

**CHAPTER XII**  
**STRATEGIES, ACTION PLANS AND TECHNIQUES UTILIZED IN THE**  
**ORGANIZATION TRANSFORMATION PROCESS**

**12.1 INTRODUCTION**

This chapter provides more background to the organization where the research was conducted and explains the unfolding of another one of the change stages as discussed in Chapter VI. The information gathered during the diagnostic phase is discussed with reference to the new products, information technology, human resources, the management team, modernization of support systems, internal communication, marketing and public relations, desired leadership and culture as discussed in the Land Bank Prospectus of 1998. This led to specific action plans, strategies and techniques which are discussed and critically reviewed in this chapter.

**12.2 THE DIAGNOSTIC PHASE**

The National Consolidation Conference completed the initial diagnostic phase that was built on the new mandate from government. This resulted in a transformation action plan and strategy.

In the previous chapter the participative diagnostic process was discussed. The information and data gathered are discussed in this chapter.

**12.2.1 NEW PRODUCTS**

To meet its new mandate the organization must design a new set of financial products that new mandated clients can use successfully. "In the past collateral was the cornerstone of the organization's conservative lending criteria. And it is precisely a shortage of collateral that characterises the new mandated clients. The New Products task team has designed the Gold, Silver and Bronze Ranges of new products. Others, such as bridging finance and joint equity schemes for land reform beneficiaries, are still on the drawing-board and should be introduced later" (Land Bank Prospectus, 1998:24).

**12.2.1.1 THE GOLD PRODUCT RANGE**

The organization decided to continue to finance the range of products traditionally available to clients while seasonal production credit in response to stakeholder requests have been added. The product range consists of:

- Low risk wholesale funds for on lending to low risk retail lenders such as the commercial farmers' cooperatives;
- Low risk long and medium-term loans to experienced farmers with sufficient security to cover the full loan amount. This provides for long-term mortgage bonds for buying land and medium-term assets such as livestock and equipment; and
- Low risk short-term seasonal production credit is now available in response to requests (Land Bank Prospectus, 1998:24).

#### 12.2.1.2 THE SILVER PRODUCT RANGE

These loans will apply to farmers with experience and proven abilities but without enough saleable assets to cover the full loan amount. Farmers with larger areas of available communal land or permission to occupy (PTO) will fall into this category. The product range consists of long, medium and short-term loans (Land Bank Prospectus, 1998:24).

#### 12.2.1.3 THE BRONZE PRODUCT RANGE

The bronze range carries a higher-risk fund levy. This allows the organization to lend to new entrants to the formal market who have no proven track record. Land-reform beneficiary groups will fall into this category. The product range covers long, medium, and short-term needs (Land Bank Prospectus, 1998:14). The organization is also launching two additional products specially designed to meet the needs of the rural poor:

- Step up. The “step up” scheme targets the rural poor, especially women trying to improve their seasonal production output. The scheme will provide small sums of money without the need for proof of collateral or the checking procedure of a loan officer's field visit. Payback record will be the only criterion. A person who meets this criterion will qualify for a bigger loan next time. Failure to repay means disqualification from the scheme; and
- Agri-save. Savers make better borrowers - that is the accepted wisdom of international banking experience. The organization wants to boost the number of rural savers who may become future loan clients. Agri-save will be an investment in risk management strategy by the organization. Negotiations with the Post Office to act as an agent for this product are near completion. A high interest rate will give people a real incentive to save through formal channels like the Post Office (Land Bank Prospectus, 1998:24).

## 12.2.2 COMPLEMENTARY PRODUCTS

The complementary products that supports the new products, viz. the risk fund, the “on-time bonus” scheme, and insurance are discussed next.

### 12.2.2.1 THE RISK FUND

“This fund will cover the inadequate collateral levels of silver and bronze range clients. The risk fund charges a fee above the base interest rate. This money is pooled and topped up by the organization to cover default by medium, and high-risk clients” (Land Bank Prospectus, 1998:25).

### 12.2.2.2 THE "ON TIME BONUS" SCHEME

Many new mandate stakeholders have asked for subsidized interest rates. The organization's response has emphasized its need for long-term viability. Bonus schemes for clients who pay back their instalments on time have been designed. The bonus scheme only applies to silver and bronze range clients who are paying the risk fee (Land Bank Prospectus, 1998:25).

### 12.2.2.3 INSURANCE

The following two products are available to all clients in the gold, silver and bronze ranges:

- Farm-guard; and
- Mortgage insurance.

## 12.2.3 INFORMATION TECHNOLOGY

The information technology (IT) and information processing used in the past and at present, as well as the future possibilities are discussed next.

### 12.2.3.1 THE PAST

The organization had a computerization department with a manager and staff of 17 people. However, all transactions were manually recorded on paper and then entered on computer in batches. As a result computerized account balances were up to 15 days in arrears. The processes were very tedious, causing staff and customer dissatisfaction (Land Bank Prospectus, 1998:20).

#### 12.2.3.2 **THE PRESENT**

The transformation introduced new aims and approaches to work. The computerization department had to transform itself into an information technology department supporting modern operations. The organization needed to compete in the market and serve the needs of existing and new mandate clients. “The investigation showed that the existing system was using only 15% of computer capacity and providing very little support to business processes - a costly waste of resources” (Land Bank Prospectus, 1998:20). New suitable software packages should be introduced that will run on smaller, less expensive, computers. The packages should provide immediate access to up-to-date client information and tools to make the organization more efficient and competitive.

#### 12.2.3.3 **THE FUTURE**

The computerization department will be transformed into an information technology department that will help staff to deliver excellent customer service. Eventually all data will be captured at source. A management information system will provide statistics and management reports. Present staff will be retrained to support these systems. The new IT department will focus on service and systems to support business needs. It will help the organization achieve quick product delivery and rapid response to changes in the market place.

#### 12.2.4 **HUMAN RESOURCES**

Before transformation the organization's personnel section focused on staff administration and did not have a comprehensive human resources development strategy (Land Bank Prospectus, 1998:22). No specific HR strategy/plans were in place. Policies and procedures were not updated regularly and were not always accessible to all staff. The performance management system was not based on specific job outputs, standards, and measures, and was not linked to competencies required for the job or area of operation. There was no formal training or development courses run, either for staff or management, and only on-the-job (technical training) was done. No external resources were used for management/leadership development. People were promoted to management level based on experience and performance without formalized in-house management skills development. No informal/formal recognition system existed. The organizational structure was hierarchical with staff at one level supervised by staff at the next, higher level. “People in the lower levels had little decision-making power and opportunities for advancement to a higher level was limited. Employees generally joined the organization after completing

matic and many have retired after spending their entire working lives in the organization” (Land Bank Prospectus, 1998:22). The newly established HR department's statement of intent reads:

- “To provide fair and just human resources function that is optimally aligned with the organization's new strategic direction, in the creation of competent, motivated and professional employees to deliver a world-class service” (Land Bank Prospectus, 1998:22).

The debates throughout the consultative workshops resulted in the identification of the following priorities: new job approach, review of work process, affirmative action principles, and capacity building.

#### 12.2.4.1 THE NEW JOB APPROACH

There was a rejection of the existing ladder and notch pay-of-status approach.

Investigations led the HR team to propose a broad banding pay concept and an evaluation system that would accommodate a skills and impact assessment. The proposed remuneration approach takes cognizance of market comparisons, benefits packages, and performance incentives (Land Bank Prospectus, 1998:22).

#### 12.2.4.2 WORK PROCESS

One of the most significant decisions taken during the transformation process was to move towards a flatter organizational structure and a team-based work approach (Land Bank Prospectus, 1998:22). Branch level redesign workshops based on the self-managing team approach took place. The workshops applied six criteria for the individual self-assessment of satisfactory work:

- Empowering decision-making;
- Opportunity to learn on-the-job and continue learning;
- Variety of tasks within the team;
- Mutual support and respect;
- Meaningfulness of role fulfilled within the team; and
- A desirable future of growth and development (Land Bank Prospectus, 1998:20).

Design principles for branch redesign were settled on at the National Consolidation Conference and included:

- Flattening the management, supervisory hierarchy;

- Streamlining of work processes;
- Formation of self-managing teams;
- Delegation of responsibility for decision-making to those doing the work;
- Multiskilled teams allowing for substitution and a holistic process perspective; and
- Team setting of performance goals (Land Bank Prospectus, 1998:22).

#### 12.2.4.3 THE BRANCH REDESIGNS

The branch redesign process tried to achieve three principles and measurable objectives:

- Delivery on the new mandate;
- Cost-effective productivity increases; and
- Improved work satisfaction (Land Bank Prospectus, 1998:22).

#### 12.2.4.4 HEAD OFFICE REDESIGN

Head Office with one third of staff is complex and involves many, varied service units.

Skills and costs audits were done for a comprehensive review followed by the restructuring exercise (Land Bank Prospectus, 1998:23).

#### 12.2.4.5 CAPACITY BUILDING

The intention is to become a lifelong learning organization with first-world standards. A comprehensive training development strategy and action plan, aimed at developing multiskilled staff with enhanced language, leadership and technical capabilities, will provide additional career paths, and enhanced capacity. Assessment centres, internal and external courses, bursaries, study assistance, ABET, and on-the-job training are all potential capacity building activities planned (Land Bank Prospectus, 1998:23).

#### 12.2.4.6 AFFIRMATIVE ACTION

Unequal opportunities for blacks and women are a clear legacy in the organization (Land Bank Prospectus, 1998:23). Fast-track training opportunities targeted at affirmative action will be part of the staff development programme. Until 1997 there were no blacks or women in the senior decision-making positions. This has already changed radically. External recruitment and placement at senior level have been done.

#### 12.2.5 THE NEW HEAD OFFICE MANAGEMENT TEAM

The new strategic management team consists of:

- Managing Director;
- General Manager Operations;
- General Manager Finance;
- Human Resources;
- Corporate Affairs and Marketing;
- Research and Product Development;
- Risk Management; and
- Information Technology.

The Head Office senior management team consists of:

- Managing Director;
- General Manager Operations;
- Corporate Finance;
- Retail Operations;
- General Manager Finance;
- Chief Accountant;
- Treasury Manager;
- Support Services Manager;
- Corporate Affairs and Marketing Director;
- Human Resources Director;
- Research and Development Director;
- Risk Manager;
- Information Technology Manager;
- Executive Assistant; and
- Financial Advisor.

The organization is changing the way its staff interacts and communicates with one another. Electronic mail and conference calls will become part of the working culture, improving information sharing and problem-solving. At provincial level, directors will meet regularly to develop a provincial strategic plan. Head Office senior managers and branch directors will meet quarterly if possible, but at least twice a year. The strategic management team at Head Office meets weekly, and will hold an extended senior managers

meeting once a month. The senior management team has been reduced considerably to ensure more effective operations (Land Bank Prospectus, 1998:29).

#### 12.2.6 MODERNIZATION OF SUPPORT SYSTEMS

A task team reviewed the existing business process including facilities, functions and information technology of all sections within Head Office and Branch Offices. The following principles guided the investigation:

- Strategic principles and a SWOT analysis;
- Key findings regarding commercialization alternatives;
- Administrative costs (current or if downsized/outsourced);
- Impact on human resources;
- Impacts on costs;
- Impact on profitability; and
- Recommendations.

#### 12.2.7 INTERNAL COMMUNICATION, MARKETING AND PUBLIC RELATIONS

The communications task team reviewed internal communication channels that had been inadequate and slow in the past and introduced more effective internal communication through e-mail and newsletters. A new marketing, advertising and public relations strategy was developed.

#### 12.2.8 DESIRED LEADERSHIP AND CULTURE

Future search workshops were held in each province featuring delegates of every branch office and some external stakeholders. The purpose of the workshops was to develop a desired shared vision for the organization within the specific province as well as inputs for a provincial 3-year business plan. The content of the workshops focused on:

- Introduction, including the purpose, expectations and ground rules;
- Environmental scan - understanding the turbulent and changing environment;
- History of the organization, including lessons from the past and the “keep, drop, create” exercises;
- Creating a shared vision for the province; and
- Inputs for the business plans, including marketing issues, new products, cost reduction and commercialization, organizational design, leadership and culture, training, and affirmative action.



The following “big hairy” or “burning” issues were raised at the workshops:

- “Resistance to change from employees and management including job loss, loss of culture, and management's fear of losing power;
- Uncertainty amongst employees regarding various issues;
- Poor communication;
- Poor staff empowerment and development;
- Lack of understanding the transformation initiative;
- Negative attitudes, morale, and motivation;
- Inconsistent pronouncements by the Managing Director;
- Many rumours; and
- Gender and race discrimination” (Unpublished staff communication, 1998-08-14).

The following stepping stones or practical steps were proposed at the workshops to address the issues:

- “Effective management of the change process;
- Rumour hotline to address rumours and put fears to rest;
- Implement more effective communication strategy;
- Intensive alignment and training of managers for transformational leadership;
- Branch office and Head Office redesign, new job descriptions and job-grading; and
- Implement training and development strategy” (Unpublished staff communication, 1998-08-14).

The workshops provided input for senior management to identify the desired leadership characteristics. These can be summarized as follows:

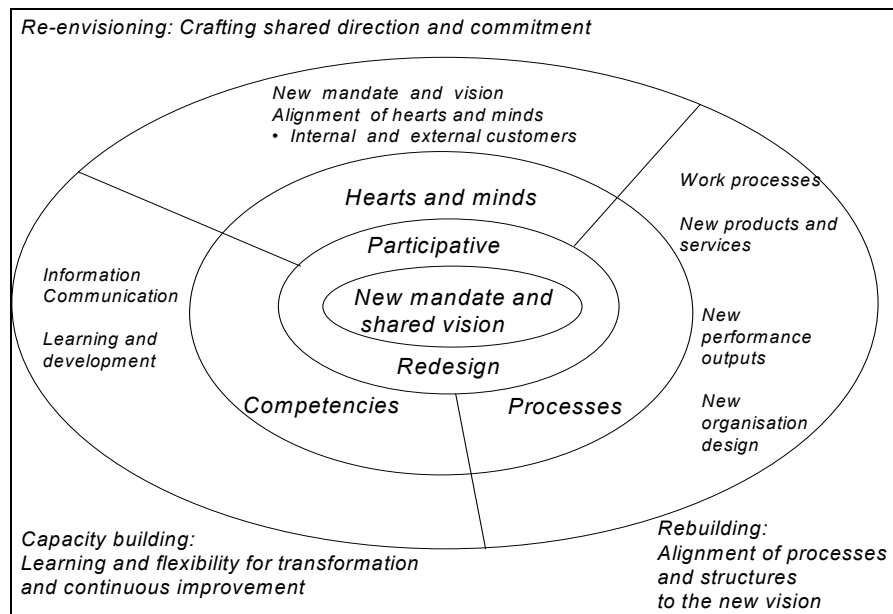
- Lead by example including leadership experience, integrity, honesty, open communication, transparency, continuous improvement, trust and respect, and to create loyalty;
- Participative management including encouraging independent action, creating opportunities, people centred focus, and giving recognition;
- Alignment of employees including motivation, coaching, capacity building, shared responsibilities, equal opportunities; and
- Balanced focus on all professional management principles including staff, customers, the business, and the future with a comprehensive management development program (Unpublished staff communication, 1998-08-14).

After the workshops senior management identified the desired culture characteristics. The desired culture characteristics can be summarized as follows:

- Workplace where everybody's proud to work, feels free to participate, and has the ability to develop themselves;
- Organization that stays on the cutting edge of new developments, technology, and adoption to change;
- Customer focused;
- Motivated, multiskilled, diverse, empowered staff component;
- Ubuntu principles including trust, discipline, tolerance and a positive attitude;
- Racial awareness and equality;
- Self-managed team culture including empowerment, participative decision-making, incentive-driven performance, knowledge and responsibility sharing, and a shared vision; and
- Effective internal and external communication (Unpublished staff communication, 1998-08-14).

### 12.3 **THE ACTION PLANS, STRATEGIES AND TECHNIQUES**

The diagnostic phase led to the interventions, activities, and programmes aimed at resolving problems and increasing organization effectiveness. After having diagnosed the problem areas, the opportunities for improvement were identified and a strategy to apply techniques and technologies for change was selected. The selected change strategy aimed to address organizational, technological, work-team and individual problems. Figure 12.1 summarizes the transformation strategy of the organization.

**FIGURE 12.1: THE TRANSFORMATION STRATEGY.**

(Source: Unpublished staff communication, 1998-08-14)

### 12.3.1 THE TRANSFORMATION STRATEGY

From Figure 12.1 it is clear that the transformation strategy incorporated the following guiding principles:

- Re-envisioning (crafting shared direction and commitment);
- Rebuilding (aligning organization processes and infrastructure to the new vision); and
- Capacity building (learning and flexibility for sustainable transformation and continuous improvement).

Re-envisioning focuses on the alignment of the customer needs and expectations to the “hearts and minds” and behaviour of staff, and leadership attitudes to ensure alignment with the new mandate, vision and goals. Capacity building focuses on the importance of information sharing and communication, and learning and development through core competency building, in order to sustain transformation and change. Re-building focuses on the organizational processes, establishing new products and services, new work processes, new performance outputs, measures and standards, and new organizational structures (Unpublished staff communication, 1998-08-14). The three guiding principles (re-envisioning, rebuilding and capacity building) emphasized the external consultant’s intention to bring about change in the organization. The strategy proposed an integrated approach to the change efforts, viz. a behavioural strategy focusing on the “hearts and minds”,

performance outputs, and competencies, to bring about new attitudes, values, and behaviours, a technical strategy focusing on new work processes, and new products and services, as well as a structural strategy to bring about new relationships.

Although the strategy seemed to be on course in identifying all objectives and action plans for the transformation process the following factors reduced the effectiveness of the strategy:

- Priorities, time limits or due dates were not clear or were set vaguely which hampered the effectiveness of the interventions;
- Communication of the strategy was inadequate;
- No strategy was developed to utilize and retain the key people within the organization. Many competent, experienced, and influential people left the organization because there was no strategy to motivate them to stay;
- Although an integrated change strategy was proposed it was not implemented to address the issues identified in the diagnostic phase, viz. work processes and technology and its impact on work relationships and organizational structures, and new work behaviours needed to ensure alignment with the changes implemented. Many factors influenced the effectiveness of the strategy, viz. various consultant groups were employed to implement parts of the strategy, which hampered the alignment of effort, re-envisioning was never fully achieved because of the negative attitudes of key managers in the old culture, and unwillingness of many line experts to participate in the change efforts;
- Critical information gathered on the actual and desired cultures was not incorporated into the strategy. Re-envisioning focused primarily on external stakeholders, while internal stakeholders (leaders and all employees) were "dealt with" on an one-of basis through the workshops discussed earlier; and
- Compatibility between the strategy and culture (of the organization as a whole as well as every branch office or business unit) was not always considered and was hence managed ineffectively.

### 12.3.2 THE INTERVENTIONS

An organization development strategy involves the planning and direction of change programmes, whereas intervention techniques deal with the operational aspects of the change, the specific means by which the change goals are attained (Harvey and Brown, 1996:211-212).

The specific interventions used during the transformation are discussed next.

#### 12.3.2.1 INTERPERSONAL INTERVENTIONS

Employee involvement, participation, empowerment, and buy-in management techniques were used throughout the transformation process that unleashed human potential and moved the organization's traditional culture to one of shared vision and goals. Laboratory learning programmes were used to increase interpersonal skills regarding:

- Leadership alignment (new vision and mandate) and leadership development;
- Communication;
- Self-insight and awareness; and
- Increased sensitivity to one's effect on others.

Sadly, in view of organization problems such as downsizing, outsourcing, retrenchments, restructuring, and affirmative action no management of diversity, career life planning, or specific management development interventions were used. In the first year of transformation no stress management or job burnout interventions were used. After serious organizational pressures including low morale, high staff turnover (22%), absenteeism, and resignations of transformational leaders these issues have still not been addressed effectively.

#### 12.3.2.2 TOTAL ORGANIZATION CHANGE INTERVENTIONS - THE BRANCHES

According to the new mandate and vision the organization had to change or adapt to the following new initiatives:

- Diverse customer focus and improved service levels;
- New products and services;
- Business processes improvements;
- Changes in decision-making and responsibilities;
- Improved information systems; and
- The new corporate culture as it relates to individual and team empowerment.

The goals for the re-engineering, redesign, and restructuring of branches were the following:

- Customer service excellence;
- Individuals get more of a say in how they perform their work, and what they want to do;

- Groups of people will be responsible, instead of individuals;
- Multiskilling of staff;
- Job enrichment;
- Job satisfaction;
- Career paths will no longer be determined solely by moving up the hierarchical ladder, instead they will be determined by the acquisition of skills and job rotations through multiple business areas; and
- Continual learning and improvement (Unpublished staff communication, 1998-08-14).

The format of the redesign workshops included four major segments:

- Introduction, context setting and expectations;
- Assessments of job satisfaction, skills held and analysis of the existing structures and work process;
- Branch redesign exercise; and
- Implementation in which new teams develop team-specific goals and targets, training requirements, resources requirements, career path implications, and arrangements for internal control and coordination of work.

All branches completed a process of analyzing work processes, participative organizational and branch office redesign, skills audits and organization of self-managing teams.

Employees who do the work had been given the opportunity to pool their diverse knowledge and subsequently developed their own designs. Experts did not impose the new designs but employees had the opportunity, responsibility, motivation and commitment to develop the "best" design for every business unit.

Although the re-engineering, redesign and restructuring interventions were effective in many Branch Offices the following issues caused problems in others:

- Some business units have not yet made the paradigm shift from bureaucratic to democratic;
- Management were not always participating in the design process itself through positive communication, encouragement, and commitment;
- The new role of supervisors as team players had caused conflict that was not always resolved constructively;
- Effective feedback channels were not established, nor was a "help-line" when operating problems of the new teams occurred;

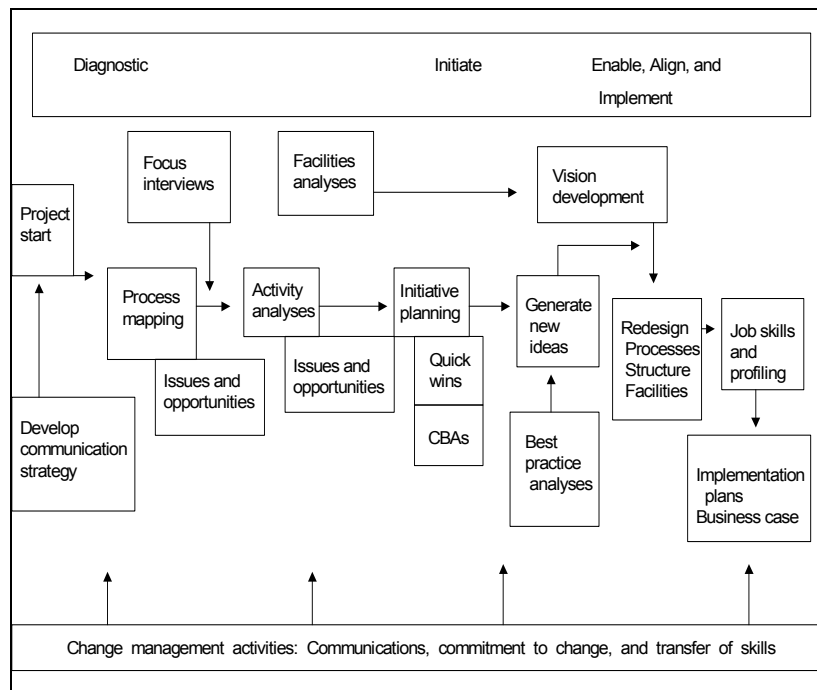
- Many employees saw the main focus of the interventions as on the external customer rather than on an integrated approach to satisfy the needs of the individual, group, organization, and customers;
- The redesigned interventions were not backed up by team building interventions to increase communication, co-operation and cohesiveness, or intergroup development interventions to address issues of competition, conflict, role clarification, and interdependence;
- Support to the new teams regarding training and development, rewards, and HR related issues like work standards, performance agreements, former section leaders who became team players; and
- Limited early successes were achieved in relation to the stated goals set previously for the interventions (Unpublished staff communication, 1998-08-14).

#### 12.3.2.3 TOTAL ORGANIZATION CHANGE INTERVENTIONS - HEAD OFFICE

According to the new mandate and vision for the organization certain goals were set for re-engineering, redesign and restructuring of the total organization. After the redesign and restructuring of the Branch Offices, a similar intervention was used at Head Office by another consulting firm. The project had to address the following:

- The allocation of responsibility and accountability to the point where work was done with a corresponding reduction in supervisory levels in the organization;
- The delegation of authority and tasks to the branches;
- The impact of efficient information technology enabled processes; and
- Financial implications regarding the reduction of Head Office expenditure to a survival level (Unpublished staff communication, 1998-08-14).

Figure 12.2 summarizes the Head Office project approach.

**FIGURE 12.2: THE HEAD OFFICE PROJECT APPROACH.**

(Source: Head Office restructuring proposal, 1998-10-05)

The Head Office project approach as depicted in Figure 12.2 is discussed next. The Head Office project approach commenced by understanding what organizational structures and work methods (processes) were used, and had to be used to get the work done. This would lead to the appropriate best practice work methods (processes) needed to deliver the work. The redesign process consisted of five phases, namely: diagnose, initiate, enable, align, and implement. Change management activities were utilized throughout the redesign exercise to manage stakeholders, manage communications, manage sensitivities/reactions, to create buy-in, to build teams and to transfer skills.

The diagnostic phase included the following:

- Project start-up including project goals and objectives, team set-up and development of communication strategy;
- Focused interviews with key stakeholders within the organization, including management to explain project goals and objectives;
- Process mapping of all work methods used in Head Office;
- Gathering of all issues and opportunities related to work methods or the working environment in general;



- Activity analysis to determine who does what in Head Office;
- Facilities analysis; and
- Initiative planning to determine quick wins and the outcome of the cost-benefit analysis performed for functions like cleaning, security, printing, catering, and car fleet.

The initiate phase included the following:

- Idea generation from staff and vision development through workshops;
- Global best practice analysis; and
- Process, structure, and facilities redesign.

During the enabling phase job profiles for the new processes within the new structure were compiled. The viability of the proposed short and long-term structures (and facilities) was reviewed through further consultation with management and other stakeholders.

The aligning phase completed the project by finalising the business case and implementation plans for approval.

#### 12.4 **A CRITICAL REVIEW OF THE STRATEGIES, ACTION PLANS, AND TECHNIQUES**

The proposed strategy that was communicated to all stakeholders can be termed as a charismatic transformation strategy to accomplish radical change in a short time frame, with support from the organizational culture. The actual strategy implemented was characterized by a dictatorial transformative change approach and crisis management that ran counter to the entrenched interests of the internal culture.

The critical information gathered at the future search workshops regarding actual and desired cultures and “burning” issues were not fully incorporated into the change strategy or any significant action plans. Many managers who were part of the organization before transformation, and managers who joined during the transformation process complained that the compatibility or alignment between the strategy and culture was not always considered or managed effectively. This led to many valued managers leaving the organization. Employees complained that the (new) strategic management team discarded all previous good practice entrenched in the history of the organization, including the recognition of employees' needs and aspirations.

One of the key factors in culture change is to live the new or proposed culture. Top management values, behaviours and actions speak louder than words. Too many factors imposed on an effective change initiative including the alleged “tough” approach of the Managing Director towards employees, and alleged misconduct that was revealed to the media and led to her resignation. Alleged favouritism and incidents of poor performance of other senior (new) management, hampered the change initiatives, which were labelled affirmative action with a political agenda.

An important factor that was not considered prior to the implementation of the transformation process is the motivation of the employees toward change. Strong resistance to change was evident where proposed changes had been perceived as threats to personal security (job loss and loss of status). Overcoming resistance to change was never fully achieved. No strategy was developed to utilize and retain the key role players within the organization that could add value to the change processes.

The priorities and time frames of the strategy were not communicated effectively. Limited early successes were achieved and many “burning” issues, which were not resolved, resulted in large-scale crises management.

The proposed integrated change strategy was not followed to address the issues identified in the diagnostic phase, viz. work processes and technology and its impact on work relationships and the organizational structures, and new work behaviour needed to ensure alignment with the changes implemented. The main focus of the interventions was the customer rather than an integrated approach to satisfy the needs of the individual, the group, the organization and customers. No diversity management, specific management skills development, team building, intergroup development or career-life planning interventions were used. In the first year of transformation no stress management or job burnout interventions were used. In conclusion it can be said that limited effective interventions were used.

The assessment and evaluation of the change strategies and interventions implemented (action research) were never a priority that often resulted in crisis management. Some of the changes that were implemented and monitored actively led to the desired changes, especially in respect of product development and marketing strategies. HR systems and procedures were not amended with the new performance outputs and standards, or to recognise and reward the changes needed in work behaviour.

Political infighting was a dysfunctional factor in bringing about change. The restructuring exercise and the business-case proposals were vetoed by the Managing Director after Strategic Management had approved the proposals. Team problem-solving through involvement of all relevant stakeholders was never achieved which was in contrast to the transformation values such as trust, openness and consensus.

Human Resources business plans were never fully implemented, and issues like the retrenchment procedures and conditions were not handled well and resulted in negative attitudes from staff. The majority of staff members opted for the retrenchment package and were not ashamed to say that they did not want to work for the new organization. Unfortunately the best qualified and skilled employees left first as there was no strategy to retain, utilize, and develop them. The selection procedures for the “new” structure at Head Office were vetoed by the Managing Director, as they were perceived as unfair, and plagued by alleged favouritism.

Regarding the continuous improvement process including self-renewal, monitoring and stabilising of the action programmes, the Bank made good progress with the following:

- Reviewing and expanding its range of financial products and its loan procedures to meet the needs of new mandate clients;
- Consolidating its existing client base;
- Upgrading and modernising its banking systems to provide efficient service;
- Taking measures to ensure accessibility for its clients including
  - The use of agents to expand its outlets,
  - The development of retail intermediaries and
  - The relocation/expansion of its branch network; as well as
- Developing Provincial Advisory Forums that will provide an ongoing formal link between the organization and external stakeholders (Unpublished staff communication, 1998-08-14).

## 12.5 CONCLUSION

This chapter provided more background to the organization where the research was conducted and explained the unfolding of the strategies, action plans and techniques utilized in the organization transformation process (one of the change stages as discussed in Chapter VI). Detailed information of the diagnostic phase in the organization was revealed. The action plans, strategies, techniques and the evaluation thereof were discussed and critically

reviewed. Examples were given of factors that influenced the effectiveness of the strategies and techniques.