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**ORGANIZATIONAL FACTORS INFLUENCING THE
TRANSFORMATIONAL PROCESS OF A FINANCIAL INSTITUTION**

by

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SUMMARY**ORGANIZATIONAL FACTORS INFLUENCING THE TRANSFORMATIONAL
PROCESS OF A FINANCIAL INSTITUTION**

by

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Change is a way of life in organizations today, whether the change is planned or unplanned. The goals of planned change are to improve the ability of the organization, as an open system, to adapt to change, and more specifically, to change behaviour of employees. Change in customer needs, the competition, and changed legislation amongst others, force the organization to change, and lead to change plans, strategies, and techniques.

The drivers for change impacted on the interrelated primary components of the organization (subsystems); viz. technical, structural, management, psychological, goal, and value components. The impact on the structural subsystem of the organization was brought about through restructuring, division of work, new decision-makers and authority, and changes in organizational policies and procedures. The impact on the technical subsystem was brought about by process re-engineering, new technology, and new techniques and equipment necessary for service delivery. The impact on the psychosocial subsystem was brought about by restructuring and affirmative action initiatives, resulting in a new network of social relationships, behavioural patterns, norms, roles, and communications. The impact on the goal and value subsystem was brought about by a new mission and vision of the organization, value changes such as empowerment, teamwork, learning and development, diversity awareness, as well as respect for the individual. All the changes mentioned previously collectively impacted on the managerial subsystem that spans the entire organization by directing, organising and coordinating all activities toward the basic mission. The managerial subsystem is important for the integration of the other subsystems, and the proposed changes were true role modelling, living the new organizational values, participative management, creating opportunities, people-

centered focus, giving recognition, motivating and coaching staff, and capacity building. For change to be effective there should be an integrated approach of structural, technical (work processes), and behavioural strategies. Through this research it became evident that it could be easier to change processes and structures within the organization, but the challenge is to change behaviour of individuals, groups, and the larger organization as it impacts on the management, psychological, goal, and value subsystems. People are the key to facilitate, implement, and manage change effectively in order to improve organizational effectiveness. Therefore, good leadership, including motivating employees during organizational change, is vital to the success of any change initiative. In summary, organizational strategy alone cannot produce the desired change results; there should be alignment with the management style, and the organizational culture or subcultures.

The purpose of this investigation was to determine if an integrated approach to organizational transformation (focusing on work processes, structures and employee behaviour) was followed. The analysis focused on factors that have an impact on the effectiveness/ineffectiveness to the change process, the impact of change on the organization, employees, and the organization culture. Specific work-related needs were also determined. The specific role of Human Resources (HR) during this change was determined, and recommendations were made accordingly.

A qualitative and quantitative research strategy were utilized to investigate the factors that influenced the effectiveness or ineffectiveness of the transformation process. Quantitative techniques were used to assess attitudes of the factors that influenced transformation, to investigate work-related needs, work motivation, and locus of control variables. Data were subjected to discriminant analysis and two-way factorial analysis of variance. Post-hoc comparisons were done by means of the Scheffé Test. A qualitative strategy was used to gather information about the need for change in this organization, the diagnoses of the current organization, planning of change strategies, implementation of change interventions, and management of the transformation process within the organization. The researcher's role was established as an objective observer of each and every aspect of the transformation process that entailed data collection, evaluation and feedback to the external consultants.

Many issues were identified that impacted on the effectiveness of the transformation initiatives. Recommendations were made for addressing the issues on individual, group and organizational systems level. It was proposed that the organization (business) strategy and organizational culture(s) be aligned, and that all transformation initiatives be driven with a holistic and integrated

change approach. An organization transformation strategy should be part of the business strategy. It was proposed that culture (climate) surveys, and focus groups should become part of the transformation strategy, where the factors that impact on a strong organizational culture or sub-culture are tracked, measured and managed continuously. A motivation strategy (included in the transformation strategy) needs to be developed for the business unit/team that is aligned with the organization's strategy, objectives, business plans, critical success factors, the values of the organization, as well as the subculture(s) of the team/business unit(s).

SAMEVATTINGORGANISATORIESE FAKTORE WAT DIE TRANSFORMASIEPROSES VAN 'N
FINANSIËLE INSTELLING BEÏNVLOED*deur***WERNER PRETORIUS**

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DEPARTEMENT : Menslike Hulpbronbestuur
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Beplande of onbeplande verandering word 'n lewenswyse in die meeste organisasies vandag. Die doelwitte van beplande verandering is die verbetering van die organisasie as oop sisteem om vaardighede aan te pas by verandering, asook meer spesifiek, die verandering van werknemergedrag. Verandering in onder andere kliëntebehoefte, die mededingers van die organisasie en wetgewing, dwing die organisasie om te verander en lei na veranderingsbeplanning, -strategie, en -intervensies.

Verandering het 'n impak gehad op die interafhanklike primêre komponente van die organisasie (substeme) naamlik, die tegniese, strukturele, bestuurs-, psigologiese en die doelwit- en waardekomponente. Die impak op die strukturele substeme van die organisasie is teweeggebring deur herstrukturering, herallokering van werk, nuwe bestuur- en besluitnemingstrukture, en verandering in die beleid en prosedures. Die impak op die tegniese substeme van die organisasie is teweeggebring deur werksprosesverbeterings, nuwe tegnologie, en nuwe werksmetodes om dienslewering te verbeter. Die impak op die psigologiese substeme van die organisasie is teweeggebring deur grootskaalse herstrukturening en regstellende aksie, wat gelei het tot veranderings in werk- en sosialiseringverhoudings, werksrolle, gedragsnorme en -patrone, en kommunikasiemetodes. Die impak op die doelwit- en waardesubsteme van die organisasie is teweeggebring deur 'n nuwe visie en missie, organisasiewaardes waarop gefokus sou word, insluitende bemagtiging, spanwerk, opleiding en ontwikkeling, diversiteits sensitiwiteit, asook respek vir die individu. Kollektief het al die veranderings 'n impak uitgeoefen op die bestuursubsteme wat verantwoordelik is vir die integrasie van die ander substeme. Die voorgestelde veranderings vir die bestuursubsteme was rol-modellering, bestuursgedrag wat die

organisasiewaardes weerspieël, fokus op menslike hulpbronne met deelnemende bestuurspraktyke, geleentheidskepping, ontwikkeling van potensiaal, erkenning vir goeie werk gelewer, en ander motiveringspraktyke. Vir 'n suksesvolle veranderingsproses moes 'n benadering gevolg word wat die strukturele, tegniese, en gedragstrategieë integreer. Hierdie navorsing het getoon dat dit makliker kan wees om werksprosesse en organisasiestrukture te verander, maar die verandering van menslike gedrag op individuele - en groepvlak, bly 'n uitdaging. Mense is egter die sleutel tot suksesvolle fasilitering, implementering, en bestuur van verandering om organisasie-effektiwiteit te verbeter. Bestuursleiding en werksmotivering is dus van kardinale belang. Tydens organisasietransformasie moet die strategie dus geïntegreer word met die bestuurstyl asook die organisasiekultuur of subkulture.

Die doel van die ondersoek was om te bepaal of 'n geïntegreerde benadering tot organisasietransformasie gevolg is (transformasie van werksprosesse, tegnologie, organisasiestrukture, asook menslike gedrag). Die fokus was op die faktore wat 'n impak uitgeoefen het op die effektiwiteit of oneffektiwiteit van die veranderingsproses, die impak op die organisasie, die werknemers, en die impak op die organisasiekultuur. Spesifieke werksverwante behoeftes is bepaal, asook die rol van die Menslike Hulpbronaafdeling.

'n Kwalitatiewe en kwantitatiewe navorsingstrategie is gevolg om die faktore te ondersoek wat 'n impak uitgeoefen het op die effektiwiteit of oneffektiwiteit van die transformasieproses.

Kwantitatiewe tegnieke is gevolg om die houdings van werknemers oor sekere transformasiefaktore te bepaal, om werksbehoefte te bepaal, asook om die lokus van kontroleveranderlikes te ondersoek. Die data is ontleed deur beskrywende statistiek, verbandstatistiek, diskriminantontledings, tweerigtingvariensie-ontledings, en posthoc-vergelykings met die Scheffé-toets. 'n Kwalitatiewe navorsingstrategie is gebruik om inligting te versamel oor die huidige organisasie en die behoefte aan verandering, die beplanning van veranderingstrategieë, implementering van die intervensies, en bestuur van die transformasieproses in die organisasie. Die navorser was 'n objektiewe observeerder van elke aspek van die transformasieproses, wat dataïnvordering, -ontleding, en terugvoer na die eksterne transformasiekonsultante insluit.

Verskeie faktore is geïdentifiseer wat 'n impak uitgeoefen het op die effektiwiteit van die transformasieproses. Aanbevelings is gedoen om sekere faktore aan te spreek op individuele, groep-, en organisasiesisteevlak. Die strategie van die organisasie (besigheid) en die organisasiekultuur is interafhanklik en moet deur 'n holistiese, geïntegreerde

transformasiebenadering bestuur word. 'n Transformasie strategie (organisasieontwikkeling) moet deel wees van die besigheidstrategie, met 'n spesifieke kultuurbestuurfokus (deur aksienavorsing). Vraelyste en fokusgroepe kan inligting weergee van die geïdentifiseerde transformasiefaktore deur deurlopende, meetbare terugvoer, wat dan dienooreenkomstig bestuur moet word. 'n Verdere aanbeveling is die ontwikkeling van 'n werksmotiveringstrategie (ingesluit in die transformasiestrategie) wat geïntegreer is met die organisasiestrategie, -doelwitte, -beplanning, -suksesfaktore, -waardes, asook die subkulture van die verskillende groepe of spanne in die organisasie.