

A Strategic Framework to Integrate Fragmented Change Management Practices in a Retail Bank

by

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Abstract

Organisations have become inundated with change. In many instances their response has been ad-hoc and has resulted in fragmented change management practices scattered all over the organisation. The purpose of this study is to investigate a strategic framework to integrate change management practices in a Retail bank.

The research methodology used to compile the data and evaluate the strategic framework and pilot thereof, was formative and summative evaluation. The Retail Bank used in this case study is a division of a South African bank. A sample of 11 executive managers, 685 line managers in the Information Technology and Operations area and ten change practitioners, at all levels, was consulted in order to design the framework. The framework was designed and evaluated by the researcher. The research showed that the strategic framework was determined by the following variables: organisational structures and processes, decision-making, culture, planning and prioritising change initiatives, leadership style and behaviour and standardisation and integration of change practices.

The strategic framework showed decision-making and implementation of initiatives to be decentralised. Ownership by line managers of the implementation of an initiative was very important. It became evident that change management needs to be instituted as a core competency bank-wide. A central area needs to be responsible for standards, change strategy and knowledge management. A forum, which provides opportunity for change practitioners to share their learnings and experiences, is also required. A planning and prioritising body to align and integrate the impact of various initiatives is needed. Change management as a discipline needs to be integrated into project methodologies. A standardised and integrated approach to change management is required to underpin the creation of change competence. Lastly, leadership's role is critical in supporting and enabling change management in the Retail Banking division.

Declaration

I declare that

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is my own, unaided work and that the sources that I have used or quoted have been indicated and acknowledge by means of complete reference. It is submitted in partial fulfilment of the requirements of the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other university.

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List of abbreviations

BPR	Business Process Reengineering
CHR	Corporate Human Resources
CMP	Change Management Practitioners
HR	Human Resources
HRP	Human Resources Practitioners
IT	Information Technology
PM	Project Management
SAP	Systems Applications Products
TQM	Total Quality Management

Definitions of terms

Change Management	A process used by project teams to manage the people side of system, process and organisational changes to achieve the desired business results (Hyatt and Creasey, 2003). A competency applied by managers and supervisors to help employees through the transition from the current state to the future state and a strategic capability to increase the organisational change capacity and to accelerate changes within an organisation
Fragmented	Separate or incomplete parts (Hornsby <i>et al</i> , 1984)
Integrate	The process of binding together the various parts of an organisation into a cohesive whole (Sadler,1999)
Practices	Practice is the act of repeating something over and over for the purpose of learning and gaining experience (Hornsby <i>et al</i> , 1984)
Retail Bank	<p>The South African-based financial services company on which this case study is based has three divisions, namely:</p> <ul style="list-style-type: none">• Retail Banking• Corporate and Investment Banking and• Investment Management and Life Insurance <p>The Retail Bank focuses on traditional areas of retail banking, namely home loans, vehicle and asset finance, card, transactions and savings</p>
Strategic Framework	A high-level structure that aims to link various components, give shape and support (Hornsby, Cowie and Gimson, 1984)

1 INTRODUCTION

Organisations are operating in an increasingly challenging environment. According to Holbeche (2006) change has become a constant, driven by unrelenting forces:

- Increased globalisation
- Impact of technology
- Increased competition in the local market
- Pressure on organisations to adapt to changing socio-economic environments and
- A changing customer profile

In order to deal successfully with these forces, many organisations are realising that they need the ability to make organisation-wide change happen fast (Holbeche, 2006). This requires an internal competency to deal with the impact of change as part of how we work.

Guy and Beaman (2005, p.6) conducted research with 71 companies in the United States and found that 73 percent of companies have either modest formalisation (54 percent) or have formalised their change management process “to a great extent” (19 percent). This move to formalisation indicates that change management is increasingly being perceived as a permanent business function (Guy and Beaman, 2005).

According to Prosci (2006), a change management benchmarking and best practices company, some of the expected benefits of a standardised and formalised approach to managing change organisation wide relate to:

- A common language being spoken
- A shorter learning curve for new practitioners
- More consistent application

- Common and shared resources
- Greater opportunity for continuous improvement

Change management activities that make up the change approach, enable the results listed above and thereby assist with creating internal capacity for managing change. Hiatt and Creasey (2003) mention the importance of creating change capacity through building change competence in the organisation. The authors go on to say that change competency is not a specific activity but rather it is the organisation's ability to react to change over and over again.

According to Kotter and Heskett (1992 cited in Holbeche 2006) corporate culture can have a significant impact on an organisation's long-term economic performance. They found that organisations with cultures emphasising all the key managerial constituencies outperform organisations that did not. Strategic change should be geared to building capabilities and an organisational culture conducive to sustainable high performance (Holbeche, 2006).

Currently change management exists in pockets in the organisation and implementation is fragmented (Prosci, 2006). In order to provide a holistic and integrated approach to delivering change management successfully, thereby creating internal capability to manage change, attention needs to be given to the design, development and implementation of a strategic framework.

1.1 RESEARCH PROBLEM

Current economic conditions require that organisations become flexible, quick to market, scalable and responsive to customer demands. According to various researchers, organisations need to respond to these challenges effectively and efficiently.

- According to Kotter (1995), 70 percent of all change initiatives fail to achieve the desired results
- Vinson, Pung and Golzalez-Blanch (2006) found in a global survey conducted by McKinsey that one in ten respondents admitted to having been involved in a transformation that was completely or mostly unsuccessful
- Ascari, Rock and Dutta (1995) list a number of factors known to contribute to change management failing in organisations, namely a lack of general strategic planning, tough competition, unanticipated environmental challenges, lagging behind competitors, lack of business re-evaluation, poor management and lack of skills leading to worsening financial performance, floundering strategies and crisis;
- Different ways of implementing planned change exist (Ackerman Anderson and Anderson, 2001)
- According to Prosci (2000), many business leaders equate sponsorship with funding, resource allocation and authorisation instead of active and visible participation throughout the change process

The South African-based financial services company on which this case study is based has three divisions, namely:

- Retail Banking
- Corporate and Investment Banking and
- Investment Management and Life Insurance

It has a global presence and operates from 17 African countries and 21 countries on other continents, including the key financial centres of Europe, the Americas and Asia. The Retail Banking operations in South Africa will be the focus of the report. The Retail Bank focuses on traditional areas of retail

banking, namely home loans, vehicle and asset finance, card, transactions and savings.

It generated 44 percent of the group's headline earnings, and grew earnings by 22 percent in 2005. The division achieved a return on equity of 30,9 percent and reduced its cost-to-income ratio from 62,8 percent to 60,0 percent in 2005 (Annual report, 2005). The environment in which this South African-based financial services company operates has direct and indirect implications for its business model. Indications that the environment is changing include:

- Government is focused on bridging the gap between the rich and poor by creating employment, distributing social grants, Black Economic Empowerment and wanting to make financial services work for the poor and the traditionally unbanked
- The market is changing with more international competitors entering and competing for market share, e.g. Barclays
- The profile of customers is changing. Customers want to be more involved and demand more understanding of financial services. Additional pressure is placed on operations to provide channels where customers may obtain the required information without increasing the bank's cost base (Retail Banking division, Integrated Strategic Risk Management Report, 2005)
- Uncontrollable factors such as poverty, disease, terror, unemployment and low economic growth will have a significant impact on the quality of life and affects the upward mobility of people. This could have a significant impact on the Retail Banking's market share and growth

These factors and others contribute to increased pressure on the Retail Banking's operations to become more efficient and effective. This implies

improvements in processes, technology and people practices, especially in the area of change management. With 24 592 employees, as at August 2006, alignment and coordination is a challenge.

Companies must be prepared to cope with more change faster and be more successful at managing it. This requires organisations to build change competence that will assist with managing the change and increasing demands of the market or customer (Holbeche, 2006). This is difficult if current change management practices are fragmented and different approaches are used.

1.1.1 Aim of the research

The aim of this research project is to develop a strategic framework to integrate fragmented change management practices in a Retail Banking division of a South African bank.

1.1.2 Objectives of the research

In order to achieve the aim of this research project, the researcher's objectives were to:

1. Analyse the current change management practices in a Retail Banking division of a South African bank
2. Identify variables essential to the development of the change management strategic framework
3. Investigate the benefits of using a standardised and integrated approach to managing change in a Retail Banking division of a South African bank and
4. Investigate how a framework that integrates fragmented change management practices would look

1.1.3 Research questions

In order to achieve the aim and the objectives, the researcher posed the following research question:

What would a strategic framework to integrate change management practices look like for an organisation where these practices are currently fragmented?

1.1.4 Subsidiary research questions

In order for the researcher to answer this question, further subsidiary research questions need to be asked:

1. What are the current change management practices in a Retail Banking division of a South African bank?
2. What variables are essential to the development of the change management strategic framework?
3. What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?
4. What would a framework to integrate change management practices look like where these practices are currently fragmented?

1.1.5 Previous research

In order to place this research in the context of research conducted in South Africa, a review of the Sabinet database was undertaken in April/May 2006. Some international research was obtained from Prosci Research and the Corporate Leadership Council indicating a move to formalising change management practices. The result of this review is illustrated in Table 1.

Table 1 – Overview of the cabinet database search and international research

Topic	Author	Qualification
Organisational factors influencing the transformational process of a financial institution	Pretorius, Werner (2004)	DCom Human Resources Management (completed)
An experimental study of organisational change and communication	Ströh, Ursula Marié (2004)	PhD Communication Management (completed)
The relationship between Corporate Entrepreneurship, Market Orientation, Organisational Flexibility and Job Satisfaction	Adonisi, Mandla (2003)	DBA (Business Administration) (completed)
An evaluation of the organisational transformational strategies being implemented by Standard Bank Wealth products distribution against the transformational model recommended by John P Kotter	Holesgrove, Leo Otto (2003)	MBA (completed)
Towards identifying effective leaders: the validity of the wheel as indicator of effective leadership behaviour during organisational change	Trumpelmann, Inge (2002)	MBA (completed)
Internationally, Prosci (2006) has conducted some research on what they term Enterprise Change Management (ECM). ECM is the systematic deployment of change management skills, tools and processes throughout an organisation. The researchers found that the right deployment approach and ultimate future state would depend on the organisation (Prosci, 2006)	Prosci (2006)	Best practise and benchmarking (completed)
Structure and function of the change management team	Corporate Leadership Council (2003)	Fact brief on change management team structures (completed)

As evident in Table 1, there is no South African and little international research available directly applicable to developing a strategic framework to integrate fragmented change management practices in a Retail Banking division of a South African Bank.

1.2 MOTIVATION FOR THE STUDY

According to an internal assessment conducted by Marsicano (2005) and the input from the Deloitte Best Companies To Work For in South Africa survey (2005), the current situation in the Retail Banking division may be described as follows:

- Change management practices in the Retail Banking division are fragmented, with apparent duplication, gaps and rework (Marsicano, 2005)
- Human Resources (HR) practitioners, project managers and line managers are not all sufficiently skilled in managing change (Marsicano, 2005)
- Surveys reveal that the organisation does not always consistently manage change well (Deloitte Best Companies To Work For in South Africa, 2005)

Essentially, the problem concerns the development and implementation of a uniform strategic framework to integrate change management practices in an organisation where the strategic shift is towards customer centricity. The move to increased customer centricity places new demands on people as it speeds up the process of change. This change process is turning Retail Banking on its head in all areas of the division, hence the need for current areas practising change management to be aligned and integrated.

1.3 Research methodology

The research methodology utilised to obtain information and evaluate the strategic framework is formative and summative evaluation. Evaluation is at the heart of the research methodology. Beyer (1995) describes the methodology as the use of both formative and summative evaluation. When describing formative evaluation Beyer (1995) talks about evaluating or assessing a product, while that product is in the process of being created and shaped. For the purpose of this research report, the product being developed is a strategic framework. Beyer (1995) describes summative evaluation as the evaluation which determines the value of a given product (or strategic framework) and provides input into the purchasing, adopting and implementing of a product (or strategic framework).

The methodology was seen to be the most appropriate to achieve the objectives set by the researcher. This is due to the fact that developing a strategic framework to integrate change is an unfolding process. Other methodologies, for example a longitudinal design, causality design and action research were investigated but found not suitable. Section 4.3.2 describes some of the reasons for this.

1.3.1 Type of research

In evaluation research the primary concern is the assessment or evaluation of the effectiveness of a given practice, intervention or social programme (Mouton and Marais, 1990). Formative evaluation consists of assessing programs or products while these are being developed, to help shape them to their final form (Beyer, 1995). The author goes on to say that summative evaluation occurs after a product has been developed and is in use or is ready for use on a large scale.

1.3.2 Subjects of the research

The subjects of the study were drawn from the following populations:

- Sample of the executive management of the Retail Banking division (directors from various business areas)
- All line managers from the Information Technology and Operations business area
- Change practitioners, at all levels, from different business areas across the Retail Banking division

All of the participants are employed at the Retail Banking division. This division was used as the area for the case study to develop a strategic framework to integrate fragmented change management practices.

1.3.3 Data collection methods

Data collection methods used in this research included the use of sampling, secondary data (an assessment conducted on the current situation of change management in the Retail Banking division), observations, interviews and questionnaires. The data obtained through the various data collection methods was triangulated to increase the reliability of the study and incorporate different perspectives in the development of the strategic framework (Mouton and Marais, 1990). Triangulation refers to the use of different data collection methods to ensure that the data is being interpreted fully and consistently by studying it from more than one standpoint.

A multi-method approach was used to conduct the research. This means that various data collections methods were used to collect data, each with its particular strength and weakness. Through formative evaluation the results were evaluated and the strategic framework created. The strategic framework was then evaluated through a summative evaluation approach.

1.3.4 Data collection instruments

The following data collection methods and instruments were used:

- Review of secondary research to assess current situation
- Semi-structured interviews with executive management to determine required leadership behaviour for supporting change
- The use of focus groups to establish the perception of the change practitioners
- Survey of line managers in the Information Technology and Operations area, distributed via secure email system
- The use of the human resources database to obtain relevant employee information

1.3.5 Data collection plan

The data collection plan includes various levels of data being captured to enable the triangulation of the data used in this research (Mouton and Marais, 1990). The format of the data collection methods included the aspects listed in Table 2.



Table 2 – Data collection methods

Research questions						
	Survey	Secondary research	Interviews	Focus group	Electronic mail	HR database
What are the current change management practices in a Retail Bank?		R				
What variables are essential to the development of the change management strategic framework?	R		R	R	R	R CMP HRP
What are the benefits of using a standardised and integrated approach to manage change in a Retail Bank?			R	R		R CMP HRP
What would a framework to integrate change management practices look like for an organisation where these practices are currently fragmented?	R		R			R CMP HRP

R = Researcher

CP = Change Management Practitioners

HR = Human Resources Practitioners

Change Management and Human Resources practitioners assisted in obtaining name lists and setting up interviews.

1.3.6 Structure of the research report

Table 3 outlines the various areas covered in the research report.

Table 3 – Structure of the research report

Chapter 1	Background - Introduction and overview of the research problem
Chapter 2	Literature review – Define what is meant with the terms change management and practices. Review of current literature available on change management perspectives, frameworks and models. Investigate the various components of a strategic framework to integrate fragmented change management practices. The various components were compared to some of the proposed components identified by Prosci, a benchmarking and best practices company, the Retail Banking division’s strategic partner in change management
Chapter 3	Research questions
Chapter 4	Research methodology used for this research project
Chapter 5	Results
Chapter 6	Research findings
Chapter 7	Conclusion
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2 THEORY AND LITERATURE REVIEW

2.1 Introduction

The report starts with defining what is meant by the terms change management and practices. The focus is on the various theoretical perspectives, frameworks and change models that have evolved over the last decade in the field of change management, to understand how to integrate fragmented practices in a Retail Banking division of a South African bank. The importance of standardisation and integration is discussed. A component of the literature review is the revision of a change approach Planned Programmatic Change versus Task Alignment to understand the implementation approach critical to the success of a strategic framework (Beer, Eisenstat and Spector, 1990).

2.2 Change management practices

An understanding of what is meant by the terms change management and practices is required. The current change management practices in this division of the bank are summarised thereafter.

2.2.1 Change management

Change management is frequently defined as the “continuous process of aligning an organisation with its marketplace and doing so more responsively and effectively than competitors” (Kudray and Kleiner, 1997, p.18).

Moran and Brightman (2001) describe change management as the process of renewing the organisation’s direction, structure and capabilities to serve the ever-changing needs of the market place, customers and employees.

Hiatt and Creasey, (2003) define change management as:

- A process used by project teams to manage the people side of system, process and organisational changes to achieve the desired business results
- A competency applied by managers and supervisors to help employees through the transition from the current state to the future state and
- A strategic capability to increase the organisational change capacity and to accelerate changes within an organisation

Many perspectives exist on what the definition of change management is. For the purposes of this research report change management is seen as a broad concept including organisational-wide change or transformation and project change management.

2.2.2 Practices

Practice is the act of repeating something over and over for the purpose of learning and gaining experience (Hornsby, *et al*, 1984). A practice refers to a way that something is done. Practice is also something that is done with the deliberate aim of learning (Wikipedia, 2006).

2.2.3 Current change management practices

Marsicano (2005) completed an assessment of the current way of managing change in the Retail Banking division. The author's key findings were as follows:

- Change management practices are fragmented and duplicated
- Different change management models and methodologies exist

- Various external consultants are contracted to implement change in Retail Banking. This is expensive and leads to duplication of costs, different approaches and an overall lack of consistency
- Human Resources (HR) practitioners, project managers and line managers are not all sufficiently skilled to manage change
- Retail Banking has adopted a customer-centric strategy. This has led to increasing numbers of strategic initiatives with significant change management requirements and
- In addition, findings from the Deloitte Best Company To Work For (2005) survey revealed that the organisation does not always consistently manage change well

It is evident that current change management practices are not able to create momentum. The variety of change management processes in use spreads resources, creates duplication and consumes the energy required to deliver change management at the pace that it is required.

2.3 Theoretical perspectives, frameworks and change models

The change management strategic framework required to address the current needs in this division will be impacted by various variables. Change is part of the system within which it appears and which it affects (French and Bell, 1999). This section discusses various theoretical perspectives, frameworks and change models that may provide guidance in identifying the components that make up a strategic framework to integrate fragmented change management practices.

2.3.1 Systems theory

Systems theory is one of the most powerful conceptual tools available for understanding the dynamics of organisations and organisational change (French and Bell, 1999). The authors state that systems are interdependent, interconnected and interrelated elements in a set that constitutes an identifiable whole or gestalt.

Katz and Kahn (1966 cited in Holbeche 2006) propose that the system itself must adapt in order to survive and that managers must recognise that all organisational activities affect their environments. Senge, Scharmer, Jaworski and Flowers (2004) state that the whole is something dynamic and living that continually comes into being in concrete manifestations. The authors go on to say that the whole exists through continually manifesting in the parts, and the parts exist as embodiments of the whole.

Senge (1990) states that open-systems thinking is required to create learning organisations. The author suggests that five disciplines can overcome the learning disabilities preventing organisations and employees from learning and achieving their highest aspirations. According to Senge (1990) a learning organisation utilises all five disciplines to improve its performance:

- Systems thinking (holism and interconnectedness)
- Personal mastery (being, generativeness, connectedness)
- Mental models (love of the truth and openness)
- Building a shared vision (commonality of purpose and partnership) and
- Team learning (collective intelligence and alignment)

Systems theory can provide input into how a strategic framework to integrate fragmented change management practices into a whole or system of interrelated components should look like.

2.3.2 Gestalt therapy

Gestalt is a German word and is a psychological approach, which addresses itself to the whole man and his present environment (Nutter, 1980). Being part of a system implies taking responsibility for one's actions.

Naranjo (1993) states that Gestalt therapy means that by accepting the truth we are better off. The author goes on to list three general principles:

- Valuation of actuality, spatial and substantial
- Valuation of awareness and the acceptance of experience and
- Valuation of wholeness or responsibility

Naranjo (1993) mentions that apart from the three principles listed above, nothing else is needed for change to take place. The author goes on to say that Gestalt therapy requires awareness of impulses, taking responsibility for these and acknowledging these as part of being. Gestalt therapy views resistance as an activity to become aware of and responsible for (Naranjo, 1993).

According to Peterson and Melcher (1981) the Gestalt therapist places more value in action than in words, in experience than in thoughts, in the living process of therapeutic interaction and the inner change resulting thereby than in influencing beliefs. The learning process taking place in Gestalt therapy is experiential and behavioural rather than intellectual. Peterson and Melcher (1981) state that unwanted behaviour must be contacted, touched and faced.

Below is a list of Gestalt style of life moral injunctions (Narajo, 1993)

- Live now: be concerned with the present, rather than the past or future
- Live here: deal with what is present rather than with what is absent
- Stop imagining: experience the real
- Stop unnecessary thinking, rather taste and see

- Express rather than manipulate, explain, justify and judge
- Give in to unpleasantness and pain just as to pleasure, do not restrict your awareness
- Accept no should or ought other than your own and
- Take full responsibility for your actions, feelings and thoughts

These injunctions are important guidelines to managing change on an individual basis. Organisations are made up of individuals and in order to change the organisations one has to start with the individual (French and Bell, 1999).

2.3.3 Postmodernism and chaos theory

Certain trends are affecting the response to change. Industrialisation has been replaced by the information age (Harris, 2001). The pace of change is increasing, pushing organisations to the boundary between order and chaos (Holbeche, 2006).

Berquist (1993) identifies four themes of postmodernism:

- Objectivism versus constructivism: Postmodernists believe that reality is a social construct that changes depending on the time and place
- Language is itself reality: Language is also a social construct and therefore a reality in itself
- Globalisation and segmentalism: Postmodernists believe we have lost our sense of community and are even more segmented now
- Fragmented and inconsistent images: Physical and virtual experiences integrate into multiple realities

According to Holbeche (2006) postmodernism, new technologies and rapidly changing environments require organisations to create complex differentiation (specialisation) and integration (organisational coordination). This will impact

organisational dynamics and business structures. The resultant tension in organisations can hinder change processes, as specialists tend to operate in separate silos and defend territory. Integration is important to deliver synergistic solutions. In effect the modern world of work encourages silo building and increases the need to work for integration. This tension between specialists and the organisational need to integrate and create synergy sets the agenda for change management practice.

A changing environment is impacting organisational purpose, form, structure and function. It is suggested that these trends will impact the strategic framework to integrate fragmented change management practices in Retail Banking.

2.3.4 Change types

The response to change will depend on the type of change that is being managed. Ackerman Anderson and Anderson (2001) identify three types of change:

- Developmental
- Transitional and
- Transformational

Developmental or incremental change refers to an improvement in the organisation's current style of operation (Johnson and Scholes, 1999). Transitional change replaces the current state with a known new state (Ackerman Anderson and Anderson, 2001). Transformational change is a fundamental shift from one state to a new state, a change so significant that it requires cultural and behavioural change.

In effect a change in mindset is required for implementation to succeed. (Ackerman Anderson and Anderson, 2001). The authors further state that the

most prevalent change in today's organisations is transformational and such dramatic change requires leaders and employees to transform themselves, change their mindsets and their fundamental assumptions about reality.

Prosci (2006) categorises some of the major change initiatives in the incremental versus radical (transformational) change types in figure 1 below.

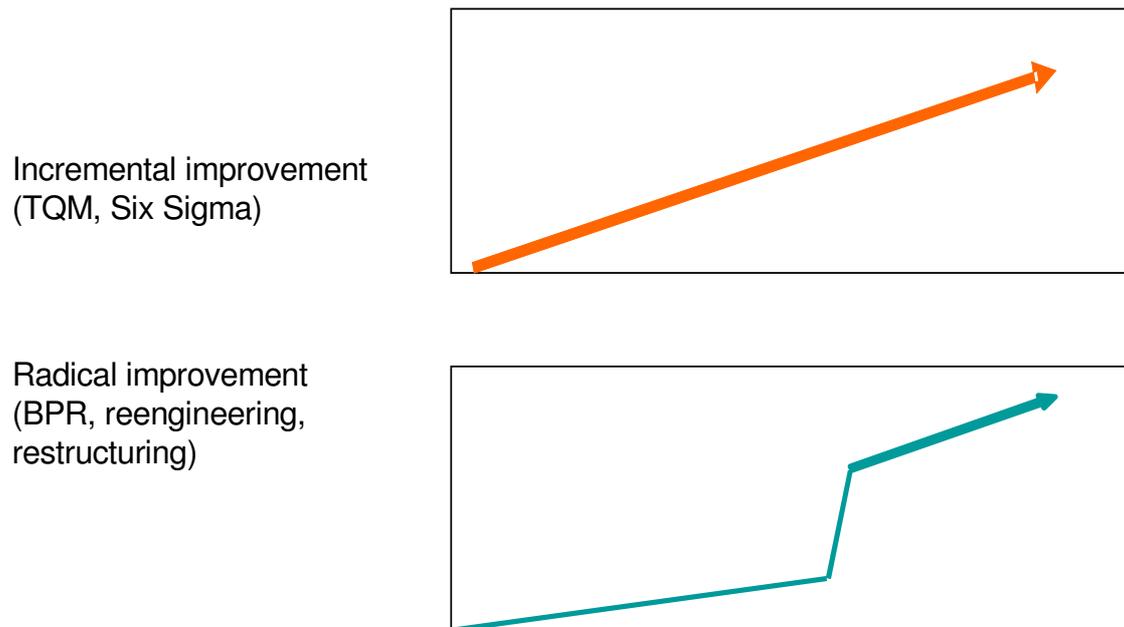


Figure 1 – Prosci categorisation of different change initiatives (Prosci, 2006)

Pendlebury, Grouard and Meston (1998) state that the type of change can be categorised in terms of three variables:

- Depth of change (profound versus superficial)
- Speed of change (slow versus fast) and
- How change is implemented (by consensus versus imposed)

The five main areas of a business (i.e. strategy, structure, systems, culture and management style) are closely integrated, and are all affected by change, but each area responds to change in a different way (Pendlebury *et al*, 1998).

2.3.5 Theory and models of planned change

The following section explores change theory and models used to implement planned change in organisations worldwide. The planned programmatic change versus task alignment approach will be compared to identify variables that could influence how a strategic framework for the Retail Banking division could look.

2.3.5.1 Lewin three step process

Lewin's three-step process approach to organisational change is probably one of the most influential in the change discipline (Holbeche, 2006). The three steps are:

- Unfreezing the status quo by defining the current state, identifying resistance and picturing a desired end state
- Move towards the desired state through evolving and engaging impacted individuals and groups and
- Refreezing and stabilising the new state by institutionalising what has worked and forming new standards and rewarding success

Many other change frameworks and models follow the logic of the high-level process Lewin developed.

2.3.5.2 The eight steps for successful large-scale change

According to Kotter and Cohen (2002) people change because they are shown the truth that influences their feelings. The authors go on to say that it is less about analysis and facts but rather the emotional shift that is required. Kotter and Cohen (2002) propose a change process made up of the following stages. All of the stages listed in Table 4 imply a change in behaviour.

Table 4 – Eight steps for successful change (Kotter and Cohen, 2002)

Step	Action	New behaviour
1	Increase urgency	Let's go, we need this change
2	Building the guiding team	A group powerful enough to guide a big change is formed and they start to work well together
3	Get the vision right	The guiding team develops the right vision and strategy for the change effort
4	Communicate for buy in	People begin to buy into the change and this shows in their behaviour
5	Empower action	More people feel able to act, and do act, on the vision
6	Create short term wins	Momentum builds as people try to fulfil the vision, while fewer and fewer resist change
7	Don't let up	People make wave of wave of changes until the vision is fulfilled
8	Make change stick	New and winning behaviour continues despite the pull of tradition or turnover of change leaders.

As evident, the Kotter and Cohen model is a planned change model that follows a process.

2.3.5.3 The ten keys to successful change management

Pendlebury *et al* (1998) consider the ten keys identified as essential for accelerating change and maximising success. Each key has the characteristics of necessity, continuity, flexibility and interdependency. Table 5 below outlines the ten keys.

Table 5 – The ten keys (Pendlebury *et al*, 1998)

	Key
1	Defining the vision
2	Mobilising
3	Catalysing
4	Steering
5	Delivering
6	Obtaining participation
7	Handling the emotional dimension
8	Handling the power issues
9	Training and coaching
10	Communicating actively

Pendlebury *et al* (1998) state that it is important that the method is adapted to the situation in order to accelerate change, minimise its costs and maximise the chance of success. The authors go on to say that one of the issues managers face is how to exploit all the skills and capacities of individual employees that will assist in achieving success. Success in change processes requires that managers release employee potential, participation and commitment.

2.3.5.4 Change Process model

Ackerman Anderson and Anderson (2001, p.13) developed what they called the 'change process model' to guide the change process during a full cycle of transformation.

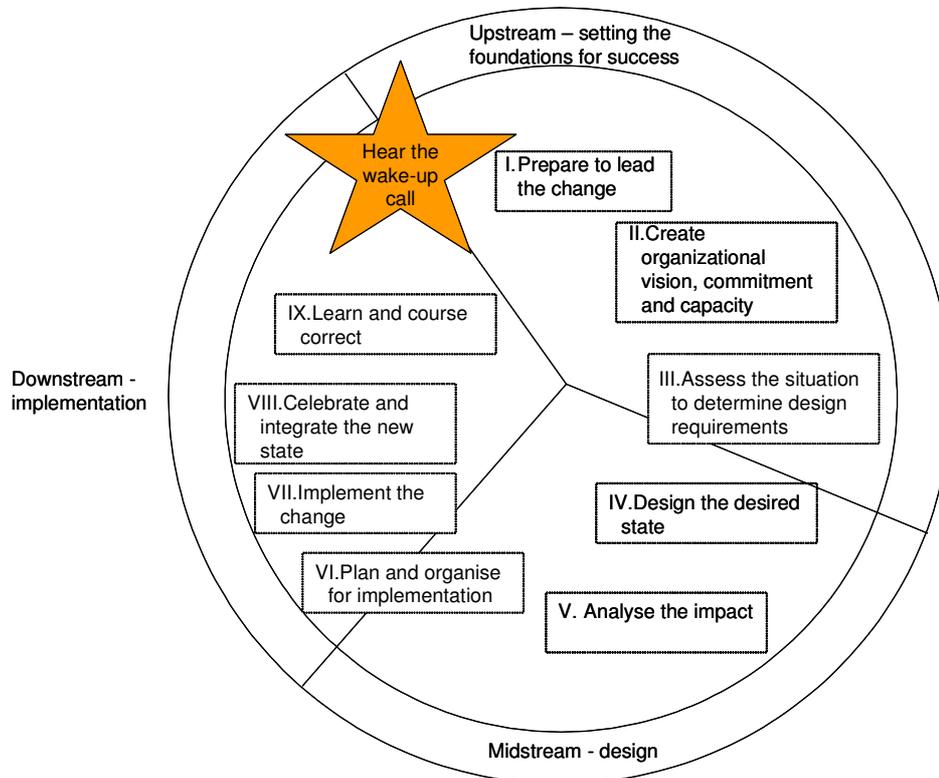


Figure 2 – Change process model (Ackerman Anderson and Anderson, 2001)

The model consists of nine phases of activity. These phases represent the way that the authors believe transformation takes place generically in organisations. The model is comprehensive and needs to be customised to the particular type and size of transformation effort (Ackerman Anderson and Anderson, 2001). It defines and sets the guidelines of a process to manage change.

2.3.5.5 Prosci Change Process

Hiatt (2006) developed the ADKAR model after studying the change patterns of more than 700 companies. Initially the focus was to understand change at an individual level. This model is extended to show how businesses, government agencies and communities can increase the likelihood that their change initiatives are implemented successfully. The ADKAR model has five building blocks or objectives (Hiatt, 2006). All these elements must be in place for change objectives to be realised.

The five building blocks for successful change are:

- Awareness of the need to change
- Desire to participate and support change
- Knowledge on how to change
- Ability to implement required skills and behaviours and
- Reinforcement to sustain the change

Hiatt (2006) states that the concept of change as a process has important implications. The author goes on to say that leaders and managers should avoid treating change as a once-off event. Their visible support is critical to the success of the change initiative (Prosci, 2005). The recommended change management process for organisations is shown in Figure 3.

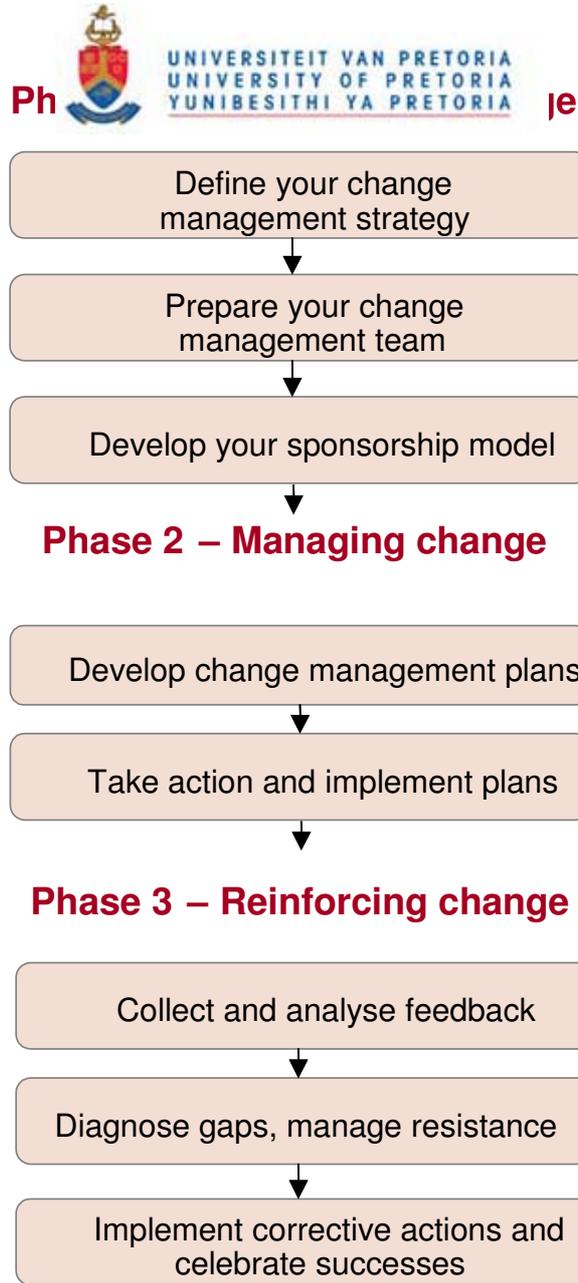


Figure 3 – Prosci change process (Hiatt, 2006)

Hiatt (2006) states that effective change management requires both an organisational and individual change management approach. The various models, frameworks and approaches discussed can be used to manage change in the Retail Bank division. The use of these various models in isolation is not sufficient to deliver integrated change management to the business. The delivery of planned change in a division as big as the Retail Bank division needs to be integrated and approaches standardised to ensure change capability and capacity is created.

2.3.6 Planned programmatic change versus task alignment

In the previous section planned change theory and models were reviewed. This section investigates two implementation approaches to be taken into account when developing a strategic framework to integrate fragmented change practices in an organisation. Both planned programmatic change and task alignment are based on the assumption that organisations are responding to the new competitive environment by revitalising the human side of the enterprise (Beer *et al*, 1990).

2.3.6.1 Programmatic change

Beer *et al* (1990) refer to programmatic change as a program for change that has some, if not all, of the following characteristics:

- It is a programme imposed from the top of the organisation
- It serves as a centrepiece for launching and driving change throughout the whole organisation
- It is an off- the-shelf standardised solution, not customised for the needs of different business units and
- It focuses on one particular human resources issue which could be, for example, performance evaluation, compensation, organisational culture or leadership style

According to Beer *et al* (1990) most of these interventions, although well planned, supported by top management and well resourced, fail due to the fact that they do not take the organisation as a total system into account. Some of the typical programmatic change interventions are training programmes, quality circles, new appraisal and pay programmes and restructures (Beer *et al*, 1990). The authors go on to say that these interventions are unsuccessful because they cannot change coordination,

commitment and competence simultaneously. Furthermore these programmes bypass the middle managers that are in the engine room of the business (Beer *et al*, 1990).

2.3.6.2 Task alignment

Task alignment is defined as a redefinition of roles, responsibilities and relationships within a unit, in a way that will enhance the coordination required to accomplish the tasks critical to the success of the business (Beer *et al*, 1990).

As illustrated in Figure 4 the way people work together around core tasks needs to change. By creating a common purpose people align their tasks to it and a legitimate and ad hoc team organisation emerges.

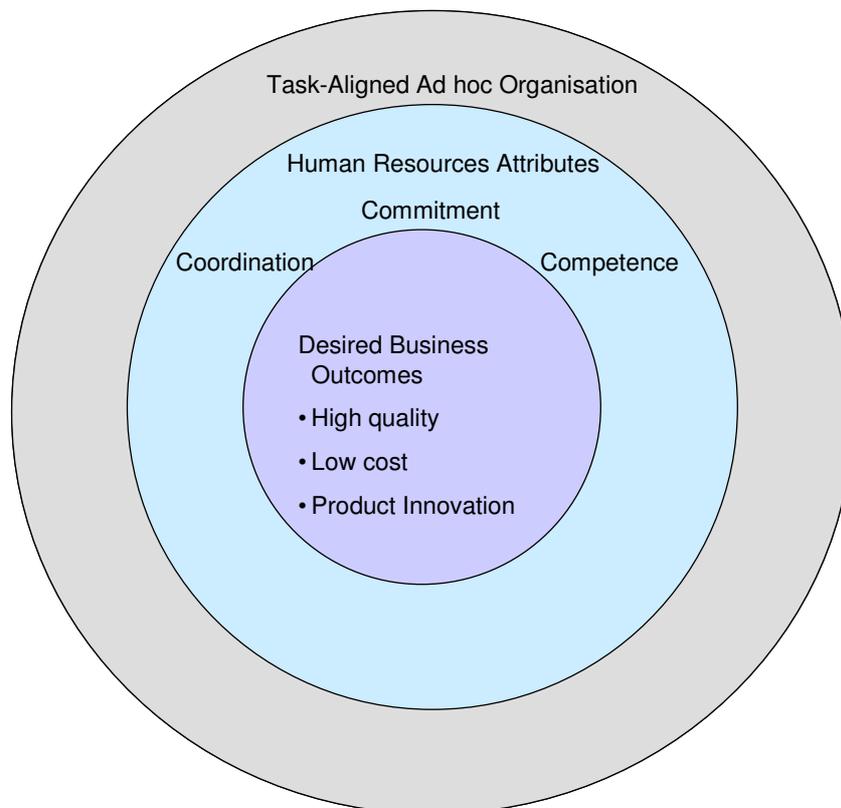


Figure 4 – The target revitalisation (Beer *et al*, 1990)

Beer *et al* (1990) state that in a less hierarchical task driven organisation a larger number of committed and competent employees are required at all levels. This is in contrast to a command- and- control type environment frequently seen in banks. According to Beer *et al* (1990) the task alignment approach is more successful because there is a greater agreement in most organisations that there is a need to confront core business issues rather than a need to manage people differently. Table 6 outlines some of the assumptions on which programmatic change and task alignment is based (Beer *et al*, 1990).

Table 6 – Contrasting assumptions about renewal (Beer *et al*, 1990)

<i>Programmatic change assumptions</i>	<i>Task alignment assumptions</i>
Problems in behaviour are a function of individual knowledge, attitudes and beliefs	Individual knowledge, attitudes and beliefs are shaped by recurring patterns of behavioural interactions
The primary target of renewal should be the content of attitudes and ideas; actual behaviour should be secondary	The primary target of renewal should be behaviour; attitudes and ideas should be secondary
Behaviour can be isolated and changed individually	Problems in behaviour come from a circular pattern, but the effects of the organisational system on the individual are greater than those of the individual on the system
The target for renewal should be the individual level	The target for renewal should be at the level of roles, responsibilities and relationships

Beer *et al* (1990) state that it is crucial that the leaders and managers involve employees in the process required to realign the organisation to the new competitive realities. Research conducted by the Corporate Strategy Board (2005) confirms this and states that strategists responsible for formulating and implementing a new business strategy should focus change management efforts on identifying and engaging employees most critical to a new strategy's success and not try to persuade the whole organisation uniformly (Corporate

Strategy Board, 2005). Table 7 outlines the implementation change approach developed by Beer *et al* (1990).

Table 7 – Implementation approach (Beer *et al*, 1990)

	Steps
1	Mobilising energy for change by involving stakeholders in identification of problem
2	Develop a task-aligned vision of how to organise and manage for competitiveness
3	Fostering consensus, competence and cohesion
4	Spreading revitalisation to all departments of the unit in a way that avoids perception that a program is being pushed from the top, but at the same time ensures consistency with the organisational changes already underway
5	Consolidating changes through formal policies, systems and structures that institutionalise revitalisation
6	Continually monitoring and strategising in response to predictable problems in the process

The programmatic approach to change often assumes that influencing the way people think changes behaviour. Table 8 summarises the two change implementation approaches.

Table 8 – Comparison between change approaches (Beer *et al*, 1990)

Long-term Development of Human Attributes			
Short-term business demands		Ignored	Incorporated
	Ignored		Programmatic change
	Incorporated	Rationalisation of assets	Task Alignment

Table 9 illustrates two different approaches to change and concludes that behaviour is primarily changed through people interacting with others (Beer *et al*, 1990).

Table 9 – Two approaches to corporate revitalisation (Beer *et al*, 1990)

<i>Dimension</i>	<i>Programmatic change approach</i>	<i>Managing corporate climate approach</i>
Relationship between headquarters and the field	Independent effort to develop changes at headquarters for use in the field that ignores early innovation in outlying locations	Isolated change in field locations Leading to centrally coordinated change in field locations that gradually moves towards the core
Reasons for change	Primary, example of other companies or personal values of top management Secondarily, perceived link with business results	Perceived link with business results
Major responsibility for developing and implementing change	Delegated to corporate human resources personnel and outside consultants by line management	Retained by line management in the headquarters and the field. Assisted by HR staff and consultants
Change methods	Training programs, mission statements, changes in corporate wide systems and procedures (performance evaluation, success planning and compensation)	Successful experiments with new methods of organising and managing diffused through managerial succession, plant visits and conferences.
Assumed relationship between words, thought and behaviour	Based on observation, reading and reflection, develop methods to change how people think (through training and mission statements) that will in turn change how they act	Based on trial and error in a variety of field locations, develop methods to get people to act differently. Only then will they begin to think differently, which can then be described in training programs and mission statements
Assumed relationship between corporate procedures and behavioural change	Changed corporate procedures and systems will change how people act	Changed behaviours will guide changes in corporate procedures

By reviewing the different approaches to implementing change management, the researcher aimed to identify some of the components of a strategic framework to integrate fragmented change management practices in a Retail Banking environment. Some of the components seem to be related to for example who has major responsibility for developing and implementing change.

2.4 Strategic Framework

The determination of an appropriate strategic framework to integrate the fragmented change management practices in a Retail Bank requires a focus on:

- Organisational structures and processes
- Decision-making
- Culture and
- Leadership

All these elements interact and play a role. Guy and Beaman (2005, p.6) state, “change management is increasingly perceived as a permanent business function to keep organisations agile and adaptable in a continuously changing competitive environment”. The authors believe a well-funded business department in organisations should represent change management expertise.

Guy and Beaman (2005) completed research that indicated that change management is becoming part of the organisation in the following ways:

- Designated change management function (most often in Human Resources departments)
- Tools and techniques for planning and implementation
- Establishing communication methods for facilitating change and

- Influencing corporate culture to become more flexible and agile

Prosci (2006) research indicates that there are a variety of tactics used to build change management competency, dependent on the type of organisation and its preferred style of operation (for example flexible or autocratic). Prosci (2006) examined all of these tactics and developed a model showing the different tactical categories that support change management process deployment. Figure 5 illustrates the components that support the deployment of change management in an organisation.

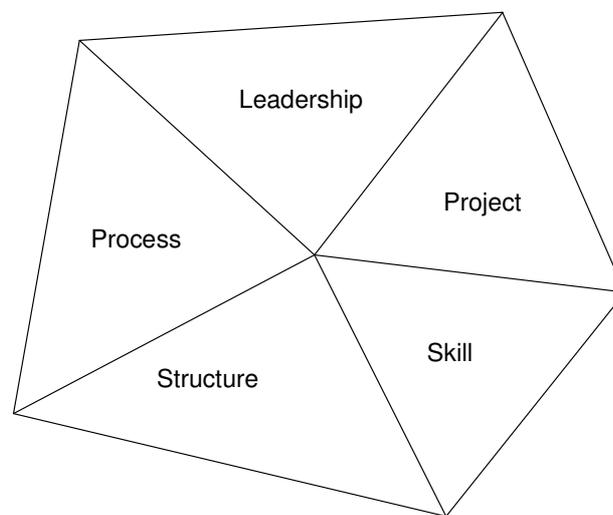


Figure 5 – Organisational change management model (Prosci, 2006)

- In terms of how change management is delivered in an organisation these elements will be blended, relying more heavily on those that fit the organisation's situation (Prosci, 2006)

The following section investigates each of the proposed components of a strategic framework.

2.4.1 Organisational structures and processes

In order to sustain and grow an organisation and to give individuals opportunities to grow, certain procedures, processes and roles are required.

The organisation needs to build the know-how and competence required to maintain change when and where it is needed (Holbeche, 2006). This capacity can become part of the way employees and managers operate in changing organisations.

Research conducted by the Corporate Leadership Council (2001) at six corporations found the following:

- Decentralised organisational structures lead most profiled companies to customise consultants' change models to fit organisational needs
- Change is facilitated through online tools, internal or external consulting or some combination thereof
- Leveraging change to improve business performance is the ultimate goal of all profiled companies and
- Key success factors include actively engaged employees at every organisational level, the design of high-impact training and communication strategies and substantial investment in change management

In order to integrate fragmented change management practices into a strategic framework, these elements will need to connect and relate to each other. The Corporate Leadership Council (2003) investigated how change management teams are structured and integrated into various profiled companies.

These companies were in the financial services industry and had a staff complement ranging from 15 000 to 30 000 employees. This is comparable with the Retail Banking division, which employs 24 592 people. The profiled companies tend to house the change management team in the Human Resources department and manage it through a matrix structure (Corporate Leadership Council, 2003). The researchers report some of the benefits of a having a matrix structure as being the fact that the change management team

has more flexibility and fluidity and can operate cross functionally, leading to greater integration.

According to Sadler (1991) the use of organisational design to create an effective organisation would require:

- Achieving the appropriate level of control over activities and members
- Achieving an adequate degree of co-ordination and integration of people's activities in relation to the organisation's overall purpose
- Providing necessary and effective interactions and interfaces with the environment
- Influencing the motivation and commitment of employees and
- Achieving innovation and flexibility to create the ability to respond to change fast

Organisational design and structure is one of the important components of a strategic framework.

2.4.2 Decision-making

Brickley, Smith, Zimmerman and Willett (2003) mention that the main benefit of decentralised decision-making is that it strengthens the link between decision authority and local knowledge and encourages the conversion of employee expertise into techniques that can create value. The authors go on to say that the main drawback is that incentive conflicts increase as decision-making is moved towards the lower-level employees who may not see the main purpose of maximising shareholder value.

If decision-making is centralised into a head office area it could result in head office having important knowledge and expertise and it could also be beneficial in terms of economies of scale (Brickley *et al*, 2003). However, centralised decision-making could result in decision-making taking longer

(Brickley *et al*, 2003). Decision making is affected when an organisation implements a customer centric strategy. Employees need to be empowered to make decisions closer to the customer. The appropriate type of decision-making to deliver change management to a bank needs to be investigated.

2.4.3 Culture

Organisational culture will have an impact on effectiveness. A culture that is rigid and is based on vertical hierarchies will need to change. It will need to enable horizontal work practices and would become characterised by customer focus, teamwork, flexibility, responsiveness and empowerment (Holbeche, 2006). Sadler (1991) mentions some of the features of companies that have transformed their cultures:

- Profound respect for the individual
- Valuing the customer and staff
- Building teams, creating networks, task forces, project groups and encouraging informal co-operation
- Openness and trust
- Delegation, decentralisation and autonomy
- Emphasis on innovation
- Women are treated as persons, judged on their performance and achievements and advanced accordingly
- Sense of dedication to excellence and achievement. Poor performers are dealt with in a caring way but not left in key positions

Culture is key to the effectiveness of organisations in dealing with change. Leadership style and behaviour is central to the creation of an organisation's culture.

2.4.4 Leadership

Various studies reveal the important role of leadership in ensuring the success of change management. Table 10 outlines the findings of a study by LaClair and Rao (2002) on the critical success factors for change management. Leadership commitment and sponsorship for the initiative is critical.

Table 10 – Critical success factors (LaClair and Rao, 2002)

Senior managers	
Commitment	Put initiative at top of agenda
Communication	Relate single, clear and compelling story
Financial incentives	Reward senior managers if initiative is successful
Non-financial incentives	Provide recognition for strong performance
Leadership	Identify owner or champion
Stretch targets	Uphold goals with mantra like consistency
Middle managers	
Decision authority	Exercise consistent control over defined set of tasks
Skills in managing people	Provide feedback to employees on status of initiative
Skills in managing projects	Achieve measurable milestones in timely manner
Frontline staff	
Skills	Consider training key aspect of initiative
Tools	Make technology and techniques available to employees
Motivation	Clearly reward excellent performance to improve morale

In terms of leader's role in change Kouzes and Posner (2003) recommend five practices for leaders to be more effective:

- Model the way. Leaders are clear about the their values and set the example by aligning to shared values
- Inspire a shared vision. Leaders envision the future by imagining exciting and enabling possibilities and enlist others in a common vision
- Challenge the process and search for opportunities by seeking innovative ways to change, grow, and improve
- Enable others to act, thus empowering organisational members to take responsibility and ownership
- Encourage the heart by actively motivating organisational members to achieve

According to Holbeche (2006) leaders also have a symbolic role to play. The author goes on to say that their behaviour is visible and any behaviour contrary to what they preach will result in increased employee cynicism. Leadership is an important variable in the development of the change management strategic framework especially because the Retail Banking division under consideration operates in a command- and -control environment where leaders demonstrate position power.

2.5 Standardisation and integration

Current change management practices in Retail Banking are fragmented with duplication between efforts. Some of the benefits and risks of standardising and integrating change management practices are described below.

2.5.1 Standardisation

Standardisation means the process of establishing standards of various kinds, and improving efficiency to handle people, their interactions and cases. Standardisation in this sense is often discussed along with (or synonymously to) such large-scale social changes as modernisation, bureaucratisation, homogenisation, and centralisation of society (Wikipedia, 2006).

In a best practices report conducted by Prosci (2006) the researchers indicate that almost one-third of participants to the global study indicated that the organisation had a standard methodology across multiple projects. They indicated that this is part of building internal competency and capability to manage change better. The key advantage of using a common approach is similar to the benefits of any process of standardisation that might occur in an organisation for example reducing duplication and therefore decreasing costs.

The Prosci (2006) process identified some of the central benefits of a standard approach to change management as part of creating internal change management capability in an organisation:

- Common language
- Shorter learning curve
- More consistent application
- Common and shared resources
- Greater opportunity for continuous improvement and
- Prevention of reinventing the wheel

In addition to the benefits of a common approach, there are potential risks of project teams and external vendors using different approaches to change management. Certain people may be exposed to different approaches and this creates confusion. This confusion becomes aggravating and could lead to people disengaging from the process (Prosci, 2006).

2.5.2 Integration

Sadler (1991, p.63) defines integration as “the process of binding together the various parts of an organisation into a cohesive whole”. The author goes on to say that it is a more general, more diffused process than coordination, which relates to specific identifiable task interdependencies.

According to Sadler (1991), some of the benefits of integration include:

- Overcoming strict functional boundaries that pull people apart from one another
- Overcoming hierarchical boundaries between staff in head office and subsidiaries, or staff of different levels in the organisation
- Encouraging social interactions and
- Linking people throughout the organisation with emotional and psychological bonds of a strong corporate culture

Integration also relates to people's activities, business processes and the flow of information. By not integrating fragmented change management practices the risks are:

- Duplication of effort (Sadler, 1991)
- Separation due to strong functional boundaries (Sadler, 1991)
- Lack of a strong corporate culture bringing people together (Sadler, 1991) and
- Every functional area focusing on their goals and objectives without necessarily aligning to the overall strategic vision (Johnson and Scholes, 1999)

The international trends indicate that many organisations are integrating and standardising change management practices in order to start forming an internal competency and capability for managing change.

2.6 Summary

Currently change management practices in the Retail Banking division of a local bank are fragmented and duplicated (Marsicano, 2006). This literature review supports an integrated and standardised approach to managing change. The design of a framework to achieve this is influenced by certain variables for example organisational structure and process, culture and leadership. By reviewing the different variables and investigating how these would interact and integrate into a framework, the researcher will develop a strategic framework that will deliver integrated change management practices to a Retail Bank. As this has not been done before, locally or internationally, the approach has been to investigate possible components to be tested in the research.

3 RESEARCH QUESTIONS

Based on the literature review in Chapter 2, it is apparent that the research question has not been answered locally or internationally.

What would a strategic framework to integrate change management practices look like for an organisation where these are currently fragmented?

3.1.1 Subsidiary research questions

In order for the researcher to answer this question, further subsidiary research questions need to be asked:

1. What are the current change management practices in a Retail Banking division of a South African bank?
2. What variables are essential to the development of the change management strategic framework?
3. What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?
4. What would a framework to integrate change management practices look like for an organisation where these are currently fragmented?

4 RESEARCH METHODOLOGY

4.1 Introduction

The research methodology used to compile the data and evaluate the strategic framework and pilot thereof was formative and summative evaluation. It is a mostly qualitative research design (Beyer, 1995).

4.2 Research process

A research process needs to take the research philosophy and approach into consideration. For this report the research philosophy tended to lean more towards phenomenology rather than positivism. According to Saunders, Lewis and Thornhill (2000), positivism relates to working with an observable social reality where the end product of such research can be generalised similar to those produced by the physical and natural sciences.

It presumes, for instance, that a researcher be detached from interpretations of the data and through a highly structured methodology, replication is facilitated (Saunders *et al*, 2000). As the research tends towards phenomenology, as is the case here, it is accepted that the ability to generalise will be lost due to the complexity of the social world of business and management (Saunders *et al*, 2000).

In terms of the research approach for this report, a deductive approach was followed. Various categories of variables, that could influence how a strategic framework to integrate fragmented change management practices would look like, were reviewed in the literature review. The research strategy was designed to evaluate these and how it would fit together to form a strategic framework. The focus was on explaining various insights. In anthropological terms this is called participant observation (Saunders *et al*, 2000).

As mentioned, the research strategy utilised was formative and summative evaluation. It was cross-sectional research as the study was of phenomena at a particular time and it was also conducted over a short period of time (Welman and Kruger, 2001). Data collection methods used in this research includes the use of sampling, secondary data, interviews, focus groups and a survey.

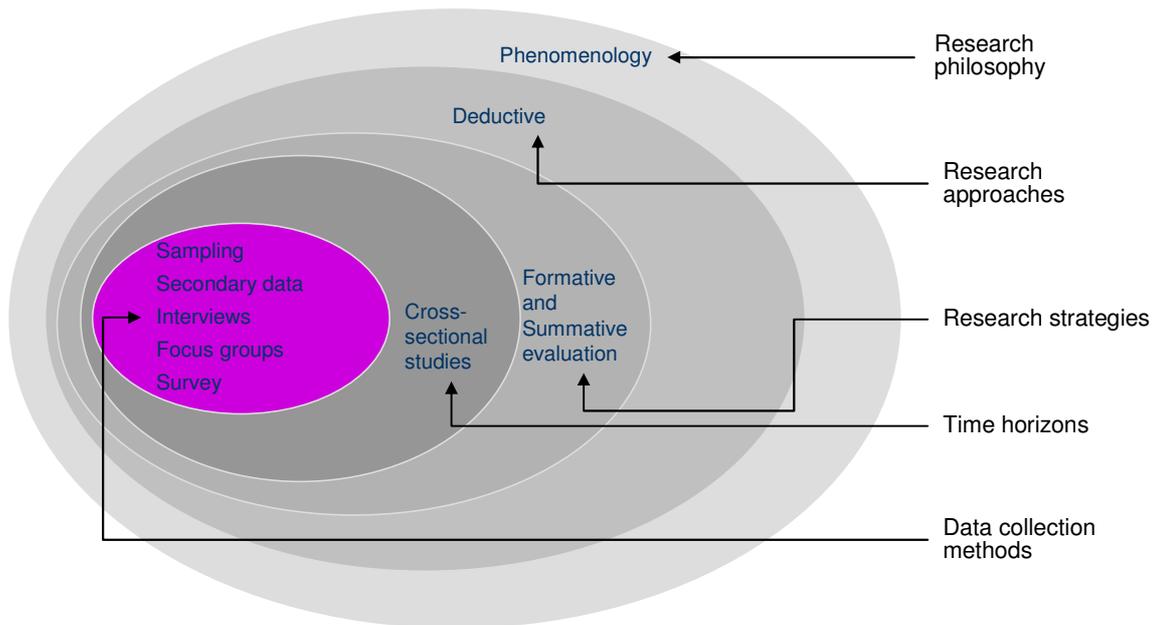


Figure 6 – Research process (Adapted from Saunders *et al*, 2000)

Figure 6 illustrates the components of the multi-method approach used to conduct this research. The following are advantages of using a multi-method approach:

- Different methods can be used for different purposes in a study and
- Triangulation is made possible (Saunders *et al*, 2000)

The data received through the various data collection methods will be triangulated to increase the reliability of the study and incorporate different perspectives in the development of the strategic framework (Mouton and Marais, 1990). The authors go on to say that triangulation explains more fully

the richness and complexity of human behaviour by studying it from more than one standpoint.

4.2.1.1 Qualitative research design

The qualitative research design aspect was done through developing semi-structured interviews and focus groups. Qualitative and quantitative data will be used to demonstrate concurrent validity (Cohen, Manion and Morrison, 2002).

4.2.1.2 Quantitative research design

A survey was compiled to investigate certain aspects of variables identified in the literature review. The nature of the quantitative research design was exploratory (Cohen *et al*, 2002). As evident a multi-method approach to the research was taken. The research design does, however, lean towards a qualitative approach.

4.3 Research design

In evaluation research the primary concern is the assessment or evaluation of the effectiveness of a given practice, intervention or social programme (Mouton and Marais, 1990). Formative and summative evaluations are two types of evaluation occurring at different points in the development process and both have different purposes (Beyer, 1995).

4.3.1 Formative evaluation

Formative evaluation evaluates or assesses a product while that product is in the process of being created and shaped. Beyer (1995) states that the primary goal of this kind of evaluation is to improve the quality of the product being developed so that it will have the best chance of achieving the

objectives for which it was designed. For the purpose of this research report the product being developed is a strategic framework. According to Beyer (1995) the advantages of formative evaluation are as follows:

- It occurs during development and the results from the formative evaluation are used to improve the product, or in this case the framework, before it is implemented. This reduces the risk in the development of a strategic framework
- It is a practical, cost-effective way of determining the quality of the newly-developed strategic framework before it is implemented and
- It reduces the impact of developer biases or the impact of the limitations of particular points of view or experiences

4.3.2 Summative evaluation

Summative evaluation occurred after the strategic framework had been completely developed.

- Summative evaluation determines the value of a given product or strategic framework and provides input into the purchasing, adopting and implementing of a product (Beyer, 1995)

Formative and summative evaluation will be the most applicable and appropriate for this research report as the nature of the study:

- Is ongoing
- Involves assessment
- Seeks specific information as well as judgements and
- Creates a framework made up of various components (Beyer, 1995)

The development of a strategic framework is an unfolding process. Time and resource constraints made a longitudinal design impractical (Mouton and

Marais, 1990). It would have been very difficult, if not impossible, to utilise a causality design in this research due to the inability to ensure only two variables are at play, *ceteris paribus*. Action research was investigated but due to the fact that the strategic framework might not be implemented, it was decided to use formative and summative evaluation.

4.4 Subjects of the research

The subjects of the study are employees of the Retail Banking division and comprised of the following:

- Directors in the Retail Banking division
- Change practitioners representing various areas in the Retail Banking division that participate in the change management knowledge-sharing forum and
- Line managers in the Retail Banking division: Information Technology and Operations Area

Retail Banking division was used as the case study to develop a strategic framework to integrate fragmented change management practices. The researcher feels that the various levels of management were sufficiently covered to support the research.

4.5 Sampling method

According to Welman and Kruger (2001), a population is the study object, which may be individuals, groups, human products and events or the conditions to which they are exposed. The research population in this report is from a Retail Banking division. The unit of analysis is individuals, namely directors, line managers and change practitioners employed at the Retail Banking division.

Saunders *et al* (2000) state that results obtained from non-probability sampling cannot be generalised to a wider population. This sampling method is far less complicated to set up and considerably less expensive. With probability sampling the chance of each case being selected from the population is known and is usually equal for each case (Saunders *et al*, 2000).

Data collection methods used in this research includes the use of sampling, secondary data, interviews, focus groups and a survey. Table 11 presents a description of the sampling frame, method and reason why this sampling method was chosen for this research.

Table 11 – Sampling

Sample	Sampling frame	Sampling method	Reason
Directors. Population = 192	List of Directors in the Retail Banking division	Probability simple random sampling	Simple random sampling from the HR database list of directors in the Retail Banking division of South Africa will be completed (Saunders <i>et al</i> , 2000)
Change practitioners. Population = 23	List of change practitioners in the Retail Banking division	Non-probability convenience sampling	It is a convenience sample because the researcher has access to the change management knowledge-sharing forum members (Saunders <i>et al</i> , 2000)
Line managers. Population = 1372	List of line managers in the Retail Banking division, specifically the Information Technology and Operations line managers	Non-probability convenience sampling	It is a convenience sample because the researcher has access to this area through the Director of Information Technology and Operations that supports this research process (Saunders <i>et al</i> , 2000)

It is clear that a comprehensive sample was chosen and representation of various groups was ensured.

4.6 Data collection methods and instruments

The following data collection methods and instruments were used:

- Semi-structured interviews with directors obtain their views on change management
- The use of focus groups to establish the perception of the change practitioners
- Survey with line managers in the Information Technology and Operations business area and
- The use of the human resources database for obtaining employee information

Table 12 summarises the various data collection methods and instruments utilised.

Table 12 – Data collection methods and instruments

	<i>Methods</i>	<i>Instruments</i>
<i>Qualitative measures</i>	Interviews	Interview schedules
	Focus group	Formal and informal discussions
	Survey	Questionnaires
<i>Quantitative measures</i>	HR database	Computer-generated results

Data gathered through the use of the survey and HR database was the subject of quantitative analysis. Qualitative analysis was performed on the interview, focus groups data and the two open-ended questions from the survey.

4.7 Data collection plan

The data collection will include various levels of data capturing to enable the triangulation of the data used in this research (Mouton and Marais, 1990).

Primary data was collected through the survey, interviews and focus groups.

Secondary data was used to analyse the current situation in the bank.

Table 13 – Data collection plan

Research questions					
	HR database	Interviews	Focus group	Survey	Secondary data
What are the current change management practices in a Retail Bank?					R
What variables are essential to the development of the change management strategic framework?	R CMP HRP	R	R	R	
What are the benefits of using a standardised and integrated approach to manage change in a Retail Bank?	R CMP HRP	R	R	R	
What would a strategic framework to integrate change management practices look like for an organisation where these are currently fragmented?	R CMP HRP	R		R	

R = Researcher

CMP = Change Management Practitioners

HRP = Human Resources Practitioners

As indicated in Table 13, some of the Change and Human Resource Practitioners assisted with scheduling meetings and verifying the list of line managers surveyed.

4.8 Data analysis process

Data was gathered through reviewing secondary research to assess the current situation, semi-structured interviews with directors, focus groups with change management practitioners and a survey with line managers in the Information Technology and Operations business area of the Retail Bank. The main medium of communication to the participants, identified through the use of the human resources database, was electronic mail. Qualitative and quantitative analysis was performed.

4.8.1 Analysing qualitative data

The analyses of qualitative data start when the researcher starts collecting it. The process of content analysis consisted of four stages, as developed by Saunders *et al* (2000):

- Categorisation
- Unitising data
- Recognising relationships, patterns and themes and developing new categories and
- Developing and testing hypotheses to reach conclusions

A deductive strategy was used as existing theory shaped the research process and analysis (Saunders *et al*, 2000). Independent variables were investigated through asking well-defined research questions and exploring the research objectives.

4.8.1.1 Interviews

Interviews are a qualitative data collection method. An interview is a purposeful discussion between two or more people (Saunders *et al*, 2000). The purpose of these interviews was to gather data and sample the

respondent's opinion with regards to change management in the Retail Bank. Cohen *et al* (2000) states that the planning of interview-based research follows the following process: thematising, designing, interviewing, transcribing, analysing, verifying and reporting. The researcher followed the same process.

A simple random sample of directors in the Retail Banking division was taken. According to Welman and Kruger (2001), simple random sampling means that each member of the population has the same chance of being included in the sample and each sample of a particular size has the same probability of being chosen. Half-an-hour interview time slots were scheduled by the researcher with the assistance of HR practitioners.

The interviews were formal and the semi-structured questionnaire was based on the themes to be investigated as part of the research objectives (See Appendix A). With the respondents' permission, answers were recorded on tape (not transcribed) and also recorded in the researcher's journal. Cohen *et al* (2000) emphasis how important stimulus equivalence is in that every respondent should understand the interview question in the same way. The researcher compiled the questionnaire and ensured that the exact wording and sequence of questions were the same. According to Cohen *et al* (2000), this increases the comparability of responses during analyses.

Cohen *et al* (2000) state that in qualitative data the data analysis is almost inevitably interpretive and therefore less than a completely accurate representation. It is therefore more reflexive and reactive. The interaction between the researcher and the decontextualised data also constitutes already interpretations of a social encounter (Cohen *et al*, 2000).

Validation of the data occurred at every stage of the interview-based investigation. Maxwell (1990 cited in Cohen *et al* 2000, p.106) suggests that understanding is a more suitable term than validity in qualitative research. The author goes on to say that researchers are part of the world that they are

researching and cannot be completely objective about it. The researcher followed the four stage process described in Section 4.8.1 to analyse the interview content.

4.8.1.2 Focus groups

Focus groups are a qualitative data collection method. The purpose of these focus groups was to explore the benefits and drawbacks of a standardised change management approach. Two focus groups were held with a sample of the change management practitioners who belong to the change knowledge-sharing forum. As the sample was a convenience sample, the parameters of generalisability are negligible (Cohen *et al*, 2000). Each focus group was made up of five members, a group small enough to manage but big enough to obtain some interesting insights. The interviewer prompted certain questions as per the semi-structured questionnaire.

The questions were mostly open-ended questions that allowed the participants to define and describe a situation or event (See Appendix B). The participants interacted with each other and all participants voiced their opinion. The interviewer recorded the main points raised on flipcharts and with the permission of the two groups the interviews were recorded on tape. The interviewer explained that through the various interviews and focus groups a great volume of data was going to be collected and recording was necessary to keep complete record of the data gathered.

The data from the focus group was used to triangulate with the data received from the directors and the line manager's survey. The same process for analysis as with the director interviews was used to make sense of the focus group data.

4.8.2 Analysing quantitative data

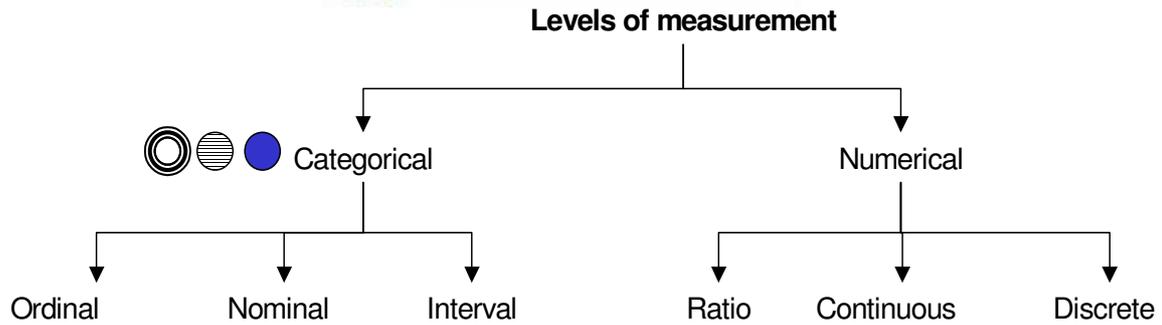
The survey data was the subject of quantitative data analysis.

4.8.2.1 Survey

The structured survey questions were compiled to investigate the following research objectives:

1. To identify variables essential to the development of the change management strategic framework
2. To investigate the benefits of using a standardised and integrated approach to managing change in a Retail Bank and
3. To investigate how a framework would look that integrates fragmented change management practices

The completed survey consisted of 26 close-ended questions and two open-ended questions (Appendix C). Some biographical data was asked to allow the researcher the ability to investigate whether gender, year of service in the bank, job level or race impacted on the research objectives. The data types included in the survey are illustrated in figure 7.



- Biographical information
(Nominal e.g. gender, race; Ordinal e.g. job level; Ratio e.g. years of service)
- Close-ended questions on Likert attitude scale (Interval data)
- Ranking question (Ordinal)

Figure 7 – Types of data and levels (Adapted from Kerlinger, 1986)

The rest of the questionnaire was made up of scale or rating questions used to collect attitude and belief data. A Likert-style rating scale was used with statements linked to a five-point scale. Question A2 was included as a negative statement to ensure respondents read carefully and think about their response (See Appendix B). A ranking question was included to investigate the relative importance of the different variables to the respondent (Saunders *et al*, 2000). Two open-ended questions were included. The neutral response was included to allow the respondents an option to choose neutral if they did not know the answer or if they had no strong feeling either way. The wording of the questions was carefully chosen to ensure responses received would be valid. The questions were developed around certain variables but were scrambled before sending the survey out. The survey was kept short to ensure respondents were not put off by a lengthy questionnaire.

4.8.2.2 Pilot survey

The initial survey was tested with the researcher's supervisor and an expert in statistics. Thereafter the survey was tested further through a pilot with seven employees in the Strategy area of the Retail Bank. Some input was received

in terms of length and the questionnaire was shortened to 26 closed-ended questions. The survey was tested for validity by asking the pilot respondents to comment on whether the questions were clear and measured what they were supposed to measure. Reviewing the responses from the pilot group also tested reliability. The responses were consistent in the pilot. It is important to note that validity is a matter of degree and that the researcher strove to minimise invalidity and maximise validity (Cohen *et al* , 2000).

4.8.2.3 Survey process

The survey process followed is described below. The Chief Operations Officer supported the survey and encouraged the line managers in his area to respond.

- The line managers in the Information Technology and Operations area of the Retail Bank division were identified via the payroll department, and questionnaires, to be self-administered, were sent out via electronic mail (email)
- The covering letter made it clear what the purpose of the questionnaire was and that the Chief Operations Officer, Dr Alewyn Burger was sponsoring the process
- Participants were given an initial deadline of 21 July 2005
- A follow up email was sent out a week afterwards
- An email was sent out to extend the deadline to close of business on 25 July 2006
- A follow up email was sent out two days before closing
- An email was sent out on 25 July 2006 at close of business to thank participants for their response, advise them the survey was closed and inform them that a summary of the results would be communicated in November 2006 and
- The researcher emailed the Chief Operations Officer, Dr Alewyn Burger and thanked him for his support

A population of 1372 line managers was surveyed. The survey data was analysed by examining frequency of occurrences. Chi-square tests of independence were conducted on the close-ended questions to investigate whether the variables were independent (two nominal, categorical or interval). The frequencies (counts) obtained were compared to the expected frequencies (counts). The data from the line manager's survey was used to triangulate with the data received from the interviews and two focus groups.

4.8.2.4 Secondary research

Two sources of secondary data were reviewed to determine the current change management practices in the Retail Bank. The questions asked in these sources provided input into the current situation with regards to change management in the Retail Bank. The questions and the rating scales were not the same as the questions asked and the rating scales used in the primary research conducted for this report. This makes comparison difficult but has provided some guidance in terms of issues to be investigated.

4.8.2.4.1 Ad-hoc survey

The researcher had access to an internal survey-based assessment conducted by Marsicano (2005). The survey was based on the change model developed by Ackerman Anderson and Anderson in 2001. Part of the survey process was the collection of job descriptions, competency lists and performance management contracts to see if these existed and, if so, how aligned these were.

The population surveyed in this ad-hoc survey was staff with change management as part of their job title or job description. The HR database was used to obtain a list of names and the population was 290. The sample surveyed was 35 people in various areas of the bank.

4.8.2.4.2 Deloitte Best Companies To Work For in South Africa, 2005

The Deloitte Best Companies To Work For in South Africa survey is a survey conducted annually on corporate companies in various industry sectors. In 2005, 121 companies participated. The large and well-known organisation, Deloitte has conducted the questionnaire for many years and as such the methodology and results are seen as reliable and trustworthy (Saunders *et al*, 2000).

The methodology, the questions and responses were reviewed to provide input into the current state of change management in the Retail Bank. The results were reported as a mean score of the responses per question. A frequencies analysis was conducted per question. In total 15 787 respondents participated from the Retail Bank. This was a 64 percent response rate indicating high reliability. The change and transformation dimension, from which the input was taken, was introduced in 2005, making comparison with previous years impossible.

4.8.3 Consolidation process

The categories, themes and highest frequencies were consolidated and the findings compared and integrated with the quantitative results. The research results investigated various components of a conceptual strategic framework. Through the formative process the researcher developed a strategic framework. This was evaluated by the researcher through summative evaluation.

4.9 Limitations of research

Although the research strategy was well formulated and executed some limitations of the research needs to be recognised.

- The research scope was limited to the retail banking division of a South African bank, therefore the findings cannot be generalised to the whole bank
- Due to the limited time, it was not possible to do a test re-test to ensure reliability of the research results and
- The researcher evaluated the strategic framework. Due to the time constraints further summative evaluation was not possible

Section 7.4 discusses some of the recommendations for further research that could address some of the limitations of this study.

5 RESEARCH FINDINGS

5.1 Introduction

In the following section the research findings will be discussed in terms of the target population and the data collection methods and instruments used.

5.2 Report on target population

The target population includes executive management and change practitioners from various business units. Line managers from the Information Technology and Operations area of the Retail Banking division were surveyed. In terms of the secondary data used, the ad-hoc survey was conducted with change practitioners in 2005 and the Deloitte Best Companies To Work For in South Africa (2005) survey was distributed to all employees of the Retail Banking division.

5.2.1 Executive management

Fifteen interviews were scheduled and eleven directors were able to participate, resulting in a 73 percent response rate. The interviews were conducted over a two-week period. Although the interview process was highly structured, the respondents in some cases asked for the questions to be reframed. The researcher did so without losing the essence of the question. In some cases additional probes and prompts were used.

The researcher found that the standardised wording of the questions limited some respondent's answers. During the analysis phase themes were identified based on the author's experience, discussion with fellow colleagues and applying common sense. The sample of directors interviewed consisted of eight white males and three white females.

5.2.2 Change practitioners

Fourteen members were invited and ten change practitioners participated resulting in a 71 percent response rate. The sample mainly consisted of white female employees. One white male and one black female participated.

5.2.3 Line managers

A population of 1372 line managers were surveyed and 694 responded. It is important to note that a number of people were on leave and some resignations were received during the period that the survey ran. During the analysis it was found that some of the surveys were not completed correctly and some answers were blank. These were eliminated from the analysis. The final amount of responses was 685, resulting in a response rate of 49.93 percent (rounded to 50 percent).

5.2.3.1 Demographic information

An analysis of gender, years of service, job level, race and age grouping is illustrated in the following section.

5.2.3.1.1 Gender

The majority of respondents were male making up 62 percent (426 respondents) of the total sample of 685.

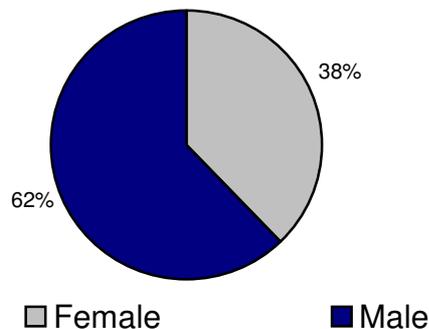


Figure 8 – Gender

5.2.3.1.2 Years of service

The majority of respondents (45 percent) fell into the line management group that has had ten years and longer service in the bank. The next biggest group was the line managers with 0-2 years of service in the bank.

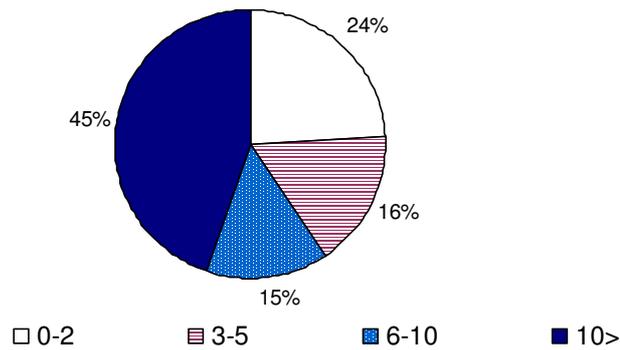


Figure 9 – Years of service

5.2.3.1.3 Job level

As indicated in figure 10, the majority of respondents are in middle management.

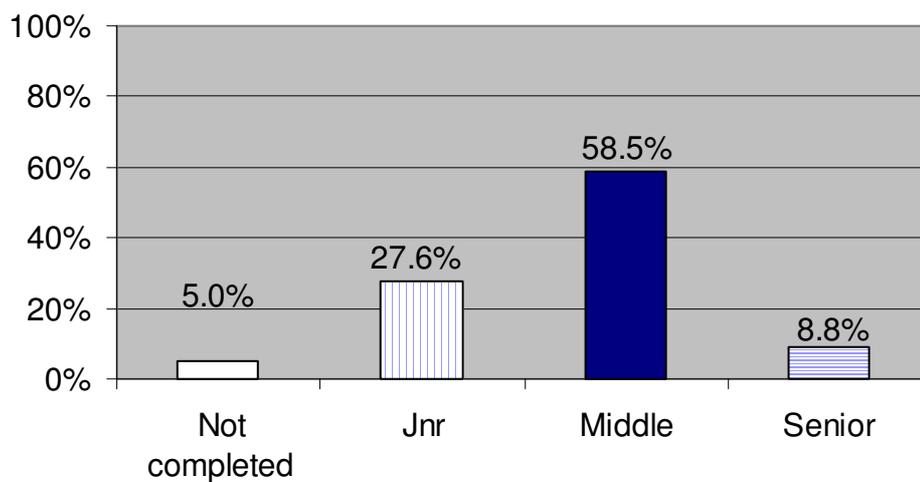


Figure 10 – Job level

5.2.3.1.4 Race

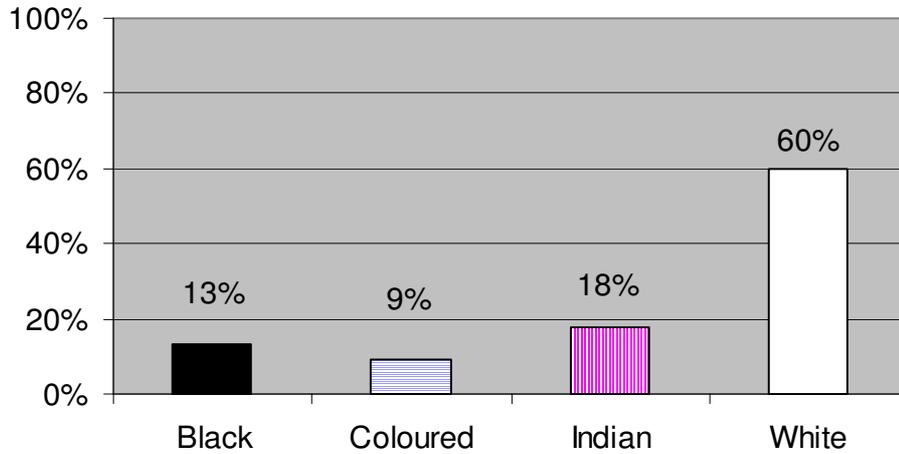


Figure 11 – Race groups

Figure 11 indicates that 60 percent of the sample was white, 18 percent Indian, 9 percent Coloured and 13 percent Black.

5.2.3.1.5 Age group

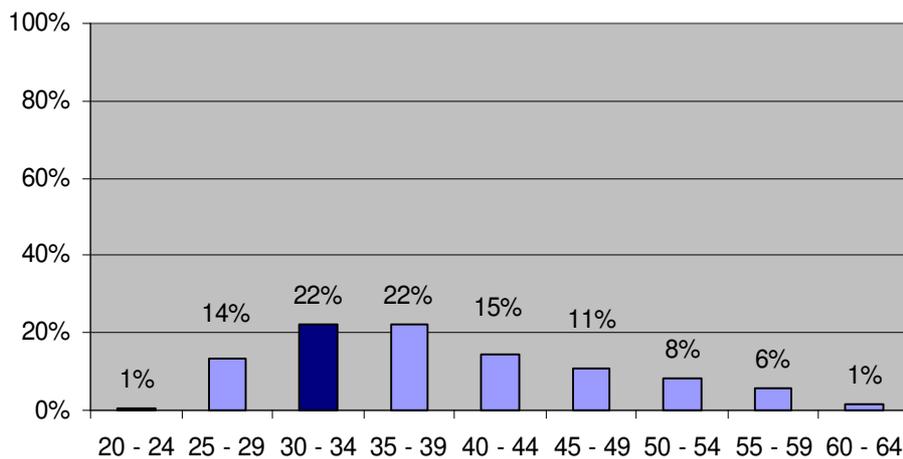


Figure 12 – Percentage in age groups for total sample

The age group 30 to 34 and 35 to 39 made up the highest percentage of the sample.

5.3 Report on data collection methods and instruments

This section reports on the research findings per data collection methods and instruments used. Primary and secondary data were used in this research report. Secondary data was used to review the current situation and therefore the findings will be reported first based on the secondary research. Thereafter, the primary data obtained will be reviewed to investigate the components that will make up the strategic framework.

5.3.1 Secondary data

The research findings are discussed in terms of the data collection methods and instruments used, namely an ad-hoc survey and the Deloitte Best Companies To Work For in South Africa survey (2005).

5.3.1.1 *Subsidiary research question 1*

What are the current change management practices in a Retail Banking division of a South African bank?

5.3.1.2 *Ad-hoc survey*

Some of the findings around the current situation are tabled below. As evident in Table 14, different practitioners apply change management action steps differently; for example 79 percent of change management practitioners prepare an impact assessment, 19 percent do not and two percent prepares a partial impact assessment. A similar trend is recorded in terms of change management practitioners liaising with the project team to review the coordination of the change intervention. These findings indicate that there is

little alignment and consistency between what change management practitioners do.

Table 14 – Findings from ad-hoc survey (Marsicano, 2005)

Step	Action	Yes	No	Sometimes	Partial
Prepare	Do you prepare an impact assessment?	79%	19%		2%
Prepare	Do you liaise with the project team to review the coordination of the change interventions?	34%	60%	6%	
Embed	Do you ensure the allocation of the new job descriptions with the desired key result areas and critical behaviours?	15%	85%		

The report compiled by Marsicano (2005) lists some of the challenges for change management practitioners in the Retail Banking division as being related to a lack of standardisation, issues with job descriptions, ambiguity with regards to role accountability and responsibility and a lack of integration of change management.

There is a lack of standardisation as no one, common definition of change management is exists. Various job descriptions are being used throughout the divisions and none of these job descriptions are stored on the SAP HR system. Similar job descriptions exist for different job levels. A degree of confusion between the different role’s accountability and responsibility exist. Potential for overlaps and misalignment between roles and responsibilities of various role players is great. The population of change practitioners is dispersed, but where concentrated most reside in IT structures. Human Resources (HR) practitioners, project managers and line managers are not all sufficiently skilled in managing change.

In addition, various change management methodologies are utilised and are not integrated with other systems or project methodologies. The existence of

different approaches in separate business areas with no integration means that people do not build on each other's capabilities

Numerous strategic initiatives are currently underway in the Bank with significant change management requirements. With fragmented and duplicated change management practices in the Retail Banking division and different change management approaches being used, managing the impact will be a real challenge.

5.3.1.3 Deloitte Best Companies To Work For in South Africa

The Deloitte Best Companies To Work For in South Africa survey (2005) indicated the following change management related issues:

Table 15 – Deloitte Best Companies To Work For in South Africa survey (2005)

Score Range (1.0 – 4.0)	< 2.5	2.5 – 2.69	2.7 – 3.0	> 3.0
Interpretation (mean score)	Problem	Area of Concern	Positive / Favourable	Very Positive / Excellent
Change in my organisation is a well-planned process		2.69		
Top management is aware of the work being done at all levels within the Retail Bank		2.57		
Change is well managed in this organisation			2.75	

The Deloitte Best Companies To Work For in South Africa survey (2005) reveals that the average score on the question whether change is a well-planned process in the Retail Banking division, was highlighted as an area of concern. In addition, the response received on the question about whether top management was aware of all the work being done at all levels within the Retail Banking division was also indicated as an area of concern. This could confirm the lack of planning with regards to change management.

In terms of the management of change, although the respondents answered positively the result leaned towards the lower end of the scale. This could indicate that change is not always managed well.

5.3.2 Interviews

Interviews were conducted with directors and the focus of the questions was around three areas. Firstly, the aim was to obtain input from directors with regards to what variables were seen to be essential in the development of the change management strategic framework. Secondly, questions related to the perceived benefits of using a standardised and integrated approach to change management. Thirdly, the questions explored what a framework to integrate fragmented change management practices would look like. The interviewing questionnaire can be seen in Appendix A.

During analysis the researcher went through a process of generating natural units of meaning (constructs). Thereafter the data was classified, categorised and themes started emerging. The themes were structured to describe the interview contents. The interpreted results follow below:

5.3.2.1 *Subsidiary research question 2*

What variables impact how a strategic framework, to integrate fragmented change management practices, will look like for the bank

Table 16 lists the various themes related to the variables that will impact how a strategic framework will look. The following constructs, namely leadership of the bank, perceived power base, change approach (revolution versus top down), common purpose, dealing with politics and change management as a well-planned process, were considered to be part of the leadership theme.



Table 16 – Findings from the interviews on secondary research question 2

Construct	Number of respondents out of a sample of 11	Collapsed categories (themes)	Rank ordered themes
Leadership of the bank	3	Leadership	9
Perceived power base	1	Leadership	9
Change approach (revolution versus top down)	1	Leadership	9
Common purpose	2	Leadership	9
Dealing with politics	1	Leadership	9
Well planned change process	1	Leadership	9
Structure of the organisation	1	Organisational structure and process	8
Geographical spread of the operations	1	Organisational structure and process	8
Measurement as people tend to do what is measured	1	Organisational structure and process	8
Job structures that include change management	1	Organisational structure and process	8
Ability (knowledge, competence and capacity) of line management to take on responsibility	1	Organisational structure and process	8
Clear governance and arbitration	1	Organisational structure and process	8
Decentralised implementation	1	Organisational structure and process	8
Local ownership and capability	1	Organisational structure and process	8
Scale and complexity of the change	2	Planning and prioritising change	5
Areas that are impacted by the change (across business	1	Planning and prioritising change	5



units)			
Centralised planning to obtain aggregated view of changes	1	Planning and prioritising change	5
Head office drives strategy centrally	1	Planning and prioritising change	5

The number of times (counts) that each of the constructs was mentioned in the interviews was recorded and added together to indicate the frequency of the leadership theme. The themes were rank-ordered and as the constructs related to leadership were mentioned most, the leadership theme was seen as being the highest when rank ordered. The data in Table 17 to 19 and Table 21 and 22 illustrate the findings from applying same process of analysis.

The key variables thus identified during the data analysis process were leadership, organisational structure and process, as well as planning and prioritising change initiatives.

5.3.2.2 *Subsidiary research question 3*

What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?

The findings from the interviews with the sample of directors for subsidiary research question 3 are shown in Table 17.

Table 17 – Findings from the interviews on subsidiary research question 3

<i>Construct</i>	<i>Number of respondents out of a sample of 11</i>	<i>Collapsed categories (themes)</i>	<i>Rank ordered themes</i>
Transparency of what change management is	2	Demystifies change and creates transparency	8
Minimises disruption to an environment as the journey is clear	1	Demystifies change and creates transparency	8
People are familiar with the requirements	1	Demystifies change and creates transparency	8
Clear rules for the game	1	Demystifies change and creates transparency	8
People understand the journey	1	Demystifies change and creates transparency	8
People understand each other	1	Demystifies change and creates transparency	8
Demystifies change	1	Demystifies change and creates transparency	8
Create a rigorous process that instils	1	Consistent and disciplined application	7



discipline		of a methodology	
Consistency in deliverables	1	Consistent and disciplined application of a methodology	7
More efficient and effective if utilising same methodology and process	1	Consistent and disciplined application of a methodology	7
Ability to apply a methodology consistently	1	Consistent and disciplined application of a methodology	7
Creates a disciplined approach	1	Consistent and disciplined application of a methodology	7
Consistency in delivery	1	Consistent and disciplined application of a methodology	7
Known outputs and people know what to expect	1	Consistent and disciplined application of a methodology	7

According to director interviews, the main benefits of using a standardised approach to change management were deemed to be the ability to demystify change and create transparency, as well as having a consistent and disciplined application of a methodology.

5.3.2.3 Subsidiary question 4

What would a framework to integrate fragmented change management practices look like for the bank?

The findings for the main research question are shown in Table 18.

Table 18 – Findings from the interviews on the main research question

<i>Construct</i>	<i>Number of respondents out of a sample of 11</i>	<i>Collapsed categories (themes)</i>	<i>Rank ordered themes</i>
Institutionalised as a core competency	3	Internal competency and capability in line management and employees	8
Second high potential change people in line to deliver projects	1	Internal competency and capability in line management and employees	8
Internal competency and capability in line management	1	Internal competency and capability in line management and employees	8
Integrated into people's jobs	1	Internal competency and capability in line management and employees	8
Pool of change experts in HR	1	Internal competency and capability in line management and employees	8
Merge HR and change management	1	Internal competency and capability in line management and employees	8
Central expertise in formulation of change approach	2	Central area responsible for standards, change strategy formulation, knowledge management	8
Central area	1	Central area responsible for	8

responsible for standards, change strategy formulation, knowledge management		standards, change strategy formulation, knowledge management	
Centralised knowledge management	2	Central area responsible for standards, change strategy formulation, knowledge management	8
Central standards authority	1	Central area responsible for standards, change strategy formulation, knowledge management	8
Central area custodian of methodology and framework	1	Central area responsible for standards, change strategy formulation, knowledge management	8
Central area to consult and provide advisory services	1	Central area responsible for standards, change strategy formulation, knowledge management	8
Decentralised implementation	4	Decentralised implementation	7
Change management is a line management responsibility	3	Decentralised implementation	7

According to the director interviews, the main components of a strategic framework to integrate fragmented change management practices are:

- Internal competency and capability in line management and employees
- A central area responsible for standards, change strategy formulation and knowledge management and
- Decentralised implementation

5.3.3 Focus groups

The aim of the focus groups was to explore the benefits of having a standardised and integrated approach to change management.

5.3.3.1 *Subsidiary research question 3*

What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?

The findings for subsidiary research question 3 are shown in Table 19.

Table 19 – Findings from the focus groups on subsidiary research question 3

<i>Construct</i>	<i>Number of respondents out of a sample of 23</i>	<i>Collapsed categories (themes)</i>	<i>Rank ordered themes</i>
Helps contextualise for new employees	10	Creates transparency around change	10
Change management more predictable to the end user	10	Creates transparency around change	10
Improves visibility	10	Creates transparency around change	10
Changes are known	10	Creates transparency around change	10
Builds a change agent network	10	Creates transparency around change	10
Creates capacity	10	Creates change capacity in the business	10
Utilises resources better	10	Creates change capacity in the business	10



Builds change capability and competency	10	Creates change capacity in the business	10
Methodology assist with up-skilling	10	Creates change capacity in the business	10
Deliverables are clear	9	Consistency in deliverables	9
Consistency in deliverables	9	Consistency in deliverables	9
Lessons learnt - not fragmented	9	Consistency in deliverables	9
Same language	8	Common language	8

According to the participants of the focus groups, the main benefits of using a standardised approach to change management were deemed to be creating transparency around change, creating change capacity in the business, consistency in deliverables and a common language.

5.3.4 Survey

The line manager's survey investigated three areas, namely:

- The variables that impact on how a strategic framework to manage change would look like
- The benefits of a standardised and integrated approach to managing change and
- How a framework, to integrate fragmented change management practices, would look like for the bank

5.3.4.1 Overall findings

Frequency analysis was conducted on all closed-ended questions to give proportions of weightings. Refer to Appendix C for the survey questions. A summary of the counts and percentages for all the closed-ended questions is provided in Appendix E. Responses on agreed and strongly agreed were added together and 90 percent and greater was chosen as a significant indicator. Appendix F summarises these responses for all the close-ended questions. The highest level of agreement was around the following eight questions with a significance level greater than 90 percent:

- A8 – In response to whether leadership has a critical role to play in ensuring the success of change management, 98,54 percent of respondents strongly agreed or agreed
- A4 – The question around whether respondents believe change management plans need to be developed in partnership with affected business areas was responded to with 95,62 percent agreeing or strongly agreeing
- C24 – In terms of effective change management reducing the risk in business, 94,31 percent of respondents agreed or strongly agreed

- C23 – This question prompted whether line managers believe that by implementing a standardised change management approach a clear definition of what is meant by change management in the Bank will be created. In this regard 93,14 percent of respondents agreed or strongly agreed
- A7 – In response to whether line managers believe there is a need to integrate change initiatives to minimise the impact on people, 93,14 percent of respondents agreed or strongly agreed
- B20 – This question investigated whether a forum, where change practitioners can share change management learnings with other business units, needs to exist. In this regard 91,09 percent of respondents agreed or strongly agreed
- B22 – The question regarding whether line managers believe change management delivery needs to be integrated into the Bank’s project management methodologies, had 90.95 percent of respondents agreeing or strongly agreeing and
- A1 – In terms of whether line managers believe change management needs to be a Bank-wide competency, 90,7 percent of respondents agreed or strongly agreed

The questions with the lowest positive response on agree and strongly agree were:

- B15 – This question investigates whether line managers would like all change people to be in a central resourcing pool from where resources could be allocated to manage change on projects across the organisation. Only 48,76 percent of respondents agreed or strongly agreed and
- B19 – In terms of whether line managers know what HR’s role is in managing change, only 44, 67 percent of respondents agreed or strongly agreed

This initial analysis indicates that line managers seem to indicate a preference for a strategic framework characterised by a standardised change

management approach, a bank wide competency integrated into project methodologies with strong leadership support.

5.3.4.2 *Subsidiary research question 2*

What variables impact how a strategic framework, to integrate fragmented change management practices, will look like for the bank?

Survey respondents were provided with a list of possible variables that could impact how a strategic framework, to integrate fragmented change management practice, would look like. Respondents were asked to prioritise a maximum of three choices, from most important to least important. The first section of Table 20 summarises the results per priority. The second section provides information on the rank-ordered variables from the highest in frequency to the lowest as received from the respondents. Some respondents to the questionnaire did not answer this question and these are reflected in the category called other.

Table 20 – Results of frequency analyses on research question 2

1) Answer	1st Priority	2nd Priority	3rd Priority
Culture of the bank	1		3
Where and how we make decisions	2	1	1
Organisational structure of the bank	3	2	2
Geographical spread of our operations		3	
2) Frequencies rank ordered	A10.1	A10.2	A10.3
Where and how we make decisions	133	178	151
Organisational structure of the bank	129	167	125
Geographical spread of our operations	39	102	89
Culture of the bank	202	100	117
Centralised control	95	51	99
Other (please specify in the section below)	87	87	104
Grand total	685	685	685

An additional 177 responses were received on the open ended question on other variables that could impact how a strategic framework will look. From the raw data, constructs were identified and collapsed into key themes. The constructs were counted to provide guidance in terms of the rank order of the themes. Table 21 illustrates the findings of the analyses process.

Table 21 – Results of frequency analyses on subsidiary research question 2

Construct	Number of respondents out of a sample of 177	Collapsed categories (themes)	Rank ordered themes
Decentralised implementation	5	Organisational structure and process	78
Centralise the change resources	8	Organisational structure and process	78
HR to support line managers with change management	1	Organisational structure and process	78
Enable ownership, accountability and responsibility	1	Organisational structure and process	78
Give change management people the right level of authority	1	Organisational structure and process	78
Line ownership and responsibility	3	Organisational structure and process	78
Roles and responsibilities of the various role players in change management need to be clear	15	Organisational structure and process	78
Reporting structures need to be clear	6	Organisational structure and process	78
Everyone is responsible for change management	3	Organisational structure and process	78
Need for change	5	Organisational structure and process	78



agents		process	
Change must be people driven	1	Organisational structure and process	78
Should not include HR	1	Organisational structure and process	78
Organisational structure	5	Organisational structure and process	78
Centralised area for knowledge and expertise	14	Organisational structure and process	78
Matrix reporting into a central area	1	Organisational structure and process	78
Change managers should be contractors	1	Organisational structure and process	78
Consistency in decision-making	6	Organisational structure and process	78
Change management should take all levels of people into account	1	Organisational structure and process	78
Change management is important and has benefits	2	Planning and prioritising change	58
Type of change	1	Planning and prioritising change	58
Centralisation of change management initiatives	20	Planning and prioritising change	58
Understanding and minimising the impact on people	13	Planning and prioritising change	58
Centralisation of initiatives to control, coordinate and support	22	Planning and prioritising change	58
Integrated approach to change	17	Standardised and integrated approach to change	45
Integrated approach to projects	1	Standardised and integrated approach to change	45

Alignment of activities	1	Standardised and integrated approach to change	45
Common approach to change	23	Standardised and integrated approach to change	45
Standardised process	2	Standardised and integrated approach to change	45
Implementation approach needs to clarify roles	1	Standardised and integrated approach to change	45

The results from the close-ended and open-ended question were consolidated and the consolidated responses are reflected in Table 22. The Table provides a summary of the responses to which variables impact on how the strategic framework will look.

Table 22 – Summary of research findings on subsidiary research question 2

<i>Construct from prioritisation question</i>	<i>Themes from open-ended question</i>	<i>Collapsed categories (themes)</i>	<i>Rank ordered themes</i>
Where and how we make decisions		Organisational structure and process	Organisational structure and process
Organisational structure of the bank	Organisational structure and process	Organisational structure and process	Organisational structure and process
Culture of the bank		Culture of the bank	Culture of the bank
	Planning and prioritising change	Planning and prioritising change	Planning and prioritising change
	Standardised and integrated approach to change	Standardised and integrated approach to change	Standardised and integrated approach to change
Geographical spread of our operations		Organisational structure and process	Organisational structure and process

As evident from Table 22 the managers felt that organisational structure and process, culture of the bank, planning and prioritising change and having a standardised and integrated approach to change management were the most important variables impacting how a strategic framework would look like.

5.3.4.3 *Subsidiary research question 3*

What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?

Table 23 lists the results of the close-ended survey questions with the highest frequencies. A cut off point of 80 percent was used.

Table 23 – Results of frequency analyses on subsidiary research question 3

	<i>Construct</i>	<i>Number of respondents out of a sample of 1372</i>	<i>Collapsed categories (themes)</i>
C24	I believe that effective change management reduces the risk in my business	94.31%	Reduces business risk
C23	I believe by implementing a standardised change management approach we will create a clear definition of what we mean by change management in the Bank	93.14%	Clear definition of change management
A5	I believe we should use a common approach to change management across the Bank	87.74%	Common approach to change management
C25	A risk of having different approaches to managing change is that people on the receiving end may become confused	87.45%	Risk of confusing people if not standardised
C26	A standardised approach to change management will still need to be applied differently depending on the situation	84.96%	Standard but customisable

5.3.4.4 Subsidiary research question 4

What would a framework to integrate fragmented change management practices look like for the bank?

Survey respondents answered questions prompting some components of a framework designed to integrate fragmented change management practices in a bank. Table 24 lists the findings where counts and percentages for the responses on agreed and strongly agreed were added together and 90 percent and greater was chosen as a significant indicator of the questions.

Table 24 – Results of frequency analyses on subsidiary research question 4

	<i>Construct</i>	<i>Number of respondents out of a sample of 1372</i>	<i>Collapsed categories (themes)</i>
A8	I believe leadership has a critical role to play in ensuring the success of change management	98.54%	Leadership's role in managing change
A4	I believe change management plans need to be developed in partnership with affected business areas	95.62%	Planning and prioritising change
A7	I believe we need to integrate change initiatives to minimise the impact on people	93.14%	Planning and prioritising change
B20	I think a forum, where change people can share change management learnings with other business units, needs to exist	91.09%	Organisational structure and process
B22	I believe change management delivery needs to be integrated into the Bank's project management methodologies	90.95%	Integrated approach to change
A1	I believe change management needs to be a Bank-wide competency	90.66%	Integrated approach to change
A6	I believe we need to allocate change resources according to the prioritised	89.78%	Planning and prioritising

	change initiatives of the business as a whole		change
B11	I would like a person in my area to have the change knowledge to guide me on the process of managing change	83.94%	Organisational structure and process
B21	I think different change management units need to be linked to ensure handover in the process of managing change	83.07%	Integrated approach to change
B16	I would like to be up-skilled to manage change effectively in my area	80.29%	Change competence in line managers and employees
B14	I would like to see a central function e.g. Corporate Human Resources, provide support to change people at the business unit level	73.43%	Organisational structure and process

5.3.4.5 Chi-square tests

Chi-square tests of independence were run to investigate whether the variables were independent and whether two nominal, categorical or interval variables were related. The frequencies (counts) obtained were compared to the expected frequencies (counts). The significance level used was one percent.

- 685 respondents completed the gender field
- 672 respondents completed the race field
- 685 respondents completed the years of service field and
- 651 respondents completed the job level field

The analyses based on a significance level of one percent indicated that the following null hypotheses, summarised in Table 25, were rejected per variable. A rejected null hypothesis indicates that the two variables used are dependent. It does not explain what the dependency is but only that it exists.

Table 25 – Summary of Chi-Square results per dimension

Question	Gender	Race	Years of service	Job level
A1	Gender	Race	Years	Level
	Accept Ho	Reject Ho	Accept Ho	Accept Ho
A2	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
A3	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Reject Ho
A4	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
A5	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
A6	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
A7	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
A8	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B11	Gender	Race	Years	Level
	Accept Ho	Reject Ho	Accept Ho	Accept Ho
B12	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Reject Ho
B13	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Reject Ho	Reject Ho
B14	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B15	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B16	Gender	Race	Years	Level
	Accept Ho	Reject Ho	Accept Ho	Accept Ho
B17	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B18	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Reject Ho	Accept Ho
B19	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B20	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
B21	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Reject Ho
B22	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
C23	Gender	Race	Years	Level
	Accept Ho	Reject Ho	Accept Ho	Accept Ho
C24	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
C25	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho
C26	Gender	Race	Years	Level
	Accept Ho	Accept Ho	Accept Ho	Accept Ho

The analyses found that at a significance level of one percent, ten hypotheses were rejected out of a possible 96. When the significance level was increased to two percent, 15 hypotheses were rejected. The biggest increase was seen in the job level variable, from four rejected hypotheses to seven.

Race and job level seems to be key dependent variables as most of the hypotheses rejected were related to these dimensions. Further analysis taking the chi-test value into account found the following:

- Question A1 related to whether the respondents believe that change management should be a Bank-wide competency. As per Table 26, different race groups viewed the question differently. By adding the responses to strongly agree and agree together (indicated by one and two in the first column) for the expected and the actual answers, it is evident that Blacks and Indians responded slightly higher than expected (79 versus 83 for Blacks and 109 versus 112 for Indians). Coloureds and Whites responded slightly lower than expected (56 versus 51 for Coloureds and 367 versus 365 for Whites). At a chi-test value of 0,0001, the difference is significant. Some of the possible reasons for this will be explored in Section 6.1.4

Table 26 – Question A1 by race

Expected					
	Black	Coloured	Indian	White	
1	31	22	43	144	35.71%
2	48	34	66	223	55.21%
3	5	4	7	25	6.10%
4	2	1	3	9	2.23%
5	1	0	1	3	0.74%
	12.95%	9.23%	17.71%	60.12%	
Actual					
	Black	Coloured	Indian	White	
1	43	17	59	121	35.71%
2	40	34	53	244	55.21%
3	2	8	3	28	6.10%
4	0	2	4	9	2.23%

- Question A6 investigated whether line managers felt business should have ultimate responsibility for change management. The junior managers responded lower than expected and the middle and senior managers slightly higher than expected. At a chi-test value of 0,01 the difference is significant
- Question B11 investigated whether line managers would like a person in their area to have the change knowledge to guide them on the process of managing change. Once again the different race groups responded differently. Blacks, Indians and Coloureds responses were slightly higher than expected and Whites slightly lower than expected. The chi-test value was significant at 0,004
- Question B13 related to whether line managers would like all change people in their area to have a dotted reporting line into a central function, e.g. Corporate Human Resources, to ensure they receive support. The year groups 0-2 and 6-10 responded more positively than expected. The year groups 3-5 and more than 10 years service responded more negatively than expected. At a chi-test value of 0,006 the difference is significant
- Question B16 investigated whether line managers would like to be up- skilled to manage change effectively in their respective business areas. The different race groups responded differently. The white race group responded more negatively than expected. All the other race groups responded more positively than expected (see Table 27). The chi-test value of 0,000216 indicated significance

Table 27 – Question B16 by race

Expected					
	Black	Coloured	Indian	White	
1	30	21	41	138	34.23%
2	40	29	55	187	46.28%
3	13	9	18	60	14.88%
4	3	2	4	14	3.42%
5	1	1	1	5	1.19%
	12.95%	9.23%	17.71%	60.12%	
Actual					
	Black	Coloured	Indian	White	
1	38	25	58	109	34.23%
2	39	30	44	198	46.28%
3	6	4	16	74	14.88%
4	2	2	0	19	3.42%
5	2	1	1	4	1.19%
	12.95%	9.23%	17.71%	60.12%	

- Question B18 investigates whether line managers know what their role is in managing change. The greater than 10 years service groups answered significantly more positively than expected. The rest of the years of service groups answered more negatively than expected. At a chi-test value of 0,001 the difference is significant
- Question C23 investigated whether line managers believe that by implementing a standardised change management approach they will create a clear definition of what is meant by change management in the Bank. Whites and Coloureds responded slightly more negatively than expected. Blacks and Indians responded slightly more positively than expected. The chi-test value was 0.003 indicating significance
- Question B12 states that change management is a line management function. The junior managers responded more negatively than expected. The middle and senior managers responded more positively than expected. This was consistent with the responses received in Questions A3. The chi-test value was 0,00004, thus significant

- Question B10 related to whether line managers would like a change practitioner in their area to have a dotted reporting line into a central function, e.g. Corporate Human Resources, to ensure they receive support. The junior managers responded more positively than expected. The middle and senior managers responded more negatively. The chi-test value was 0.0003 indicating significance
- Question B21 investigated whether line managers believe that different change management units need to be linked to ensure handover in the process of managing change. Junior managers responded slightly higher than expected and middle and senior managers slightly lower than expected. The chi-test value was 0.007, indicating significance

In summary, it is important to note that the findings listed require further research to explain the differences between the variables. Chi-square tests indicate that there is a difference but this analysis does not indicate what these differences are or what causes it.

5.4 Report on actual research methodology of developed model

The findings from the four research questions explore the components that would influence and make up how a strategic framework to integrate fragmented change management practices would look like for the bank. The research methodology and approach focused on identifying the components that interface and interact to form the strategic framework, which is the main research question (Cilliers, 1999).

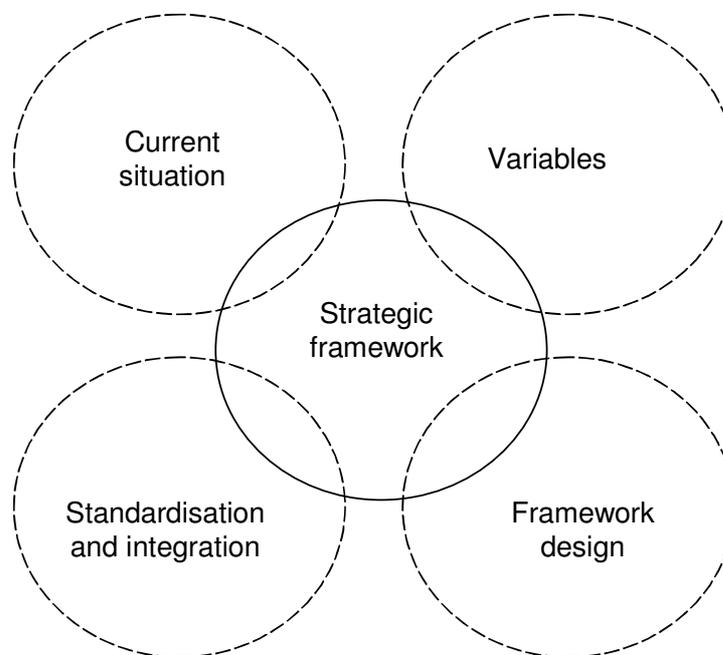


Figure 13 – Research methodology of the developed model

Figure 13 illustrates the various components explored that could make up the strategic framework. Formative and summative evaluation was used as the research methodology and through its application the strategic framework was developed and evaluated.

6 DISCUSSION OF RESEARCH RESULTS

6.1 Introduction

In the following section the research results are discussed and structured around the research questions. A summary of the results is included.

6.1.1 Subsidiary research question 1

What are the current change management practices in a Retail Banking division of a South African bank?

The research findings listed in Table 14 and 15 concludes the following from the secondary research reviewed:

- Change management practices in the Retail Banking division are fragmented, inconsistent and duplicated (Marsicano, 2005)
- Human Resources (HR) practitioners, project managers and line managers are not all sufficiently skilled in managing change (Marsicano, 2005)
- There is no common definition of change and various job descriptions are being used (Marsicano, 2005)
- Various change management methodologies are utilised and are not integrated with other systems or project methodologies (Marsicano, 2005)
- The Deloitte Best Companies To Work For in South Africa survey (2005) reveals that the organisation does not plan change initiatives well and
- In terms of the management of change, although the respondents answered positively, the result leaned towards the lower end of the

scale; possibly indicating that change is not always managed well
(Deloitte Best Companies To Work For in South Africa survey, 2005)

More and more organisations are facing similar challenges and are moving towards formalising change management practices. This is confirmed in the literature review (Guy and Beaman, 2005; Prosci, 2005).

6.1.2 Subsidiary research question 2

What variables are essential to the development of the change management strategic framework?

Table 16 and 20 illustrate the key variables identified through interviewing executive management (directors) and surveying line managers. The research supported the literature review, especially the work by Prosci (2006), which suggested that the key variables, impacting on how a strategic framework will look like, are the following:

- Organisational structure and process
- Decision-making
- Culture
- Leadership
- Standardisation and integration and
- Planning and prioritising change initiatives

In addition, the research indicated that having a standardised and integrated approach to change management would also impact on how the strategic framework looks. Prosci (2006) mentioned a specific project component. This was not confirmed in the research conducted, but the need to integrate change management into existing project methodologies was seen as a requirement.

6.1.2.1 Organisational structure and process

The literature review indicated that change management is becoming part of the organisation (Pendlebury *et al*, 1998; Guy and Beaman, 2005). The research confirmed this and indicated that directors and line managers preferred the implementation of change management to be decentralised (Table 16 and 20). This was emphasised by directors and line managers

supporting line ownership, accountability and responsibility. Clear roles and responsibilities of the various role players in change management were requested.

The research found that respondents disagreed with having a designated change management function as proposed by Guy and Beaman (2005). The feeling was that change management should be integrated into every person's role. The research also contradicted the Corporate Leadership Council's (2005) research that placed change management practitioners in Corporate Human Resources.

6.1.2.2 Decision-making

The Retail Banking division's decision-making is decentralised, in other words each business unit sets its own targets and manages its own budget. The research, illustrated in Table 20, indicated that where and how decisions are made would impact on how the strategic framework looks. The customer-centric strategy that the Retail Banking division is implementing requires employees to become more empowered and to have the ability and authority to make decisions closer to the customer. The research highlighted that line managers require consistency in decision-making.

6.1.2.3 Culture

As per Table 20, the research findings indicated that the culture of the bank was one of the top variables impacting on how a strategic framework will look like. This supports the view held by Holbeche's (2006) and Sadler's (1991) that organisational culture will have an impact on an organisation's ability to deal with change effectively. In order for an organisation to transform, it needs to create networks, teams and empower staff. The research confirmed the importance of creating a forum where change practitioners can share change management learnings with other business units.

6.1.2.4 Leadership

The research findings from the director interviews and line managers' survey confirmed the importance of leadership as a variable impacting how a strategic framework will look. The research confirmed the five practices set out by Kouzes and Posner (2003) and places emphasis on a leader's role in creating common purpose and leading the change process. In the literature review, Senge (1990) confirms the importance of common purpose and partnerships. The research and the literature review highlighted the importance of leaders enabling and supporting the change process.

6.1.2.5 Standardisation and integration

The research findings listed in Table 21 supported research by Prosci (2006) that having a standardised and integrated approach to change management is part of creating internal competency and capability to manage change. The research, as listed in Tables 16 and 20, supported the findings of Sadler (1991) and Holbeche (2006) that in order to build an effective organisation, organisational design should create an adequate degree of co-ordination and integration of people's activities in relation to the organisation's overall purpose. Directors and line managers felt that having a consistent and disciplines application of a methodology will be beneficial. This confirms the formalisation described by Guy and Beaman (2005).

6.1.2.6 Planning and prioritising change initiatives

In the literature review, Holbeche (2006) emphasised alignment between initiatives in order to minimise the impact on people and to enable synergy between solutions. This was confirmed by directors and line managers who felt that planning and prioritising change initiatives would be one of the key variables impacting on how a strategic framework for change management would look.

6.1.3 Subsidiary research question 3

What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?

Findings from the research listed in Tables 17, 19 and 23 indicate alignment between the various groups. This supports most of the benefits stated by Prosci (2006) and Sadler (1991). Table 28 summarises the triangulated data. The leadership interviews, focus groups and the survey confirm the benefits listed in the right hand column.

Table 28 – Triangulated data on subsidiary question 3

<i>Leadership interviews</i>	<i>Focus groups</i>	<i>Survey</i>	<i>Consolidated themes</i>
Demystifies change and creates transparency	Creates transparency around change	Clear definition of change management	Demystifies change and creates transparency
Consistent and disciplined application of a methodology	Consistency in deliverables		Consistent and disciplined application of a methodology
Standard but customisable		Standard but customisable	Standard but customisable
	Creates change capacity in the business		Creates change capacity in the business
	Common language	Common approach to change management	Common approach to change management
		Reduces business risk	Reduces business risk
		Risk of confusing people if not standardised	Risk of confusing people if not standardised

It is interesting to note that the directors and change practitioners stated the benefits of a standardised and integrated approach to change management are manifold. Both groups mentioned that it would be important to customise the approach to the situation to avoid a mechanistic approach to change management. Pendlebury (1998) and Ackerman Anderson and Anderson (2001) confirmed this view. Beer *et al* (1990) agree that an off- the- shelf standardised solution, not customised for the needs of the different business unit, will fail as a change management intervention.

6.1.4 Subsidiary research question 4

What would a framework to integrate change management practices look like for an organisation where these practices are currently fragmented?

The research findings listed in Table 18 and 24 confirmed that change management should be an internal competency and capability in line management and employees. Beer *et al* (1990) referred to the importance of involving middle managers that are in the engine room of the business. Most respondents agreed that change management needs to be a bank-wide competency. This confirms the view by Naranjo (1993) and French and Bell (1999) that change in an organisation starts with the individual.

Line managers with more than ten years service answered more positively than expected with regards to knowing what their role is in change management. Middle and senior managers responded more positively than expected on the question regarding whether change management is a line function. Most line managers responded that they would like to be up- skilled in change management. Mostly Blacks and Indians were more positive than expected in this regard. Whites and Coloureds were more negative than expected. This could indicate that Blacks and Indians are more receptive to obtaining additional skills. Whites also responded slightly more negatively to having a person in their area to assist and guide change. This could indicate that they feel that change is part of what they do and therefore they don't need additional resources to do it for them. Blacks, Indians and Coloureds responded slightly higher than expected.

Decentralised implementation through partnerships with the affected areas is important. The findings listed in Tables 18 and 26 seem to support the task alignment view to change management developed by Beer *et al* (1990) as it refers to enhanced coordination, competence and commitment. This is

aligned to decentralised implementation in that the management of the change happens in the line area.

A central area needs to be responsible for standards, change strategy formulation and change management knowledge management. Although most people felt that a central area (for example CHR) should support their change people, junior managers and those with 0-2 and 6-10 years service responded more positively than expected. Middle and senior managers and people with 3-5 and greater than 10 years service with the bank responded more negatively than expected. It seems as if there is a difference between what junior managers and middle and senior managers perceive the statements should be. It is likely that junior managers favour a more centralised strategic framework. This is indicated by their responses to question B13.

A forum, where change people can share change management learnings with other business units, needs to exist. This is confirmed by the positive response to question 20 of the line manager's survey. Most line managers agree that the strategic framework should consist of a planning and prioritising body to integrate change impact and allocate resources. It is evident that an integrated and planned approach to change management is needed (Pendlebury, 1998; Ackerman Anderson and Anderson, 2001; Kotter and Cohen, 2002; Hiatt, 2006).

The findings also suggested that change management delivery needs to be integrated into the Bank's project management methodologies. The research confirmed that the leader's role in managing change is critical. This supports the view by LaClair and Rao (2002) that leadership commitment and sponsorship for change management is important.

6.2 Summary

Four research questions, structured and phrased around the four research objectives, explored what the components could be of a strategic framework to integrate fragmented change management practices in a Retail Bank division of South African Bank. According to the literature reviewed and the research conducted, six core variables will impact on how the framework looks, namely:

- Organisational structure and process
- Decision-making
- Culture
- Planning and prioritising change initiatives
- Leadership and
- Standardisation and integration

The Retail Banking division is implementing a customer-centric strategy. This implies various changes to systems, processes and people practices. This provides the context and highlights some of the challenges for change management. The research confirmed that the variables will be formed through this context and will characterise the strategic framework as follows:

- Change management should be an internal competency in line management and employees, thus instituted as a core competency bank-wide
- All line managers and HR should be up-skilled
- Decentralised implementation in partnership with affected areas is important
- A central area needs to be responsible for standards, change strategy and knowledge management
- A forum should link change practitioners
- A planning and prioritising body to integrate change impact is needed

- Change management needs to be integrated into project methodologies
- Leadership's role is critical and
- A standardised and integrated approach to change management will create transparency, consistent application and build capacity in the business (indicated by the grey area in figure 14)

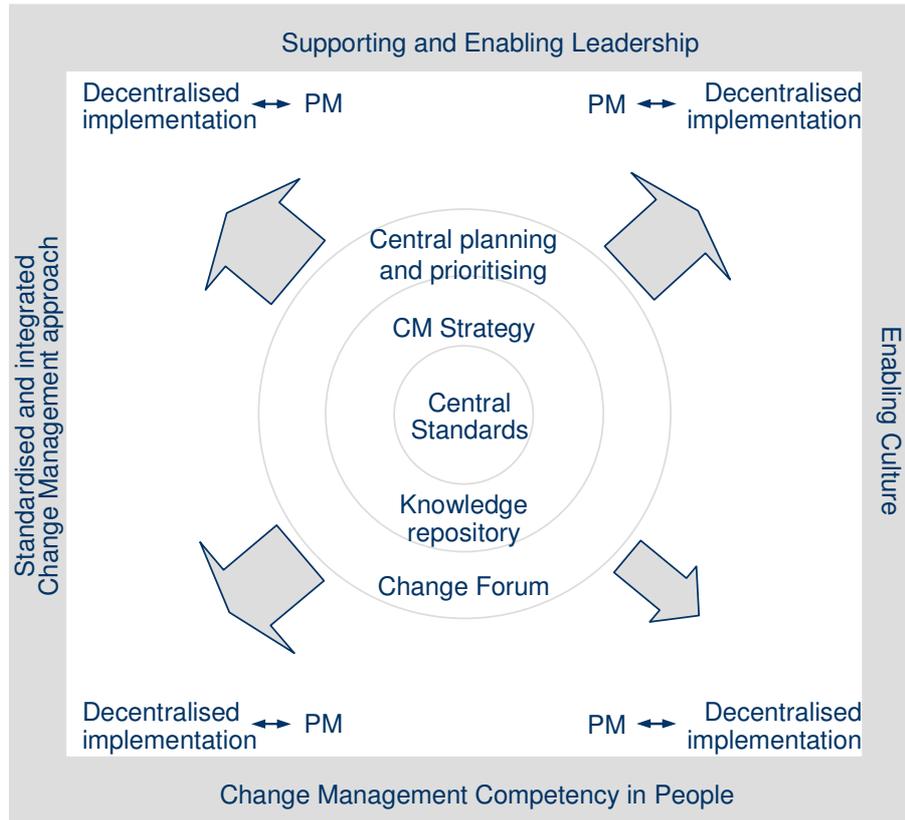


Figure 14 – Strategic framework

The model illustrated in Figure 14 was developed by the researcher to illustrate the various components of the strategic framework and how these fit together. Section 7.3.5 provides a detailed discussion and some of the conclusions and recommendations. It is evident from the research that there is a great requirement for integrating existing change management practices into a framework that will assist in creating momentum around dealing with the impact of change.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

In the following section the purpose of the research, the research findings and recommendations for future and further research is discussed.

7.2 Purpose of the research project

The purpose of this research project was to develop a strategic framework to integrate fragmented change management practices in a Retail Banking division of a South African bank.

7.3 Conclusion of the research findings

A summary of the research findings will be discussed per subsidiary research question. Recommendations for future research will be discussed separately in Section 7.4.

7.3.1 Subsidiary research question 1

What are the current change management practices in a Retail Banking division of a South African bank?

Numerous strategic initiatives are currently underway in the Bank with significant change management requirements. External pressures are increasing the need for the bank to deal effectively with change but with the current fragmented and duplicated change management practices, and different approaches to change management, managing the impact will be a real challenge.

7.3.2 Subsidiary research question 2

What variables are essential to the development of the change management strategic framework?

The research supported the literature review, especially the work by Prosci (2006), which suggested that the key variables, impacting on how a strategic framework will look like, are the following:

- Organisational structure and process
- Decision-making
- Culture
- Leadership
- Standardisation and integration and
- Planning and prioritising change initiatives

The research indicated that having a standardised and integrated approach to change management would also impact on how the strategic framework looks.

7.3.3 Subsidiary research question 3

What are the benefits of using a standardised and integrated approach to manage change in a Retail Banking division of a South African bank?

The benefits of having a standardised and integrated approach to managing change in the bank can be summarised as follows:

- Demystifies change and creates transparency
- Consistent and disciplined application of a methodology
- Standard but customisable
- Creates change capacity in the business
- Common approach to change management
- Reduces business risk and
- Risk of confusing people if not standardised

It is important to note that this approach still needs to be customised for the environment.

7.3.4 Subsidiary research question 4

What would a framework to integrate change management practices look like for an organisation where these practices are currently fragmented?

The research findings confirmed that change management should be an internal competency and capability in line management and employees. Line managers have an important role to play in change management and most view it as a line function. Most line managers responded that they would like to be up-skilled in change management. Decentralised implementation through partnerships with the affected areas is important.

A central area needs to be responsible for standards, change strategy formulation and knowledge management. Most respondents felt that a central area, for example Corporate Human Resources, should support their change people. A forum, where change people can share change management learnings with other business units, needs to exist. Most line managers agree that the strategic framework should consist of a planning and prioritising body to integrate change impact and allocate resources. The findings also suggested that change management delivery needs to be integrated into the Bank's project management methodologies. The research confirmed that the leader's role in managing change is critical.

7.3.5 Conclusion of research question

What would a strategic framework to integrate change management practices look like for an organisation where these practices are currently fragmented?

The findings from the four subsidiary research questions explore the components that would influence how a strategic framework to integrate fragmented change management practices would look like for the organisation, in this case a Retail Bank. The researcher aims to illustrate the components and interaction of these through the model below. The strategic framework is seen to integrate into the existing Retail Banking division's operations and needs to be part of how the business functions (indicated by the grey area).

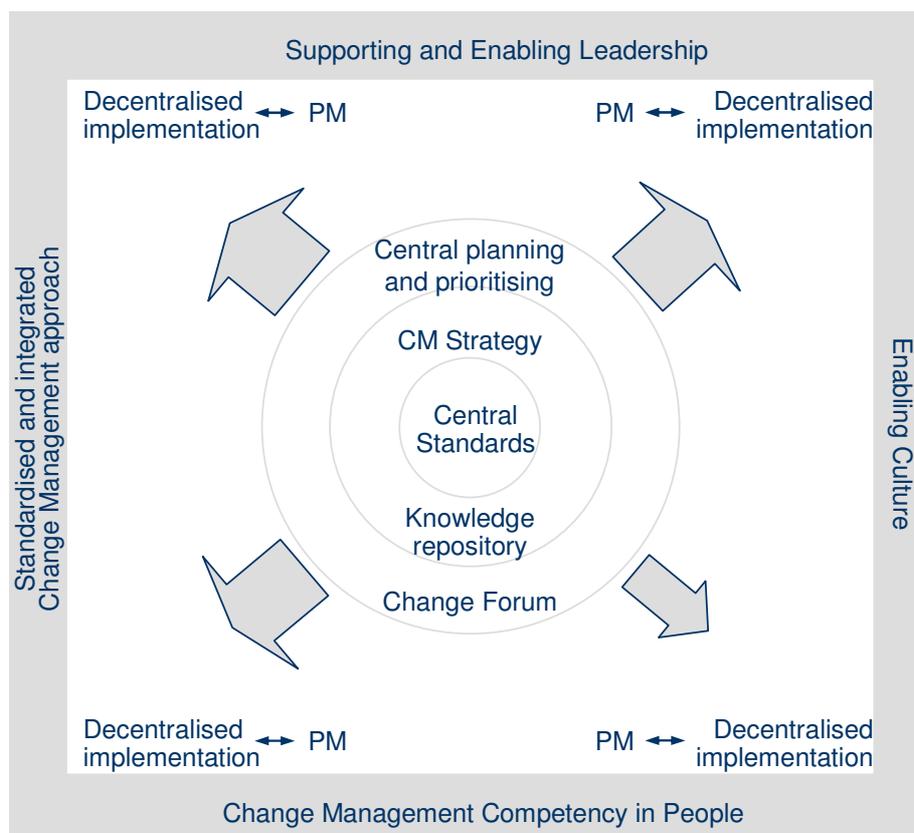


Figure 14 – Strategic framework

The strategic framework aims to create internal capacity and competency in the organisation to managing change more effectively. The strategic framework is characterised by the following:

- A central area needs to be responsible for standards, change strategy and knowledge management
- A forum should link change practitioners to enable knowledge sharing
- Decentralised implementation in partnership with affected areas is important. This is a result of the culture of the bank
- A planning and prioritising body to integrate change impact is needed
- Change management needs to be integrated into project methodologies
- Change management should be an internal competency in line management and employees, thus instituted as a core competency bank-wide
- All line managers and HR should be up-skilled to manage change effectively
- Leadership's role is critical in creating an enabling and supporting environment for change and
- A standardised and integrated approach to change management will create transparency

These characteristics indicate that change management needs to be integrated into the business and cannot function as a separate entity.

7.4 Recommendations for future and further research

This report focussed on what a framework to integrate change management practices would look like for an organisation where these practices are currently fragmented. The researcher evaluated the strategic framework and, based on this evaluation, the following recommendations for future and further research is made.

The scope of this research report was limited to a Retail Banking division of a South African Bank. Further research could expand the scope and perhaps investigate how a strategic framework would look for all divisions in a bank, or even how a strategic framework would look like for organisations operating in different industries, for example insurance, manufacturing or mining.

As part of the process, certain variables were identified that will determine how the framework looks. Further research could be done to investigate whether the variables identified are an exhaustive lists or whether additional variables could play a role. An investigation into the relative importance of each of the variables in influencing how the framework will look could be done. This could provide valuable information into the relationships between the variables, for example, whether the organisation's culture, being decentralised, would have a greater influence on the framework than leadership or planning and prioritising change initiatives. The data analysis process and in particular the chi-square tests identified some interesting facts around certain dependent variables. Additional research could investigate the possible cause and nature of these dependencies.

Further research could explore what the interaction, between the various components that make up the framework, should be. This could entail researching the next level of detail in terms of formalising the interaction by perhaps implementing service level agreements between the change centre and the business units.

7.5 Conclusion

Organisations are realising that the environment in which they operate is becoming more and more challenging. In response to this, many organisations are formalising their change management. A strategic framework to link the current change management practices, create capability and competence around change and deliver change management successfully to the organisation, was investigated.

The research indicated that in order to provide a holistic and integrated approach to delivering change management successfully, attention needs to be given to the design, development and implementation of a strategic framework. According to the literature review, as well as the research conducted, six variables impact on how the strategic framework is designed: organisational structures and processes, decision-making process, culture, how initiatives are planned and prioritised, leadership style and behaviour, and standardisation and integration of change practices.

The strategic framework developed for a Retail Banking division of a South African Bank was characterised by a strong need to create internal competency and capability for change management through up-skilling line management and employees. The integration of the framework into business operations was seen to be imperative. This was indicated by the strong response to integrate change management into project management methodologies and to decentralise implementation. A planning and prioritising body to align and integrate the impact of initiatives and allocate resources was identified as current initiatives are ad-hoc and all seen to be urgent. A central area responsible for standards, change strategy formulation and knowledge management was felt to be at the core of the strategic framework. A forum where knowledge can be shared between change practitioners was seen to be part of creating capability and competence in the organisation. In conclusion, the leader's role in enabling and supporting change initiatives was seen to be critical for the success of change management in the bank.

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9 APPENDICES

9.1 Appendix A – Director interviewing questionnaire (DI)

Interviewee: _____

Position: _____

Interviewer: _____

Date: _____

Question 1	What services would you like to see being offered by change management?
Summary of response	
Question 2	What would a framework to integrate change management practices look like where these practices are currently fragmented?
Summary of response	
Question 3	What variables are essential to the development of the change management strategic framework?
Summary of response	
Question 4	What are the benefits and drawbacks of having a standardised framework and tools for change management?
Summary of response	
Question 5	What are your expectations from change management?
Summary of response	
Question 6	Which critical success factors will play a role in successfully implementing an integrated strategic framework for change management in an organisation?
Summary of response	

Thank you

9.2 Appendix B – Change practitioners: Focus group themes (CP)

Interviewer: _____

Date: _____

Question 1	What are the benefits of having a standardised approach for change management?
Summary of response	
Question 2	What are the drawbacks of having a standardised approach for change management?
Summary of response	
Question 3	What would you perceive the risks to be of allowing varied approaches to change management in the bank?
Summary of response	
Question 4	In order for the implementing of an integrated strategic framework for change management to be successful, what are the three key things that need to be done?
Summary of response	
Question 5	Do you think the employees would be willing to be trained in change management?
Summary of response	
Question 6	Do you think there is a willingness to create internal competency for change management in the bank?
Summary of response	
Summary of responses	Common themes/trends

Thank you

9.3 Appendix C – Line Managers’ (LM) survey

Dear colleagues,

We would like your input into designing a change management offering according to your requirements and delivered in a way that makes business sense.

Gender	Male		Female		
Age	18-29	30-39	40-49	50-59	60-69
Years of service in the bank	0-1	2-3	4-10	11-20	20 and longer
Exposure to change management Low score = 0 High score = 4	None 0	Very little 1	To some extent 2	Have attended some training 3	High skilled and competent 4
Are you interested in being trained in change management?	Yes		No		If no, please indicate the reason.

Using the response options below, please indicate by:

- Selecting from the drop down box, or
- Completing the appropriate grey field

the extent to which the statement describes your view of change management. If you feel you would like to comment, please use the comment box at the end of the document.

THERE ARE NO RIGHT OR WRONG ANSWERS

From the options below, please select the option that best describes your perceptions.

Example	Strongly agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
Eg. I believe change management is about a structured process for managing the people side of change, to achieve the desired business results	1	2	3	4	5

Question	Strongly agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5	
Variables of a change management strategic framework						
A1	I believe change management needs to be a Bank-wide competency	1	2	3	4	5
A2	Change management is exclusive to the field of change specialists	1	2	3	4	5
A3	I believe business should have ultimate responsibility for change management	1	2	3	4	5
A4	I believe change management plans need to be developed in partnership with affected business areas	1	2	3	4	5
A5	I believe we should use a common approach to change management across the Bank	1	2	3	4	5
A6	I believe we need to allocate change resources according to the prioritised change initiatives of the	1	2	3	4	5



	business as a whole					
A7	I believe we need to integrate change initiatives to minimise the impact on people	1	2	3	4	5
A8	I believe leadership has a critical role to play in ensuring the success of change management	1	2	3	4	5
Framework						
In developing a framework that aims to coordinate and integrate existing areas practicing change management (e.g. Business Operations, Change Services, Solutions Delivery, etc.), the following aspects are important and must be taken into account (Please prioritise a maximum of three choices, from most important to least important)						
<p>A10.1</p> <ul style="list-style-type: none"> • Culture of the bank • Organisational structure of the bank • Geographical spread of our operations • Where and how we make decisions • Centralised control • Other (please specify in the section below) 						
<p>A10.2</p> <ul style="list-style-type: none"> • Culture of the bank • Organisational structure of the bank • Geographical spread of our operations • Where and how we make decisions • Centralised control <p>Other (please specify in the section below)</p>						
<p>A10.3</p> <ul style="list-style-type: none"> • Culture of the bank • Organisational structure of the bank • Geographical spread of our operations • Where and how we make decisions • Centralised control <p>Other (please specify in the section below)</p>						
<p>A10.4</p> <p>Please provide comments for question 22 in the grey field to the right</p>						
B11	I would like a person in my area to have the change knowledge to guide me on the process of managing change	1	2	3	4	5



B12	I believe change management is a line management function				4	5
B13	I would like all change people in my area to have a dotted reporting line into a central function, e.g. Corporate Human Resources, to ensure they receive support	1	2	3	4	5
B14	I would like to see a central function, e.g. Corporate Human Resources, provide support to change people at the business unit level	1	2	3	4	5
B15	I would like all change people to be in a central resourcing pool from where resources will be allocated to manage change on projects across the organisation	1	2	3	4	5
B16	I would like to be up-skilled to manage change effectively in my area	1	2	3	4	5
B17	I feel that decision making with regards to change management needs to happen at the business unit level	1	2	3	4	5
B18	I know what my role is in managing change	1	2	3	4	5
B19	I know what HR's role is in managing change	1	2	3	4	5
B20	I think a forum, where change people can share change management learnings with other business units, needs to exist	1	2	3	4	5
B21	I think different change	1	2	3	4	5



	management units need to be linked to ensure handover in the process of managing change					
B22	I believe change management delivery needs to be integrated into the Bank's project management methodologies	1	2	3	4	5
Standardised approach						
C23	I believe by implementing a standardised change management approach we will create a clear definition of what we mean by change management in the Bank	1	2	3	4	5
C24	I believe that effective change management reduces the risk in my business	1	2	3	4	5
C25	A risk of having different approaches to managing change is that people on the receiving end may become confused	1	2	3	4	5
C26	A standardised approach to change management will still need to be applied differently depending on the situation	1	2	3	4	5

Thank you

9.4 Appendix D – Human Resources database questionnaire

Please provide me with the following information for all the line managers in Information Technology and Operations area.

Gender	Male			Female	
Age	18-29	30-39	40-49	50-59	Older
Years of service in the bank	0-1	1-2	3-5	6-10	11-20

Thank you

9.5 Appendix E – Frequency analysis on closed ended questions

Answer	A3	B11	B12	B13	B14	B15	B16	B17	B18	B19	B20	B21
1	162	215	104	76	102	65	234	133	89	42	267	145
2	300	360	280	337	401	269	316	301	336	264	357	424
3	110	82	153	195	144	165	103	139	138	172	51	93
4	99	25	128	60	35	154	24	100	106	184	9	18
5	14	3	20	17	3	32	8	12	16	23	1	5
Grand Total	685	685	685	685	685	685	685	685	685	685	685	685
Answer	A3	B11	B12	B13	B14	B15	B16	B17	B18	B19	B20	B21
1	23.65%	31.39%	15.18%	11.09%	14.89%	9.49%	34.16%	19.42%	12.99%	6.13%	38.98%	21.17%
2	43.80%	52.55%	40.88%	49.20%	58.54%	39.27%	46.13%	43.94%	49.05%	38.54%	52.12%	61.90%
3	16.06%	11.97%	22.34%	28.47%	21.02%	24.09%	15.04%	20.29%	20.15%	25.11%	7.45%	13.58%
4	14.45%	3.65%	18.69%	8.76%	5.11%	22.48%	3.50%	14.60%	15.47%	26.86%	1.31%	2.63%
5	2.04%	0.44%	2.92%	2.48%	0.44%	4.67%	1.17%	1.75%	2.34%	3.36%	0.15%	0.73%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix E – Frequency analysis on closed ended questions (continue)

Answer	A1	A2	A4	A6	A7	A5	C23	C24	C25	C26	A8	B22
1	241	18	329	214	240	286	255	337	320	155	463	325
2	380	63	326	401	398	315	383	309	279	427	212	298
3	43	84	25	49	34	50	29	34	39	59	5	48
4	16	374	3	19	9	27	12	4	44	40	1	12
5	5	146	2	2	4	7	6	1	3	4	4	2
Grand Total	685	685	685	685	685	685	685	685	685	685	685	685
Answer	A1	A2	A4	A6	A7	A5	C23	C24	C25	C26	A8	B22
1	35.18%	2.63%	48.03%	31.24%	35.04%	41.75%	37.23%	49.20%	46.72%	22.63%	67.59%	47.45%
2	55.47%	9.20%	47.59%	58.54%	58.10%	45.99%	55.91%	45.11%	40.73%	62.34%	30.95%	43.50%
3	6.28%	12.26%	3.65%	7.15%	4.96%	7.30%	4.23%	4.96%	5.69%	8.61%	0.73%	7.01%
4	2.34%	54.60%	0.44%	2.77%	1.31%	3.94%	1.75%	0.58%	6.42%	5.84%	0.15%	1.75%
5	0.73%	21.31%	0.29%	0.29%	0.58%	1.02%	0.88%	0.15%	0.44%	0.58%	0.58%	0.29%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

9.6 Appendix F – Frequency analysis on closed ended questions where responses on agreed and strongly agreed were added together

Question	A3	B11	B12	B13	B14	B15	B16	B17	B18	B19	B20	B21
1	23.65%	31.39%	15.18%	11.09%	14.89%	9.49%	34.16%	19.42%	12.99%	6.13%	38.98%	21.17%
2	43.80%	52.55%	40.88%	49.20%	58.54%	39.27%	46.13%	43.94%	49.05%	38.54%	52.12%	61.90%
3	16.06%	11.97%	22.34%	28.47%	21.02%	24.09%	15.04%	20.29%	20.15%	25.11%	7.45%	13.58%
4	14.45%	3.65%	18.69%	8.76%	5.11%	22.48%	3.50%	14.60%	15.47%	26.86%	1.31%	2.63%
5	2.04%	0.44%	2.92%	2.48%	0.44%	4.67%	1.17%	1.75%	2.34%	3.36%	0.15%	0.73%
	A3	B11	B12	B13	B14	B15	B16	B17	B18	B19	B20	B21
1	23.65%	31.39%	15.18%	11.09%	14.89%	9.49%	34.16%	19.42%	12.99%	6.13%	38.98%	21.17%
2	67.45%	83.94%	56.06%	60.29%	73.43%	48.76%	80.29%	63.36%	62.04%	44.67%	91.09%	83.07%
3	83.50%	95.91%	78.39%	88.76%	94.45%	72.85%	95.33%	83.65%	82.19%	69.78%	98.54%	96.64%
4	97.96%	99.56%	97.08%	97.52%	99.56%	95.33%	98.83%	98.25%	97.66%	96.64%	99.85%	99.27%
5	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix F – Frequency analysis on closed ended questions where responses on agreed and strongly agreed were added together (continue)

Question	B22	A1	A2	A4	A6	A7	A5	C23	C24	C25	C26	A8
1	47.45%	35.2%	2.63%	48.03%	31.24%	35.04%	41.75%	37.23%	49.20%	46.72%	22.63%	67.59%
2	43.50%	55.5%	9.20%	47.59%	58.54%	58.10%	45.99%	55.91%	45.11%	40.73%	62.34%	30.95%
3	7.01%	6.3%	12.26%	3.65%	7.15%	4.96%	7.30%	4.23%	4.96%	5.69%	8.61%	0.73%
4	1.75%	2.3%	54.60%	0.44%	2.77%	1.31%	3.94%	1.75%	0.58%	6.42%	5.84%	0.15%
5	0.29%	0.7%	21.31%	0.29%	0.29%	0.58%	1.02%	0.88%	0.15%	0.44%	0.58%	0.58%
Question	B22	A1	A2	A4	A6	A7	A5	C23	C24	C25	C26	A8
1	47.45%	35.2%	2.63%	48.03%	31.24%	35.04%	41.75%	37.23%	49.20%	46.72%	22.63%	67.59%
2	90.95%	90.7%	11.82%	95.62%	89.78%	93.14%	87.74%	93.14%	94.31%	87.45%	84.96%	98.54%
3	97.96%	96.9%	24.09%	99.27%	96.93%	98.10%	95.04%	97.37%	99.27%	93.14%	93.58%	99.27%
4	99.71%	99.3%	78.69%	99.71%	99.71%	99.42%	98.98%	99.12%	99.85%	99.56%	99.42%	99.42%
5	100.00%	100.0%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

9.7 Interview schedule

The sample was selected through simple random sampling from list of executive management. The interviews will be conducted in July.

	<i>Director</i>	<i>Scheduled</i>
1	Bob Tucker: Director Retail Banking Low Income Banking	3 July 2006
2	Carol McLoughlin: Director Change Business Operations	4 July 2006
3	Roy Ross: Director Distribution	4 July 2006
4	Jane Macgregor: Director: IT Process	7 July 2006
5	Peter Schlebusch: Deputy Chief Operations Officer	10 July 006
6	Ian Weir: Director Six Sigma	10 July 006
7	Wally Fischer: HR Director, Business Operations	10 July 006
8	Alex Soethoudt: Director Service Support	10 July 2006
9	Joe Torlage: Director Lending	July 2006
10	Jeff Lopes: Director: Branch Operations	July 2006
11	Rod Burn: HR Director Retail Bank	21 July 2006

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