2.9	1.2
The change initiative identifies and builds relationships with groups affected by the change.	6%	18%	41%	35%	0%	3.1	0.9
The change initiative ensures that groups affected by the change receive an appropriate level of training.	6%	18%	35%	41%	0%	3.1	0.9
The change initiative involves employees in identifying proposed solutions and the future state.	12%	29%	12%	47%	0%	2.9	1.1
Average						3	1.02

Source: Own computation (2022)

4.3.6. Dedicate change management resources

On funding and resources (manpower) allocation for the change initiative, 29% respondents confirm the bank actually allocates adequate investment both in funding and manpower assignment. Respondents accounting 35% disagreed on the statement. The calculated mean (2.9) also confirms the same. Moreover, the standard deviation (1.0) also confirms that most of the responses do not lie far from the mean.

On the composition of the change management team, the survey result shows a fairly spread out response with a mean value of 3 with a standard deviation of 1.2. Regarding the overall result for the selected theme, the survey revealed a **neutral** range with a mean value of 3.2 and standard deviation of 1.1.

Table 4.7. Dedicate change management resources.

Questions	SD	D	N	A	SA	MEAN	STD
The change management has adequate funding and resources (people)	0%				0%	2.9	1.0
		35%	35%	29.4%			
A change management team is consists of flexible, experienced, ambitious, collaborative individuals from diverse backgrounds (departments)	12%	24%	29%	24%	12%	3.0	1.2
Average						3.0	1.1

Source: Own computation (2022)

4.3.7. Engage and Interact with Project Management team

As per the result of the analysis, the majority of the respondents opted to have a neutral stand on whether the DBE's change management team works closely with the project management team, while a relatively small number of respondents (24%) confirmed their agreement.

A significant number of respondents (47%) acknowledged that the DBE's change management team provides trainings for the project management team. By the same token 41% of respondents confirmed their agreement that DBE's change management aligns or coordinates its plan with that of the project management team. On the issue of whether DBE's change management adds its activities to the project plans, however, the majority of the respondents (53%) chose to take a neutral stance. The overall mean value (3.2) indicates, the collective average response lies within the neutral range. The standard deviation of 0.9 confirms the majority of responses are spread close to the mean.

Table 4.8. Engage and Interact with Project Management team

Questions	SD	D	N	A	SA	MEAN	STD
DBE's change management team works closely with the project management team	0%	29%	47%	18%	6%	3.0	0.8
DBE's change management provides training for the project management team	0%	29%	24%	35%	12%	3.3	1.0
DBE's change management aligns/coordinates the change plans with the project management plans	0%	18%	41%	29%	12%	3.4	0.9
DBE's adds change management activities to the project plans	0%	12%	53%	35%	0%	3.2	0.6
Average						3.2	0.9

Source: Own computation (2022)

4.3.8. Engage with and support middle managers

On the measure of whether the change management team communicates about the change and the role of middle level managers in the change, surprisingly an equal percentage of respondents (35% each) stood confirming and disagreeing with the statement. While a significant remainder of respondents (30%) opted o take a neutral stance.

A significant number of respondents (47%) showed their agreement to the statement that *DBE's change management engages and involves middle managers during the early phases of the change and throughout the project life cycle.*

A considerable number of respondents (41%) showed their **disagreement** to the statement that *there are one-on-one meetings, team meetings and alignment sessions with middle level managers in the bank.*

A substantial number of respondents chose a neutral response for the statement '*there is a focus on raising awareness of how the change will affect them (middle managers), the business rationale for the change, and the need for change management.*' Moreover, the calculated mean value for the indicated statement shows a 3.2 mean which falls within the neutral range with most of the responses dispersed close to the mean (0.7 STD).

Regarding provision of *materials, tools and other support are provided to middle managers to help them understand and navigate the change management process with ease*, a sizable number of respondents (41%) stood in confirmation of the statement.

In nutshell, the overall mean value calculated for all statements shows a 3.1 mean which falls within the neutral range with most of the responses dispersed close to the mean (0.8 STD).

Table 4.9 Engage with and support middle managers

Questions	SD	D	N	A	SA	MEAN	STD
The change management team communicates about the change and the role of the manager in the change	0%	35%	30%	29%	6%	3.1	0.9
DBE's change management engages and involves middle managers during the early phases of the change and throughout the project life cycle	0%	29%	24%	47%	0%	3.2	0.9
There are one-on-one meetings, team meetings and alignment sessions	0%	41%	41%	18%	0%	2.8	0.7
There is a focus on raising awareness of how the change will affect them (middle managers), the business rationale for the change, and the need for change management	0%	18%	47%	35%	0%	3.2	0.7
Materials, tools and other support are provided to middle managers to help them understand and navigate the change management process with ease	0%	29%	29%	41%	0%	3.1	0.8
Average						3.1	0.8

Source: Own computation (2022)

4.3.9 Measuring the progress

A sizable number of respondents(41%) confirmed that DBE's operational units and change management team identify metrics that adequately measure the adoption of the intended change. On the other hand, the majority of the respondents (59%) confirmed

that DBE has no experience of measuring post-implementation progress and change deliverables.

Taken as a whole, the collective mean calculated (2.9) indicates the majority of the respondents do not agree that DBE has a practice of measuring change management progress. The standard deviation calculated (1.0) also indicates most of the responses are dispersed close to the mean (1)

Table 4.10 Measuring progress

Questions	SD	D	N	A	SA	MEAN	STD
The operational units and change management team identify metrics that adequately demonstrate adoption of the desired change.	0%	29%	29%	35%	6%	3.2	0.9
Change management measures post-implementation progress and change deliverables.	18%	6%	59%	18%	0%	2.8	0.9
Based on the results of the assessment, change management takes corrective action	18%	24%	18%	41%	0%	2.8	1.1
Average						2.9	1.0

Source: Own computation (2022)

CHALLENGES TO DBE’S CHANGE MANAGEMENT PRACTICES

4.3.10. Lack of executive support and active sponsorship

As described here below (Table 4.11) , the majority of the surveyed respondents revealed that lack of executive support and active sponsorship is not a serious challenge in the DBE’s change and project management endeavor of the bank with a collective mean value of 2.67 and a standard deviation of 1.05.

Table 4.11 Lack of executive support and active sponsorship

Question	SD	D	N	A	SA	MEAN	STDV
The executive management does not have sufficient knowledge of the purpose and necessity of the change.	12%	35%	24%	24%	6%	2.76	1.11
The executive management does not have sufficient knowledge of the required resources.	6%	53%	29%	6%	6%	2.53	0.92
The executive management does not understand its role in change management.	12%	41%	18%	24%	6%	2.71	1.13
Average						2.67	1.05

Source: Own computation (2022)

4.3.11. Lack of effective communication

As the survey result revealed (Table 4.12), lack of frequent and relevant information (47%), the resultant misalignment with organizational goals (47%) due to lack of information and lack of clarity about the role expectations (53%) among employees are rated to be a serious communication related challenges being encountered by the

bank. The collective mean calculated for the selected theme indicates the responses lie within the agreement range (mean value of 3.43 with a standard deviation of 1.01)

Table 4.12 Lack of effective communication

Question	SD	D	N	A	SA	MEAN	STDV
Lack of frequent and relevant information about the change project and its impact on employees	0%	18%	35%	29%	18%	3.47	0.98
Misalignment with organizational goals on groups impacted by the change.	0%	24%	29%	29%	18%	3.41	1.03
Lack of clarity about the role and expectations expected of employees affected by the change.	6%	12%	29%	41%	12%	3.41	1.03
Total	0	0	0	0	0	3.43	1.01

Source: Own computation (2022)

4.3.12. Lack of change buy-in & resistance

The greater part of the surveyed respondents showed their doubt whether lack of change buy-in is indeed a challenge for DBE's change management by casting their neutral vote on the survey. As the result in Table 4.13 shows the collective mean value of 3.12 lies well in the neutral range with a standard deviation of 1.41.

Table 4.13 Lack of change buy-in & resistance

Question	SD	D	N	A	SA	MEAN	STDV
An employees' lack of a general desire to accept the change due to fear of the unknown.	24%	12%	6%	47%	12%	3.12	1.41
Limited employee commitment to change due to a lack of understanding of the rationale and benefits of the change initiative.	18%	24%	6%	35%	18%	3.12	1.41
Average						3.12	1.41

Source: Own computation (2022)

4.3.13. Limited resources for change management

Limited resources for change management is voted as one of the challenges for DBE's change management endeavor by a significant number of respondents resulting in the collective average score of 3.47 with a standard deviation of 0.96 showing the spread of the responses close to the mean.

Table 4.14 Limited resources for change management

Question	SD	D	N	A	SA	MEAN	STDV
Failure to view change management as an integral part of DBE’s change project and treat it as a peripheral activity	6%	18%	41%	24%	12%	3.18	1.04
Executive and frontline managers are unwilling to allocate budget or appropriate staff to a change management project.	0%	6%	35%	35%	24%	3.76	0.88
Average						3.47	0.96

Source: Own computation (2022)

4.3.14. Prevalence of change-resistant culture and attitude

The survey result revealed that a history of failed change interventions and the existence of hostile office politics have been indicated to have fostered a change resistant culture by the best part of the respondents (71%) . The prevalence of change resistant culture among employees has been reported as one of the challenges for the DBE’s change management practices with an average score of 3.71 (lies within the ‘agreement range’) and a standard deviation of 0.89; indicating the spread of the majority of the responses around the mean.

Table 4.15 Prevalence of change-resistant culture and attitude

Question	SD	D	N	A	SA	MEAN	STDV
A history of failed interventions fostered change-resistant culture among DBE staff.	0%	12%	18%	53%	18%	3.76	0.88
The existence of hostile office politics fostered a change-resistant culture in DBE.	0%	18%	12%	59%	12%	3.65	0.90
Average						3.71	0.89

Source: Own computation (2022)

4.3.15. Prolonged change project implementation and evaluation schedule

The overwhelming majority of the surveyed respondents strongly agreed that DBE change project is taking lengthy implementation (82%) and lengthy project evaluation times (88%). Accordingly, the collective average score of responses indicated a mean value of 4.26 which lies well in the ‘strongly agree’ range. The average standard deviation score indicates 0.86 which implies the spread of the responses closely located near to the mean value.

4.16 Prolonged change project implementation and evaluation schedule

Question	SD	D	N	A	SA	MEAN	STDV
The DBE change project took longer than required implementation time.	6%	0%	12%	41%	41%	4.12	1.02
The DBE change project took longer than required change evaluation time.	0%	0%	12%	35%	53%	4.41	0.69
Average						4.26	0.86

Source: Own computation (2022)

4.4. Interpretation and Discussion

4.4.1 Evaluation of change management practices of DBE

The survey result revealed that on the overall measurement of ‘mobilizing active and visible sponsorship’ to the change management, the average response of the research participants indicated a mean value of 3.2 which lies well within the *neutral range*. The standard deviation of 0.9 indicated the overall response is spread close to the mean value. The implication of the result is, most of the respondents feel that executive sponsorship is not clearly the strength or the weakness of the DBE’s change management. As per the finding of PROSCI research, ‘Sponsor effectiveness had a direct impact on whether projects met objectives. Active and visible sponsorship has been voted as the first and foremost success factor for change projects that meet their objective. Projects with an

effective sponsorship met or exceeded objectives (73%) more than twice as often as those with a very ineffective sponsor.(Prosci Inc., 2020)

Out of the five individual measures, the research participants voted exceptionally (65%) by agreeing that the *'executive management makes effective and influential decisions related to the change'*. However, to improve the change project's chance of meeting objectives, the executive management should exert at most effort on all of the measures in the category.

The data analysis result showed that the mean score for applying *'a structured change management approach'* came out to be 3.2 with a standard deviation of 0.9. This indicates the overall score are located closer to the mean score (3.2), which lies within the 'Neutral' range. The result is yet another gray area regarding the DBE's change management practice. As per the PROSCI research, applying structured change management approach is the second most important success factor in achieving change management objectives. *Again, the PROSCI research reported that organizations which used a structured change management plan/methodology were 33% more likely to achieve 'good or excellent' change management performance than those without a methodology*(Prosci Inc., 2020)

Regarding *'communicate frequently and openly'*, a measure which evaluates the change management communication effectiveness, the survey result showed that the majority of the respondents 'Disagreed' with a mean score of 2.9 and standard deviation of 1.1. This shows there is a lot of work to be done concerning change management communication on the part of the DBE. As per the PROSCI research finding, effective communication

practices are the third most important change management practice critical for achieving change project objectives.(Prosci Inc., 2020).

Consistent and continuous employee engagement and participation were reported as crucial components successful change by the participants of PROSCI research. According to the finding, in addition to addressing personal and professional implications, participants engaged employees by collecting employee feedback, engaging employees in identifying a proposed solution and future state of the upcoming change, and leveraging change advocates to create more opportunities for awareness(Prosci Inc., 2020). However, the survey result on DBE's change management practice revealed that the majority of the respondents opted to hold a 'Neutral' position with regards to employee engagement, with a mean score of 3 and standard deviation of 1.02. Employee engagement is therefore another area where DBE should improve.

On the issue of *'Dedicating change management resources'* again another gray area where the majority of respondents chose a 'Neutral' stance with a mean score of 3.2 and standard deviation of 1.1. As per the empirical finding on PROSCI research, experienced and committed change management resources (man power) played a role, whether internal or external to ensure that changes are adequately reflected management effort for projects.(Prosci Inc., 2020)

Another doubtful reaction from the respondent came on change management's *"engagement and interaction with the project management team"*, where the respondents' average score was 3.2 with a standard deviation of 0.9. As per the empirical research finding by PROSCI, engagement with the project management team is especially

rewarding when initiated at the start of the project; ‘Participants stressed the importance of engaging with the project team at the early stages of a project, which clearly delineated roles, mitigated duplicative work, and unified efforts for the change.’(Prosci Inc., 2020)

Middle managers play a very crucial role in the success of change intervention. ‘Early engagement and understanding their role as managers in change management efforts enhanced their effectiveness at leading the change for their direct reports’(Prosci Inc., 2020). However, the responses of the research participants indicates that they are ‘Neutral’ on this measurement (with a mean score of 3.1 and standard deviation of 0.8 showing lesser variation among the respondents), like the rest of the metrics discussed above.

In contrary, to the best practices in change management, the majority of the respondents echoed their confirmation that DBE’s change management does not measure change progress as required. The respondents ‘Disagreed’ with the statement with a 2.9 mean score and a standard deviation of 1.0, meaning the majority of the responses don’t vary much from the mean score.

4.4.2. On change management challenges

The survey result showed that ‘lack of executive support and active sponsorship’ is not actually the challenge of the DBE’s change management practice. The respondents ‘Disagreed’ with an average score of 2.67 with a 1.05 standard deviation.

Lack of effective communication was labeled as one of the challenges for change management of DBE, in all of the three measures by the majority of the respondents

‘Agreeing’ to the statements. The mean score shows 3.43 with a standard deviation of 1.01, meaning the rest of the scores are located closer to the mean.

Lack of change buy-in and resistance are voted ‘neutral’ by the majority of the respondents with a mean score of 3.12 and a standard deviation of 1.41, implying that there is a bit of dispersion among individual responses. Hence, this is not a satisfying and soothing result; accordingly, the DBE should convince the rest of the respondents by working on change buy-in activities. As per the PROSCI findings, *‘The most likely individuals to resist the change were those who displayed limited engagement and an unwillingness to adopt new processes because they did not understand the change and feared the “unknown.”’* (Prosci Inc., 2020). Hence, DBE should work on change communication, engagement and awareness creation to proactively combat any resistance that would come due to lack of change buy-in.

Absence of adequate funding and resources (human capital) that is experienced on change management is confirmed as one of the challenges for DBE’s change intervention by the majority of the respondents **‘Agreeing’** with a mean score of 3.47 and a standard deviation of 0.96. The result is consistent with the finding elsewhere as depicted in PROSCI research, *‘Leadership and front-line managers were unwilling to assign budget or personnel to a change management project because they did not see the value in doing so’* (Prosci Inc., 2020)

Prevalence of change-resistant culture and attitude due to ‘ a history of failed change interventions’ and ‘existence of hostile office politics’ were reported as challenges to the

DBE's by the majority of the respondents '**Agreeing**' with an average score of 3.71 and a standard deviation of 0.89, indicating the location of most responses closer to the mean.

Prolonged change project implementation time and evaluation schedule is confirmed as one of the challenges for DBE's change intervention by the majority of the respondents '**Strongly Agreeing**' with a mean score of 4.26 and a standard deviation of 0.86.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the research findings (results), conclusions drawn based on the results and the recommendations forwarded.

5.2 Summary of findings

The research project was aimed at evaluating the change management practice of DBE and identifying the challenges encountered in the change management intervention process. Accordingly, the results summary is described here below.

Based on the data analysis conducted, only a single measure, i.e. ‘the executive management makes effective & influential decisions related to change’ came out as a single and stand alone ‘strength’ of the DBE’s change management practice.

The data analysis showed that most of the evaluations conducted on the change management practices of DBE yielded mean scores within the range of ‘**Neutral**’:

- On four measures of executive management’s role of mobilizing active & visible sponsorship
- On all measures of applying structured change management approach
- On some measures of effective change management communication (communicating frequently and openly)
- On all measures of engaging with front line employees
- On all measures of dedicating change management resources

- On all measures of engaging and interacting with project management team
- On all measures of engaging with and supporting middle managers
- On all measures of measuring change progress

Regarding identification of challenges to the change management practice of DBE, the following came out as the most notable challenges to DBE's change management practices:

- Lack of effective communication (in all the measures identified)
- Prevalence of change-resistant culture and attitude
- Limited allocation of resources for change management
- Prolonged (delayed) change project implementation

5.3. Conclusions

Based on the results and data analysis of the research, the following conclusions are drawn:

On research question number one (identifying the strengths and weaknesses of DBE's change management practices):

- After the evaluation conducted by using a dozen of measures (best practices) in effective change management, the outcome of the research project revealed no clear cut weaknesses were identified
- Only a single 'strength' on which respondents agreed upon was identified (*'the executive management makes effective & influential decisions related to change'*)

- On most measures of best practices of change management, the respondents were doubtful or indifferent (chose ‘neutral’). This could not be taken as a favorable outcome. Indeed, this gray area between respondents ‘Agreeing’ and ‘Disagreeing’ should be taken as a precautionary information for DBE’s change management to address areas of ‘doubt’.

Regarding the second research objective of identifying the challenges for DBE’s change management practices:

- The bank’s change management is not effectively communicating frequently and openly about pertinent information on DBE’s change and project management
- A history of failed change interventions and prevalent change-resistant culture coupled with bank’s failure to effectively communicate about the change project is posing a serious challenge for change to hold roots.
- Inadequate funding and resource allocation and delayed change project implementation is hampering the overall change and project management.
- The identified challenges are related, serious and manageable at the same time

5.4. Implication for Future Research

The project work would not claim to be conclusive and methodologically flawless. Due to limitations vis-a- vis time and finance a more sensible methodologies, diverse data collection sources and methods have not been utilized adequately. The project’s outcome calls for a more comprehensive, detailed and customized study to evaluate the change

management practice of DBE with a much wider population frame and a refined research instrument to come up with a more concrete and applicable findings.

5.5. Recommendations

Based on the results and conclusions drawn, the following recommendations are forwarded:

- On measures of best practices of change management, where the respondents were doubtful or indifferent (chose 'neutral'), DBE's change management has to address these areas of 'doubt' or 'indifference' adequately.
- The bank should improve its change management communications
- The bank should engage front line employees and middle managers so to minimize change resistance. Moreover, the bank should make employees a part of the change project by soliciting their input for the change process, as this will improve employee engagement as the same time significantly reducing resistance.
- The bank should allocate adequate funding and resources (manpower) for the effectiveness of the change management teams across the bank.
- The bank should expedite the full implementation of the change (reform) program of DBE so as to relieve the bank employees and other stakeholders from unnecessary stress and uncertainty related with delayed change implementation.

Appendices

Addis Ababa University

School of Commerce

Business Leadership program

Questionnaire to be filled by the employees of Development Bank of Ethiopia Hawassa District and branches under it.

Dear respondents:

This questionnaire is designed to collect primary data that will be used for a thesis entitled “Change management practices and challenges: the case of Development Bank of Ethiopia Hawassa district”. The research is conducted as a partial fulfillment of the requirement for the Masters of Arts Degree in Business Leadership . This study is purely for academic purpose and the responses you give will be kept confidential. So your honest & timely responses are very valuable in determining the accomplishment of the study. Therefore you are kindly requested to extend your cooperation by honestly providing relevant information.

Directions for filling the questionnaire:

- To make the survey objective and make your response confidential, please don't mention your name.
- There is no right and wrong answers of the option provided. Therefore, you are kindly requested to fill your opinion regarding each question.
- Please put a “√” mark on your choice in the space provided.

I thank you in advance for your willingness to take part in this study.

Part 1: General Profile (encircle the letter of your choice)

1. Age: A) 18 – 25 B) 26- 35 C) 36 - 45 D) 46 and above

2. Gender: A) Male B)Female

3. Highest educational level obtained:

A) Diploma / Level IV B) First Degree C) Masters and above

4. How long have you been in this Bank? _____

A) months - 5 Years B)6 years – 10 Years C) 11 years – 15 Years D) above 15 years

5. Marital Status; A) Single B) Married C) Divorce D) Widow

6. Employment Group:

A) Officer B) Senior Officer C) Team Manager and Branch Manager

Part 2: Change management practices of DBE

Please indicate the degree of your agreement/disagreement with the following statements associated with Change management practices of DBE. Please complete the following mark in the appropriate box.

S.No.	Change management best practices	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
A	Mobilize active & visible executive sponsorship					
1	The executive management supports the change and the change management by giving consistent attention					
2	The executive management champions/advocates the change by leading and motivating others in the organization					
3	The executive management makes effective and influential decisions related to the change, including aligning priorities with other leaders in the organization					
4	The executive management is accessible and has direct communication with the project management and change management teams during the change					
5	The executive management					

	influences peers to maintain buy-in and engage in a coalition of sponsorships.					
B	Apply a structured change management approach					
1	DBE has an established , customizable and scalable change management structure (methodology)					
2	DBE has a change management methodology that is easy to implement across multiple changes					
3	DBE has a change management methodology that is easy to apply at any stage of the project					
C	Communicate frequently and Openly					
1	DBE has consistent and transparent change management communication					
2	DBE's change management communication uses multiple communication channels					
3	Top-level sponsors and employees' immediate managers are often the most important senders of change management information					
D	Engage with front line employees					
1	DBE's change management emphasizes the personal benefit that employees would gain from the successful implementation of the change project.					
2	The change initiative identifies and builds relationships with groups affected by the change.					
3	The change initiative					

	ensures that groups affected by the change receive an appropriate level of training.					
4	The change initiative involves employees in identifying proposed solutions and the future state.					
E	Dedicate change management resources.					
1	The change management has adequate funding and resources (people)					
2	A change management team is consists of flexible, experienced, ambitious, collaborative individuals from diverse backgrounds (departments)					
F	Engage and Interact with Project Management team					
1	DBE's change management team works closely with the project management team					
2	DBE's change management provides training for the project management team					
3	DBE's change management aligns/coordinates the change plans with the project management plans					
4	DBE's adds change management activities to the project plans					
G	Engage with and support middle managers					
1	The change management team communicates about the change and the role of the manager in the change					
2	DBE's change management engages and involves middle managers during the early phases of the change and throughout the project					

	life cycle					
3	There are one-on-one meetings, team meetings and alignment sessions					
4	There is a focus on raising awareness of how the change will affect them (middle managers), the business rationale for the change, and the need for change management					
5	Materials, tools and other support are provided to middle managers to help them understand and navigate the change management process with ease					
H	Measuring the progress					
1	The operational units and change management team identify metrics that adequately demonstrate adoption of the desired change.					
2	Change management measures post-implementation progress and change deliverables.					
3	Based on the results of the assessment, change management takes corrective action					

Part 3: Challenges for change management project of DBE

Please indicate the degree of your agreement/disagreement with the following statements associated with Change management practices of DBE. Please complete the following mark in the appropriate box.

S.No.	What are the challenges for change management & change project of DBE	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
A	Lack of executive support and active sponsorship					
1	The executive management does not have sufficient knowledge of the purpose and necessity of the change.					
2	The executive management does not have sufficient knowledge of the required resources.					
3	The executive management does not understand its role in change management.					
B	Lack of effective communication					
1	Lack of frequent and relevant information about the change project and its impact on employees					
2	Misalignment with organizational goals on groups impacted by the change.					
3	Lack of clarity about the role and expectations expected of employees affected by the change.					
C	Lack of change buy-in & resistance					
1	An employees' lack of a general desire to accept the change due to fear of the unknown.					
2	Limited employee commitment to change due to a lack of understanding of the rationale and benefits of the change initiative.					
D	Limited knowledge and					

	resources for change management					
1	Failure to view change management as an integral part of DBE's change project and treat it as a peripheral activity					
2	Executive and frontline managers are unwilling to allocate budget or appropriate staff to a change management project.					
E	Prevalence of change-resistant culture and attitude					
1	A history of failed interventions fostered change-resistant culture among DBE staff.					
2	The existence of hostile office politics fostered a change-resistant culture in DBE.					
F	prolonged change project implementation and evaluation schedule					
1	The DBE change project took longer than required implementation time.					
2	The DBE change project took longer than required change evaluation time.					

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