



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF BUSINESS
ADMINISTRATION & INFORMATION SYSTEM
GRADUATE PROGRAM UNIT**

**“The Effect of Change Management Practice on Organizational Development”
“The case of Awash Bank”**

**RESEARCH PROPOSAL SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF
ADDISABABA UNIVERSITY, SCHOOL OF COMMERCE FOR THE DEGREE OF MASTER
OF ARTS IN BUSINESS LEADERSHIP**

BY: ELIAS NAIZGI

ADVISOR: Dr. Bahren Asrat

June 2022

ADDIS ABABA ETHIOPIA

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Development”**

“The case of Awash Bank”

(Approval sheet)

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Declaration

I, Elias Naizgi Zerai, hereby declare that the thesis work entitled “The Effect of Change Management Practice on Organizational Development: In the Case of Awash Bank “submitted in partial fulfillment of the requirements for Master of Arts in Business Leadership to Addis Ababa University, School of Commerce, is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged.

This study has not been submitted for any degree in this University or any other University.

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Statement of Certification

This is to certify that Elias Naizgi Zerai has carried out his research work on the topic entitled “The Effect of Change Management Practice on Organizational Development: In the Case of Awash Bank” is his original work and is suitable for submission for the award of Master’s Degree in Business Leadership.

Bahren Astat (PhD)

(Advisor)

June, 2022

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June, 2022

Elias Naizgi

Table of Contents

APPROVAL BOARD COMMITTEE	i
Declaration	ii
Statement of Certification	iii
Acknowledgments	iv
ACRONYMS	ii
Abstract	1
CHAPTER ONE	2
1. INTRODUCTION	2
1.1 Background of the study	2
1.1 The Banking Sector in Ethiopia	4
1.2 Statement of the problem	5
1.3 Research questions	6
1.3.1. Main Research Question	6
1.3.2. Sub-Research Questions	6
1.4 Research objectives	6
1.4.1. General objective	6
1.4.2. Specific Objective	7
1.5 Significance of the study	7
1.6 Scope of the study	7
1.7 Potential limitations of the study	8
1.8 Organization of the study	8
1.9 Definition of key terms	9
1.9.1. Conceptual Definition	9
1.9.2. Operational Definition	9
CHAPTER 2	10
REVIEW OF RELATED LITERATURE	10
Introduction	10
2.1. Theoretical Review	10
2.1.1. What is Change?	10
2.1.2 What is planned change?	17
2.1.3What are theories of planned change?	17
2.1.4 General Model of planned change.	22

2.1.5	What is Change Management?	25
2.1.6	Factors Affecting Change Management.....	26
	What are the top causes of resistance to change?	28
2.1.7.	What is Change Management Practice?	30
2.1.8.	What is Organizational Development?	32
2.3	Empirical Review	36
2.3.1	Empirical Literature Review General.....	36
2.3.2	Empirical Literature Review Ethiopian Context	38
2.4.1	Conceptual Frame Work.....	39
2.4.2	Research Hypothesis	40
2.4.3	<i>Hypothesis Development</i>	40
CHAPTER THREE	.....	44
RESEARCH METHODOLOGY	.....	44
Introduction	.....	44
3.1	Research Design/Type	44
3.3.	Description of study areas and target population	45
3.4	Sampling technique/methods and sample size.....	46
3.4.1.	Sampling Frame	46
3.4.2.	Sampling Technique	46
3.4.3.	Sample Size	46
3.5	Data collection – source, types, instruments, etc.	47
3.5.1	Data Sources and Types	47
3.5.2	Data Collection Instrument and Procedure.....	48
3.6.	Validity and Reliability.....	48
3.6.1.	Validity.....	48
3.6.2.	Reliability.....	49
3.7.	Data Analysis Methods	49
3.8	Ethical Consideration	50
CHAPTER FOUR	.....	51
DATA PRESENTATION, ANALYSIS, AND INTERPRETATION	.....	51
4.1.	Data Editing and Coding.....	51
4.2	Response rate of respondents.....	51
4.3.	Testing of the Research Instruments.....	52
4.3.1.	Validity Test	52
4.3.2.	Reliability Test	52
4.4.	Descriptive Analysis.....	54
4.4.1.	Demographic Characteristics of the Respondents	54
4.4.2.	Descriptive Analysis of the Variables.....	55

4.4.2.1 Descriptive Analysis of Technological Change Management Practice	56
4.4.2.2 Descriptive Analysis of Cultural Change Management Practice	57
4.4.2.3 Descriptive Analysis of Structural Change Management Practice	58
4.4.2.4 Descriptive Analysis of Strategic Change Management Practice	59
4.4.2.5 Descriptive Analysis of Operational Change Management Practice	59
4.4.2.6 Descriptive Analysis of Organizational Development.....	60
4.6.3.1 Test of Normality	65
4.6.3.2 Multi-collinearity	66
4.6.3.3 Multiple Linear Regression Analysis	66
4.6.3.4 The Regression Coefficient.....	69
4.7 Discussion of the Result based on Regression analysis output.....	71
CHAPTER FIVE	73
5.1 Summary of Major Findings.....	73
5.2 General Information.....	73
5.3 Conclusions.....	74
5.4 Recommendations	76
5.5 Suggestions for Future Research	77
References.....	79
Appendix I: English Version Questionnaire.....	I
Appendix III: SPSS Output.....	II

List of Tables

Table 1: Sample Size of the Respondents from each Stratum	50
Table 2: Questionnaire Response Rate	54
Table 3: Cronbach's Alpha Test for Reliability	56
Table 4: Demographic Characteristics of the Respondents and General information	57
Table 5: Descriptive Statistics	59
Table 6: Pearson Correlation Matrix.....	60
Table 7: Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)	62
Table 8: Model Summary for ODs Performance	63
Table 9: ANOVA of ODs Performance	64
Table 10. Summary of Coefficient on ODs Performance	66
Table 11: Summary of Hypothesis Testing	69

List of Figures

Figure 1: MC-Kinsey 7 S Change Model	13
Figure 2: Kotter 3 Steps of Change	14
Figure 3: Kurt Lewin's 3 Steps of Change	16
Figure 4: Action Research Model.....	18
Figure 5: The Positive Model of planned change.....	21
Figure 6: General Model of planned change	23
Figure 7: Change Management Status.....	25
Figure 8: Maurer's Three level of Resistance to change.....	29
Figure 9: The five level of organizational process.....	35
Figure 10: Conceptual frame works.....	42

ACRONYMS

◆ATM	Automation Teller Machine
◆AB	Awash Bank
◆ANOVA:	Analysis of Variance
◆CBE	Commercial Bank of Ethiopia
◆CMP	Change Management Practice
◆FIs	Financial Institutions
◆HRM	Human Resource Management
◆GTP	Growth and Transformation Plan
◆IMF	International Monetary Fund
◆NBE	National Bank of Ethiopia
◆OD	Organizational Development:
◆ROI	Return on Investment
◆ROE	Return on Equity
◆SPSS	Statistical Package for Social Science
◆TQM	Total Quality Management

Abstract

The purpose of the research was to investigate the effect of change management practice on organizational development as well as the relationship between technological change, structural change, cultural change, strategic change & operational change and their effect on the overall performance of an organization development by focusing on Awash Bank of Ethiopia, particularly in South Addis Ababa Region, head office credit department and International Banking department. Change management constitutes one of the key functional practices that private banks adopt to enhance organizational development. By taking the research objectives and questions into considerations, quantitative research approach, and descriptive and explanatory research design were used. The study was delimited to proportionate stratified and purposive sampling techniques. Quantitative data was collected using a structured questionnaire which was developed and distributed to a sample of 360 targeted population of different departments & managers of south Addis Ababa regional office of Awash bank. The quantitative data was analyzed by using descriptive and inferential analysis. The findings of descriptive statistics were shown that the mean score of change management variables i.e. Technological change, structural change, cultural change, strategic change & operational change inclined to agreement level. All independent variables have the significant correlation with the dependent variable organizational development. The study recommends that the bank top management and board of directors' should increase technological investment in innovation, the study also recommends that banks should adopt management systems and administrative procedures that assign responsibilities for allocation of duties for the various functions. Besides fast and reliable two way communication, flat organizational structure and decentralization of power is very critical for fast decision making process. Operational change is also another important element which strongly predicts the development of banks. Hence, the banks should increase the speed and accuracy of its services frequently. Banks must seriously focused on structural change which has a positive significant effect on the organizational development.

Key words: Change management practice, Technological change, Structural change, Cultural change, Strategic change, Operational change & organizational Development

CHAPTER ONE

1. INTRODUCTION

This chapter deals about background of the study; statement of the problem; objectives of the study; significance of the study; scope of the study; limitations of the study; operational definition of key terms, and organization of the study

1.1 Background of the study

“Change” is as complex term with numerous meanings as it is synonymous with concepts like “transformation, growth, development, evolution, revolution, metamorphosis, innovation, and transition”. Change is a natural process that must be seen as any other normal situation in life, without fear and/or rejection (McCleskey, 2014). The need for change and transformation is a reality that affects all companies at some point in their lives although it differs from one organization to another since each organization is a different entity and having a different culture (Stace & Dunphy, 2001). It is commonly accepted that change momentum is greater than ever in the current business setting and it appears in all sizes, forms and shapes, affecting organizations of all business sectors. Collette, Delis and Perro (1997) state that organizational change is “a relatively sustainable change occurring in the micro-environment system of the organization, provided that this change can be detected by the individuals who are connected with that system” support that the organizational changes are either the answer to external changes or the answer to other internal factors, like a manager’s desire to apply new methods. (p. 6). Burdus and Androniceanu’s (2000 as cited in Bruckman, 2008) Change can be managed in both formal and informal ways, each producing a different degree of success. Our experience, and a key driver of our success in this discipline, is the fact that we have implemented a structured and purposeful approach for managing the people risks associated with change. It enables consistency, repeatability and sustainability, all of which are important to long-term success. Bruckman, 2008

Change Management: is a requirement for organizations nowadays all over the world in order to survive and reach continued success (Anderson & Anderson 2001). Furthermore, change is an ever-present element that affects all organizations (By 2005). As Kotter describes it, most organizational changes have the purpose to make fundamental changes in how business is conducted, in order to be able to cope with a changing and more competitive market environment (Kotter 1995). “Change management is the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Moran & Brightman 2001) Organizations are under constant pressure to change.

Successful implementation of organizational changes greatly depends on committed employees. It is crucial for managers, leaders, and HRD professionals to understand the antecedents and outcomes of commitment to change. Commitment in this sense is internally motivated; it doesn't come from the promise of a raise or a positive performance evaluation. This level of commitment is crucial for successful and sustainable change. It is what fuels people's desire to take initiative, keep things moving, and find ways around obstacles when they arise. (Briffaut, 2015). A paradox appears when we consider that the problem may be our common sense about change and commitment. On one hand, it can be argued that without commitment nothing will change, at least that we have anything to do with. We must accept whatever the circumstances of our lives give us and learn to cope effectively. (Briffaut, 2015). Change management is a systematic approach that includes dealing with the transition or transformation of organizational goals, core values, processes or technologies.

The purpose of every organizational change management initiative is to successfully implement strategies and methods for effecting change and helping people to accept and adapt to change.

Change Management Practices (CMP): Before you announce any plans, read up on important aspects of organizational change, such as management models, communications strategies, tools that support change, and other change management best practices. While no two changes are alike, there are methods that apply to organizational change management as a whole. If you put in the work before you initiate change, you'll be able to dive into the implementation process with the confidence that your change will be successful. Hayes, J. (2014)

What are the best practices of change management to follow? Different researchers identified many types of change management practice, however I have taken the twelve best change management practice presented by Haiilo (Feb 2022). These are 1. Define clear goals 2. Be honest and transparent 3. Train and reassure your teams 4. Encourage conversations and communicate regularly 5. Listen to your employees 6. Bring your leaders on board 7. Choose the right communication tool 8. Empower your employees 9. Encourage knowledge sharing 10. Document and make information easily accessible 11. Recognize and reward 12. Make it social

Organizational Development (OD): Organization development is a system wide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness. (Thomas G. Cummings, © 2008 Cengage Learning) OD applies to changes in the strategy, structure, and/or processes of an entire system, such as an organization, a single plant of a multi plant firm, a department or work group, or individual role or job. OD refers to a long-range effort

to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants, or change agents, as they are sometimes called. (Wendell French) OD is an effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organization effectiveness and health through (5) planned interventions in the organization's "processes," using behavioral science knowledge. (Richard Beckhard)

1.1 The Banking Sector in Ethiopia

The banking industry in Ethiopia is governed by the companies Act, the Banking Act, the Central Bank of Ethiopia Act and various prudential guidelines issued by the National Bank of Ethiopia (NBE). The NBE, which falls under the Ministry of Finance, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As per the study conducted by (Zerayehu, Kagnew & Teshome, 2013) In Ethiopian context, the financial system is dominated by banking industry, and yet, it is amongst the major under-banked economy in the world. Banks performances are governed largely by macroeconomic performances than competitive parameters as high (low) performances coincided with good (bad) macroeconomic conditions. Mihereteselassie Birhanu 2015, express that the Ethiopian banking industry can be characterized as highly profitable, concentrated and moderately competitive. In most cases, the dominant bank (Commercial Bank of Ethiopia) still seizes quasi-monopoly power. In terms of contestability, the Ethiopian banking industry can be characterized as incontestable as entry in the industry is difficult, due to legal, technological and economic factors. Competition in terms of price is relatively weak in the Ethiopian banking industry. (Northcott, 2004, as cited in Zerayehu, Kagnew & Teshome, 2013).The econometric study also confirms that there is monopolistic competition among banks in terms of prices. In a nut shell, banks in the Ethiopian case are competing in terms of service quality and efficiency (including use of technological advances), branch network expansions, advertising and prices, put in the order of their significance. To enhance the role of banks in an economy, competition is an important driving force; without competition, it is improbable to bring about efficiency and foster financial sector development. In other words, insufficient competition may result in substantial social losses on account of higher price, higher transaction cost, lower credit supply, lack of innovation and poor service quality. Zerayehu, Kagnew & Teshome, 2013

Awash Bank was established by 486 founding shareholders with a paid-up capital of Birr 24.2 million and started banking operations on Feb. 13, 1995. The number of shareholders and its paid-up capital increased to over 5400 and Birr 10 billion, respectively. The total assets reached

Birr 150 billion with over 660 branches found across the country, Awash Bank continues to be leading private commercial Bank in Ethiopia. (Company profile).The researcher selected this bank as focus of attention is due to Awash bank is the first private commercial bank in Ethiopia, the leading profitable bank in the country as well as the bank has highest loan portfolio ,capital and branch expansion all over the country.

Hence, this study was attempted to examine the effect of change management practices on organizational development in Ethiopia in the case of Awash bank.

1.2Statement of the problem

Globally, change management practices in an organization are necessary in responses to changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics and the political environment in which an organization operates (Hoque, 2004). In order to remain competitive in the long term, enterprises are compelled to implement change management practices such as downsizing and acquiring new technology with increasing speed, efficiency and success (Chapman, 2005). Change management practices are adopted in order to achieve desired results within a specified time frame (Davis and Holland, 2002)

Commercial banks were left no choice but to adopt change management practices so as to remain profitable and competitive. Financial institutions are operating in a very dynamic marketplace today and this requires the ability to choose the right change opportunities while demonstrating the necessary degree of flexibility to meet the fluid requirements of the organization over time (Messomo, 2017). As such, the success of commercial banks strategic initiatives and ultimate superior organizational performance is pegged on the ability to manage change in the operating environment (Barbaroux, 2011).

First of all this study was tried to bridge different types of gaps, like conceptual gaps, research gaps and empirical gaps. In order to fill the empirical gap of two researches paper on this related titles were taken as the bench mark. The first one is the research made by Amos Tayari ,”Change Management Practice and Organizational Performance: A survey of Commercial Banks in Kenya” Amos Tayari(2019) has tried to bridge the gap of the research paper written by Mwirigi (2012) Which has undertaken a study that focused on strategic change management practices in commercial banks and found that banks had strategic change in management policy by improving decision-making, resource allocation, improved performance, reduced financial losses and improved communications from effective strategic change management. The studies of Amos Tayari added the variables namely innovation, change of culture, organization structure change and change leadership that were adopted in this study, however he didn’t clearly shows how to implement the above listed variables and he doesn’t incorporated how to apply the

change management practices in the study Hence, the current study sought to assess the influence and method of implementation of change management practices and its impact on the organizational development.

In general, when we see the conceptual gap, even if in different parts of the world various research studies have been conducted on the subject matter (“The impact of change management practice on organizational Development”); it is difficult to generalize and apply the finding of the study in the Ethiopia commercial banks context without empirical testing. Besides, as per the investigation of the researcher, virtually there is a little bite direct related research undertaken on “The impact of change management practice on organizational development “In Ethiopia context. Despite efforts made towards the study of strategic change management, the extent to which change management practices influence organizational development is not yet empirically determined. This study therefore, seeks to fill the research gap by assessing the impact of change management practice on organizational development in Ethiopia specifically in Awash bank by using these independent variables/ Technological change, Structural change, Cultural change, Strategic change, Operational change/which were not included on the above research.

1.3 Research questions

1.3.1. Main Research Question

♦ Main Research Question is to investigate that to what extent do the change management practice influences local commercial banks development specifically in Awash Bank Ethiopia?

1.3.2. Sub-Research Questions

The study was tried to answer the following specific research questions:

- What is the extent of the existing Change Management Practices in Awash Bank?
- What is status of Organizational Development in Awash Bank?
- What is the relationship between Change Management Practice and Organizational Development: the case of Awash Bank?
- What is the effect of Change Management Practice on Organizational Development: the case of Awash Bank?

1.4 Research objectives

1.4.1. General objective

♦The main objective of this study is to evaluate the effect of change management practice on local private banks development in the case of Awash bank in Ethiopia.

1.4.2. Specific Objective

The specific objectives of the study are:

- To identify the extent of the existing Change Management Practices in Awash Bank.
- To assess status of Organizational Development in Awash Bank?
- To examine the relationship between Change Management Practice and Organizational Development: the case of Awash Bank.
- To investigate the effect of Change Management Practice on Organizational Development: the case of Awash Bank.

1.5 Significance of the study

The findings of the study will have conceptual significance, empirical significance and research significance for the existing as well as new entrant private & governmental commercial banks, academicians, stakeholders, and researcher who are looking for the trait and opportunities of change management practice in developing countries. Accordingly, the study might be served as an input for the managers and shareholders of local commercial banks, governmental high officials of central bank in making decisions about identifying the key variables to develop sustainable strategies and understanding the change management practice influences on local banks profitability, efficiency, effectiveness & performance of the enterprises that can be used to achieve the organizational goals and objectives.

It also important to serves as an input for policy maker (organizations and individuals) concerned with formulating strategies. Likewise, the findings of the study may give the stakeholders in the area the opportunity to gain relevant information about the effect of the change management practice influences on local banks development on the enfant local financial sectors.

Furthermore, the study serves as a stepping-stone for academicians and practitioner who may be focusing on similar topics and issues, particularly on the effect of change management practice on local commercial banks development .Finally, the findings of the study are to be expected to stimulate research interests among academics, and students for further investigation in the area to what extent does change management practice influences the organizational development.

1.6 Scope of the study

The study delimited geographically, Awash bank has about 706 branches which are segregated on twelve district offices all over the country ,out of which there are four district offices in Addis Abeba ,therefore the study is delimited on south Addis Abeba district office and head office two departments (International banking & credit departments).

The study also delimited conceptually, under the conceptual frame work of the independent and dependent variables.

The study also delimited methodologically as the sampling technique, the study also delimited to proportionate stratified and purposive sampling techniques. The sample population of the study also taken from Awash bank South Addis Abeba district office, branch managers, customer service managers, business development managers and regional as well as head office managers which is limited to 320. At the end, both descriptive and inferential statistics were used to analyze the data.

1.7 Potential limitations of the study

The first limitation of the study was that since it was conducted in developing countries local banks context, it is difficult to generalize the findings of the study to developed countries banks and other areas. The other limitations of the study was the existence of limited empirical evidence on the subject matter. There were also other limitations of this study that was the unwillingness of some respondents to fill the questionnaire and provided the researcher with the relevant information which was limited the outcomes of the research. Since the study was made based on only the questionnaire, it is not certain to clearly reveal the real situations. The study was only limited to consider the views and opinions of the bank branch managers, customer service managers, business development managers and regional as well as head office managers regarding the subject matters.

1.8 Organization of the study

The paper was structured into five chapters as indicated below.

☞ Chapter One: Introduction

The first chapter was introduced the background of the study, statement of the problem, basic research questions, objectives of the study, research hypothesis, definition of terms, and the significance of the study. Further limitations and scope of the study also presented.

☞ Chapter Two: Review of Related Literature

This chapter was also dealt with the review of existing literature to throw more light on the concepts of the subject matter which includes the theoretical, empirical, and conceptual literatures with regards to the topic of the study.

☞ Chapter Three: Research Methodology

This chapter provided the information about the methods used in the paper, a solution for the research questions. The methodology also illustrated research approach, research design, the

source of data, data collection method, data collection instrument, data analysis method, validity & reliability, and research ethics.

☞ **Chapter Four: Data Presentation, Analysis, and Interpretation**

This chapter was provided the information on data presentation, analysis, Interpretation, and discussion of the findings of the study.

☞ **Chapter Five: Summary, Conclusions, and Recommendations**

This chapter also dealt with the summary, conclusions, and recommendations that will be drawn from the findings of the study

1.9 Definition of key terms

1.9.1. Conceptual Definition

☞ **Change**” is as complex term with numerous meanings as it is synonymous with concepts like “transformation, growth, development, evolution, revolution, metamorphosis, innovation, and transition”

☞ **Change management** is a systematic approach to dealing with the transition or transformation of an organization's goals, processes or technologies. The purpose of change management is to implement strategies for effecting change, controlling change and helping people to adapt to change. Change management is the discipline that guides people in preparing, equipping and supporting change effectively to drive organizational success and results (O’Donovan, 2017).

☞ **Organizational performance**

Is involves analyzing a company’s performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs.

☞ **Organizational development** is a system wide application and transfer of behavioral science knowledge to the planned development, and reinforcement of the strategies, structures, and processes that lead to organizational effectiveness.

1.9.2. Operational Definition

☞ **Empirical findings**: Empirical evidence is the information obtained through observation and documentation of certain behavior and patterns or through an experiment. Empirical evidence is a very critical part of the scientific method of research that is applicable in many disciplines.

☞ **Stratified sampling techniques**: Stratified random sampling is a method of sampling that involves dividing a population into smaller groups—called strata. The groups or strata are

organized based on the shared characteristics or attributes of the members in the group. The process of classifying the population into groups is called stratification.

☞ **Purposive sampling techniques:** Purposive sampling, also known as judgmental, selective, or subjective sampling, is a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys.

☞ **Descriptive statistics** are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability

☞ **Inferential statistics** takes data from a sample and makes inferences about the larger population from which the sample was drawn. Because the goal of inferential statistics is to draw conclusions from a sample and generalize them to a population, we need to have confidence that our sample accurately reflects the population. With inferential statistics, it's important to use random and unbiased sampling methods. If your sample isn't representative of your population, then you can't make valid statistical inferences.

CHAPTER 2

REVIEW OF RELATED LITERATURE

Introduction

This chapter details a review of literature on change management practices and organizational development. The review was broadly divided into theoretical, empirical and conceptual literature assessment. The theoretical review covered existing theories touching on the study subject. The empirical review covered an appraisal of past studies and results thereof. The chapter ends with the development of a conceptual framework informed by the study gaps established.

2.1. Theoretical Review

2.1.1. What is Change?

The pace of global, economic, and technological development makes change an inevitable feature of organizational life. Todnem (2005). As the world becomes more complex and increasingly interrelated, changes seemingly far away affect us. Thus, change may sometimes appear to occur frequently and randomly. The 1990s and the beginning of the new millennium have seen enormous changes in the financial services industry globally.(Honno Ruding March 2002) The impact of, amongst other things, information technology, deregulation and

liberalization has changed and reshaped the financial landscape forever. Going forward, it is probable that this pace of change will continue. As we have mentioned earlier “Change” is a complex term with numerous meanings as it is synonymous with concepts like “transformation, growth, development, evolution, revolution, metamorphosis, innovation, and transition” (Stickland, 2002, p. 14). Change has become a study area for many years and all those studies about change aim with varying degrees of credibility and success to deliver sustainable organizational change Todnem (2005). Africa has, since the 1980s, faced a myriad of challenges affecting the development of its financial sectors. Macroeconomic and socio-political instability in the late 1970s and early 1980s sparked an unprecedented banking crisis which worsened financial stability and fiscal imbalances. Financial distress was especially acute among government-owned commercial banks and development banks. (N Raga, S., y Tyson, J. 2021) Most African countries implemented structural adjustment programs championed by the International Monetary Fund (IMF) and the World Bank with the introduction of widespread financial sector reforms as a key policy commitment. Many African countries have seen significant growth and deepening of their banking systems. Today, the continent is the second-fastest-growing banking market in the world, taking both retail and wholesale banking together. Commercial banks continue to dominate the banking sector in Africa, apart from South Africa, banks dominate the financial sector and therefore financial intermediation across the continent. *Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., y Hess, J. (2018)*. Financial sector development has played a key role in Ethiopia’s economic development, particularly since the launching of the first Five-year Growth and Transformation Plan in 2010. The gradualist approach that Ethiopia followed in reforming its financial sector seems to have borne fruit as no single commercial bank has gone bust so far, unlike the case in neighboring countries. (Yohanes Ayalew Feb 2019)

Though Ethiopia’s financial sector growth was following output growth in the first two phases, government has started to play a key role in accelerating the sector’s growth through active interventions, such as encouraging branch expansion, and introduction of new financial instruments such as the Grand Ethiopian Renaissance Dam Bond, a housing saving scheme, and the private pension fund. Consequently, the number of bank branches expanded from 681 to 4,257 between 2010 and 2017 while the deposit-to-GDP ratio went up from 25.9 per cent to 31.4 per cent in the same period. (Yohanes Ayalew Feb 2019)

Change may be defined as a variation in the established way of life to which people are accustomed to in the organization. Organization is open system and it is affected by the internal and external environment and subjected to change as per the change in the environment. Change can be natural or forced.

Causes of Changes

External Changes:

1. Educational & Cultural Forces
2. Economic Forces
3. Technological Forces
4. Political Forces
5. Social Forces.

Internal Changes:

1. Composition & Policy of top Management
2. Changes in Personnel
3. Changes in Physical facilities
4. Changes in employee's attitude and feelings
5. Changes in work allocation, duty Hours

Theoretical review entails an analysis of bodies of knowledge as captured theories relevant to the proposed analysis. The study was guided by McKinsey 7-S Change Model, Kotter's Eight Step Model, and Kurt Lewin's Model.

I-McKinsey 7-S Change Model

What is the McKinsey 7-S Model? McKinsey's 7-S Change Management Model, also commonly referred to as the McKinsey 7-S Framework, is a popular change management model that was developed in the 1980s by McKinsey consultants James L. Heskett, John P. Kotter, and Leonard A. Schlesinger while working with the executives of the companies facing various difficulties from struggling sales to new product development problems. They found that when successful companies are in trouble, they are able to quickly diagnose and tackle the root of the problem, using a common framework that involves all seven parts of an organization working together towards a common goal. The McKinsey 7-S Model identifies seven components of an organization that must work together for effective change management: Structure, Strategy, Staff, Style, Systems, Shared Values, and Skills. The 7-S Model is commonly used by companies that deal with operational problems, whether it's due to a company's current structure, or because they've lost sight of their organization's vision and strategy. By identifying the areas of opportunity using this model, an organization can develop a plan for change management and then work on implementing that plan effectively.

The basic foundation of the theoretical model was that there are seven internal aspects of an organization that need to be aligned if it is to be successful (Cellars, 2007). Notwithstanding the type of change, be it new processes, organizational mergers, restructuring, new systems, or change of leadership, the Mc-Kinsey model can be used to understand how the organizational elements are interrelated, and therefore ensure that the wider impact of changes made in one area

is taken into consideration. According to Higgins (2005), the Mc-Kinsey model involves seven interdependent factors classified as either "hard" or "soft" elements. The hard elements include strategy, structure and systems. On the other hand, the soft elements comprise of shared values, skills, style and staff. As observed by Kaplan (2005), the hard elements are easier to delineate or identify. As such, management can directly influence them and they include strategy statements; organization charts and reporting lines; and formal processes and IT systems. In contrast, the soft elements can be more complex to describe, and are less tangible and more influenced by culture. The elements are however as important as the hard elements if the organization is going to be successful (Bate, 2010).



Figure 1: MC-Kinsey 7 S Change Model

Source: Peters and Waterman (1982)

This model represents the interdependency of the elements and represents a demonstration of how a change in one element affects all the others in the organizational model.

According to Kaplan (2005), strategy entails the plan employed to uphold and shape competitive advantage. Structure refers to the manner in which the organization is structured as well as the reporting lines in the organization. Additionally, systems are essentially the daily activities that staff members are involved in to get the job assignments executed.

Principal to the firm are the shared values or super ordinate goals which are in essence the core values of the firm as evidenced in the corporate culture and the general work ethic. Style describes the style of leadership adopted while staff is the organization's employees and their general capabilities. Finally, skills represent the actual abilities and competencies of the employees working for the firm (Johnson, Whittington, Scholes, Angwin, & RegnŽr, 2013).

In essence, the model builds on the basic premise that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. According to Cellars (2007), the model is applicable in identifying what needs to be realigned to improve performance, or upholding alignment and performance during other types of change. This framework was helpful to the study, especially as regards the assessment of the role of leadership, organizational learning and development and stakeholder involvement in influencing the performance of the firm.

II- Kotter's Eight Step Model

The model was proposed by Kotter (1996) in the book, "Leading Change." The eight step process is represented in the figure that follows.



Figure 2 Kotter's Eight Step Model for Change Source: Kotter (1996)

John Kotter (1996), a Harvard Business School Professor and a renowned change expert, in his book "Leading Change", introduced eight Step Model of Change which he developed on the basis of research of hundred organizations which were going through a process of change.

The initial step in change introduction involves creating a sense of urgency. The basic activities of this process entail an open, honest and convincing dialogue with stakeholders about what's happening in the marketplace and with regard to firm competitors. According to Gill (2002), having many people talking about the change you propose is key in creating the sense of urgency.

The second step involves building the change team or forming a powerful coalition. Todnem (2005) asserts that this stage involves convincing stakeholders that change is necessary. This is effective in the presence of strong leadership and visible support from key personalities in the firm. The process also involves the identification of effective change leaders throughout your organization not necessarily following the traditional company hierarchy. Leading change in an

organization necessitates the bringing together of a coalition of influential people whose power comes from a variety of sources such as job title, status, expertise, and political importance (Doll & Miller, 2008).

The third step entails the creation of a vision and a strategy. A clear vision helps all stakeholders recognize the need for the proposed change. Stakeholders would accept a proposal that they understand well and will most likely commit themselves to achieve something they comprehend.

Step four involves communicating the vision to various stakeholders. Newly established vision needs to be communicated frequently and powerfully, and embedded within all facets of the organization (Rose, 2002).

The fifth step entails the removal of obstacles and empowering others. In this stage structures for change are established and continually checked and improved to support change introduction. According to Gill (2002), removing obstacles helps to empower the people you need to execute your vision, and it can help the change to move forward.

The sixth step involves creating short-term wins or noticing improvements and energizing. It essentially entails giving the company a taste of victory early in the change process. It is important to outline short term gains from change introduction as stakeholders can observe that the change is useful. This helps in countering critics and negative thinkers who might hurt the progress of change.

The seventh entails building on the change or consolidating. According to Doll and Miller (2008), short term wins are only the beginning of what needs to be done to achieve long-term change. Therefore the organization needs to keep striving to achieve the ultimate long term goal. The ingredients of this step include continuous improvements and building a momentum of continuous success.

Step eight or the last step involves anchoring the changes in corporate culture or institutionalizing. As Kotter (1996) observes, to make any change stick, it should be set at the very core of the organization. The constituents of this stage entail incorporating the change to be part of the corporate culture. It's also vital for the company's leaders to continue to support the change. The theoretical framework was helpful to the evaluation of leadership, stakeholder involvement, communication and feedback and organizational learning and their influence on performance of organizations.

III- Kurt Lewin Three Step Model

Levasseur (2001) presents that Kurt Lewin's theory is founded on three step sequential model of change process. These are unfreezing, moving and then refreezing. First is unfreezing which concentrates with reducing obstacles to change and exploiting the prospects of a change effort. At this stage, the forces, which maintain the status quo in the organizational behavior, are reduced by refuting the present attitude and behavior to create a perceived need for something new. It is facilitated by environmental pressure such as increased competition, declining productivity and performance, and felt need to improve the style of work. The second step, moving stage centers on appreciation of the necessity for change and the acceptance of change. Effectively, organizational leaders as change agents should restore new system actively with all employees in the refreezing step (Hughes, 2007). Changing, which involves a shift in behavior of organizations by modifying system, process, technology and people. This phase can be explained in terms of compliance, identification and internalization. Compliance or force occurs when individuals are forced to change, whether by reward or by punishment. Internalization occurs when individuals are forced to encounter a situation that calls for new behavior. Identification occurs when individuals recognize one among various models provided in the environment that is most suitable to their personality. Third is refreezing, whereby actions are taken to sustain the drive for change and to facilitate the institutionalization process of the change even in a day to day routine of the organization. Here, the desired outcomes are positively reinforced and extra support is provided to overcome the difficulties.



Figure 3: Kurt Lewin's 3 Steps of Change

Source: Lewin (1947)

Communication is one of the highly emphasized dimensions of change management by the authors. The idea is that organizational stakeholders should be constantly updated of proposed changes as they are the ones to implement. Organizational leaders should also regularly collect feedback to ensure that employees and other stakeholders do not encounter challenges. The

framework was useful, particularly in the assessment of communication, leadership and stakeholder involvement variables and how they impact on the performance of the organization.

Lewin's model provides a general framework for understanding the organizational change. At the later stage, this model has been modified by Lippitt et al (1958) who proposed a seven step model of planned change. In this model, seven steps of change have been discussed: Scouting entry, diagnosis, planning, action, stabilization and evaluation (Sengupta, Bhattacharya and Sengupta, 2006).

2.1.2 What is planned change?

Planned change or developmental change is undertaken to improve the current way of operating. It is a calculated change, initiated to achieve a certain desirable output/performance and to make the organization more responsive to internal and external demands. (Cummings, 2009) which are Enhancing employees' communication skills, technical expertise, building teams, restructuring the organization, introducing new technologies, introducing new products and services, challenging the incentive system and finally improving employee welfare measures and the like fall into this category.

This type of change, where the future state is being consciously chosen, is not as threatening. However, it does require a system/subsystem level (techno-social) support to survive. Every change should have a planned way. Planned change may help the person/people to adapt to the changing environment, it is predetermined, and decided in advance what is to be done in the future as well as it is a deliberate process. (Zaltman G. and Duncan R. T. 1997) For making any planned change, pre-thinking is supposed to be done about the outcomes and impact of change. Despite carefulness, if any negative impact is seen, one can have preparation or mental objective to face the changes. Any kind of alternation or modification which is done in advance and differently for the improvement of the present position into a brighter one is called planned change. Sengupta, R. N. (2006)

2.1.3 What are theories of planned change?

Frameworks describe the activities that must take place to initiate and carry out the successful organizational change. For our research we will see two theories of planned change: Action & Positive model

I-Action Research Model

Action research can be defined as "an approach in which the action researcher and a client collaborate in the diagnosis of the problem and in the development of a solution based on the diagnosis". Bryman, A. & Bell, E. (2011) In other words, one of the main characteristic traits of action research relates to collaboration between researcher and member of organization in order

to solve organizational problems. Lewin, K. (1947) Action research model is traditionally aimed both at helping specific organizations implement planned change and at developing more general knowledge that can be applied to other settings. Cummings, T. G., & Worley, C. G. (2009). It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after the action, is taken. Action Research Model has high level of practical relevance of the business research; Can be used with quantitative, as well as, qualitative data; Possibility to gain in-depth knowledge about the problem. Lewin, K. (1947)

The Action Research Model involves eight steps for planned change management.



Figure 4: The Action Research Model

According to Thomas G. Cummings University of Southern California has explained as follows, 1. Problem identification. This stage usually begins when an executive in the organization or someone with power and influence senses that the organization has one or more problems that might be solved with the help of an OD practitioner.

2. Consultation with a behavioral science expert. During the initial contact, the OD practitioner and the client carefully assess each other. The practitioner has his or her own normative, developmental theory or frame of reference and must be conscious of those assumptions and values. Sharing them with the client from the beginning establishes an open and collaborative atmosphere.

3. Data gathering and preliminary diagnosis.

☞ It involves gathering appropriate information and analyzing it to determine the underlying causes of organizational problems. The four basic methods of gathering data are interviews, process observation, questionnaires, and organizational performance data (unfortunately, often overlooked). One approach to diagnosis begins with observation, proceeds to a semi structured interview, and concludes with a questionnaire to measure precisely the problems identified by the earlier steps.¹⁰ when gathering diagnostic information; OD practitioners may influence members from whom they are collecting data.

4. Feedback to a key client or group.

- ✓ Because action research is a collaborative activity, the diagnostic data are fed back to the client, usually in a group or work-team meeting.
- ✓ Feedback step, in which members are given the information gathered by the OD practitioner, helps them determine the strengths and weaknesses of the organization or unit under study. *Cummings, T. G., & Worley, C. G. (2009)*

The consultant provides the client with all relevant and useful data. Obviously, the practitioner will protect confidential sources of information and, at times, may even withhold data.

5. Joint diagnosis of the problem.

☞ At this point, members discuss the feedback and explore with the OD practitioner whether they want to work on identified problems.

☞ A close interrelationship exists among data gathering, feedback, and diagnosis because the consultant summarizes the basic data from the client members and presents the data to them for validation and further diagnosis

An important point to remember, as Schein suggests, is that the action research process is very different from the doctor–patient model, in which the consultant comes in, makes a diagnosis, and prescribes a solution. Schein notes that the failure to establish a common frame of reference in the client–consultant relationship may lead to a faulty diagnosis or to a communication gap whereby the client is sometimes “unwilling to believe the diagnosis or accept the prescription.”

6. Joint action planning. Next, the OD practitioner and the client members jointly agree on further actions to be taken. This is the beginning of the moving process (described in Lewin’s change model), as the organization decides how best to reach a different quasi-stationary equilibrium.

☞ At this stage, the specific action to be taken depends on the culture, technology, and environment of the organization; the diagnosis of the problem; and the time and expense of the intervention.

7. Action.

- ✓ This stage involves the actual change from one organizational state to another.
- ✓ It may include installing new methods and procedures, reorganizing structures and work designs, and reinforcing new behaviors.

Such actions typically cannot be implemented immediately but require a transition period as the organization moves from the present to a desired future state.

8. Data gathering after action.

☞ Because action research is a cyclical process, data must also be gathered after the action has been taken to measure and determine the effects of the action and to feed the results back to the organization. This, in turn, may lead to re diagnosis and new action. *Cummings, T. G., & Worley, C. G. (2009)*

II- Positive Model

The third model of change, the positive model, represents an important departure from Lewin's model and the action research process. Those models are primarily deficit based; they focus on the organization's problems and how they can be solved so it functions better. *Cummings, T. G., & Worley, C. G. (2009)* .The positive model focuses on what the organization is doing right. It helps members understand their organization when it is working at its best and builds off those capabilities to achieve even better results. This positive approach to change is consistent with a growing movement in the social sciences called "positive organizational scholarship," which focuses on positive dynamics in organizations that give rise to extraordinary outcomes. The positive model has been applied to planned change primarily through a process called appreciative inquiry (AI).

Stages of Positive Model are:

1. Initiate the Inquiry
2. Inquire into Best Practices
3. Discover the Themes
4. Envision a Preferred Future
5. Design and Deliver Ways to Create the Future

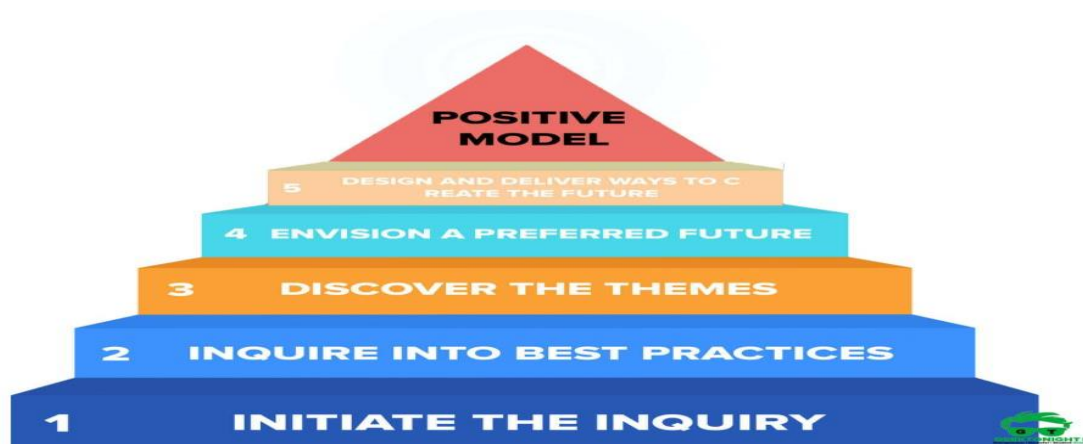


Figure 5, the positive model of planned change

The positive model of planned change involves five phases that are

1. Initiate the inquiry.

- ✓ This first phase determines the subject of change. It emphasizes member involvement to identify the organizational issue they have the most energy to address. If the focus of inquiry is real and vital to organization members, the change process itself will take on these positive attributes.

2. Inquire into best practices.

- ✓ This phase involves gathering information about the “best of what is” in the organization. If the topic is organizational innovation, then members help to develop an interview protocol that collects stories of new ideas that were developed and implemented in the organization. The interviews are conducted by organization members; they interview each other and tell stories of innovation in which they have personally been involved. These stories are pulled together to create a pool of information describing the organization as an innovative system.

3. Discover the theme (subject matter).

- In this third phase, members examine the stories, both large and small, to identify a set of themes representing the common dimensions of people’s experiences.

For example, the stories of innovation may contain themes about how managers gave people the freedom to explore a new idea, the support organization members received from their coworkers, or how the exposure to customers sparked creative thinking. No theme is too small to be represented; it is important that all of the underlying mechanisms that helped to generate and support the themes be described. The themes represent the basis for moving from “what is” to “what could be.”

4. Envision a preferred future. Members then examine the identified themes, challenge the status quo, and describe a compelling future.

- ✓ Based on the organization's successful past, members collectively visualize the organization's future and develop “
- ✓ possibility propositions”—
- ✓ “Possibility propositions “statements that bridge the organization's current best practices with ideal possibilities for future organizing.
- ✓ These propositions should present a truly exciting, provocative, and possible picture of the future. Based on these possibilities, members identify the relevant stakeholders and critical organization processes that must be aligned to support the emergence of the envisioned future. The vision becomes a statement of “what should be.”

5. Design and deliver ways to create the future.

➤The final phase involves the design and delivery of ways to create the future. It describes the activities and creates the plans necessary to bring about the vision.

It proceeds to action and assessment phases similar to those of action research described previously. Members make changes, assess the results, make necessary adjustments, and so on as they move the organization toward the vision and sustain “what will be.” The process is continued by renewing the conversations about the best of what is.

2.1.4 General Model of planned change.

The world is constantly changing in many different ways. Whether it is technological or cultural change is present and inevitable. Organizations are not exempt from change. As a matter of fact, organizations have to change with the world and society in order to be successful. (Todnem, 2005). Organizations have to constantly incorporate change in order to have a competitive advantage and satisfy their customers. Organizations use change in order to learn and grow. However, change is not something that can happen in an organization overnight. It has to be thought through and planned. Skringer and Stevens (2008) The General Model of Planned Change focuses on what processes are used by the organization to implement change. In the General Model of Planned Change, four steps are used in order to complete the process of change. Entering and Contracting, Diagnosing, Planning and Implementing, and Evaluating and Institutionalizing are the four steps used in order to complete the process of change in an organization. (Thomas G. Cummings 2008)

The three models of planned change suggest a general framework for planned change. The framework describes the four basic activities that practitioners and organization members jointly carry out in organization development. (Thomas G. Cummings 2008)

➤The arrows connecting the different activities in the model show the typical sequence of events, from

Entering and contracting, → diagnosing, → planning and implementing change, → evaluating and institutionalizing change.

The lines connecting the activities emphasize that organizational change is not a straightforward, linear process but involves considerable overlap and feedback among the activities.

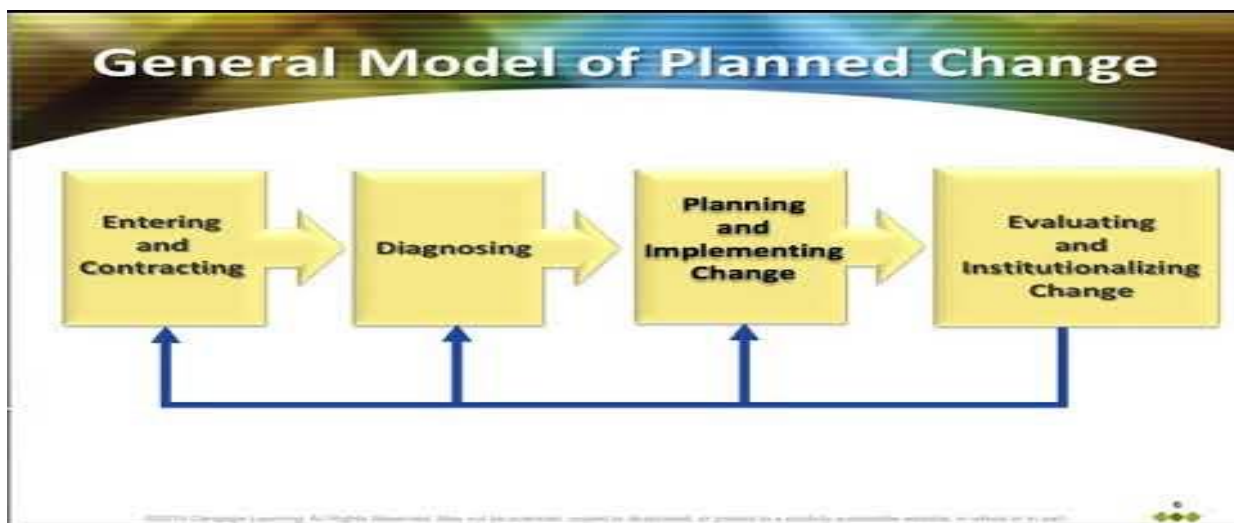


Figure 6 General model of planned change

2-2a Entering and Contracting

➤The first set of activities in planned change concerns entering and contracting. Those events help managers decide whether they want to engage further in a planned change program and to commit resources to such a process. Entering an organization involves gathering initial data to understand the problems facing the organization or to determine the positive areas for inquiry. Once this information is collected, the problems or opportunities are discussed with managers and other organization members to develop a contract or agreement to engage in planned change. The contract spells out future change activities, the resources that will be committed to the process, and how practitioners OD and organization members will be involved.

In many cases, organizations do not get beyond this early stage of planned change because one or more situations arise: Disagreements about the need for change surface, resource constraints are encountered, or other methods for change appear more feasible. When OD is used in nontraditional and international settings, the entering and contracting process must be sensitive to the context in which the change is taking place.

2-2b Diagnosing

In this stage of planned change, the client system is carefully studied. Diagnosis can focus on understanding organizational problems, including their causes and consequences, or on collecting stories about the organization's positive attributes. It includes choosing an appropriate model for understanding the organization and gathering, analyzing, and feeding back information to managers and organization members about the problems or opportunities that exist. Diagnostic models for analyzing problems explore three levels of activities/ Gathering, analyzing, and feeding / Organization issues represent the most complex level of analysis and involve the total system. Group-level issues are associated with department and group effectiveness. Individual-level issues involve the way jobs are designed and performed. Gathering, analyzing, and feeding back data are the central change activities in diagnosis. Organization members, often in collaboration with an OD practitioner, jointly discuss the data and their implications for change.

2-2c Planning and Implementing Change

In this stage, organization members and practitioners jointly plan and implement OD interventions. They design interventions to achieve the organization's vision or goals and make action plans to implement them. There are several criteria for designing interventions, including the organization's readiness for change, its current change capability, its culture and power distributions, the change agent's skills and abilities. Depending on the outcomes of diagnosis, there are four major types of interventions in OD: Human process interventions at the individual, group, and total system levels. Interventions that modify an organization's structure and technology. Human resources interventions that seek to improve member performance and wellness. Strategic interventions that involve managing the organization's relationship to its external environment and the internal structure and process necessary to support a business strategy.

Implementing interventions is concerned with leading and managing the change process, it includes motivating change, creating a desired future vision of the organization, developing political support, managing the transition toward the vision, sustaining momentum for change.

2-2d Evaluating and Institutionalizing Change

The final stage in planned change involves evaluating the effects of the intervention and managing the institutionalization of successful change programs so they persist. Feedback to organization members about the intervention's results provides information about whether the changes should be continued, modified, or suspended. Institutionalizing successful changes involves reinforcing them through feedback, rewards, and training. (Thomas G. Cummings 2008)

2.1.5 What is Change Management?

Change management is defined as the methods and manners in which a company describes and implements change within both its internal and external processes. This includes preparing and supporting employees, establishing the necessary steps for change, and monitoring pre- and post-change activities to ensure successful implementation. (Hoque, 2004). Change management is the use of systematic methods to ensure that organizational change can be guided in the planned directions, conducted in cost effective manner and completed within targeted time frames and with the desired results. Kimaku (2010). The management of change can be broken down into sub-processes or steps. A model describing this consists of five steps linked in a logical sequence. Thus are creating a shared need, shaping a vision, mobilizing commitment, monitoring progress & finishing the job. (Levasseur, R. E. (2001). The prospects for initiating successful change and minimizing resistance are enhanced when the manager explicitly and formally goes through each successive step. A flexible forward-looking stance for managers is an essential attribute for using this change model and the model assumes that forces of change continually act on the firm reflecting the dynamic character of the modern world (Donnelly, Gibson and Ivancevich, 1992).

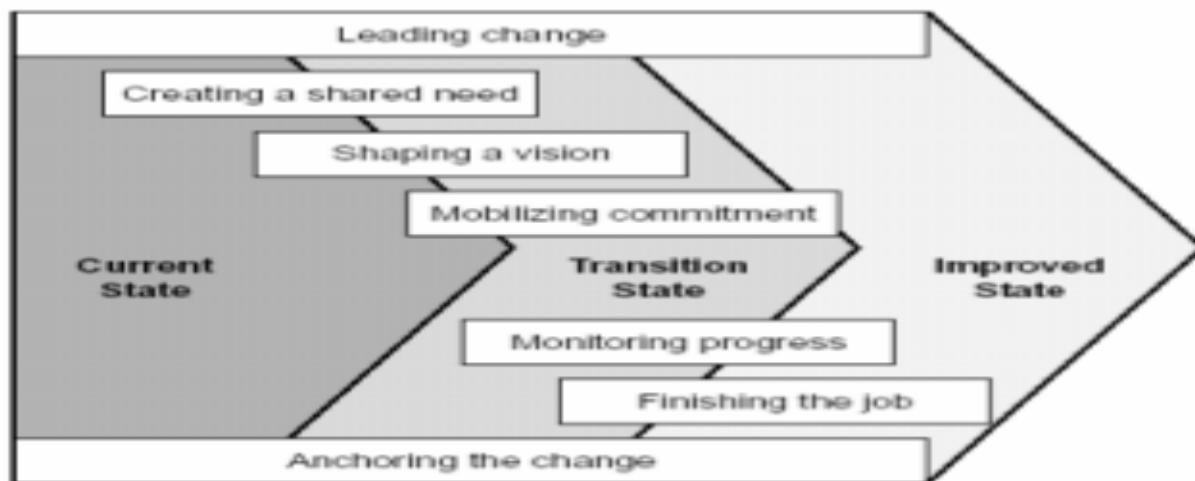


Figure 7: Change management state

Change management is a systematic approach that includes dealing with the transition or transformation of organizational goals, core values, processes or technologies. (Hughes, M. (2007) Globally, Change management in financial sectors are necessary in responses to changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics and the political environment in which an organization operates (Hoque, 2004). Commercial banks in Ethiopia have been responding viciously to the financial environmental changes in order to improve on banks' competitive situation (CBE, 2013). They have implemented change programs such as restructuring, mergers, bank process reengineering

and development of alternative distribution channels like E-banking, defining new roles for staff, development of corporate identity and culture change aimed at delivering bank growth, increasing productivity, driving efficiency, rationalizing costs, enhancing stakeholder value and improving profitability. (Hughes, M. (2007)

2.1.6 Factors Affecting Change Management

Change management of any organization are affected by Organizational Culture, Resistance to Change and Leadership (Cascio, 2006).

I-Organizational Culture

Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. (Needle, 2004). Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid (The Business Dictionary).

Historically there have been differences among investigators regarding the definition of organizational culture. Edgar Schein, a leading researcher in this field, defined "organizational culture" as comprising a number of features, including a shared "pattern of basic assumptions" which group members have acquired over time as they learn to successfully cope with internal and external organizationally relevant problems.

Culture also includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004). Organization culture is the total sum of shared values, attitude, beliefs, norms, expectations and assumptions. Bate, S. P. (2010). The pattern of assumptions has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Organizational culture is embedded and transmitted through various mechanisms. First is the formal statement of organizational philosophy and materials used for recruitment, selection and socialization of new employees. Second is the promotion criterion. Third the stories, legends and myths about key people and events. Fourth is what leaders pay attention to measure and control. Fifth is an implicit and possibly unconscious criterion that leaders use to determine who fits slots in the organization (Cascio, 2006). While the above definitions of culture express how the construct plays out in the workplace, other definitions stress employee behavioral components, and how organizational culture directly influences the behaviors of employees within an organization. (Needle, 2004).

They assess person or organization fit by focusing more on values and personality characteristics. Linking staffing decisions to cultural factors enables companies to ensure that their employees have internalized the strategic intent and core values of the enterprise (Cascio,

2006). Thomson and Strickland (1993) argues that there must be a fit between strategy, structure systems staff, skills, shared values and style for strategy implementation to be successful. Organizational culture and values held by managers and other employees within an organization are key in influencing on strategies of change. Johnson and Scholes (2002) Organizational culture is not stagnant. Members of an organization develop a shared belief around “what right looks like” as they interact over time and learn what yields success and what doesn't. When those beliefs and assumptions lead to less than successful results, the culture must evolve for the organization to stay relevant in a changing environment. Thomson and Strickland (1993)

II- Resistance to Change

Resistance to change is the unwillingness to adapt to altered circumstances. It can be covert or overt, organized, or individual. Employees may realize they don't like or want a change and resist publicly, and that can be very disruptive. Suzan M.Heathfiled, (March2021).Employees can also feel uncomfortable with the changes introduced and resist, sometimes unknowingly, through their actions, their language, and in the stories and conversations, they share in the workplace. In a worst-case scenario, employees can be forceful in their refusal to adopt any changes, bringing confrontation and conflict to your organization.

According to Sengupta, Bhattachanya and Sengupta (2006), change leads to insecurity among the employees because of its unknown consequences. Employees do not know for certain whether change will bring in better prospects. For example, because of technological change, people may feel threatened due to the fear of obsolescence of skills, less wages and losing the job. According to Rue and Byars (1992), most people profess to be modern and up to date; however, they still resist change mostly when the change affects their jobs. Resistance to change is a natural normal reaction and it is not a reaction reserved only for troublemakers. Resistance to change may be very open, or it may be very subtle.

Resistance to change is the reluctance of adapting to change when it is presented. Employees can be either overt or covert about their unwillingness to adapt to organizational changes. This can range from expressing their resistance publicly to unknowingly resisting change through their language or general actions. Suzan M.Heathfiled, (March2021)

According to Ansoff and McDonnell (1990), resistance to change could either be systematic or behavioral. Systemic resistance is caused by the passive incompetence of organization. It is proportional to the difference between the capacity required for new strategic work and the capacity to handle it. This type of resistance occurs wherever the development of capacity lags behind strategy development. The systemic resistance can be minimized by planning and budgeting for it, integrating management development into the change process and by stretching

the change duration to maximum time possible. Ansoff and McDonnell (1990) stated that major strategic changes are frequently introduced without regard for the consequent resistance. Power is used to overcome deficiencies: orders are given to reluctant groups or individuals; punishment is meted out for slipped schedules and cost overruns. In managing resistance, a useful approach is to start by building a launching platform (Ansoff and McDonnell, 1990). With a visionary top management and informed employees working towards a common goal, these tools can prove to be powerful change management aids (Sengupta, Bhattacharya and Sengupta, 2006).

How Resistance to Change Works? Resistance to change is evident in actions such as: Criticism, Nitpicking, Snide comments or sarcastic remarks, Missed meetings, Failed commitments, Endless arguments, Sabotage Suzan M.Heathfiled, (March2021).

What are the top causes of resistance to change?

Mistrust and Lack of Confidence, when employees do not trust or feel confident in the person making the change, their resistance to it can be a huge barrier. In fact, change advisor and author Rick Maurer believes that lack of confidence in change-makers is a cause of resistance to change in organizations that are most often overlooked.



Figure 8: Maurer's 3 Levels of Resistance to Change

Maurer's 3 Levels of Resistance to Change are: I don't get it, I don't like it, and I don't like you. That's right — people may not resist the change itself but rather the person making it. Of course, "you" does not always refer to the change-maker specifically. It could also be someone the change-maker represents, such as corporate headquarters or a faceless CEO.

Emotional Responses Changing the status quo is difficult, and many people will have emotional reactions to anything that upsets their routine. This is a natural and inevitable response. Brushing it off will only lead to stronger resistance. Use change management models that focus on

emotional reactions to change, such as the Kübler-Ross Change Curve or Bridges Transition Model, to mitigate this common cause of resistance to change. Both models recognize that change sometimes leads to feelings of loss and grief. As such, change-makers must be prepared to manage these emotions and move people towards acceptance of the change. Begin by coaching change leaders to approach resistance to change with empathy, recognizing that people will have a wide range of emotional reactions. Some may even skip steps in the Kübler-Ross Change Curve or slide back to negative reactions multiple times throughout the transition.

In order to manage these reactions, change leaders should clearly explain the need for change while also listening attentively to the feedback from those affected by it. People want to feel heard. Make it clear that their opinions are valuable to the change process. Additionally, change leaders should check in frequently to provide support, gather additional feedback, and nudge people towards change acceptance and adoption (Kennedy, 2000).

Fear of failure, people will not support a change if they're not confident in their own abilities to adapt to it. When people feel threatened by their own shortcomings (real or imagined), they protect themselves from failure by resisting the change. (Bennis, 1987).

III-Leadership

Most of the organizations agree now a days that effective leadership is one of the most important contributors to the overall organizational performance and change. Intelligent leaders are those who have a store of skills and knowledge gained from experience that allows them to manage effectively and efficiently the tasks of daily life. Effective leadership is always required to bring effective changes (Kennedy, 2000). There are some leadership competences that have been proven and are mandatory for effective and successful leadership (Bennis, 1987). There are different competences which are very effective for leaders and which also have connection with the successful organizational change. It is evident from the literature that initiating and coordinating change always requires well developed leadership skills. A strong leader is required to solve the problem as the physician is required to solve medical problem (Heifetz 1997). The different types of leadership qualities are required at different level of change. There are basically four types of leadership styles, Commanding leadership style, Logical leadership style, inspirational leadership style and supportive leadership style. These all leadership styles have strong relation with the development of change (Bennis, 1995). The role of leader/leadership is also very important for developing and managing change in any organization by creating the suitable atmosphere within the organization to adopt change.

For any meaningful change to take place, the support and inspiration of leadership is absolutely necessary. In doing so, leaders follow various methods to achieve these objectives. Dessler (2005) argues that for any change to stick, leaders must design and run an efficient persuasion campaign. Like a political campaign, a persuasion is leading differentiation from the rest. An efficient change leader provides opportunity for employees to practice desired behavior repeatedly, while personally modeling new ways of working and providing coaching and support. Johnson and Scholes (2002) contend that management of change is often directly linked to the role of a strategic leader. The leaders' role includes creating vision, empowering people, building teamwork and communicating the vision. According to Dessler (2005), the human resource managers require leadership proficiencies.

2.1.7. What is Change Management Practice?

Change Management Practice is a broad concept, defined and conceptualized in different ways by different authors. The definitions of Change Management Practice are shown here under: Change management practices entail thoughtful planning and sensitive implementation and above all consultation with, and involvement of the people affected by the changes. Problems arise when change is forced on people. Change therefore must be realistic, achievable and measurable (Chapman, 2005). Change management practices are defined as a set of managerial decisions and actions undertaken for organization to cope with changes in environment. These practices are designed to set a firm's courses of action, identify the strategies it will use to compete in the market-place and how it will organize its internal activities (Hill and Jones, 2007) The key objective of change management practices is to enhance the competitiveness of the organization and continuous adaption of the organization to various environmental turbulence levels (Doyle, 2005).

As per Haiilo (Feb2022) Change Management Best Practices the processes can be very complex. Additionally, change in the workplace can cause high levels of stress among employees. However, there are some rules and best practices every organization should follow. Here they are.

1. Define clear goals: Every change management initiative should be clearly defined. Even though SMART goals are not easy to define for change management, companies should strive towards setting up as clear goals as possible. This way, employees and leaders will have something to reference to when evaluating their change management efforts.
2. Be honest and transparent: Over 30% of employees say that their employer is not always honest and truthful. In order to implement transitions successfully, employers should be honest and transparent. As most employees don't feel comfortable with changes, being transparent at every step of the

change management process helps build trust and connection with employees. 3. Train and reassure your teams: Support your employees with reassurance, offer new training sessions and give employees time they need to adapt to new practices. Empathy and reassurance help fasten the process and eases future organizational changes. 4. Encourage conversations and communicate regularly, employee relations have a big impact on encouraging conversations before, during and after the changes are implemented. Start a conversation among your employees in order to find out how they feel about the new initiatives. Understand that true communication is a two-way conversation. 5. Listen to your employees. When driving engagement and communication, you should not be the only one talking. Listen to what your employees have to say. Allow them to lead the conversation where employees can ask questions, comment and suggest their ideas for improvement. 6. Bring your leaders on board. The evidence is clear- excellent change management increases business outcomes of change initiatives. So why is it so difficult to communicate these benefits to business leaders? Companies should work on proving the real ROI of change management and communicate that to the business leaders to bring them on board and support the change. 7. Choose the right communication tool. Millennials in the workplace expect an easier way of communication than through emails. In fact, many emails are never read which causes important information to get lost. Choose the right employee communication and engagement solution that your employees will actually want to make sure that your solution is mobile friendly. Younger generations are used to being able to do everything on their mobile phones. Company tools should, for that reason, be mobile-friendly. 8. Empower your employees' .Empower your change management leaders as well as employees to engage in the change process by giving them freedom to make their own decisions and implement new ideas. If your employees don't feel empowered, the engagement level will drop and result in resistance to change. 9. Encourage knowledge sharing, some employees will learn and adapt to change faster than the others. However, knowledge sharing among employees can fasten this learning process significantly. Employee collaboration tools such as Haiilo enable organizational knowledge sharing in a way that is easy and fun for employees. 10. Document and make information easily accessible. Documenting everything does not help if this information is not easily accessible to employees. Having a central place where all the important documents and information are kept, makes change management much more efficient. Did you know that employees, on average, spend 2.5 hours every day searching for information? In the process of change management, this can be very frustrating and discouraging to employees. Drive the #No Searching Revolution in your company! 11. Recognize and reward Most of employees say that they would work harder if they were recognized for their work. Therefore, this approach can be a great motivation to comply with and implement the changes faster. Recognize and reward

employees for accomplishments and for adopting new behaviors during the transformation process. Celebrate the wins and milestones. 12. Make it social .If you are implementing a new technology solution you are proud of, share it publicly! Modern employee communication tools allow you and your employees to easily share information both within and outside your organization. Having employee advocates can also be a huge

2.1.8. What is Organizational Development?

Organizational development is an evidence-based scientific approach to help organizations become effective and adaptive to change by developing, improving, and reinforcing strategies, structures, and processes. Since OD aims at organizational effectiveness, the variable outcomes can include financial performance, employee engagement, customer satisfaction, and overall change management. It is a planned process of change in an organization's culture through the utilization of behavioral science technology, research, and theory. (Warner Burke). OD is a system wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) enhancing congruence among organizational structure, process, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization's self-renewing capacity. It occurs through the collaboration of organizational members working with a change agent using behavioral science theory, research, and technology. (Michael Beer)

Based on (1) a set of values, largely humanistic; (2) application of the behavioral sciences; and (3) open systems theory, organization development is a system wide process of planned change aimed toward improving overall organization effectiveness by way of enhanced congruence of such key organization dimensions as external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures. (Warner Burke and David Bradford)

However, a noteworthy aspect here would be that though both OD and HRM (human resource management) are people-centric processes and often used synonymously, they are actually different.

What Are the Goals for Organizational Development?

Here are a few of the most important goals for organizational development according to *Gallup's State of the Local Workplace*.

One of the most goal of OD is Improve Productivity & Efficiency across the Organization, thus 85% of employees are disengaged at their workplace, costing \$7 trillion in lost productivity, however, the OD process focuses on making the workforce more efficient and productive by equipping them with the required skills to succeed in constantly changing markets.

The Five Phases of the Organizational Development Process

Organizational development is a complex and systematic process. OD practitioners implement the development initiatives in five phases:

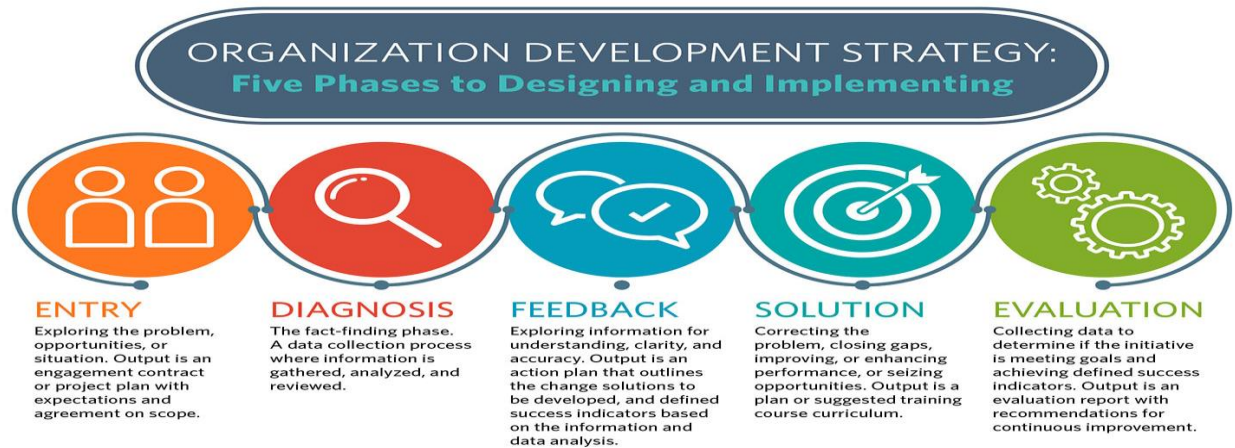


Figure9: The Five Phases of the Organizational Development Process

The Association for Talent Development (ATD)

1. Entry

The entry stage represents the first interaction between the consultant and a client to assess the situation & identify the problem. A data-driven approach results in a more profound understanding of the areas of improvement for an organization. This phase finally results in an engagement via a contract or a project plan to lay the ground expectations about the project scope for the organizational development process.

2. Diagnosis

This phase deals with the problem investigation via a collaborative data gathering process between an organization's stakeholders and the consultant to discuss the root cause of the problem, barriers, and the previously implemented solutions.

3. Feedback

The client receives the analyzed information via the consultant at this stage. The feedback phase also includes a review of preliminary agreements on the project scope and resources resulting in an action plan that outlines the change solutions to be developed and defined success indicators based on the information and data analysis.

4. Solution

This stage represents the development and implementation of solutions to rectify the problems identified in the first stage. The solution can include a risk management plan, communication plan, change management plan, & a training plan.

5. Evaluation

Post the implementation phase, the change outcome is assessed to determine whether the initiative meets the goal. In case of a change failure, the organization looks for the cause and makes adjustments to eliminate the obstacle. An OD practitioner can also include small pilot tests in this phase before the organization-wide rollout of the development initiative.

As per Thomas G. Cummings “Organization Development & Change, 9th Edition 2008. Given the complexity of development initiatives, they often require external interventions for successful change implementation. Organizational development interventions are structured processes that help companies meet specific objectives, enable management, and improve overall organizational functioning.

Typically, you can classify OD interventions as:

- Human Process Interventions
- Techno structural Interventions
- HRM Interventions
- Strategic Change Interventions

◆Human Process Interventions

Cummings, T. G., & Worley, C. G. (2009) clearly indicates human process interventions are some of the earliest & most effective OD interventions related to interpersonal relations, group, and organizational dynamics.

Individual Interventions: A particular employee is provided coaching or mentoring on interpersonal behaviors that are counterproductive. Individual interventions are required in case of new employees, internal role transitions, and performance improvement. **Group Interventions:** Group interventions aim at the group’s content, structure, or process. They may be necessary because one part of a company is changing, restructuring a department, and communicating new job responsibilities to the relevant employees. Organizational interventions are essential in the case of organization-wide changes like new strategy implementation, new software rollout, structural changes, and a stronger shared vision.

◆Techno structural Interventions

These programs are related to the organizational structure and technological changes. They are highly relevant due to the changing business dynamics.

Organizational Design: The organizational structure can include functional, divisional, matrix, process, customer-centric, and network structures. Significant activities in organizational design include engineering and downsizing. Such interventions involve evaluating current business processes, preparing the organization, and restructuring it around the new business processes. *Hall, G., J. Rosenthal, and J. Wade. 1993*

Work Design: This intervention is essential to achieve optimum productivity via job enrichment, improving process efficiencies, or employee satisfaction. Exploring digital adoption platforms such as what fix can help work design as it helps employees learn in the flow of work via interactive walkthroughs. It further enhances productivity by offering self-serving contextual help & support. Sign up for a free trial of what fix today!

◆ **Human Resources Management Interventions**

HRM Interventions relates to the idea of improving an organizations overall performance and efficiency by improving the members (individuals and groups) performances, commitment, and flexibility. These interventions are mainly related to employee engagement, experience, and performance management. *Hall, G., J. Rosenthal, and J. Wade. 1993*

Performance Management: Gartner suggests that 96% of managers are dissatisfied with their current performance management practices, and that making performance reviews forward-looking can improve employee performance by 13%.

◆ **Strategic Change Interventions**

Organizational development interventions play a crucial role in successfully implementing changes that require a behavioral change in the organization. *Cummings, T. G., & Worley, C. G. (2009)*

Transformational Change: In this technique, the organization changes the core functioning of an organization. For example, Nintendo began its operations by manufacturing card games. However, it evolved continuously with the changing consumer preferences and switched to electronic toys before gaining a stronghold in the video gaming industry.

Trans organizational Change: In this process, change management broadens its scope beyond a single organization and undergoes activities like mergers, acquisitions, and strategic networking.

Change management and Organizational Development: change management practices are tactics to enhance the competitiveness of the organizational development and continuous adaption of a firm. Organization development refers to a long-range effort to improve an organization's problem-solving capabilities, training & development, succession planning arrangements and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants, or change agents. OD creates a culture that

embraces change & innovation that leverages competitive analysis, market research, and consumer behavior to create innovative products and services. (Michael Beer)

2.3 Empirical Review

2.3.1 Empirical Literature Review General

The empirical review presents and appraises methods, concepts, contexts and results of past studies on the subject of change management practices and organizational performance.

The empirical evidence of the impact of change management practice on organizational development is mixed. In some studies, individual elements of the change management practice are shown to have a significant effect on banks development (Miller and Camp, 1985; MacMillan and Day, 1987; Tsai, MacMillan and Low, 1991). In another study using the same database change management practice had a little bite significant effect on organizational performance especially in banks.

According to, (Armenakis et al., 1993; Edmonds, 2011) since the 1990s, the phenomenon has been studied from the employees' perspective, and their roles in change failures have been scrutinized; consequently, there has been consensus that when employees are ready for change, they are more apt to support it, and the change effort will be more successful (traced the foundations of an employee level of change readiness back to Lewin (1947) and Coch and French (1948). Although the seminal and contemporary literatures assert that when employees are prepared for change they are more likely to embrace and support it, literature has also shown that even when changes are in the employees' best interest, many still resist it (Backer, 1997; Bateh, Casteneda, & Farah, 2013).

Under the study of John Edmonds, (2011), there is resistance to change in organizations mostly brought by the fear of the unknown by the people of the organization. The study also shows that this resistance to change can be handled correctly using known and tested techniques of change management so that the change can be brought successfully, achieving the sated goals and objectives using the budget of the organization for the needed purpose. Consequently, employees and managers who understand the change effort are more likely to be less resistant to change Marvin & Marla, (2005). Precisely, the more the manager and employees understood the change the more likely they will be in to it, the less likely they would think the change effort would fail.

It is widely accepted among many authors and researchers in the organizational field that technology has a significant effect on the development of the organization's activities 1996; Porter & Millar, 1985). For example, information technology applications can be used to improve the level of efficiency of administrative functions in an organization and to enhance the

effectiveness of managerial activities. These applications also can be used as tools to impose better organizational development on tasks and to provide better information to managers. Zuboff (1988) pointed out that information technology applications are strongly altering the way in which production operations are carried out in a variety of industries and thus using information technology to create and acquire a competitive advantage. Economic theory (Breshnahan & Trajtenberg (2002), and Helpman, (1999) suggests that the adoption and diffusion of new technologies can be spurred by many factors and can have far reaching consequences. Virtually all economic spheres can be affected by technologically induced changes, including innovation dynamics, productivity and growth, the development of market structures, and the composition of labor demand.

Similarly, another study of Tony Manning, (2012) shows that to become the management of change practice successful, it is important and mandatory to manage emotions, particularly by acknowledging how people feel and why they feel the way they do; take steps to formulate a vision and keep the people informed about the steps that you are taking; engage in a two way communication throughout the process; develop and communicate visions, make clear what you aspire to and how you will get there; and engage in and promote continuous learning and development.

Marete (2010) carried out a study on strategic change management practices in National Bank Kenya Limited. The study findings concluded that the management in ensuring effective change management should enhance creation of awareness of the organizational development on an informal network of relationships to get information, commitment, and solidifying progress and interests using formal analytical techniques for establishing, measuring and rewarding key change initiatives to ensure significant changes are implemented. He also found that recruiting qualified staff to help effectiveness of the change effort, manufacture products that are needed in the market, acquisitions that lead to synergies, business reengineering leading to short and less costly processes, downsizing that lower the cost as well as programs that deliver expected outcomes.

According to Berger Doyle, M.J. (2005) technology is one of the major challenges affecting performance practices of banks. Banks are constantly bombarded with new technological development and this means that they have to constantly adjust their practices in order to remain relevant in the emerging economies. He observed that there is need to manage these changes in technology through strategic planning, creativity and innovation. Delivering ultimate value to investors means banks have to concentrate on services and products that deliver value to their clients by adopting suitable change management practices.

Majid, Mohammad, Sanjaghi & Rahimian, (2013) shows that high percentage of organizational performance change (77.3%) is because of the high capacity of the structural, strategic, cultural changes process and the management of it. Additionally effective communication, employee's attitude and perception of manager's action and conducive working environment play a significant role in achieving better organizational development through chang

2.3.2 Empirical Literature Review Ethiopian Context

According to the study of Miherete Selasse Birhanu oct,2015 'the effect of change management practice on organizational performance ' the case of commercial bank of Ethiopia clearly indicates that organizations are struggling to immerse themselves to continuing success and improved performance. This result would come when a better change management practices are undertaken without ambiguity. The performance of CBE is positively impacted by the presence of change management practices which tend to create a significant contribution on organizational competencies and in turn becomes a great boost for further enhancing innovativeness. Zerayehu S., Kagnew W., &Teshome K., 2013, Furthermore, special attention should be given to employees' motivation and the culture under which every member of the organization lives in so that enhancements in the level of organizational performance occur. Continued employee involvement and consultation through a rolling communications program will need to be developed to assure the employees about the importance of the changes, how they can be involved and how they can support the changes to the business. Based on the aforementioned discussion and the findings of the study, the following conclusions were drawn: → Change management practices were highly correlated with the increment of employees' motivation → Change management practices was also significantly correlated with organizational culture → the study shows the existence of positive correlation between change management practice and organizational performance. In addition to these, based on the results from path analysis, the following conclusions can also be drawn: → Sex of employees had no direct effect on employees' motivation. → Organizational culture had a stronger direct effect on organizational performance than did any of the variables in the study. Change management practice in turn had the strongest direct effect on both organizational culture and employees' motivation.

Change Management Practices Refers to the facets of adapting to change, controlling change, and effecting the change. (Frederick, 2015).The banking sector has evolved over the years and financial institutions have been challenged to strategize on change management concepts in enhancing their competitiveness and performance in the global market. The developments in

technology, diversified environments, customer needs and quest for higher efficiency are change management paradigms that every business leader must focus on. (Atikua, Fields & Abe, 2017). Globally, the banking sector has been struggling with poor performance with many players having had to close doors (Ali & Sattam, 2017). This has been the case with both developed and developing countries which experienced financial crisis with Citibank writing off more than \$39 billion in losses (Heilpern, Haslam, & Andersson, 2009). In Africa, South African banking sector experienced declining trends in performance as the effects of the global financial crisis in 2007 to 2009 trickled down to developing other economies (Mabwe, 2010). Nevertheless, commercial banks in Ethiopia have shown a remarkable performance for the last consecutive years due to the practice of change management on their organization like technological enhancement, organizational cultural change, decentralization of structural modification, new strategic road maps and operational change regarding customer service excellences. (Annual report of NBE, 2021). Therefore, based on the Change Management Practices elements and organizational development literature review, the following conceptual framework and hypothesis have been developed as indicated below

2.4.1 Conceptual Frame Work

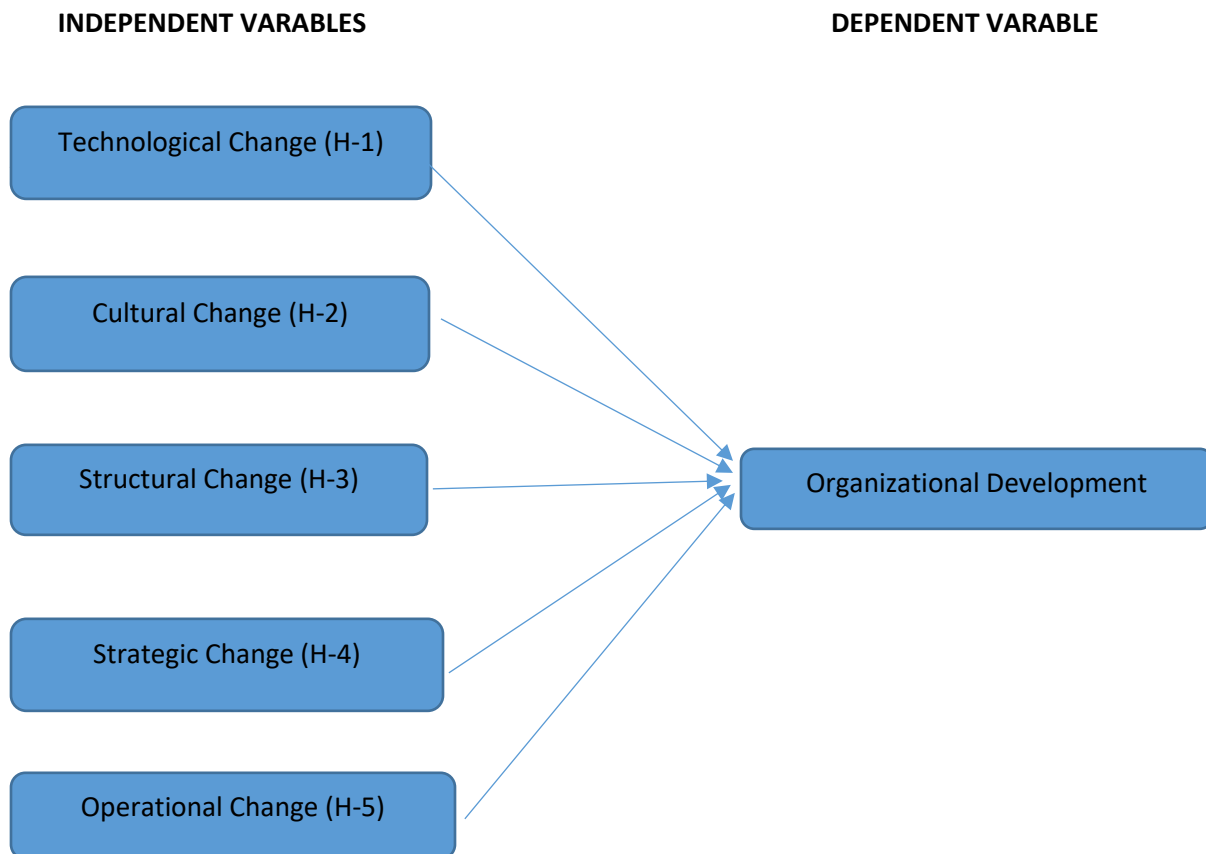


Figure 10: Conceptual Frame Work
Conceptual Framework of own development

2.4.2 Research Hypothesis

The following hypotheses were formulated and tested to answers to the research questions & to address the research objectives mentioned above Therefore, the following alternative hypotheses were formulated:

H₁: Technological changes have positive significant effect on the performance of organizational development;

H₂: Cultural change has positive significant effect on the performance of organizational development;

H₃: Structural change has positive significant effect on the performance of organizational development;

H₄: Strategic change has positive significant effect on the performance of organizational development;

H₅: Operational change has positive significant effect on the performance of organizational development;

N.B: The details of the above-formulated hypotheses are presented on the conceptual framework.

2.4.3 Hypothesis Development

Technological changes Practice and performance of organizational development;

For successful organizational development offerings, technological changes practice plays a major role on their performance. A technological change is an increase in the efficiency of a product or process that results in an increase in output, without an increase in input. In other words, someone invents or improves a product or process, which is then used to get a bigger reward for the same amount of work. The ATM (Automation Teller machine) is an example of a product that has undergone a technological change. It has undergone many different changes over the years that have made it more efficient. Processes or products, such as the machine, move through technological change in three stages: Invention - the creation of a new product or process

Innovation - the application of the invention for the first time Diffusion - how fast others begin to adopt the innovation Thus this technological change enhance the organizational development significantly. Therefore, based on these evidences the following hypothesis was developed.

H₁: Technological changes have positive significant effect on the performance of organizational development;

Cultural change practice and performance organizational development;

Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves. Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust. (Kimberly Winston, MBA in Logistics & Supply Chain Management)

According to Kotter, J. P. (1996). If there is strong organizational culture it refers to a situation where the employees adjust well, respect the organization's policies and adhere to the guidelines. In such a culture people enjoy working and take every assignment as a new learning and try to gain as much as they can. They accept their roles and responsibilities willingly, therefore such working environment enhance the organizational development of a firm. Organization culture however can never be constant. It changes with time. According to Edgar Henry Schein 2019

There are different reasons for changes in work culture .A new management, a new team leader, a new boss brings a change in the organization culture. A new employee but obvious would have new ideas, concepts and try his level best to implement them. He would want the employees to work according to him. His style of working, behavior and ideologies would definitely bring a change in the work culture. Financial loss, bankruptcy, market fluctuations also lead to change in the work culture of the organization. When an organization runs into losses, it fails to give rewards and appraisals to the employees as it used to give earlier.

Acquiring new clients might cause a change in the work culture. The employees might have to bring about a change in their style of working to meet the expectations of the new clients.

The employees on their own might realize that they need to bring a change in their attitude, perception and style of working to achieve the targets at a much faster rate. Such self-realization also changes the work culture. All the aforementioned reasons of cultural change practices are leads to organizational development. Edgar Henry Schein 2019. Therefore, based on these evidences the following hypothesis was developed.

H2: Cultural change has positive significant effect on the performance organizational development;

Structural change practice and the performance of organizational development;

As per definition of Margaret McMillan, Dani Rodrik, and Claudia Sepúlveda 2011 Structural change refers to dramatic shift in the way a country, industry, or market operates, usually brought on by major economic developments. Structural change is often sparked by technological innovation, new economic developments, global shifts in the pools of capital and labor, changes in resource availability, changes in supply and demand of resources, and changes

in the political landscape. A major driver of structural change is innovation. Other factors that can often spark structural change include new economic developments, global shifts in the pools of capital and labor, changes in resource availability due to war or natural disaster, changes due to the supply and demand of all resources, and changes in the political landscape with either a new regime coming to power or major overhauls in existing laws, especially with regard to business regulation and taxation.

We already know from McMillan and Rodrik (2011) that, drawing on data for 38 countries (29 developing and 9 high-income) in 1990–2005, structural change was growth enhancing in Asia and growth reducing in Africa. That means that economic growth in Africa was driven by the within-sector component. We also know that in a later study of Africa, using data for 19 countries from 1990 to 2010, McMillan (2013) finds that while structural change was growth reducing in 1990–1999, it was growth enhancing in 2000–2010. As productivity also increased within sectors, the within-sector and structural change channels combined to dramatically increase productivity, which was the basis of what is now being termed the “African growth miracle” (Young 2012).

Industrialization is essential if Africa is to foster structural change and translate its recent high growth rates into significant social development. Promoting structural change hinges on sound industrial policies and selective government interventions that redirect an economy's production structure towards more productive sectors. Michael Mbate, 2017

The consequences of the post-1975 reforms and structural changes in Ethiopia were also distinctive. Government ownership, and government direction of lending, might have been expected to undermine the banks, as happened elsewhere in Africa. Unusually, the damage was limited. P Martins · 2014 Most notably, the single commercial bank remained sound. It did not require lengthy and costly rehabilitation, therefore, in order to be able to respond to the opportunities created drastically structural reform by economic liberalization in the 1990s. This was not sufficient, however, for financial sector reform to achieve its objectives. Government-owned development banks expanded into commercial banking, but increased competition, and the increased productivity and improved services which should result from competition, appeared unlikely to result. M Mbate · 2016 Therefore, based on these evidences the following hypothesis was developed.

H3: Structural change has positive significant effect on the performance of organizational development;

Strategic change practice and the performance of organizational development;

Strategy is a unifying theme that gives coherence and direction to the decisions of an organizational development. Johnson and Scholes (2003) define strategy as the direction and scope of an organization over the long-term, ideally which matches resources to its changing strategy and environment and its particular markets, customers and clients, so as to meet stakeholders 'expectations. In an ever-changing global economy, Johnson and Scholes (2003) notes that organizations must find ways for operating by developing new competences as the old advantage and competences gained is quickly eroded owing to environmental changes. Because of the fact that changes are a necessity in private as well as public sector, every organization must change with the environment otherwise, it would become irrelevant. Strategic change is an effective tool for reducing motivational, incentive and environmental barriers while defining and improving the structure of an organization. It is the process that controls change within organizations, furthermore it set up the appropriate environment of change, encourages staff to support the change and sets out to give them skills to deal with change (Paton, 2001).

Organizational strategic change begins with a systematic diagnosis of the current situation in order to determine both the need for change and the capability to change. The objectives, content, and process of change should all be specified as part of a Change Management plan. As a visible track on transformation projects, organizational change management aligns groups' expectations, communicates, integrates teams and manages people training. Mwirigi (2012) undertook a study that focused on Strategic change management practices in commercial banks. The study concluded that banks had strategic change management policy. The policy stipulated that banks were expected to realize improved decision making, resource allocation, improved performance, reduced financial losses and improved communications from effective strategic change management. Strategic change is viewed by Hofer and Schendel (1978) as changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy. Therefore, based on these evidences the following hypothesis was developed.

H4: Strategic change has positive significant effect on the performance of organizational development;

Operational change practice and the performance of organizational development;

Operational changes are often proactive measures to adapt to industry changes or to improve processes for competitive advantage. OD is more often a necessary maneuver to fix broken or inadequate organizational systems. ChangingMinds.org: Change Readiness. .Operational Change management practices can be referred to as the processes of restructuring and redesigning the organizational activities in order to keep abreast of challenges and for meeting the needs of customers (Moran & Brightman, 2005). Change is inherent in contemporary organizations and

its management is not only critical to organizational success and survival but is also at the core of the field of organization development (OD). Along with important changes taking place in the social fabric within which organizations operate are vital forces impacting organizations within the context of their business operations (Stacey, 2003).

Kotter, (2007)describes operational change management practices can be affected by the state of organization and its external environment because the performance of organization might depend on the fit between organization and its external environment .Managers in organizations are becoming increasingly aware that a critical source of competitive advantage and organization performance often from strategic and operational change in production of quality product and services, best strategies, adoption of advance technology and having an appropriate system of attracting and managing the organizations human resources (Kotter, 2007) Therefore, based on these evidences the following hypothesis was developed.

H₅: Operational change has positive significant effect on the performance of organizational development;

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

In this chapter, the research methodology was used briefly discussed. It described the research approach, research design/type, sampling design, source of the data, data collection method, data collection instrument, method of data analysis, validity and reliability, and research ethics seriously implemented.

3.1 Research Design/Type

The research design was the conceptual structure within which research was conducted; it constitutes the blueprint for the collection, measurement and analysis of data. There are three types of research design, namely; exploratory, descriptive, and explanatory (Kothari, 2004).

By taking the research objectives and nature of the study into consideration, descriptive and explanatory research designs were used. As stated by Kothari (2004), descriptive research studies are those studies which are concerned with describing the characteristics of a particular

individual, or of a group. Hence, in this study, it was used to describe the demographic and general information of the respondents and the bank.

Whereas, as suggested by Kumar (2011), explanatory studies clarify the relationship between two aspects of a situation or phenomena. Therefore, in this study the explanatory research design was chosen since it examined the effect of the predictors (change management practices) on the dependent variable (organizational development). The study also used mainly a cross-sectional research survey in which the collection of information from the respondents is carried out at a single point in time.

3.2. Research Approach

There are three basic types of research approaches; quantitative, qualitative, and mixed approach. Quantitative research approach is based on the philosophy of post positivism world view. It is also reductionist in that the intent is to reduce the ideas into a small, discrete set of ideas to test, such as the variables that constitute hypotheses and research questions. In addition, quantitative approach uses statistical methods in describing patterns of behavior and generalizing findings from samples to population of interest, and employs strategies of inquiry such as experiments and surveys (Creswell 2003, pp. 13-15).

Hence, by taking the research objectives and questions into considerations, quantitative research approach was used. A quantitative research approach was used as it is suitable to test relationships using the hypothesis and research questions (Zikmund, 2003).

3.3. Description of study areas and target population

The study was conducted in Awash bank south Addis Abeba region branches and managers of regional office and head office here in Addis Ababa. Addis Abeba is the capital city of Ethiopia and the African Union and is often called the African Capital due to its historical, diplomatic and political significance for the continent.

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study. The unit of analysis may be a person, individual, organization, country, object, or any other entity that researchers wish to draw scientific inferences about (Kelley, Clark, Brown, & Sitzia, 2003). Accordingly, the target populations of the study was Awash bank which has about 716 branches all over the country and 253 branches in the capital city and segregated by four Addis Abeba regional offices. Therefore, out of the four district offices found in the City, The researcher selected this district because of the south Addis Ababa Region of the

bank is the concentration of about one hundred twenty branches which are the most profitable and widen customer bases branches are found in this district.

3.4 Sampling technique/methods and sample size

3.4.1. Sampling Frame

The sampling frame for any sample is a complete list of all the cases in the population from which the sample will be drawn (Saunders et al, 2000). In view of that, the sampling frame for this study was drawn from city branches (Addis Ababa) of Awash bank South Addis Ababa Region

3.4.2. Sampling Technique

In this study, the stratified and purposive sampling techniques were used in combination. The researcher preferred stratified sampling technique based on Kothari (2004) statement that, “If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. In this technique population was divided into several sub-populations that were individually more homogeneous than the total population (the different sub-populations are called strata)”.

Therefore, the strata in this study were the Awash bank south Addis Ababa region Branch managers, Customer service managers & Business Development managers of almost hundred branches and some head office & regional office managers also engaged in the study. In general, since each stratum is more homogeneous than the total population, the researcher is able to get more precise estimates of the sample for each stratum and by estimating more accurately each of the component parts and get a better estimate of the whole; in brief, stratified sampling results in more reliable and detailed information (Kothari, 2004, pp. 63).

Besides to the stratified sampling technique, purposive sampling technique also used to select the respondents from each stratum. This technique was needed to choose members of the population to participate in the study purposively based on researcher’s own judgments” to answer research questions and/or achieve research objectives.

3.4.3. Sample Size

Sample size can be determined using certain formula in the case of quantitative study. As a general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004). Thus, to get a representative sample for the population, Yemane (1967) finite and large population sample size formula with 95% confidence level was employed. The formula used to obtain this sample size is presented below:

$$n = \frac{N}{3543} \quad 3543$$

$$1+N(e)^2$$

$$1+3543(0.05)^2$$

$$9.8575$$

360 sample size

According to the information obtained from Awash bank annual report, the number of Branch managers, Customer service managers & Business Development managers in south Addis Abeba district office branches and International banking & credit department I have taken 360 targeted population size for the study.

Following the sample size determination, the researcher was allocated the sample size of each stratum through the method of proportional allocation under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata. In order to do so, proportionate stratified sampling (PSS) formula ($n_i = N_i/N * n$) was used.

Where: n_i represents sample size taken from each stratum/sector, N_i total no. of population of each stratum/sector, n total sample size of the study, and N total population size.

Table 1: Sample Size of the Respondents from each Stratum

S/n	Strata (Sector)	Activities of the manager's	Total No of managers in Awash bank	Sample From each $n_i = N_i/N * 360$
1	Branch managers	Controlling the day to day activities of the branch and leading the operation ,the marketing etc.	620	63
2	Customer Service managers	These are operational managers controlling the operational area only.	589	60
3	Business Development Managers	These are marketing managers ,focused on hunting new customers ,introduce new product etc.	136	14
4	Relation managers	These are managers assigned for potential customers like corporate, business & retail customers.	48	5
5	H.O operational staffs & regional office staffs	All the staffs of Credit Department, International Banking department and regional office staffs	2150	218
	Total		3543	360

3.5 Data collection – source, types, instruments, etc.

3.5.1 Data Sources and Types

The study was used both primary and secondary source of data. The primary source of data was the response which was collected from branch managers, customer service managers, Business

development managers, Relation managers & Head office and regional office staffs of Awash bank. On the other hand, the secondary source of the data also gathered from different books, articles, journals, and different reports of annual reports of Awash bank and directives of NBE to support the primary data.

3.5.2 Data Collection Instrument and Procedure

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner (Sauders et.al, 2003). The study was depended on primary data which collected through self-administrated questionnaire.

The questionnaires were prepared in line with the objectives of the study and structured into three sections. The first section of the questionnaire was concerned with obtaining some demographic and general data about the respondents and enterprises. While, the second section was dealt to investigating the change management practice i.e. technological change, cultural change, structural change, strategic change and operational change practices of private commercial banks. The third section of the questionnaire was dealt with the Organizational Development of private banks. The questions were structured in close-ended type and responses to the questions were measured by Likert scale of five rating scale where: Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) =3, Disagree (D) = 2; and Strongly Disagree (SD) =1. The Likert scale was used to make the questions easier for respondents to answer in a simple way and permit an efficient use of statistics for the interpretation of data.

The instrument was pilot tested after the approval of the questionnaire by the advisor Doctor Bahren, Subsequently, upon the completion of pilot testing, the questionnaire also edited based on the respondents feedback and distributed to the sampled Branch managers, Customer service managers & Business Development managers of almost hundred branches and some head office & regional office managers of Awash bank in Addis Ababa City.

3.6. Validity and Reliability

Validity and reliability of the measures need will be assessed before using the instrument of data collection (Hair et al., 2003). Validity concerns whether an instrument can accurately measure, while reliability pertains to the consistency in measurement. Therefore, in this study the reliability and validity was tested as follows;

3.6.1. Validity

Validity is the degree to which a measure accurately represents what it is supposed to. It is concerned with how well the concept is defined by the measure(s). There are three types of validity: content validity, predictive validity, and construct validity. The content validity is the assessment of the correspondence between the individual items and concept. Validity is the criteria for how effective the design is in employing methods of measurement that will capture the data to address the research questions (Kazi, 2010).

Therefore, in this study in order to assure the validity of the research instrument, various relevant literatures and different previous research questionnaires were used. Also the research advisor was critically checked for the validity of the questionnaire. As well, the draft survey questionnaire was pilot tested with at least 10 respondents in order to assure that the instrument is clear and unambiguous. Then, following the above mentioned means and pilot testing, the researcher was incorporated the feedback of the respondents into designing of the final survey questionnaire. So, after passing this all process, the research instrument was distributed to the respondents.

3.6.2. Reliability

The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure (Zikmund, 2003). In this study, the reliability of the items in the instrument was measured using Cronbach's alpha which is the most frequently used reliability test to measure internal consistency when using the Likert scale. According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those values in the .70 are considered as acceptable and that reliability value less than .60 is considered being poor.

3.7. Data Analysis Methods

The primary data which was collected through self-administrated questionnaire was analyzed using both descriptive and inferential analysis. In order to do so, Statistical Package for Social Sciences (SPSS) software version was employed. In order to test the reliability and validity of the instrument; factor analysis and Cronbach's alpha tests also used.

Descriptive statistics is used mainly to organize and summarize the demographic and general data of the respondents and enterprises. It calculate percentage, frequency, mean, and standard deviation.

Whereas, inferential statistics move beyond the description of a specific observation to make inferences about the larger population from which the sample was drawn. It also used for testing

hypothesis and investigated research objectives. In this study, different types of inferential statistics were employed. Thus, the Pearson Correlation was used to explore the relationship between change management practice and organizational development variables. Likewise, multiple regression analysis used to measure the magnitude effect of change management practice on performance of organizational development. At the end, the quantitative data also presented in the form of tables, graphs, and charts as desire so as to make all the data readable and understandable.

3.8 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). Therefore, this study was governed by the general rules of research ethics in such a way that, the respondents were requested to provide information on voluntary basis, there was prior communication about the purpose of the study, and confidentiality of the information also guaranteed. Furthermore, attempts were made to bring clarity in the questionnaire to best fit with the industry context. Lastly, the questionnaires distributed only to voluntary participants.

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CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

The main objective of the study has been to examine the impact of change management practice on organizational development by formulating hypothesis with the five independent variables. In order to meet the objective of the study, the data that were gathered from the primary source using questionnaire was analyzed, presented, and interpreted, testing of the research instruments descriptive ,correlation and regression was analyzed in detail in this section.

4.1. Data Editing and Coding

Once the primary data was collected, prior to the analysis, the questionnaire was reviewed and it was to certify that if questionnaires were filled appropriately. Any incomplete or missing responses were rejected from the subsequent analysis. The steps which stated in the data analysis section such as coding, eliminating coding and data entry error, known as “data cleansing”, Rubin & Babbie (2010) was performed in this research.

4.2 Response rate of respondents

Table 2: Respondents’ response rate

Sample Size	360
Collected	329
Remain uncollected	31
Discarded	9
Usable	320
Response Rate	89%

Source: Own Survey Result, 2022

As shown in table 2 above, about 89% response rate, 360 questionnaires were distributed to respondents and 320 were appropriately filled and returned with the rate of 89%. According to Cooper and Schindler (2014), 50% response rate is adequate for analysis, while 60% is good and 70% and above is excellent response rate for analysis. Therefore, with this response rate, eighty nine (89%) is excellent to the next data analysis is undertaken.

4.3. Testing of the Research Instruments

The researcher has undertaken examination analysis to evaluate the effect of the independent variables on the dependent variable, the researcher undertook the validity and reliability test to assure the research instruments was valid besides reliable.

4.3.1. Validity Test

Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it (Kothari, 2004).

As it is stated in the methodology part, for the sake of assuring the validity of the research instrument, all the variables were adopted from previous research works. In order to look over the overall content validity of the instrument such as clarity, length & wording of all variables (items) were inspected by expertise in the area. To increase the degree of clarity & understandability, the English version questionnaire has simplified as much as possible. Furthermore, the researcher also conducted a pilot test of the questionnaire among ten different types of managers of South Addis Abeba Region to gather feedbacks towards enhancing the validity of the instruments in line with content validity. Besides, the researchers acquired and incorporated the opinions of the senior managers of grade one branches in order to enhance the research instrument validity.

4.3.2. Reliability Test

Reliability is the quality of being trustworthy or of performing consistently well and also the extent to which a measurement gives results that are consistent and fundamentally concerned with issues of consistency of measures (Bryman and Bell, 2003). Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is one-dimensional. If, in addition to measuring internal consistency, you wish to provide evidence that the scale in question is one-dimensional, additional analyses can be performed. Exploratory factor analysis is one method of checking dimensionality. Technically speaking, Cronbach's alpha is not a statistical test – it is a coefficient of reliability (or consistency). Cronbach's alpha

can be written as a function of the number of test items and the average inter-correlation among the items. Below, for conceptual purposes, we show the formula for the Cronbach's alpha:

$$\alpha = \frac{Nc^-}{v^- + (N-1)c^-}$$

- Here
- ♦ N is equal to the number of items,
 - ♦ c^- is the average inter-item covariance among the items and
 - ♦ v^- equals the average variance.

One can see from this formula that if you increase the number of items, you increase Cronbach's alpha. Additionally, if the average inter-item correlation is low, alpha will be low. As the average inter-item correlation increases, Cronbach's alpha increases as well (holding the number of items constant). Cronbach's alpha, α (or coefficient alpha), developed by Lee Cronbach in 1951, measures reliability, or internal consistency. "Reliability" is another name for consistency. Tau-equivalent reliability, also known as Cronbach's alpha or coefficient alpha, is the most common test score reliability coefficient for single administration. (https://en.wikipedia.org/wiki/Cronbach's_alpha). According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability, 0.5 is sufficient, and if α is smaller than 0.3, then it implies that there is low reliability.

Accordingly, the overall Cronbach's alpha result of the 31 items in the study (5 TCMP items, 5 CCMP items, 6 SCMP items, 5 SCMP promotion items, 4 OCMP and 6 OD performance items) was 0.802 which is higher than the minimum alpha value set as acceptable (i.e. 0.70). A rule of thumb for interpreting alpha for dichotomous questions (i.e. questions with two possible answers) or Likert scale questions is:

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

The Cronbach's alpha result of each item used in the questionnaire is shown in the following table.

Table 3: Cronbach's Alpha Test for Reliability Source: Own Survey Result, 2022

Reliability Statistics		
	Cronbach's Alpha	N of Items
Technological CMP	.825	5
Cultural CMP	.762	5
Structural CMP	.774	6
Strategic CMP	.803	5
Operational CMP	.736	4
Organizational Development	.710	6
Overall Reliability	.802	31

4.4. Descriptive Analysis

4.4.1. Demographic Characteristics of the Respondents

Demographic factors are very important indicators of performance in any organization and are the basis for research questionnaire turnout. Even though demographic characteristics are not having great influence on this study, the researcher considers some of them which are believed to have correlation to the study. Hence, the demographic characteristics of gender, age, education, experience, number of branch staffs, and the extent to use marketing strategy are emphasized.

Variables	Categories	Outcomes	
		Frequency	Percentage
Gender of the Respondents	Male	238	74
	Female	82	26
	Total	320	100.0
Age of the Respondents	21-30	85	27
	31-40	195	61
	41-50	32	10
	Over 50	8	2
	Total	320	100.0
Educational Status	Less than secondary school		
	Certificate Diploma	22	6.88
	First Degree	272	85
	Second Degree and Above	26	8.12
	Total	320	100.0
Experience in the bank	6-10 years	82	25.63
	11-15 years	204	63.75
	Over 15 years	34	10.62
	Total	320	100.0

Table 4 Descriptive Analysis
Source: Own Survey Result, 2022

The above table is designed to display the respondent's demographic and general information outcome.

As shown in table 4 above, concerning gender distribution of respondents, seventy four (74%) were males whereas twenty six (26%) were males. This shows that the majority of the respondents were male and one can generalize that the majority of managerial position are occupied by male.

According to the age of respondents, as shown in the table 4. above, sixty one (61%) were in age group of 31-40 followed by the age group of 21-30 which accounted for 27%. The rest 12%, were found between the age bracket of 41-50 years, ≥ 50 years, respectively. This implies that the majority of the respondents 'of managerial position were youngsters. Therefore, from this result, the researcher understood that the young aged managers are strong to offer more skills and they were viewed as being productive in their area of specialization.

According to the educational status of the respondents, as shown in table 4 eighty five (85%) of them were First Degree holders, eight point twelve (8.12%) of them were second/Master's Degree and above holder, while, the rest six point eighty eight (6.88%) were Diploma holders. Therefore, this result implies that the majority of the respondents were university graduates therefore they have good managerial capabilities & operational skills.

Regarding the number of service years or experience, shown in table 4 above about sixty three point seventy five (63.75%) of the respondents indicated that they had a working experience of 11-15 years in the bank. While, twenty five point sixty three 25.63% of them had 6-10 years' experience, and the rest ten point sixty two (10.62%) are above 15 years of experience. Therefore, this result indicated that most of the respondents are youngsters', energetic and well experienced to enhance the change management practice as well as to cope up with this dynamic working environment.

4.4.2. Descriptive Analysis of the Variables

Descriptive Statistics are used to present quantitative descriptions in a manageable form. They are used to describe the basic features of the data in a study. It provides simple summaries about the sample and the measures. The researcher used descriptive statistics to present quantitative descriptions in a manageable form; each descriptive statistic reduces lots of data into a simpler summary (Gelman, 2007).

4.4.2.1 Descriptive Analysis of Technological Change Management Practice

S/no	Statement	N	MEAN	SD
2.1.	Technological Change Management Practice			
1	New and improved ways to do work enable us continually encouraged and adopted.	320	3.91	0.777
2	I desire to maintain the status quo rather than accepting the new technological changes	320	3.35	1.217
3	Transfer of behavioral science technology applied allow us through innovation & invention to facilitate the change process.	320	4.03	1.037
4	Banks currently operate in a rapidly technological changing environment as compared to the previous years.	320	4.12	0.984
5	The rapidly changing environment motivates banks to be more proactive in generating new ideas adoption new technologies & creation new products.	320	4.2	0.623
	Over all Mean		3.92	
	overall standard deviation			0.430

Discussion and Interpretation on technological change management practices

As showed in the table 4.4.2.1 above the highest response rate is that the rapidly changing environment motivates banks to be more proactive in generating new ideas adoption new technologies & creation new products holding (mean value of 4.2, 0.623 STD). This shows that, the workers are more proactive to practice the change in their organization. Banks currently operate in a rapidly technological changing environment as compared to the previous year's affects the change practices having the highest rate response of (mean value of 4.12 with STD of 0.984) this also indicated that the bank is cope up with rapid technological change. In contrast, the respondents of the bank desire to maintain the status quo rather than accepting the new technological changes for the change practices holding (mean value of 3.35 with STD 1.217). This shows that there is change resistance in the bank. New and improved ways to do work enable the respondent's to continually encouraged the response rate of this shows (mean value of 3.9 ,SD value of 0.777)this indicates the bank adopted to new & improved ways of work. Besides the transfer of behavioral science knowledge also the highest response rate of (mean value 4.03, SD value of 1.217) this shows that the bank implement behavioral science knowledge properly.

4.4.2.2 Descriptive Analysis of Cultural Change Management Practice

2.2.	Cultural Change Management Practice	N	MEAN	SD
1	Emphasizes the influence of cultural capital on individual and community behavior to enhance the change process	320	4.21	0.652
2	The integration of the bank between multinational banks & nations that is globalization causes different cultures copy each other, resulting in a new constructive culture	320	3.83	0.879
3	The good working culture of the bank permit us to create a social network or engagement map that includes people you intentionally and regularly connect with, which aligned with the strategic change.	320	3.80	0.738
4	The bank encourages employees to adopt behaviors and mindsets that are consistent with the organization's values and goals.	320	3.85	0.943
5	The bank can implement positive organizational cultures like Transparency, Accountability, Respect and Trust among employees to create harmonies environment	320	3.58	0.995
	Over all Mean		3.85	
	overall standard deviation			0.455

Discussion and Interpretation on Cultural Change Management Practices

Concerning the influence of cultural capital on individual and community behavior having (mean value of 4.21 with STD value of 0.652) this implies that the bank has potential to influence the community on its constructive cultural behavior. The other integration of the bank between multinational banks & nations that is globalization causes different cultures copy each other, resulting in a new constructive culture also the highest (mean value of 3.83, SD value of 0.879) that implies the bank can adopt new ideas & good cultures from multinational banks. The good working culture of the bank permit the staffs to create a social network with their customers and the bank encourages employees to adopt behaviors and mindsets that are consistent with the organization's values and goals shows the highest result of (mean value of 3.80 SD value of 0.738)and(mean value of 3.85 ,SD value of 0.943) respectively, these indicated that the bank has good bondage with society which is created from good working culture. Finally as per the result of (mean value of 3.58, SD value of 0.995) shows that the bank can implement positive organizational cultures like Transparency, Accountability, Respect and Trust among employees to create harmonies environment.

4.4.2.3 Descriptive Analysis of Structural Change Management Practice

2.3.	Structural Change Management Practice	N	ME AN	SD
1	There are people in the team of the change with strong positional power, broad expertise and high credibility enhance the change process	320	3.85	0.847
2	Two way communications about the change are provided to the impacted employees timely and accurately.	320	3.97	0.769
3	The right people are selected and assigned at the right place in the bank to form the guiding coalition	320	3.39	1.100
4	The right people are recruited, promoted and developed to promote change	320	3.46	1.244
5	All levels of management are actively involved and participate in change process.	320	3.46	1.023
6	Chain of command that is clear, fast and reliable to enhance the change process.	320	4.10	0.785
	overall mean		3.71	
	overall standard deviation			0.523

Discussion and Interpretation on Structural Change Management Practice

Chain of command that is clear, fast and reliable to enhance the change process holding the highest (mean value of 4.10 with STD of 0.785). This indicated that, the bank is highly adopting transparent chain of command not only this but also the second highest (mean value of 3.97 and SD 0.769) that is two way communications about the change are provided to the impacted employees timely and accurately this clearly indicates there is fast and transparent decision making process in the bank.

Moreover; as respondents rated the bank has high attention in maintaining the right people are selected and assigned at the right place in the bank to form the guiding coalition and the right people are recruited, promoted and developed the change process scoring (mean value of 3.39 with STD of 1.100) and (mean value of 3.46, SD of 1.244) respectively, these indicated that the bank seriously focused on human resources management. All levels of management are actively involved and participate in change process and there are people in the team of the change with strong positional power, broad expertise and high credibility enhance the change process which are both holding (mean value of 3.85, with SD of 0.847) and (mean value of 3.46 SD of 1.023) respectively, indicate the bank has selected expertise, skilled and experienced man power in the change process.

4.4.2.4 Descriptive Analysis of Strategic Change Management Practice

2.4.	Strategic Change Management Practice	N	MEAN	SD
1	Effective strategies are constructed to deliver the vision	320	3.88	0.958
2	There are different strategies to reduce the hindrance to change and reinforce the support of the change	320	3.95	0.776
3	The bank has a clear strategic plan of managing change.	320	4.03	0.734
4	A sense of urgency is created to reinforce the need for change within the bank which is aligned with strategic vision.	320	3.78	0.883
5	Our marketing strategies enable us to attain customer satisfaction & loyalty	320	3.73	0.921
	overall mean		3.87	
	overall standard deviation			0.526

Discussion and Interpretation on Strategically Change Management Practice

In order to assess the effectiveness of the strategies on the organizational development of the bank under study the following listed performance indicators that the bank has a clear strategic plan of managing change and effective strategies are constructed to deliver the vision rated the highest score of (mean value of 4.03 with STD of 0.734) and (mean value of 3.88, SD of 0.958) respectively. These result indicted that there is effective and clear strategies as well as strategic plan in the bank .More ever, the bank also implement different strategies to reduce the resistance of change and reinforce the support of the change as per the respondent's response rate of holding (mean value of 3.95 with STD of 0.776).Finally the bank used good marketing strategies which enable the staffs to attain customer satisfaction & loyalty and created sense of urgency to reinforce the need for change as per the respective response rate of (mean value of 4.03 with STD of 0.734) and (mean value of 3.88, SD of 0.958).

4.4.2.5 Descriptive Analysis of Operational Change Management Practice

2.5.	Operational Change Management Practice	N	MEAN	SD
1	Employees are provided with initial guidance and encouragement to get things going on the right track.	320	3.78	0.851
2	Facts, figures and evidences are provided to persuade employees for change	320	3.78	0.693
3	Customer service excellence clearly applied on your bank in the change management practice	320	3.67	0.865
4	Customer oriented operational, marketing system must adopted on the change management practice of the bank.	320	3.84	0.988
	overall mean		3.77	
	overall standard deviation			0.602

Discussion and Interpretation on Operational Change Management Practice

The bank can most successfully manage the change practice on Customer oriented operational, marketing system to enhance the change process which shows the highest response rate of holding (mean value of 3.84 ,and SD value of 0.988).This clearly indicated that customer oriented operational service enhance the organizational development of the bank. More ever, Customer service excellence clearly applied on awash bank in the change management practice as per the holding (mean value of 3.67,and SD 0.865 value of).The respondents rated (mean value of 3.78 ,and SD value of 0.851) and (mean value of 3.78 ,and SD value of 0.693)that implies the bank has sufficient attention on employees who are provided with initial guidance and encouragement to get things going on the right track and facts, figures and evidences are provided to persuade employees for change, therefore these clearly indicated operational change management practice is properly implemented in the bank.

4.4.2.6 Descriptive Analysis of Organizational Development

S/no	Organizational Development Performance	N	MEAN	SD
1	Focus on the whole organization so that it can respond to change effectively through change agents.	320	4.00	0.862
2	System orientation: The bank focuses on all the parts of the organization as they affect each other. Emphasis on how parts relate, not on the parts themselves.	320	3.95	0.927
3	The bank exercise Problem Solving & Learning by experience rather than discussing it theoretically of human problems they face on the job.	320	4.07	0.907
4	Contingency orientation: The bank is usually said to be situational and contingency oriented which is flexible and pragmatic,	320	3.95	0.962
5	There is group process in the bank which relies on the group discussion, inter group conflicts solving and process of cooperation to build team spirit.	320	4.07	0.922
6	Does the bank had succession planning strategies which allocates the right people for the right job at the right time	302	3.53	1.038
	overall mean		3.84	
	overall standard deviation			0.351

Discussion and Interpretation on Organizational Development Performance

As the response rate of the respondents holding (mean value of 4.07 , and SD value of 0.907) and (mean value of 4.07, and SD value of 0.922) show respectively the bank can most successfully exercise Problem Solving & Learning by experience as well as group process in the bank which relies on the group discussion to build team spirit. As respondents rated the bank has high attention in focusing on the whole organization so that it can respond to change effectively through change agents scoring (mean value of 4.00 with STD of 0.862). This shows that very important element for the success of managing change is the ability to focus on the whole from top to bottom unless one can negatively affect the other besides, the respondents rated (mean value of 3.95 with STD of 0.927) that the system orientation is also implemented in the bank which focuses on all the parts of the organization as they affect each other. Emphasis on how parts relate, not on the parts themselves. As per the response rate of the respondents (mean value of 3.95 with STD of 0.962) indicated that the bank is Contingency orientation which means situational, flexible and pragmatic. Finally questions which are rated by respondents shows (mean value of 3.53 with STD of 1.038) which indicated that the bank had succession planning strategies which allocates the right people for the right job at the right time

Based on these parameters, as it has shown in the above table 4.4.2.6 all the research variables fall in the category of the range between 3.51 and 4.50 which means respondents have a good opinion (agree) on that the organizational development variables. Likewise, all statements scored relatively low scales of standard deviation which tells us that the data are narrowly spread. This means that the respondents have a close opinion regarding each variable of the study.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	SD
Technological CMP	320	1.60	5.00	3.8215	.68410
Cultural CMP	320	1.30	5.00	3.8445	.70012
Structural CMP	320	1.50	5.00	3.8575	.65750
Strategic CMP	320	1.83	5.00	3.9329	.68928
Operational CMP	320	1.50	5.00	3.9440	.66839
Organizational Development	320	1.25	5.00	3.9491	.73314
Valid N (list wise)	320				

For interpretation of the above descriptive data, the researcher adopted measurement scale intervals or range from Poonlar Btawee, 1987. Based on Btawee, mean scores ranging from

4.51 to 5.00 consider as “excellent or very good”, 3.51- 4.50 as “good”, 2.51-3.50 as “average or moderate”, 1.51-2.50 as “fair” and 1.00-1.50 as “poor”.

Based on these parameters, as it has shown in the above table 6, all the research variables fall in the category of the range between 3.51 and 4.50 which means respondents have a good opinion (agree) on that the change management practice variables have an impact on the performance of organizational development. Likewise, all variables scored relatively low scales of standard deviation which tells us that the data are narrowly spread. This means that the respondents have a close opinion regarding each variable of the study.

4.5. The relationship between Change Management and Organizational Development: the case of Awash Bank

4.5.1: Analysis of Relationship (Correlation)

Correlation Analysis is statistical method that is used to discover if there is a relationship between two variables/datasets, and how strong that relationship may be. (Emily James 2016) A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r , which is a measure of the relationship between two interval or ratio variables. It is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field, 2005). As per the guideline suggested by Field (2005), the strength of relationship 0.1-.29 shows weak relationship; 0.3-0.49 is moderate; >0.5 shows the strong relationship between the two variables. Hence, in this study correlation analysis was used to examine the relationships between change management practice and organizational development. Accordingly, the relationship between variables is indicated in the below table.

Table 6: Pearson Correlation

		TCMP	CCMP	SCMP	STCMP	OCMP	OD
TCMP	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	320					
CCMP	Pearson Correlation	.392**	1				
	Sig. (2-tailed)	.000					
	N	320	320				
SCMP	Pearson Correlation	.131*		1			
	Sig. (2-tailed)	.019	.000				
	N	320	320	320			
STCMP	Pearson Correlation	.036	.217**	.284**	1		
	Sig. (2-tailed)	.517	.000	.000			
	N	320	320	320	320		
OCMP	Pearson Correlation	.200**	.520**	.496**	.515**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	320	320	320	320	320	
OD	Pearson Correlation	.433**	.703**	.742**	.561**	.768**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	320	320	320	320	320	320

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey Result, 2022

Bivariate Correlation is a statistical technique that is used to determine the existence of relationships between two different variables which indicates that whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable increases, the other variable decreases). Accordingly, as indicated in the above table, the correlation matrix, all of the independent variables (Technological, cultural, structural, strategic & operational change variables) were positively and strongly correlated with the dependent variable (organizational development). The first highest strong coefficient of correlation in this research is between relationship operational change management variable and OD ($r=0.768$, $p \leq 0.01$). It connotes that there is a strong, positive, and significant relationship between operational change variable and OD. The second highest strong coefficient of correlation is with the structural change management variable and organizational development which has strong positive and significant with performance ($r=0.742$, $p \leq 0.01$).

The third highest strong coefficient of correlation is with the cultural change management variable and organizational development which has strong positive and significant with performance ($r=0.703$, $p \leq 0.01$). Strategic change management & technological change

management variables have also strong, positive, and significance relationships with dependent variable (organizational development) with ($r=0.561, p \leq 0.01$; $r=0.433, p \leq 0.01$; respectively). Generally, the above correlation matrix shows that all independent variables were positively and strongly correlated with the dependent variable.

As we have seen from the correlation table the value of Sig (2-Tailed), the numbers next to Sig. (2-tailed) shows that all are (.000). The convention implies that, if this value is less than .05, then the correlation is considered to be significant (meaning that the researcher can be 95% confident that the relationship between variables is not due to chance). Therefore, the researcher can connote that there is a significant correlation between the independent variables (predictor variables) and dependent variable.

4.6. The Effect of Change Management Practice on Organizational Development: the case of Awash Bank

4.6.1 Effect Analysis (Regression)

Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum, 1997). To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that he/she influences. The investigator also typically assesses the “statistical significance” of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007). In this study, the researcher was tried to test the assumptions before running the regression analysis.

4.6.2. Tests of Assumptions for Regression Model

The test of assumptions should be done because the violations of the assumptions affect consequent use of multivariate statistical methods (Hair et al., 2006). Therefore, Hair et al., (2006) suggested that several assumptions regarding the utilization of multivariate statistical tools, namely normality, homoscedasticity, linearity, and multi collinearity should be applied before performing any multivariate analysis. Accordingly, the researcher has tried to confirm that the obtained data truly represented the sample and obtained the best results.

4.6.3. Effect of the independent & dependent variables Regression result

4.6.3.1 Test of Normality

Hair et al. (2006) noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables’ levels of skewness and kurtosis is one of the method will determine Normality. In fact, Skewness provides an indication of the symmetry of the distribution. Kurtosis turns to the peaked ness or flatness of the distribution relative to the normal distribution.

Accordingly, the normal distribution is detected based on skewness and kurtosis statistics. As proposed by George and Mallery (2010) the acceptable range for normality for both statistics is

between -2 and +2. Therefore, as depicted in table 8 below, all variables values of Kurtosis and Skewness are almost within the acceptable range for normality. So, this implies that all items show close to normal distribution considering the criteria of Skewness and kurtosis values between -2 and 2. Therefore, the data used in this study was normally distributed.

**Table 7. Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)
Descriptive Statistics**

Variables	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
TCMP	320	.077	.136	-.501	.272
CCMP	320	-.404	.136	1.734	.272
SCMP	320	-.214	.136	.493	.272
STCMP	320	-.122	.136	-.602	.272
OCMP	320	-.263	.136	.138	.272
OD	320	-.391	.136	1.285	.272
Valid N (list wise)	320				

Source: Survey Result, 2022

4.6.3.2 Multi-collinearity

Multicollinearity occurs when two or more of the independent variables are highly correlated that certain mathematical operations are impossible. The correlation between independent variables was such that multicollinearity is not a concern because multicollinearity will be created while results of the correlation coefficients are above 0.80 and to be considered-very high (Hair et al. 2006).

4.6.3.3 Multiple Linear Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regressions was conducted in order to determine the explanatory power of the independent variables (Technological, cultural, structural, strategic & operational change variables) to identify the relationship and to determine the most dominant variables that influenced the organizational development. The significance level of 0.05 with 95% confidence interval was used. The reason for using multiple regression analysis was to assess the direct

impact of change management practice variables on the organizational development. Table 9 shows the model summary of the regression analysis.

Table 8: Model Summary for OD Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.957 ^a	.916	.915	.10273	.916	76.744

a. Predictors: (Constant), Technological change, cultural change, structural change, strategic change & operational change

b. Dependent Variable: OD Performance

Source: Survey Result, 2022

The above regression model presents how much of the variance in the measure of Bank's organizational development is explained by the underlying change management practices. Furthermore, to explain R, R², adjusted R² in detail:-

R: Indicates the value of the multiple correlation coefficients between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predicts the observed value (Pedhazur, 1982). From the model summary (R=.957^a) indicated that, the linear combination of the five independent variables (Technological change, cultural change, structural change, strategic change & operational change) strongly predicted the dependent variable (OD Performance).

R Square (R²): Indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word, R² is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R² also range from 0 to 1 (Pedhazur, 1982). The linear combination of change management variables or predictors" i.e. (Technological change, cultural change, structural change, strategic change &

operational change) explains 91.6% of the variance in bank’s OD and the remaining 8.4% is explained by extraneous variables, which have not been included in this regression model. On another word, 91.6% of the variation in the bank’s performance is explained by the changes in the aforementioned independent variables while the rest 8.4% is explained by other factors.

Adjusted R Square (R^2): The adjusted R^2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R^2 . That means it adjusts the value of R^2 to more accurately represent the population under study (Pedhazur, 1982). The difference for the final model is small (in fact the difference between R^2 and Adjusted R^2 is $(0.916 - 0.915 = 0.001)$ which is about 0.1%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.1% less variance in the outcome.

Table 9: ANOVA of ODs Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.061	5	7.212	683.422	.000 ^b
	Residual	3.314	314	.011		
	Total	39.375	319			

a. *Dependent Variable: Organizational Development*

b. *Predictors: (Constant), Technological change, Cultural change, Structural change, Strategic change & operational change Source: Survey Result, 2022*

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). As indicated in the above table, the p-value is less < 0.05 i.e. 0.000 which indicates the variation explained by the model is not due to chance. So, the above ANOVA table shows the acceptability of the model. As indicated in table 10, the researcher can connote that R, R^2 , and Adjusted R^2 conducted for the multiple regression predict the OD performance based on the linear combination of change management practice independent variables is statistically significant.

F-Ratio: F-ratio determines whether the model is a good fit for the data. The F-ratio is calculated by dividing the average improvement in prediction by the model (MSM) by the average difference between the model and the observed data (MSR). If the improvement due to

fitting the regression model is much greater than the inaccuracy within the model then the value of F will be greater than 1 and SPSS calculates the exact probability of obtaining the value of F by chance (Pedhazur, 1982). The F-ratio for the above model is 683.4, which is very unlikely to have happened by chance.

4.6.3.4 The Regression Coefficient

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 10: Summary of Coefficient on ODs Performance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.156	.073		2.146	.033
	TCMP	.177	.015	.217	12.148	.000
	CCMP	.200	.016	.259	12.344	.000
	SCMP	.272	.013	.405	20.913	.000
	STCMP	.155	.013	.247	12.866	.000
	OCMP	.153	.013	.262	11.433	.000

a. Dependent Variable: ODs Performance

Source: Survey Result, 2022

The marked column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column “beta” are the values for the regression coefficients for TCMP, CCMP, SCMP, STCMP, and OCMP. In the multiple regressions, the standardized regression coefficient Beta (β) is useful, because it allows us to compare the relative strength of each independent variable's effect on the dependent variable (Pedhazur, 1982).

The above coefficient table shows the constant beta value (β) and the p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: .033, 0.000, 0.000, 0.000, 0.000, and 0.004 their standardized coefficients are 0.217, 0.259, 0.405, 0.247 & 0.262, respectively. The p-value of all the independent variables are below 0.05. This implies that the independent variables have a significant relationship with the dependent variable (ODs Performance).

Based on these results, the regression equation that predicts ODs performance based on the linear combination of TCMP, CCMP, SCMP, STCMP, and OCMP is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

$$Y = .156 + 0.217X_1 + 0.259X_2 + 0.405X_3 + 0.247X_4 + 0.262X_5 + e$$

Where: Y= ODs Performance (Dependent Variable)

β_0 = Intercept

$\beta_1, \beta_2, \beta_3, \beta_4,$ and β_5 = Coefficients of the line

X_1 =Technological change

X_2 = Cultural change

X_3 =Structural change

X_4 =Strategic change

X_5 =Operational change

e= Sampling error

This result indicates, first, the intercept is .156 when all independent variables have a value of zero. Then, moving through the equation, holding Technological change, Cultural change, Structural change, Strategic change, and Operational change constant, the TCMP increase the Performance of ODs by 0.217 for each additional TCMP level increment. The p-value for this

coefficient is statistically significant ($p < .05$), meaning that TCMP is a significant predictor of ODs performance. Accordingly, the finding revealed that the first hypothesis which states TCMP has the positive significant effect on the performance of ODs“ is supported by the data collected on this survey as ($p\text{-value} < 0.05$; $\beta = 0.217$) hence, the alternative hypothesis is confirmed.

The second hypothesis which states the cultural change has positive significant effect on the performance of ODs“ is also supported because the P-value of cultural change is below 0.05 which is ($P < 0.05$; $\beta = 0.259$) hence the cultural change has the significant positive effect on the performance of ODs; thus the alternative hypothesis is confirmed.

The third hypothesis which states, the structural change has the positive significant effect on the performance of ODs“ is supported; because the P-value is 0.000 which is less than 0.05, hence structural change has the insignificant relationship with the performance of ODs. Besides, the regression analysis shows that the structural change has strong and significant positive effect on the performance of ODs ($\beta = 0.405$; $P < 0.05$); hence, the alternative hypothesis is confirmed.

The fourth hypothesis which states, the strategic change has the positive significant effect on the performance of ODs“ is also supported because the P-value is 0.000 which is less than 0.05; hence, strategic change has the significant relationship with OD performance. Besides, the regression analysis shows that, the strategic change has positive as well as the significant positive effect on the performance of ODs ($\beta = 0.247$; $P < 0.05$).

Finally, the regression coefficient finding indicates which states the operational change has positive significant effect on the performance of ODs“ is also confirmed because the P-value of operational change is 0.000 which is ($\beta = 0.262$; $P < 0.05$) hence, the operational change has the significant positive effect on the performance of ODs; thus the alternative hypothesis is supported.

4.7 Discussion of the Result based on Regression analysis output

This study was aimed to examine the effect of change management practices on organizational development performance in the private banks. As indicate in the above table 10, all of the regression coefficients (Beta Coefficients) between the change management and organizational development have positive values. Hence, there were no inverse relationships between the change management and organizational development.

Structural change management is the strongest predictor or has the most significant effect on the OD and $p < .05$). The Beta Coefficient result of 0.405 signifies that for a 1 unit change in the independent variable (Structural change), the dependent variable (OD) will change by 0.405 units on OD performance.

The second strongest predictor is operational change management ($\beta = 0.262$; $P < .05$). The Beta Coefficient result of 0.262 signifies that for a 1 unit change in the operational change management, the OD performance of banks will change by 0.262 units.

The third strongest predictor is cultural change managements at ($\beta = 0.259$; $P < .05$). The result of the study indicated that the Beta Coefficient result of 0.259 signifies that for a 1 unit change in cultural change management variable, the dependent variable (OD) will change by 0.259 units.

The fourth predictor of performance is strategic change management at ($\beta = 0.247$; $P < .05$). The Beta Coefficient result of 0.247 signifies that for a 1 unit change in strategic change management variable, the dependent variable (OD) will change by 0.247 units.

The fifth predictor of performance is technological change management at ($\beta = 0.217$; $P < .05$). The Beta Coefficient result of 0.217 signifies that for a 1 unit change in technological change management variable, the dependent variable (OD) will change by 0.217 units.

Table 11: Summary of Hypothesis Testing based on multiple regression analysis.

Hypothesis	Analysis Used		Findings	Result
H ₁	Multiple Regression	$\beta = 0.217$; $p < .05$	Positive Significant	Supported
H ₂	Multiple Regression	$\beta = 0.259$; $p < .05$	Positive Significant	Supported
H ₃	Multiple Regression	$\beta = 0.405$; $p < .05$	Positive Significant	supported
H ₄	Multiple Regression	$\beta = 0.247$; $p < .05$	Positive Significant	Supported
H ₅	Multiple Regression	$\beta = 0.262$; $p < .05$	Positive Significant	Supported

Source: Survey Result, 2022

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The researcher has tried to examine the impact of change management practice on organizational development in this study. This chapter presents the major findings of the study, conclusions, recommendations, and limitations and suggestions for future research. Accordingly, the first section of this chapter described the findings of the study that presents a brief summary, and the conclusion drawn from it. Lastly, the followed section of this chapter reveals the recommendations for the findings and highlights the direction for further studies.

5.1 Summary of Major Findings

Demographic characteristics of the respondents and general information:

- The proportional segregation of the respondents were majority male (74%) and the rest (26%) were females
- From the total respondents, more than half (61%) of them were aged in the range of 31-40 followed by the age bracket of 21-30 which accounted for 27%.
- Educational segregation of the respondents are majority (85%) of them were First Degree holders, 8.12% were Master's Degree holders, while the rest were diploma.
- Regarding their work experience more than half (63.75%) of the respondents have 11-15 years of experience in the bank. While, 25.63%, have 6-10 years' experience 10.62% greater than 15 years' experience.

5.2 General Information

The average descriptive statistics for organizational development (dependent variable) result has shown that the mean score was above the midpoint i.e. 3.8428 of the Likert scale which implies that it inclined to agree. The result of independent variables of descriptive statistics has shown that the mean score of change management practice variables (independent variables) i.e. technological change, Cultural change, Structural change, Strategic change & Operational

change has been 3.9225, 3.8519, 3.7066, 3.8738, 3.7664, 3.82, and 3.8428, respectively. The result indicated that the highest mean score from the independent variable is 3.9225 for technological change and the lowest mean score is 3.7066 for Structural change. Therefore, the bank had better on building the technological innovation as compared to the rest independent variables.

The result of the correlation analysis has shown that, the five independent variables: Technological change, Cultural change ,Structural change ,Strategic change & operational change ” have the strong correlation with dependent variable “Organizational Development” with 95% confidence interval & at 0.01 p-value 2-tailed, by scoring a Pearson Correlation Coefficient “R-value” of 0.433**,0.703**, 0.742**, 0.561**,and 0.768**. Even though all variables were highly correlated with the dependent variable, there was the difference in their strength of the relationship.

Finally, the regression analysis result revealed that all independent variables were statistically significant at p-value <.05. The score of the coefficient correlation determination (R^2) is 0.916 which indicate, 91.6% of the variability of overall performance was explained by the five independent variables. The other variables that were not considered in this study contribute only about 8.4% of the variability of organizational development. In this study, the Beta weight score indicated that the impact of structural change management which is 0.405 is greater than other independent variables. Accordingly, the study model fits regression equation become

$$Y=.156+0.217X_1+0.259X_2+0.405X_3+0.247X_4+0.262X_5e$$

5.3 Conclusions

Banks are currently operating in a rapidly changing environment as compared to the previous years and this rapidly changing environment has motivated banks to be more proactive in generating new ideas. The study concludes that the change in banks is positive and acts as leverage for success and the change management practices used by the banks has reduced the chances of resistance associated with adoption on new ideas. In line with this, a number of empirical researchers identified the profound relationship among the banks efforts paid to change

management practice and the overall business development also the researcher undertook the appropriate scientific study with the objective to examine the impact of change management practice on organizational development. Based on this study, the following conclusions are drawn out of the research findings:

The study found that the independent variables (the selected change management practice variables) have the significant impact on the organizational development. Each one has its unique contribution and impact on the development of the banks. Its performance is proportionately depends and goes with the change management practice applied.

Correlation analysis was conducted to analyze the relationships between variables; the correlation matrix revealed that all coefficient of correlation of independent variables were positively and strongly correlated with the dependent variable. Further multiple regression analysis was also conducted to verify if the independent variables have the impact on the organizational development.

To summarize the outcome of this study: The first hypothesis which state that the Technological change has the positive significant impact on the organizational development of banks is confirmed (p -value <0.05 ; $\beta=0.217$). Which means banks are in line with the following points: this variable is very important as therefore, Technological change helps banks to focus on the innovation, digitalization and improves the performance of their organizations.

The second hypothesis which states that the cultural change has the positive significant impact on the performance of banks is confirmed; because the P-value of the cultural change is (P -value <0.05 ; $\beta=0.259$). The result of this study shows that the cultural change has the positive significant impact on the development of banks in term of public image building, harmonies working environment creation, staff turnover minimization , customer satisfaction, etc. This is because constructive organizational culture can enhance the change process of the bank, therefore, from this one can conclude that the cultural change practice has the positive significant impact on the development of the banks.

The third hypothesis which states the Structural Change Management Practice has the positive significant impact on the development of banks is confirmed; because the P-value of the Structural Change is (P-value >0.05; $\beta=0.405$). The impact of structural change on organizational development is very significant. This is because fast and reliable two way communication, flat organizational structure and decentralization of power as well as empowering staffs is very critical for fast decision making process.

The fourth hypothesis which states that the Strategic Change Management Practice has the positive significant effect on the organizational development of banks is confirmed because the P-value of the Strategic Change is (P-value <0.05; $\beta=0.247$). The impact of Strategic Change Management Practice on organizational development is very significant, because the process of managing change in a structured, thoughtful way in order to meet organizational goals, objectives, and missions. Strategic Change is necessary for organizations to continue to thrive and meet and exceed the competition of industry competitors.

Finally, the regression coefficient of the fifth hypothesis which states that the Operational Change Management Practice has the positive significant effect organizational development of banks is confirmed because the P-value of the Operational Change is (P-value <0.05; $\beta=0.262$). Therefore, the last hypothesis (H₅) is also confirmed. Based on this result, the researcher can sum up that operational change is a change to any process which affects the procedures, scheduled operations activities, output and/or functioning of the Service Delivery Model, in order to get the competitive advantage, banks must enhance the customer service excellences and serve customers efficiently to have a superior organizational development.

5.4 Recommendations

The researcher forwards the following recommendations based on the research findings and the conclusions drawn in the previous sections.

The study recommends that the bank top management and board of directors' should increase technological change on investment in innovation and transfer of behavioral science knowledge to influence the organizational development of their institutions positively.

Regarding change of culture, the study recommends that it is very useful for management of banks should develop constructive organizational culture, which contributes to improve

organizational development performance. The study also recommends that banks should adopt an organizational culture that determines how like-minded employees hold similar beliefs and values, do work related things, and that banks' management should be guided by values of consistency, adaptability and effective communication system.

To improve on strategic change leadership, the study recommends that the banks should have a very effective and highly competent leadership that is well capable to perceive the most desirable shape of an organization and address the issue of organizational change in most appropriate way. Banks should react positively to the strategic change and create a fit between operations and new internal and external contexts. The leadership and management of these processes should be critical in ensuring the banks' success

Banks must seriously focused on structural change which has a positive significant effect on the organizational development. The study also recommends that banks should adopt management systems and administrative procedures that assign responsibilities for allocation of duties for the various functions. Besides fast and reliable two way communication, flat organizational structure and decentralization of power is very critical for fast decision making process.

Operational change is also another important element which strongly predicts the development of banks. Hence, the banks s should increase the speed and accuracy of its services frequently. Nowadays, customers have become more demanding and more particular about what they want. Hence, in order to get the competitive advantage, banks must enhance the customer service excellences and serve customers efficiently in order to have a superior organizational development.

5.5 Suggestions for Future Research

The findings of this study will provide a clue for a variety of future research efforts for researchers, practitioners, and policy maker's etc. In this study, only Awash Bank was taken into consideration. So, it is recommended that a similar study will be undertaken using other banks of the same sector and make a comparative analysis.

The study recommends a focus on change management practices on performance of Awash bank in Ethiopia. Conceptually, the study analyzed only five change management variables in the analysis. The

study recommends that future studies consider an analysis of other change management variables that have not been addressed. Contextually, future studies should also consider focusing on other organizations. The study can be extended to other financial institutions such as insurance companies, micro finances & savings cooperatives which is also undergoing changes such as innovation, succession & digitization of services

It is also recommendable to examine the research model of this study in other sectors which will be helpful for generalization purposes. Hence, a potential area of future research is to examine the impact of change management practices on another industry development especially in the Ethiopian context. This research is also limited in that it only focused on the performance of firms measured on change management. Therefore, future researchers could also study the impact of change management on ROI, market share, growth, ROA, ROE, and others measures (financial, and non-financial measurements).

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Appendix I: English Version Questionnaire

1. Male

2. Female

4. Educational level of the respondent

1. Master degree and above

3. Diploma

2. Bachelor degree

4. Other please specify_____

Section II

Part II: Change Management Practice Related Questions

Please indicate how much you agree or disagree with each of the following statements by circling the number that best represents your opinion. **1** indicates strongly disagree (SDA),

2 indicates disagree (DA), **3** indicates neutral (N), **4** indicates agree (A), and **5** indicates strongly agree (SA).

S/no	Statement	SDA	DA	N	A	SA
2.1. Technological Change Management Practice						
1	New and improved ways to do work enable us continually encouraged and adopted.	1	2	3	4	5
2	I desire to maintain the status quo rather than accepting the new technological changes	1	2	3	4	5
3	Transfer of behavioral science technology applied allow us through innovation & invention to facilitate the change process.	1	2	3	4	5
4	Banks currently operate in a rapidly technological changing environment as compared to the previous years.	1	2	3	4	5
5	The rapidly changing environment motivates banks to be more proactive in generating new ideas adoption new technologies & creation new products.	1	2	3	4	5
2.2. Cultural Change Management Practice						
1	Emphasizes the influence of cultural capital on individual and community behavior to enhance the change process	1	2	3	4	5
2	The integration of the bank between multinational banks & nations that is globalization causes different cultures copy each other, resulting in a new constructive culture	1	2	3	4	5
3	The good working culture of the bank permit us to create a social network or engagement map that includes people you intentionally and regularly connect with, which aligned with the strategic change.	1	2	3	4	5
4	The bank encourages employees to adopt behaviors and mindsets that are consistent with the organization's values and goals.	1	2	3	4	5
5	The bank can implement positive organizational cultures like Transparency, Accountability, Respect and Trust among employees to create harmonies environment	1	2	3	4	5
2.3. Structural Change Management Practice						
1	There are people in the team of the change with strong positional power, broad expertise and high credibility enhance the change process	1	2	3	4	5
2	Two way communications about the change are provided to the impacted employees timely	1	2	3	4	5

	and accurately.					
3	The right people are selected and assigned at the right place in the bank to form the guiding coalition	1	2	3	4	5
4	The right people are recruited, promoted and developed to promote change	1	2	3	4	5
5	All levels of management are actively involved and participate in change process.	1	2	3	4	5
6	Chain of command must be clear ,fast and reliable to enhance the change process	1	2	3	4	5
2.4.	Strategic Change Management Practice					
1	Effective strategies are constructed to deliver the vision	1	2	3	4	5
2	There are different strategies to reduce the hindrance to change and reinforce the support of the change	1	2	3	4	5
3	The bank has a clear strategic plan of managing change.	1	2	3	4	5
4	A sense of urgency is created to reinforce the need for change within the bank which is aligned with strategic vision.	1	2	3	4	5
5	Our marketing strategies enable us to attain customer satisfaction & loyalty	1	2	3	4	5
2.5.	Operational Change Management Practice					
1	Employees are provided with initial guidance and encouragement to get things going on the right track.	1	2	3	4	5
2	Facts, figures and evidences are provided to persuade employees for change	1	2	3	4	5
3	Customer service excellence clearly applied on your bank in the change management practice	1	2	3	4	5
4	Customer oriented operational, marketing system must adopted on the change management practice of the bank.	1	2	3	4	5
Part III: Organizational Development Performance						
S/no	Organizational Development Performance	SDA	DA	N	A	SA
1	Focus on the whole organization so that it can respond to change effectively through change agents.	1	2	3	4	5
2	System orientation: The bank focuses on all the parts of the organization as they affect each other. Emphasis on how parts relate, not on the parts themselves.	1	2	3	4	5
3	The bank exercise Problem Solving & Learning by experience rather than discussing it theoretically of human problems they face on the job.	1	2	3	4	5
4	Contingency orientation: The bank is usually said to be situational and contingency oriented which is flexible and pragmatic,	1	2	3	4	5
5	There is group process in the bank which relies on the group discussion, inter group conflicts solving and process of cooperation to build team spirit.	1	2	3	4	5
6	Does the bank had succession planning strategies which allocates the right people for the right job at the right time	1	2	3	4	5

Thank You!

Appendix II: SPSS Output

A) Mean and Standard Deviation of the Variables

S/no	Statement	N	MEAN	SD
2.1.	Technological Change Management Practice			
1	New and improved ways to do work enable us continually encouraged and adopted.	320	3.91	0.777
2	I desire to maintain the status quo rather than accepting the new technological changes	320	3.35	1.217
3	Transfer of behavioral science technology applied allow us through innovation & invention to facilitate the change process.	320	4.03	1.037
4	Banks currently operate in a rapidly technological changing environment as compared to the previous years.	320	4.12	0.984
5	The rapidly changing environment motivates banks to be more proactive in generating new ideas adoption new technologies & creation new products.	320	4.2	0.623
2.2.	Cultural Change Management Practice			
1	Emphasizes the influence of cultural capital on individual and community behavior to enhance the change process	320	4.21	0.652
2	The integration of the bank between multinational banks & nations that is globalization causes different cultures copy each other, resulting in a new constructive culture	320	3.83	0.879
3	The good working culture of the bank permit us to create a social network or engagement map that includes people you intentionally and regularly connect with, which aligned with the strategic change.	320	3.80	0.738
4	The bank encourages employees to adopt behaviors and mindsets that are consistent with the organization's values and goals.	320	3.85	0.943
5	The bank can implement positive organizational cultures like Transparency, Accountability, Respect and Trust among employees to create harmonies environment	320	3.58	0.995
2.3.	Structural Change Management Practice			
1	There are people in the team of the change with strong positional power, broad expertise and high credibility enhance the change process	320	3.85	0.847
2	Two way communications about the change are provided to the impacted employees timely and accurately.	320	3.97	0.769
3	The right people are selected and assigned at the right place in the bank to form the guiding coalition	320	3.39	1.100
4	The right people are recruited, promoted and developed to promote change	320	3.46	1.244
5	All levels of management are actively involved and participate in change process.	320	3.46	1.023
6	Chain of command must be clear ,fast and reliable to enhance the change process	320	4.10	0.785
2.4.	Strategic Change Management Practice			
1	Effective strategies are constructed to deliver the vision	320	3.88	0.958
2	There are different strategies to reduce the hindrance to change and reinforce the	320	3.95	0.776

	support of the change			
3	The bank has a clear strategic plan of managing change.	320	4.03	0.734
4	A sense of urgency is created to reinforce the need for change within the bank which is aligned with strategic vision.	320	3.78	0.883
5	Our marketing strategies enable us to attain customer satisfaction & loyalty	320	3.73	0.921
2.5. Operational Change Management Practice				
1	Employees are provided with initial guidance and encouragement to get things going on the right track.	320	3.78	0.851
2	Facts, figures and evidences are provided to persuade employees for change	320	3.78	0.693
3	Customer service excellence clearly applied on your bank in the change management practice	320	3.67	0.865
4	Customer oriented operational, marketing system must adopted on the change management practice of the bank.	320	3.84	0.988
Part III: Organizational Development Performance				
S/no	Organizational Development Performance			
1	Focus on the whole organization so that it can respond to change effectively through change agents.	320	4.00	0.862
2	System orientation: The bank focuses on all the parts of the organization as they affect each other. Emphasis on how parts relate, not on the parts themselves.	320	3.95	0.927
3	The bank exercise Problem Solving & Learning by experience rather than discussing it theoretically of human problems they face on the job.	320	4.07	0.907
4	Contingency orientation: The bank is usually said to be situational and contingency oriented which is flexible and pragmatic,	320	3.95	0.962
5	There is group process in the bank which relies on the group discussion, inter group conflicts solving and process of cooperation to build team spirit.	320	4.07	0.922
6	Does the bank had succession planning strategies which allocates the right people for the right job at the right time	302	3.53	1.038

B) Descriptive analysis

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
TCM	320	3.00	5.00	3.9225	.43049	.077	.136	-.501	.272
CCM	320	2.20	5.00	3.8519	.45506	-.404	.136	1.734	.272
SCM	320	2.17	5.00	3.7066	.52263	-.214	.136	.493	.272
STCM	320	2.60	5.00	3.8738	.52624	-.122	.136	-.602	.272
OCM	320	2.00	5.00	3.7664	.60231	-.263	.136	.138	.272
OD	320	2.71	4.77	3.8428	.35133	-.391	.136	1.285	.272
Valid N (listwise)	320								

C) Correlation Result

		TCM	CCM	SCM	STCM	OCM	OD
TCM	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	320					
CCM	Pearson Correlation	.392**	1				
	Sig. (2-tailed)	.000					
	N	320	320				
SCM	Pearson Correlation	.131*	.419**	1			
	Sig. (2-tailed)	.019	.000				
	N	320	320	320			
STCM	Pearson Correlation	.036	.217**	.284**	1		
	Sig. (2-tailed)	.517	.000	.000			
	N	320	320	320	320		
OCM	Pearson Correlation	.200**	.520**	.496**	.515**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	320	320	320	320	320	
OD	Pearson Correlation	.433**	.703**	.742**	.561**	.768**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	320	320	320	320	320	320

D) Reliability Test

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TCM	19.0414	3.656	.282	.427	.825
CCM	19.1120	3.131	.600	.589	.762
SCM	19.2574	3.033	.549	.701	.774
STCM	19.0902	3.218	.429	.524	.803
OCM	19.1975	2.590	.698	.640	.736
OD	19.1211	3.021	.950	.916	.710

E) Regression Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
	1(Constant)	.156	.073				2.146	.033	.013	.299
TCM	.177	.015	.217	12.148	.000	.148	.206
CCM	.200	.016	.259	12.344	.000	.168	.231
SCM	.272	.013	.405	20.913	.000	.247	.298
STCM	.165	.013	.247	12.866	.000	.140	.190
OCM	.153	.013	.262	11.433	.000	.127	.179

a. Dependent Variable: OD

F) Multiple Linear Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.957 ^a	.916	.915	.10273

a. Predictors: (Constant), OCM, TCM, SCM, STCM, CCM

G) ANOVA Result

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.061	5	7.212	683.422	.000 ^b
	Residual	3.314	314	.011		
	Total	39.375	319			

a. Dependent Variable: OD

b. Predictors: (Constant), OCM, TCM, SCM, STCM, CCM