

**Managing the transition to a 'digital culture': The experience of financial service
firms**

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ABSTRACT

Business and academic literature have shown a continuous demand for adaptive organisational cultures. Despite this, organisational culture continues to be viewed in isolation from change practices in digital transformation efforts. Organisational culture is viewed as being staunch and resistant to change. However, in a time of rapid innovations and digital transformations, this resistance needs to be broken down into controllable levers which managers can influence.

Qualitative, exploratory research methods were adopted in an attempt to gain insights into the characteristics that drive organisational digital culture and change practices adopted by organisations. A total of 14 in-depth, semi-structured interviews were conducted with senior managers from HR, Agile Transformation and Digital departments, all leading digital strategies and digital change initiatives within the organisation. Each interview was analysed by means of thematic content analysis to draw insights.

The key findings supported the literature that organisational culture plays a vital role in transformation efforts but face many challenges at an implementation level. Insights were drawn from best practices of the interviewees to offer a, 'Interactive Digital Culture Toolkit'.

The findings from this research adds to the practical body of knowledge in how organisations manage the transition to a digital culture, an imperative for managers who are leading digital transformations.

KEYWORDS

Organisational culture, digital culture, culture change, digital disruption

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements of the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Naushenah Cassim Karodia

12 March 2018

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Introduction and Description of the Problem

Recent trends in the business environment call for organisations to embrace the opportunities brought about by digital technologies. Businesses, specifically legacy businesses have the opportunity to leverage digital capabilities to obtain a competitive advantage without compromising their legacy systems.

New Fintech (financial technology) driven start-ups have been disrupting legacy business models since the rise of digital platforms in the business landscape. Bughin and Van Zeebroeck (2017) suggest that digitisation has had a dual impact on incumbent firms. The first negative impact has been experienced through digital entrants, like new Fintechs, who essentially compete with incumbent firms through disruptive business models. These disruptive business models threaten the profits of incumbents and steal market share. The second impact suggested by the authors, is that incumbent firms respond to disruption by creating more intense competition with each other, thereby triggering the “Red Queen” effect. The “Red Queen” effect is expressed as competition in which legacy companies engage in aggressive imitation - first in response to digital entrants, and then in response to one another by engaging in a race with competitors to remain in the same place (p.83). This means that incumbent firms have experienced reduced profits and their response hinders them from moving forward to achieve a competitive advantage.

The readiness and agility of available sources of innovation is proving to be a challenge for organisations to adapt their business models. Adopting a digital culture is argued to be an imperative, arising from ‘mounting pressures of a rapidly shifting business landscape’ (Kane, Palmer, Phillips, Kiron & Buckley, 2016, p. 6).

Vey, Fandel-Meyer, Zipp & Schneider (2017) argue that the arrival of a distinct Fourth Industrial Revolution is changing the focus of businesses towards: velocity – the speed of adopting and integrating new technology; scope – the prioritisation of projects to deliver disruptive business models; and the systems impact – the rising tension between emerging versus legacy infrastructures. The authors advocate that firms must change constantly and in an agile manner, and that changes are disrupting almost every industry. However, the reality of digital disruption is not unknown to organisations. This is because adaptation has long been argued to be a difficult and critical task to achieve

successfully. Aside from the need to adapt organisational culture, firms facing rapid technological changes are faced with trade-offs between which require structural alignment (O'Reilly & Tushman, in press).

Kane, Palmer, Phillips, Kiron & Buckley (2016, p.7) shared barriers to progressing the organisations' digital capabilities that indicates internal issues such as the 'lack of agility' (the inability to make decisions quickly enough to respond) and 'cultural complacency' (the weight of entrenched cultures that existed pre-digital disruption). Becoming more culturally agile (being able to adapt the culture of the organisation to any given shift in the business landscape) therefore requires a rethink of the barriers inherent within the organisation that impedes the organisations ability to shift (Dikert, Paasivaara, Lassenius, 2016; Svahn, Mathiassen, Lindgren & Kane, 2017; Kruschwitz, Bonnet, and Welch, 2013).

Adaptation towards digital strategies not only requires new behaviours from all stakeholders, but also requires a mind-set shift from leaders and employees. This shift often goes against pre-existing organisational cultures which historically focus on reducing risk, increasing margins and operational efficiencies, and achieving business excellence (Kane, Palmer, Phillips, Kiron & Buckley, 2016; Walker & Souel, 2017).

As cited in O'Reilly & Tushman (in press), March (1991) suggested that the adaptive challenge organisations face is the need to exploit an organisation's existing capabilities while at the same time explore new capabilities to remain relevant when facing market and technological changes. In a digital age, exploration is likened to the ability to leverage off emerging digital capabilities to enhance business offerings and processes. In the face of such change, O'Reilly & Tushman (in press) argues that organisations are likely to fail in the absence of some effort towards exploration.

Duerr, Holotiuk, Beimborn, Wagner & Wietzel (2018) suggest that organisational culture is essential in order to successfully navigate in the digital age. The authors argue that organisational culture acts as an 'enabler for new knowledge and trigger for creativity, but also an obstacle regarding the adoption of new digital services' (p. 2156). The implication for the organisation is therefore greater than a mere dilution of market share.

Rapid environmental change requires organisations to display higher degrees of external adaption with the environment (Giorgi, Lockwood & Glynn, 2015), by managing particular

elements of organisational culture to enhance and pre-empt organisational performance (Denison & Mishra, 1995).

This is substantiated by Bughin and Van Zeebroeck (2017) who suggests that attackers (digital entrants) 'don't simply take market share – they also often put pressure on price, alter customer behaviour, and change how value is distributed among industry players' (p. 82). This can be seen as a threat or an opportunity for organisations to introspect their internal capabilities, the organisation culture and the value offered to their customers.

Organisations need to react to the unavoidable disruption being caused by digital. Companies that seek to remain competitive, increase their bottom lines, seek new performance trajectories, remain relevant and survive in the long-term must respond (Costanza, Blacksmith, Coats, Severt & DeCostanza, 2016; Bughin & Van Zeebroeck, 2017; Kiron, Palmer, Phillips, Kane & Buckley, 2016).

Organisations grapple with how to respond. Kiron, Palmer, Phillips, Kane & Buckley (2016) advocate that organisational congruence is needed for success. The authors further explain the concept (originally spearheaded by David Nadler and Michael Tushman in the 1980's) as: only when the 'essential components of a business – its culture, people, structure, and tasks – are tightly aligned can the company achieve powerful results' (p. 13). The central feature underlying this concept is the inherent need for organisations to align the culture of the organisation in a way that reduces the negative impact caused by new digital entrants. What is unclear though is characteristics of culture needed within organisations to transition into an era where digital innovations are disrupting business as usual.

The concepts of organisational culture and digital disruption are currently viewed in isolation (Figure 1). Minimal work has been found to be dedicated to the characteristics of organisational culture that is adaptive to the digital age. Academic literature focuses on organisational culture from a deep set of values, traditions, and longer periods of stability in the business environment. On the other hand, practitioners allude to an adaptive organisational culture as a 'digital culture' that is necessary for digital transformation (Costanza, Blacksmith, Coats, Severt & DeCostanza, 2016; Bughin & Van Zeebroeck, 2017; Duerr, Holotiuk, Beimborn, Wagner & Wietzel, 2018). Organisational culture can therefore be seen as a means through which an organisation can begin to plan for digital strategies in a fast changing environment. Culture is seen as a "toolkit"

that offers the “most immediate connection with action” (Giorgi, Lockwood & Glynn, 2015, p.14)

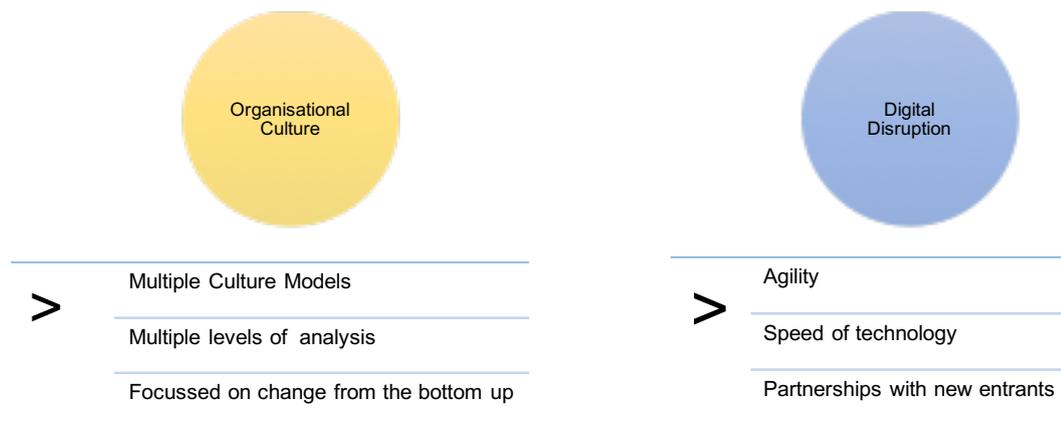


Figure 1: Isolated context of the organisational culture and digital disruption

1.2 Purpose of Research

The purpose of this research is to establish how organisations manage the concept of culture in digital transitions. The goal was to determine, through the perceptions of leaders, what the overlapping characteristics of culture are from academic literature and emerging practitioners’ claims on digital cultures. Because the digital landscape demands a new approach to organisational culture, this research will look at which of the identified characteristics of organisational culture from the convergent culture models of Schein (2004), Kotter and Heskett (2008), Cameron and Quinn (2011), Denison and Mishra (2004), and Hatch (1993), continue to have a positive influence in a digitally advanced business landscape. Establishing the main contributing characteristics delivering a digital culture will enable leaders to place greater influence and drive iterative behaviour in specific areas to support change, improve performance, organisation health, and obtain buy-in from employees.

Previous research has been limited to cultural constructs from a traditional view and compared to one other construct (i.e. performance, effectiveness, profits, learning, innovation). With the advanced compression of the digital capabilities that are being experienced at present, the practical usefulness of traditional culture models has come into question. Researchers are attempting to become more ambidextrous in their culture

research by seeking out ways to combine the old with the new representing the altering business landscape (Figure 2). Researchers are exploiting traditional culture models through converging concepts that prevail in the digital age, while exploring the new face of digital cultures that display concepts experienced by practitioners, and derived from innovation literature.

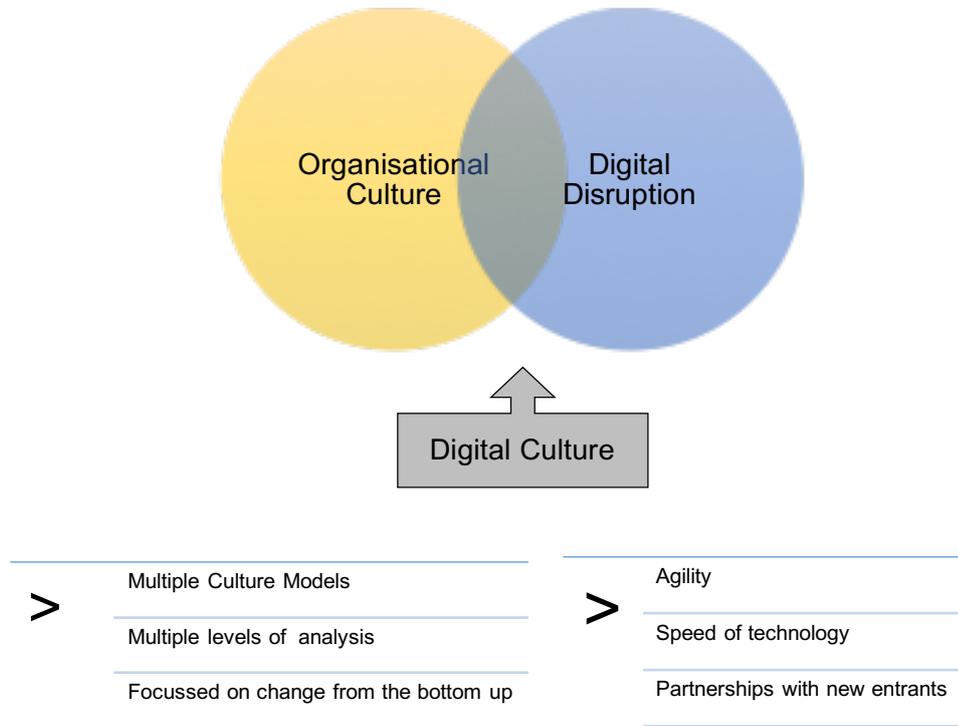


Figure 2: Overlapping of the practitioner concept of a Digital Culture

1.3 Research Problem

Research Question

How do firms manage the transition to a digital culture?

The purpose of this research is to gain a deeper understanding of the changing characteristics of organisational culture. The aim is to explore the emerging characteristics of a 'digital culture' and how firms manage the transition from a traditional culture to a 'digital culture'.

What we know and understand from early literature is that culture is like the wind, invisible yet the effects can be seen and felt (Walker & Soule, 2017), and sometimes heard in the distance. For organisations seeking to become more adaptive and innovative, culture change is often the most challenging part of transformation (Walker & Soule, 2017).

This research aims to:

1. Understand what are challenges facing organisations with the rise of new digital entrants and how are organisations dealing with these changes internally?
2. Establish what characteristics of organisational culture is perceived to influence digital transitions?
3. Understand how organisations manage their organisational culture transition to a digital culture?

The literature review in Chapter 2 focuses on:

- (a) A review of the concept of organisational culture and the various models used to understand the phenomena,
- (b) A review of recently researched characteristics of an emerging digital culture, and
- (c) A review of the change processes and change models adopted for digital transformations.

This research aims to be of benefit to managers and leaders by providing a practical model which was developed through a combination of current theory, practitioners' assertions from experience in the field, and new insights gained from the research which can be applied within organisations to support digital strategies.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

While acknowledging the wide and important body of knowledge that surrounds the concept of culture at national and social levels. The scope of this review is limited to organisational culture. A brief context of organisational culture is offered in the literature review pointing out the most useful models by various academics from experience and application. Understanding the various enablers of organisational culture and change levers has allowed organisations to move away from the traditional blinkered view of business theories. The concept of organisational culture and change is continuously revisited by academics and practitioners to determine the culture compatibility with the changing business landscape.

The many broad definitions of organisational culture is explored from seminal views - during a period characterised by a slower pace of technological disruption and greater stability; to more contemporary works that explores organisational culture during a period of rapid technological change and advancements that are characterised by a higher degree of instability and greater need for flexibility and agility.

Organisational culture has been explored since the 1930's, along with the management sciences field (Turlais & Dubkevics, 2017). Culture was represented as a functioning of a social organisation and society in general. Early authors, as suggested by Denison and Mishra (1995), placed emphasis on culture as an integral aspect of the adaptation of social organisations wherein culture was viewed as a system of 'socially transmitted behaviour patterns that serve to relate human communities to their ecological settings'

Turlais & Dubkevics (2017) suggest that recent study on organisational culture have revealed two-dimensional organisational culture models aimed at understanding correlations between organisational culture and some other performance indicator like: performance, profit, employee job fit to name a few.

Due to the increased demand for the ability to change organisational culture, which stems from the rapidly changing business landscape, this research is limited to only looking at the surface levels of the concept of organisational culture and change practices that can be adopted by managers leading digital transitions.

Various culture models and traits by Schein (2004), Kotter and Heskett (2008), Denison and Mishra (2004), and Cameron and Quinn (2011) are explored, including the convergent models shared by Hatch (1993), and Tulairs and Dubkevics (2017) that appear in more contemporary work. In order to better understand the concept of organisational culture and the varying contexts within which organisational culture has been studied, a review of the literature was conducted to address the following areas:

- a. The traditional concept of organisational culture
- b. The contemporary concept of organisational culture
- c. Combined characteristics of organisational culture
- d. Digital Disruption and the emergence of a digital culture
- e. Culture change practices

2.2 Organisation Culture and the Theory of Organisational Culture

2.2.1 The Traditional Concept of Culture

Many definitions have been introduced for organisational culture. A number of authors agree that there is no widely accepted definition of organisational culture, with many variations in definitions. Therefore, due to the ambiguous nature of the concept, the manner in which it is defined in practice is largely dependent on the context in which the concept is researched (Cameron & Quinn, 2011; Schein, 2010; Langan-Fox & Tan, 1997; Siehl & Martin, 1990; Kilman, Saxton & Serpa, 1985).

This variation in a universal definition of organisation culture stems from four core issues highlighted by Langan-Fox and Tan (1997, p. 274). These are:

- (a) organisational culture is settled and resistant to change;
- (b) it is taken for granted;
- (c) organisational culture derives its meaning from the organisations members; and
- (d) organisational culture incorporates a shared understanding.

Management scholars like Schein (1981, 1984, 1985, 2004), Deal and Kennedy (1982), Peters and Waterman (1982) and Sathe (1985) researched the concept of organisational culture and this gave rise to deeper views in the field of management sciences. A large number of studies were conducted on various levels of culture. One could then assume that the numerous culture models over time would shift to suit the environmental shifts

of the business landscape. Many culture models were introduced but were wrapped in the depth of the culture concept from the level of assumptions that surface as the foundation of organisational culture.

What was found to have emerged stronger was the conceptual framework introduced by Edgar Schein (1981, 1983, 1984, 1985, 2004, 2010), which was widely accepted and used to analyse and change organisation's cultures to meet the changing needs of business (Hatch, 1993).

At the same time that Schein was researching organisational culture, other authors were focusing their research with various coinciding concepts:

Values system – Wiener (1988) suggested that a focus on values provides a deeper perspective and understanding of organisational culture.

Shared meanings – Weick (1995) explored how groups create shared meaning during their interactions with each other.

Levels of organisational culture – Schein (1985, 2004, 2010) offered a framework to further the understanding that organisational culture occurs at three levels of cultural analysis in Figure 3.

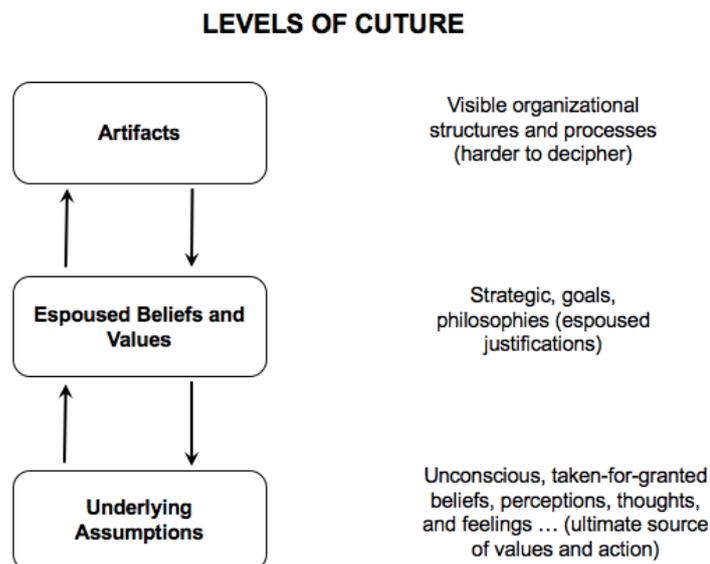


Figure 3: Schein's (2004) Levels of Cultural Analysis

According to Schein, organisational culture is a 'pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problem of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems' (Schein, 1985, p. 9; 2004, p. 17).

Schein's early assumptions were disputed by subculture researchers (Hatch, 1993). These were Martin and Siehl (1983) who argued that subcultures exist within the broader organisational culture with values similar to the broader culture of the organisation without derailing the broader culture. The authors offered typologies of subcultures, some of which they described *enhancing subcultures* in which members displaying a deeper commitment to the values of the organisation. Members of a *counterculture* typology was suggested to exist when they disagree with the overarching values of the organisation. This is not necessarily seen to have a negative impact on the organisation, as countercultures can potentially strengthen overall organisational cultures.

The development of organisational culture is arguably not receptive to direct management control. The culture of the organisation is not created directly by individuals they already exist, instead Martin and Siehl (1983) argue that managers can simply take advantage of those cultural characteristics that have a positive impact and reduce the appearance of those that have a negative impact. Thus, a manager can alter the culture of the organisation to a certain degree rather than attempt to make drastic changes. This observation was made based on the assumption that cultural characteristics can serve as a foundation and serve as a support mechanism for the organisations objectives (Martin & Siehl, 1983).

On the other side, researchers like Meyerson and Martin (1987), Feldman (1991), Martin (1992), argued that their focus stemmed from perspectives they believed Schein ignored. They disputed the concept that culture is a function of a social organisation, suggesting that the concept of culture is strung up in ambiguity where there are no clear interpretations. They suggest that the concept of organisational culture be viewed from three perspectives: An integration perspective – values being espoused by a top leadership, a fragmentation perspective – collaboration and communication occurs when needed; and a differentiation perspective – which focused on relationships.

According to Hatch (1993), another cultural view was established by researchers interested in symbolic interpretation. Researchers argued that symbols and symbolic behaviour represented shared meanings that groups come to have through shared assumptions (Smirchich, 1983; Alvesson, 1987). Their argument points out that *organisations are cultures* versus the notion that *organisations have cultures* that contrast each other in their effectiveness (Schneider, Ehrhart & Macey, 2013).

Hatch (1993) advised that the usefulness of Schein's model 'depends upon identifying the links among a culture's – artifacts, values and assumptions – links' (p. 659) which Schein failed to elaborate on. In contrast to Schein's view on cultural dynamics (which he placed very little emphasis), Hatch (1993) believed that under the same context that Schein describes culture and socialisation, 'culture is constituted by local processes involving both change and stability' (p. 660). This contradicts the processes required survive the digital age which are characterised by a compression of the speed of technological change, the convergence of industries, and globalisation (Berman & Marshall, 2014; Nold & Michel, 2016). All of these dictates continuous adaptation and a limited amount of stability. Digital capabilities call for organisations to find comfort in uncertainty and ambiguity.

In support of Schein's model, Hatch (1993) introduced a cultural dynamics model which essentially links Schein's theory and the symbolic-interpretivists perspectives. This model 'articulates the process of manifestation, realisation, symbolization, and interpretation and provides a framework within which to discuss the dynamism of organisational cultures' (Hatch, 1993, p. 657). The model proposed by Hatch (1993) is a far more complex model integrating the dynamic natures of culture through prospective and retrospective processes. The cultural dynamics model enables one to enter at any point, usually dependent on the mode of study. Cultural dynamics refers to 'issues of change and stability as the origins and evolution of cultures, enculturation processes, and the problem of change versus stability (eg. through diffusion, innovation, cultural conservatism, and resistance to change)' (Hatch, 1993, p. 660). Consideration is given to the "realization" orientation of the model which is derived from the prospective and retrospective processes drawn off the "artifacts" and "values" level of Schein's model (Figure 4).

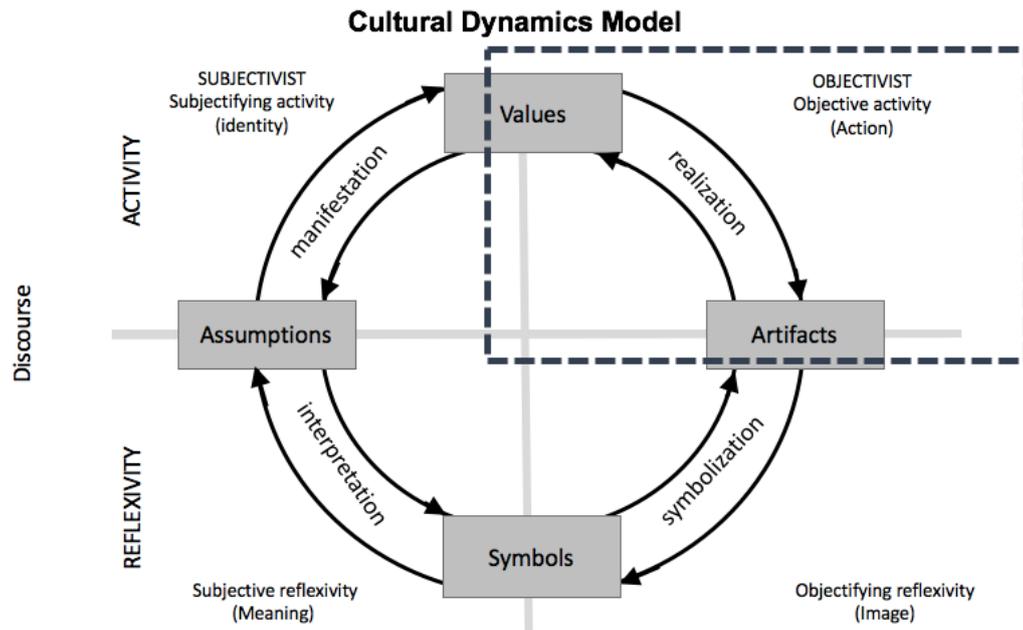


Figure 4: Hatch's (1993) Cultural Dynamics Model

These levels as Schein (2010) described, comprises of controllable aspects of organisational culture like the processes, structures, goals and strategies. While more in-depth and holistic, the cultural dynamic model requires a deep rooted, and time-consuming mix method approach to get to the root of the culture concept. The practical use of this model to understand possible culture characteristics and change practise is left questionable when organisations operate in a dynamic environment characterised by greater instability then previous years.

Denison and Mishra (1995) suggested that 'culture can be studied as an integral part of the adaptation process of organisations' and that 'specific culture traits may be useful predictors of performance and effectiveness' (p. 204). This highlights the relevance of turning to organisation culture as a means of adaptation in times of rapid external changes. Furthermore, understanding the specific culture traits necessary for a successful adaptation process can positively influence the performance outcomes.

This is holistically demonstrated by Denison and Mishra's (1995) development of an organisational culture model taking into account specific cultural traits. With a dimension of effectiveness based on four traits of organisational cultures: involvement, consistency, adaptability, and mission. The authors argued that two of these traits, involvement and adaptability, were indicators of flexibility, openness and responsiveness. These traits

appear to be synonymous with the traits described in Chapter 1 for successful digital transformation and innovation capabilities.

Alvesson (2002) defined organisational culture as a 'significant way of understanding organizational life in all its richness and variations' (p. 2). In support of former research, he suggests that the 'centrality of the culture concept follows from the profound importance of shared meanings for any coordinated action' (p. 2). Alvesson suggests that this reduces confusion, and unnecessary interpretation of meanings by promoting wiser actions, and improving effectiveness. One could argue from this that the richness and variations of present day organisational culture could differ from pre-technology-boom days, wherein shared meanings for coordinated action (i.e. digital strategies) has a uniquely different approach than traditional strategies.

2.2.2 The Contemporary perspective of Organisational Culture

Further building on his concept of culture, Schein (2010) supports other researchers views that culture is an abstraction of observable events and its underlying forces. He therefore argues that for it to be useful to our thinking, deeper layers of complexity ought to be studied. What has been briefly taken into consideration in Schein's concepts are the impacts and responses to the rising waves of international competition, blurred industry lines, cross industry collaboration, and young technology start-ups that are shaving away at legacy businesses profits.

Along similar lines, Kotter and Heskett (2008) argue that organisational culture are group qualities passed along from one period to the next. The authors share their views of culture as existing on two levels, a deeper level that is less visible and more resistant to change – these are the values of a group that exist at a subconscious level. The second level is at a more conscious level at which change can be effected and is often passed down in the form of behaviours.

Kotter and Heskett (2008) argue that while each level has a 'natural tendency to influence the other' (p. 4), deeper values influence the more visible layer through behaviours displayed by groups, the opposite is also valid wherein they argue that 'causality can flow in the other direction too – behaviour (sic) and practices can influence values' (p. 4). Kotter and Heskett's (2008) depiction of culture in an organisation is illustrated in figure 3 below:

CULTURE IN AN ORGANISATION

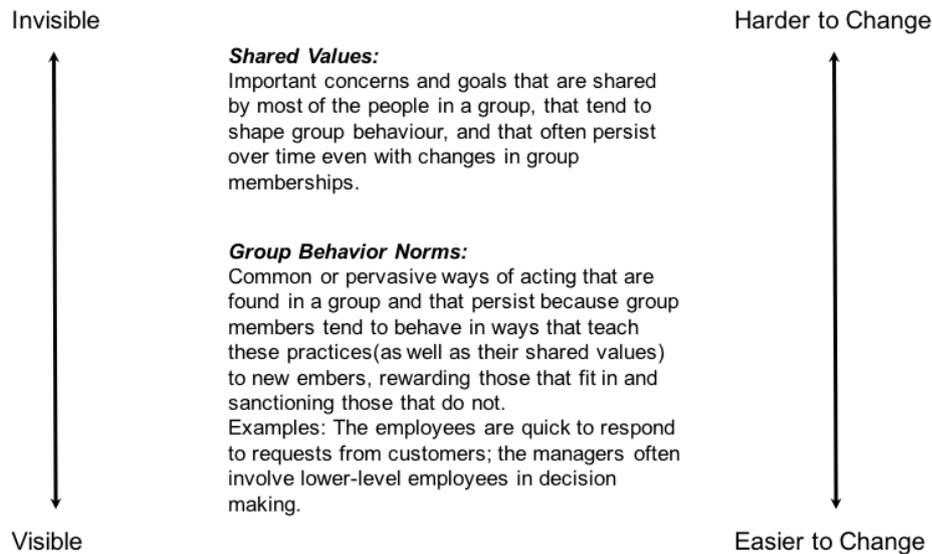


Figure 5: Kotter and Heskett's (2008) - Culture in an Organisation

In more recent years, organisational culture has been defined as a system of shared ways of doing business that distinguishes one organisation from the next (Robbins & Judge, 2015; Schein 2009). This is representative of shared perceptions that members of an organisation hold of the characteristics that shape the organisation's culture. This suggests that the characteristics that shape the culture will inherently shape the day to day behaviour of organisation members, communication methods adopted, and the allocation of power (Raza, Mehmood & Sajjid, 2013) which all allude to internal integration at the artifacts level of Schein's culture model.

Cameron and Quinn (2011) suggested that organisational culture, while ambiguous in nature, is made up of a set of complex but interrelated factors. These interrelated factors overlap with Schein's culture model at the artifacts level - representing structures, systems, and processes, and also at the behavioural level - representing leadership behaviours and values. Cameron and Quinn (2011) however, included the external environment and suggests that the culture of the organisation, being influenced by both external and internal factors, ultimately shape the behaviours of management that serve to reinforce the culture of the organisation.

FOUR FACTORS THAT SHAPE MANAGERIAL BEHAVIOR

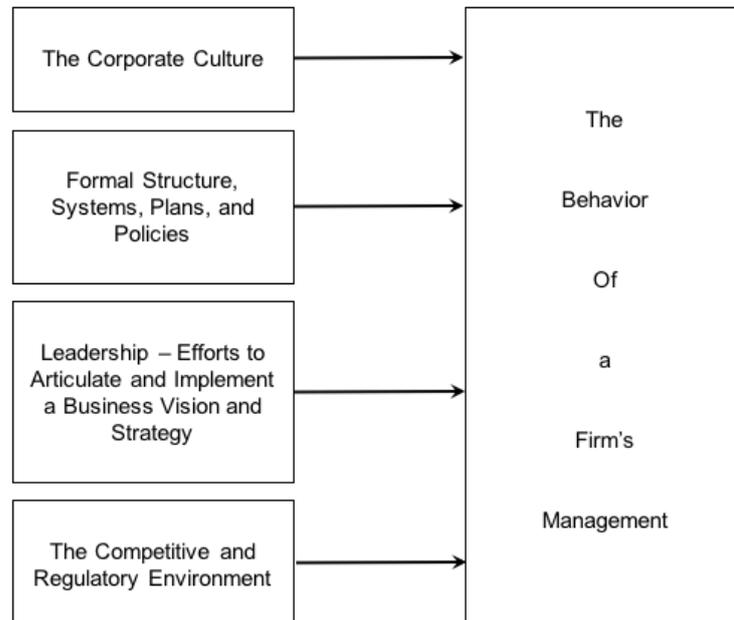


Figure 6: Cameron and Quinn (2011) - Factors that shape managerial behaviour

A common feature in the seminal studies conducted by researchers is the focus on artifacts, values, interpretation, context, responsiveness and processes. An overlap of Cameron and Quinn's (2011) model allows one to understand the role of the manager in managing organisational culture and provides clarity on the behavioural factors that shape organisational culture. This relatedness serves as a practical tool that can be adopted by managers to influence organisational culture. When considering factors that shape culture for digital transformations, the next sections reviews these links.

2.2.3 The Combined Characteristics of Organisational Culture

Considering the combined characteristics of existing culture models predominantly used by organisations, we find the overlapping characteristics to appear as:

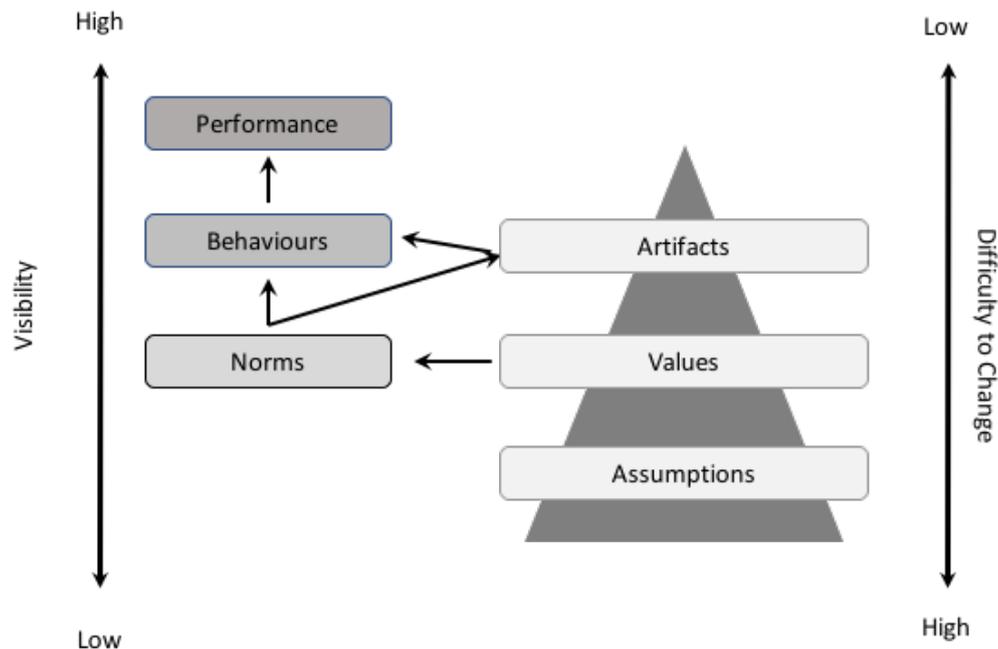


Figure 7: Convergence in organisational culture systems – Schein (2010), Heskett (2012), Hatch (1993)

While this is still representative of constructs of an older culture, there appears to be a gap in usefulness to digitally advancing organisations that display specific structures and behaviour characteristics that are not as broad as the convergent culture model above. Yet the convergent culture model above excludes the external environment impacts. Prior to understanding the characteristics of a digital culture, the concept of digital disruption is explored briefly.

2.3 Digital Disruption

Digital disruption is essentially another form of change. The disruption aspect of the term lends itself to the pace of change in emerging digital capabilities at an alarmingly fast pace. This leaves organisation leaders who are accustomed to slow moving strategies hesitant to respond, often choosing the approach of “wait and see”, which is

argued to sometimes be “anchored in corporate culture” (Vey, Fandel-Meyer, Zipp & Schneider, 2017).

Digital disruption refers to the displacing of old business practices by new operating efficiencies as a result of technological advancements (digital capabilities) that act as an enabler for businesses to innovate. At the core, digital transformation is about increasing firms’ competitiveness by providing clear roadmaps, management support, iterative feedback and communication, and capability development across the entire organisation (Chhachhi et al., 2016). A key characteristic of the digital age is the large influx of start-ups, digital platforms that exploit existing infrastructure, driven by increased access to funding and a rising entrepreneurial culture (Wienelt, 2016; Vey, Fandel-Meyer, Zipp & Schneider, 2017), achieving scale and billion dollar valuations at a fraction of previous companies operating for longer periods of time.

The digital landscape is characterised by “self-driving cars, extremely efficient decision-support systems, sophisticated translation programs, 3D printing, advanced semantic image analysis, and a variety of useful robots” (Vey, Fandel-Meyer, Zipp & Schneider, 2017). The highlight of the digital economy is that we live in a “platform economy” (Vey, Fandel-Meyer, Zipp & Schneider, 2017) and organisations can no longer see competition coming. There is a lag between when the competition has arrived and the realisation that organisations’ need to respond. Typical examples include Uber, the largest transport company that owns no cars; and Airbnb, accommodation provided with no brick and mortar.

Incumbent firms who were operating prior to the digital revolution are experiencing negative impacts of start ups that are ruffling previously stable and traditional markets (Weinelt, 2016). However, they have the capabilities to weather the storm while working towards leveraging off digital capabilities to strengthen their businesses. While digital technologies are transforming industries, Weinelt (2016) advised that cultural transformation is one the factors amongst the challenges that need to be understood in order to unlock the value that the digital age has to offer. The notion of cultural transformation illustrates that traditional organisational culture may be insufficient in supporting incumbents to make a smooth digital transition (Vey, Fandel-Meyer, Zipp & Schneider, 2017).

Table 1: Characteristics that Detract an Organisation from Digital Transformation

Characteristics that Detract an Organisation from Digital Transformation		
Impact of digitisation not fully recognised or understood	Lack of competencies – Skills	Inconsistent sense of purpose
Ambiguous and Unpredictable – Discomfort to take risks	Absence of drive and mission motive from the top	Absolute compliance o rules and processes
Lack of agility	Unconducive leadership style	Centralised decision making - Hierarchy
Innovation lab as a potential distractor	Insufficient exchange of knowledge with customers	Internally focussed – closed to external world
Vey, Fandel-Meyer, Zipp & Schneider, 2017		McConnell, 2015

2.3.1 Understanding Digital Cultures

There is much less about adaptability at the organizational level, little on adaptive cultures, and almost nothing on the impact of adaptability on long-term organizational outcomes.

Attempts have been made to explore the concept of a digital culture using direct and adjacent terms of digital transformations, agile, adaptability at an organisation level, responsive, adaptive organisational cultures, and a bare minimum on the impact of adaptation on long-term survival (Costanza et al., 2016). All of which yielded minimal studies found in the area of understanding organisational cultures at the levels of observable and controllable layers of culture models. Studies do exist for core elements that make reference to a deeper understanding of human behaviour, and shaping assumptions at subculture levels and group specific. These studies are found to be explored in the context of the medical sciences field in the healthcare industry and media and press industry. This makes it difficult to draw practical inferences when attempting to translate the findings in the financial services industry which differs in context from the health sciences and media industries.

This section explores the concept of organisational culture for successful digital transformations. The core focus of this section is to provide a deeper understanding of

the complexities of digital transformations from a holistic organisational view and not at any specific level within the culture models presented in Section 2.2. Due to the emergence of interest in the concept of a digital organisational culture, limited peer reviewed journal articles are available. Therefore, insights are drawn using the minimal literature available as well as research results presented by practitioners in periodicals.

Chapter 1 shared insights into the opportunities that digital affords to organisations to remain competitive and sustainable in the rapidly shifting environment. Ambidexterity literature gives us insights into the challenges faced by organisations in their attempt to adopt digital technologies to enhance business opportunities. Ambidexterity literature acknowledges that even though there are difficulties in balancing the act of exploitation and exploration, there is also an inherent bias which favours short-term successes afforded by exploitation (O'Reilly & Tushman, in press).

A vast majority of the organisation leaders understand what it means to digitally transform an organisation, this failure to embrace digital transformation has the potential to harm the organisation. The challenge to true digital transformation, McCafferty (2017) suggested is to “change the organizational (sic) culture, convert risk-averse disbelievers within the organization, and facilitate digital transformation at all levels, in all business units throughout the organization” (para. 1).

In a conference proceeding on System Sciences, Duerr, Holotiuk, Beimborn, Wagner & Wietzel (2018) acknowledged that, in light of the digital age, while research on Information Systems had previously given attention to the transformation of ‘products, processes, and organizations’ (p. 5126), little was known about the process in which, and the reasons for an organisation’s culture needs to be ‘digitalized’ (p.5126). This indicates the longstanding argument that the culture of an organisation has been given a lot of airtime with little focus on the practical change practices dealing with the need to adapt towards a digital culture. The authors further draw on Schein’s model for organizational culture wherein they focussed on the artifacts, espoused beliefs, and values, and underlying assumptions. In an exploratory study of eleven cases across various industries, the study identified elements of organizational culture of digitalising organisations. Their study laid out a ‘*digital organizational culture*’ (p. 5126) which will be reviewed in the next section.

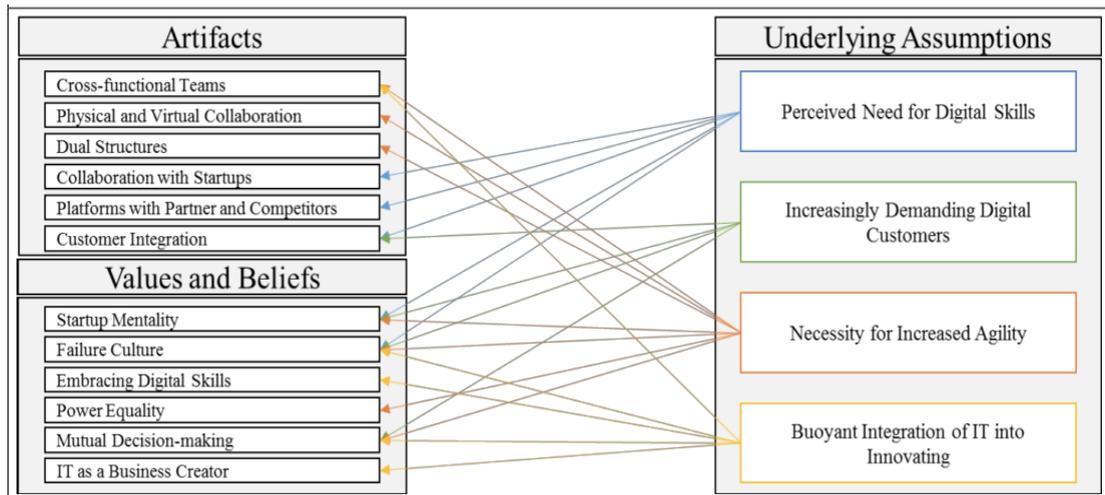


Figure 8: Digital Organisational Culture (Duerr, Holotiuik, Beimborn, Wagner & Wietzel, 2018)

2.3.2 Characteristics of a Digital Culture

Though little is known about a digital organisational culture, literature on digital cultures are related purely to Information Technology (IT) departments or teams. For the purpose of this research, the term 'digital culture' refers to the organisational culture that is fit for digitally transforming organisations. Contemporary literature in digital cultures also overlap with literature on adaptive cultures. This is because digital represents adaptation. Literature have revealed elements of a digital adaptive culture that share insights into how organisations should be operating in order to remain sustainable in the face of digital disruption.

In a research conducted by Costanza, Blacksmith, Coats, Severt and DeCostanza (2016) on the measure of an adaptive organisational culture and the effect this had on organisational survival, the authors found that two broad factors impacted the long-term survival of organisations. These were "values towards change and action-orientation" (p. 361). The authors define an adaptive culture as "a pattern of shared beliefs, values, and behaviors (sic) that indicate the organization (sic) is aware of and concerned about the environmental changes and oriented toward agile and flexible action to address such changes" (p. 364). Due to the lack of formal definitions on the concept of adaptation, Costanza et al. (2016) offered nine characteristics of adaptive cultures (Table 1) from their research.

Table 2: Characteristics and dimensions of adaptive cultures (Costanza, Blacksmith, Coats, Severt and DeCostanza, 2016)

Characteristics and dimensions of adaptive cultures
<p>Values about change</p> <p>External focus: The organization pays attention to its external environments, especially its customers. The organization values reading and interpreting signals from their environments</p> <p>Anticipation: The organization proactively works to identify internal and external problems; the organization focuses on future problems or environment changes</p> <p>Confidence: The organization believes that it has the ability to change</p>
<p>Action-orientation</p> <p>Open to change: The organization is receptive to innovation, change, and new ideas. The organization is flexible; it does not feel that it is bound by particular rules and procedures for carrying out its business</p> <p>Development of capabilities: The organization develops the capacity to handle environmental situations</p> <p>Collaborative action planning: The organization enables collaboration between business units that allow it to proactively and reactively develop solutions to problems</p> <p>Executing change: The organization is able to implement adaptive change</p> <p>Sustaining change: The organization is able to sustain the change by creating systems that reinforce the change</p> <p>Risk-taking: The organization is willing to take risks</p>

Table 3: Summary of Enabling Characteristics of Digital Cultures (Deur et al., 2018; McConnell, 2015).

Enabling Characteristics of a Digital Culture (Summary)			
Artifacts		Values, Beliefs and Behaviours	
Cross –functional Teams	Freedom to Experiment	Startup Mentality	Shared Sense of Purpose
Physical and Virtual Collaboration	Responsive to External Environment	Failure Culture	Distributed Decision Making
Dual Structures		Embracing Digital Skills	
Collaboration with Startups		Power Equity	
Platforms with Partner and Competition		Mutual Decision Making	
Customer Integration		IT as a Business Creator	
Duerr et al. 2018	(McConnell, 2015)	Duerr et al. 2018	

2.4 Organisation Culture Change

While organisational cultures are argued to be stable over time, they are not in equilibrium, Kotter and Heskett (2008) share that group values and business practices are re-evaluated during times of rapid change, often leading to renewed practices, diversified businesses, and at times turnover of key employees. Were crises, ‘coupled with a lack of perpetuating mechanisms’ (p. 7), can weaken a culture, ‘cultures can grow to be extremely strong – where there are many common values, behavior (sic) patterns, and practices, and where the levels of culture are tightly interconnected’ (p. 7). This therefore suggests that with a strong support mechanism to deal with the changes, external forces can weaken a culture, therefore shifting the underlying elements that make up the culture – values, behaviour patterns, and practices – will enable the organisation to maintain a congruent culture adapted for the external environment.

A key factor in aiding change initiatives is ‘designing organisations to maximise the vast tacit knowledge’ within organisations (Nold & Michel, 2016, p. 341). Seminal studies of organisation change yielded models for change lead by Kurt Lewin, who “conceived of change as modification of those forces keeping system’s behavior (sic) stable”, because “a particular set of behaviors (sic) at any moment in time is a result of two groups of forces: those striving to maintain the status quo, and those pushing for change.” (Cummings & Worley, 2015, p. 22, para. 2). This effectively requires the leaders and

managers to be effective in their capabilities to manage the change, including communication alignment to the organisations values and goals (Cameron & Green, 2015).

Vey et al. (2017) expresses BMWs organisational culture change practice at the artifacts level indicating that purposeful decision making can positively influence and organisations sustainability. BMW strategically chose to alter the culture of the organisation to facilitate internal integration and external adaptation. The company displayed a lighter form of Schumpeter's creative destruction concept. They created internal disruptions to prevent the process of a burning platform change that external disruptors presented. The company altered their structure to accommodate the core business – selling cars, and built in a non-traditional leg of “carsharing services” and “social car-sharing” services through joint ventures. The success of this structural change was not only the structure change of the core business alone, but the removal of hierarchy to allow those three “levels to co-exist” (Vey et al., 2017).

Effective change processes are often led by models that guide change initiatives. The usefulness of models enables leaders and managers to practically guide organisations transition needs for successful outcomes. The next section explores various change management tools and looks at the practical application in digital transformation efforts.

Nold and Michel (2016) noted universal agreement between researchers and practitioners on the rate of change through the explosion of technology and globalization, thereby

2.4.1 Change Management Tools

Numerous change management models have been developed to enable organisations to manage and implement change within the organisation. Early research resulted in the development of Lewin's change management model which is presented at a theoretical level. Lewin's model offered a “general framework for understanding organisational change” (Cummings & Worley, 2015).

Lewin offers a 3-step process of unfreezing, moving and refreezing, which refers to the desired behaviours required to successfully navigate change. Lewin's model refers to the need to delete history, re-write the program to start over, and then maintain the new

desired behaviour. Lewin's model has since been expanded by other authors attempting to understand each step at a granular level for the practical use thereof.

Kotter (1995) suggest that change processes pass through a number of phases and takes an extended period of time. Kotter's change management model offers 8 steps to manage change within organisations. These steps are: Establishing a sense of urgency, creating a guiding coalition, develop a vision and strategy, communicate the change vision, empowering broad based action, generating short term wins, consolidating change and producing more change, and anchoring new approaches in culture. This change process was initiated from the concept of the burning platform, where organisations have to react to some form of threat in the external environment that requires immediate attention, usually useful in times of mergers and acquisitions.

The practical use of Kotter's 8 Steps was disputed as a practical management tool by Cameron and Green (2015), suggesting that change takes the form of predictable events in some sequential form in which the vision and strategy can be decided upfront. Change in the digital landscape cannot be planned according to a sequence of events.

Cameron and Quinn (2011) offer a guideline of principles that can be used to support change processes by decidedly separating what organisations should start, stop and continue doing. These are represented in Table 3:

Table 4: Principles for Change Process (Cameron & Quinn, 2011)

<p>Identifying small wins</p> <p>by finding something easy to change and celebrate the change</p>
<p>Generate social support</p> <p>build and engage a group of first followers</p>
<p><i>Design follow-up and accountability</i></p> <p>provide boundaries and timeframes for the achievement of certain change assignments</p>
<p>Provide information</p> <p>reduce ambiguity through over communicating. Communication strategies must be designed for two-way communication channels and needs to be “continuous and comprehensive”</p>
<p>Measure</p> <p>measure only the most critical aspects to the change assignment, not everything</p>
<p>Create readiness</p> <p>by showing the desired future state of working, thereby reducing the levels of resistance to change and opening up the minds of employees to accept it</p>
<p>Explain why</p> <p>most resistance subsides when people understand the ‘why’, this is because those that do explain ‘why’ indicate a sense of care for the person being communicated to. Therefore the ‘why’ element should reduce resistance from employees’ on the notion that they are more important when an organisation begins to explain they ‘why’ to them.</p>
<p>Hold a funeral</p> <p>this I to make a case of celebrating the old ways of having done things because everyone in the organisation is part of the old way. At the same time make a transition to a new way of doing things.</p>
<p>Implement symbolic as well as substantive change</p> <p>like the celebration of the old ways, old symbols need to be replaced by new symbols to help people shape a new mental model for a different way of doing things.</p>
<p>Focus on processes</p> <p>new processes, new reward systems, new ways of appraising people should follow a new way of doing things. Simply re-arranging structures or reporting lines will not enable lasting change. The seven S’s gives a guideline on what processes my need to change. These are structure, symbols, systems, staff, strategy style of leaders, and skills of managers.</p>

Expanding on the guidelines offered by Cameron & Quinn (2011), the element of 'Focus on processes' indicates strong links to organisational culture at the artifacts and behaviour levels. The practical implication of managing these levels dictate the sense of flexibility the culture may have in supporting digital transformations, therefore a focussed and practical framework can be useful to enable adaptation. Seufert and Meier (2016) offer a practical framework for learning during times of digital transformations which lay out four categories of learning interventions. These four categories are standardised training - in the formal context; transfer-oriented educational programmes, moderated reflection processes in work practice, and self-initiated professional communities – in the informal context (p. 37)

Other support tools and structures suggested by Vey et al. (2017) that benefit organisations were presented as Innovation Labs, Holacracy, Acceleration with the aim of “creating new structures that empower individuals through more participation” (p. 27). Other examples were “Design Thinking, Scrum frameworks, and virtual tools” (p. 27).

2.5 Conclusion

Organisational culture is a complex concept with varying degrees and depth of definitions and constructs. Some common characteristics that repeatedly appear in the literature is the view that organisational culture is driven by the organisations observable and controllable elements at Schein's three levels. Others believe that individuals develop the culture of the organisations. For the purpose and context of this research, focus is placed on organisational culture as a function of the ability for an organisation to adapt to the external environment, while at the same time internally integrate changes that enable an organisation to successfully adapt to digital transformations. The research focuses on the controllable levels of the convergent Organisational Culture Model presented in this Chapter. The convergent model was derived from Schein (2004), Kotter & Heskett, 2008, Cameron and Quinn, (2011) and Hatch (1993).

Digital transformation literature is limited to specific constructs as demonstrated in Chapter 2. The adjacent review of digital literature offered little context to the positioning of digital transformations to the culture models. The Convergent Organisational Culture Models look predominantly at the internal components of organisational culture and displays a high degree of abstraction, thus confining the practical use thereof. The idea

of understanding how to manage organisational culture is to understand the effects the external environment has on the organisation. The effects of the external environment are not replaceable by the traditional models proposed by Schein (2004) and Hatch (1993) on their own because these do not explicitly consider the external environment. (Dauber, Fink, & Yolles, 2012).

This process of adaptation is widely suggested by change literature with the most significant and relevant model being presented by an integration of structures and behaviours to support digital transformation efforts. Thus, this study aims to provide a toolkit for managers to manage the transition to digital cultures by better understanding the characteristics of a digital organisational culture and the change processes adopted by organisations to make a successful transition.

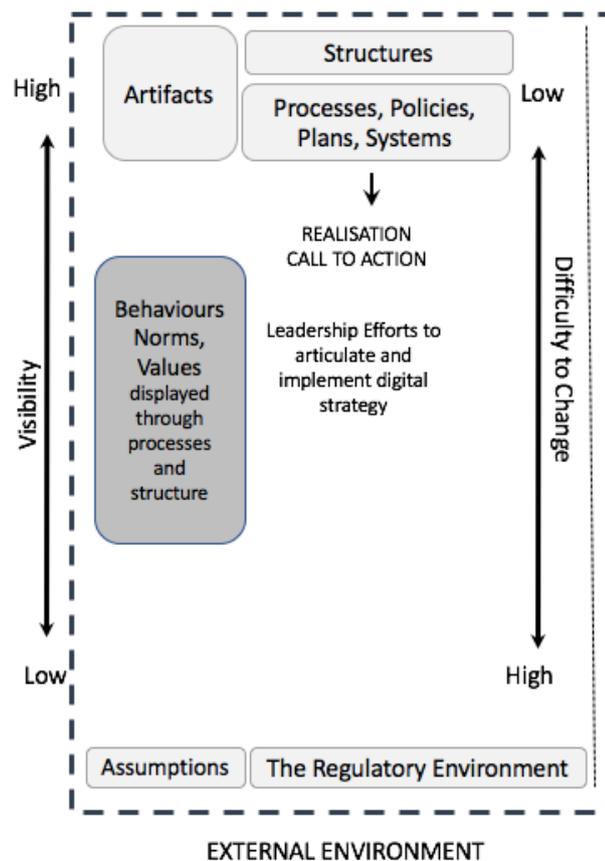


Figure 9: Convergent Cultural Model incorporating the External Environment

CHAPTER 3: RESEARCH QUESTIONS

This research aims to answer three specific research questions in an attempt to answer the overarching question of ‘How do firms manage the transition to a digital culture? Each of these research questions have been derived from the reviewed literature which provides elaborate models for organisational culture at a high level reducing the practical use thereof. This research aims to find a practical toolkit that managers can use in their efforts to manage the transition to digital cultures.

3.1 Research Questions

Research Question 1:

How are organisations dealing with the role of organisational culture in digital transformations?

Research Question 1 aims to identify how organisations are dealing with the role of organisational culture and what the perceived challenges are in their journey to digitally transform. The purpose of this question is to confirm the external adaptation challenges presented by academic literature in Chapter 2 by Vey et al., (2017), Kane et al. (2016), Schein, 2010; and Hatch, (1993).

Research Question 2:

What characteristics of organisation culture have required adaptation?

Research Question 2 aims to identify what are the existing characteristics of organisational culture that enhances or inhibits the organisation from successfully transforming digitally. Of those characteristics, to determine if they were inherently present or went through some form of change.

Research Question 3:

How does an organisation manage culture change for a digital age?

Research Question 3 aims to identify the change practise being adopted by organisations to support and promote culture change for successful digital transformation.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

This chapter discusses the chosen research methodology that was used in this study. The literature review presented in Chapter 2 formed the foundation of the design of the methodology and the interview guideline that was used during the in-depth interviews. This study adopted a qualitative approach and the research method, research design, data sampling and data analysis reinforced the selected approach.

The purpose of this research was to discover new insights into the area of cultural characteristics and the change thereof prevailing in digitally maturing organisations; and explore the emerging characteristics of organisation culture that are transforming digitally progressive organisations.

4.2 Research Methodology and Design

4.2.1 Rationale for the chosen method of research

Organisational culture, by its nature has many facets. Lagan-Fox and Tan (1997) argue that while the literature on organisational culture is derived from a variety of research methods, 'two main streams of research methods predominate: qualitative methods characterised by research that is contextually embedded and requiring interpretation, and quantitative methods characterised by research that is context free, using *a priori* categories' (p.276).

The diversity of methods used to explore organisational culture has both advantages and disadvantages. The main advantage being that such a multidimensional phenomenon can be better explored when several different methods are applied. Some of them are better explored by qualitative and other by quantitative methods (Janicijevic, 2011).

A more comprehensive view can be derived from qualitative research methods (Lagan-Fox & Tan, 1997), purely from the view that the concepts of culture which Schein (1990)

argued, is derived from the unique views of its members. Though the application of hybrid methods could reveal deeper insights and offer greater validity, for the purpose of this research, a purely qualitative exploratory approach will be undertaken.

Janicijevic (2011) suggests that there are positive and negative vantage points of choosing qualitative research methods. The benefit of qualitative methods are the high degree of flexibility and scope which enables a depth in the research outcomes.

Qualitative research approaches in organisational culture encompasses very different elements of a culture in all its layers; and the picture of a culture is based on interpretations by members of the organization (Janicijevic, 2011). Because the nature of emerging characteristics of organisational culture in the digital era is not fully explored in a simple and practical form, Saunders and Lewis (2012) and Zikmund (2000) advised on the use of exploratory studies when there exist unexplained areas within the chosen field of study.

Though Patton (2002), describes qualitative research designs as a more natural process with no preconceived ideas that could be established under controlled conditions; Zikmund, Babin, Carr & Griffin (2013) advise that qualitative business research addresses business objectives through the use of methods that enable the researcher to provide “elaborate interpretations of phenomena” (p.132). This research is aimed at elaborating the elements of organisational culture and change practices that enable organisations to adapt to the digitally transforming world.

4.3 Population

The population identified as being relevant for the research were senior managers in various key roles within the industries specified in Chapter 1 that are closer to the cusp of digital disruption. Due to the time lines for the interviews, only two respondents were obtained from the telecommunications sector. Therefore, to maintain the validity of the data and the insights gained, the data used in the analysis represents the views of the respondents from the financial services sector only. These senior managers and their role clarity can be reviewed in the table below:

Table 5: List of interview respondents' roles and pseudonyms

Role	Industry	Pseudonym
Head of Agile Transformation in Strategy	Financial Services	Respondent 3: John
Head of product Development	Financial Services	Respondent 4: Tammy
Chief Digital Officer - Transformation	Financial Services	Respondent 5: Ben
Senior Manager-Member Engagement	Financial Services	Respondent 7: Kelly
Senior Change Manager	Financial Services	Respondent 8: Deon
Head Business Development – Bank of the Future	Financial Services	Respondent 9: Chris
Head of Business Segment - Digital Platforms	Financial Services	Respondent 10: Eddie
Head Digital Enablement	Financial Services	Respondent 11: Franklin
Director Digital Solutions	Financial Services	Respondent 12: Gemma
Senior Manager - Innovation Lead	Financial Services	Respondent 13: Henry
Head Innovation	Financial Services	Respondent 14: Isabelle
Senior Business Manager _Digital Marketing	Financial Services	Respondent 15: Lorrain
Digital Head	Financial Services	Respondent 16: Mike
Head of Human Capital _ Digital Bank	Financial Services	Respondent 17: Nancy

These managers were chosen based on their role in the field of management in organisations that are progressing towards digital maturity. These managers, were

further identified as having responsibility in the field of managing digital change, managing culture, managing organisational development and transformation initiatives and were the decision makers to digital initiatives.

4.4 Sampling Method and Size

A non-probability sampling method was used, as these were argued to have been analysed using qualitative analysis techniques (Saunders & Lewis, 2012). A hybrid of purposive and snowball sampling techniques was used, given that the response rate received on initial participation requests yielded a slow result.

The use of purposive sampling was key to identifying sample subjects based on the specific premise of being employed at a digitally maturing organisation; and must either hold, or have held a senior position of influence within the organisation.

The purpose of using a snowball sampling as the second leg of the hybrid approach was to gain access to other key experts in the field of digital strategy implementation and execution. The sample size initially identified consisted of 20 individuals that were chosen across random companies within the financial services industry, pre-dominantly because the financial services industry was identified as one of the industries that are currently being disrupted by digital technologies; and have begun to transition towards leveraging of technological trends to change how business is run. Theoretical saturation occurred at interview number 14 where no new codes were generated.

4.5 Unit of Analysis

The unit of analysis is expected to be the perceptions and opinions of the chosen sample subjects which will link to the objective of gaining a deeper understanding of the existence of changing characteristics of organisational culture, to explore the emerging characteristics that are transforming digitally progressive organisations' existing cultures.

4.6 Data Collection Tool

Data was collected via semi-structured interviews with the sample subject described above. The in-depth interviews were conducted between November and December 2017, at the convenience of the subject. The interviews lasted on average 45 minutes,

with some interviews lasting an hour and fifteen minutes while others lasted for 30 minutes.

Prior to the interview, participants were briefed on the subject matter of the research, their consent was obtained and their profiles studied to ensure a robust engagement. Interviews were recorded with the consent of the subject to allow for demonstrating respect to the subject while speaking and also allow for transcription of data once the interview was completed. This therefore enabled the researcher to focus on the conversation with the interviewee rather than focusing on transcribing the conversation.

4.7 Data Collection

Data was collected using semi-structured, in-depth, face-to-face meetings via Skype and telephonic interviews. All interactions with the interviewees were all recorded using a recording device with the consent of the interviewees subject to the anonymity of the organisation they represented.

The choice of questions was open-ended to enable the exploration of the subjects' perceptions and views on the research topic. The choice for a semi-structured also facilitates the nature of open communication and richness of data that can be collected (Saunders & Lewis, 2012). The use of a semi-structured interview dictates the need for the researcher to have a list of topics to be covered and questions to be asked (in no particular order) (Saunders & Lewis, 2012). These questions, varied from interview to interview depending on the responses from the participants and the relevance of asking the question had it not been covered by previous answers.

4.8 Data Analysis

The analysis of the data was done by transcribing the audio recordings of the interviews as well as insights noted by the researcher during the interview. The data was further analysed through the identification of common themes including insights that emerged through the subjects' non-verbal behaviour as suggested by Saunders and Lewis (2012) and Zikmund et al. (2013). Because qualitative data analysis is an iterative process, to understand the data, the thematic analysis was done using a deductive coding approach.

Table 6: Phases of Thematic Analysis (Braun & Clarke, 2006, p.87)

Phase	Description of the Process
1. Familiarising yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis
5. Defining and naming themes	Ongoing analysis to refine the specific of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis

4.9 Data Validity and Reliability

Creswell (2003) argued that reliability and generalisability play a minor role in qualitative inquiry. On the other hand, validity he argued is seen as the strength of qualitative research, but is used for determining accuracy of findings from the researchers and participants standpoint.

Further to thematic validation, qualitative research can be described as highly subjective in nature and easily impacted negatively by different biases (Zikmund et al., 2013). In order to reduce or attempt to eliminate interviewer bias, the semi-structured interview questions will be used as a guideline. In order to ensure questions are not changed from interview to interview, test run interviews were conducted to ensure all elements of the research problem has been probed. During the process of the interview, the researcher made a conscious effort to ask probing questions aligned to the objective of the research.

4.10 Research Limitations

The disadvantages of qualitative research methods are that they are time consuming; researchers are always subjective and can seriously affect the results; subjectivity of the participants – qualitative methods are sensitive to false statements by the participants, whether given consciously or unconsciously; the choice of the participants is often limited to those available or to those preferred by the researchers (because they are somehow alike); research is an intervention that changes precisely what it examines; possibilities for generalization of conclusions and comparison and use of the results in other organizations are limited (Janicijevic, 2011).

Other limitations of the research lay in the fact that the researcher is not an expertly trained interviewer, the sample population will be heterogeneous in nature and may skew the view of culture adaptation across industry borders. The sample population is bounded by the geographic location of Gauteng, South Africa, which could lead to geographic bias. Finally, generalisability to all organisations will not be possible due to the limited number of business sectors covered.

CHAPTER 5: RESULTS

5.1 introduction

Chapter 5 presents the results of the data analysis that was collected through in-depth interviews conducted via face-to-face meetings, skype calls and telephonic interviews. All interactions were recorded with the consent of the interviewees. The interview questions were derived from the literature review on seminal works, contemporary works and practitioner claims. This helped support the choice of research method used, data collection and choice of analysis. The results are laid out according to the Research Questions in Chapter 3.

5.2 Description of the Sample

A list of the respondents, together with their pseudonyms and the organisations' period of existence (supporting the reason for being selected) as part of the sample is presented in Table 2.

Table 2: Respondents details and classification of organisation represented

Respondent No.	Pseudonym	Industry Classification
Respondent 3	John	Old
Respondent 4	Tammy	Old
Respondent 5	Ben	Young
Respondent 7	Kelly	Old
Respondent 8	Deon	Young
Respondent 9	Chris	Young
Respondent 10	Eddie	Old
Respondent 11	Franklin	Old
Respondent 12	Gemma	Young
Respondent 13	Henry	Young
Respondent 14	Isabelle	Old
Respondent 15	Lorrain	Old
Respondent 16	Mike	Old
Respondent 17	Nancy	Old

5.3 Presentation of Results

The results are laid out according to the Research Questions presented in Chapter 3 and the interview questions in Appendix 3. The results are further presented according to the converged culture model constructs in Chapter 2.

5.4 Results for Research Question 1

RESEARCH QUESTION 1: How are organisations dealing with the role of organisational culture in digital transformations?

Research Question 1 aims to identify how organisations are dealing with the role of organisational culture and what the perceived challenges are in their journey to digitally transform. The purpose of this question is to validate the core cultural issues that impede organisations from successful adaptation to the external environment.

5.4.1 Overview of General Challenges

General challenges experienced by organisations varied according to the individuals' perceptions from generic issues of South Africa's development of technology, funding, knowledge and understanding, historic success, infrastructure – legacy systems, and leadership decision making. These were aligned to the practitioners' views from their experience in consulting with organisations around their digital strategies (Chapter 1 and Chapter 2).

For some organisations, the challenges appeared to be synonymous with the period of time the organisations were in existence for. This suggests that with the changing business landscape, leaders at some levels continued with legacy thinking and minimal experimentation. John suggested that from a historic point of view, *“what you have is this legacy of systems, legacy infrastructure, legacy culture that has built up over these years, and now you are going into competition in this digital market that operates at a higher speed, more dynamic, more adaptable, more flexible – and the competition, the Fintech companies can move very quickly and we're trying to turn a ship on dime when we want to move”*. This suggests that if companies choose to continue on their own,

this burden of legacy will no be resolved due to the lack of knowledge, skill and capabilities that Fintechs are developing. Unless, organisations entertain the idea of partnerships with Fintechs. But how do you make this decision to partner? What other challenges will arise in such partnerships?

Chris suggested that the *“other challenge is making sure that you are finding the right partners as well. So, you want to make sure with the Fintech’s that you collaborate with, they share almost the same purpose and vision as you. Which means how is it that we find value for our clients, that’s not as easily said as done, you know their purpose and their reason for wanting to do something compared to ours could be different and in that we learn as well. And we sometimes need to change partners and that’s fine. You know it’s part of the learning, and it can be that you sometimes take longer to do something because you don’t know enough and you put something out there that doesn’t work and you actually need to go back to the drawing board and change it. Particularly in the digital space”*.

Younger organisations on the other hand, appear to be falling into the trap of legacy businesses with the mind-set that where past success predicts future performance. Deon suggested that with the challenges that the organisation faces, *“there’s a lot of contributing factors but mainly it is, I think due to success. This has worked in the past, let’s try it harder, let’s just improve that, let’s continuously improve. And the other thing is that our success in the market is sometimes in-spite of ourselves, not because of ourselves, and we need to maintain that and therefore we’ve become very risk averse in terms of change”*.

Irrespective of the legacy of the institution, there was some consensus on the challenges in the middle layer of culture – norms, values, behaviours – where leadership was identified as the one of the biggest challenges by both older and younger organisations. Ben shared that *“the biggest challenge is leadership understanding of what is available out there, and what technology can do for you”*. He articulated that at his present company, *“the leadership is not really tech savvy, whereas at the previous company, the whole business was tech savvy. So, adopting technology and going through the transformation was a lot easier and quick”*. The reason for this he offered, was that the *“mistake leadership makes is they think that this little transformation is going to have this huge impact on efficiencies and you have to let go of people. It’s not true. I think the service model changes completely in comparison to the traditional space”*.

Contrary to the view that expressed on the errors of leadership, Gemma reported that they *“haven’t had challenges due to being open to understanding what digital can actually bring, and transforming your product offerings”* to maintain the pace of the eternal challenge, suggesting that external adaptation is an imperative in operating in the digital landscape. Isabelle also reported their challenge as failing to embrace, otherwise expressed as an adaptation challenge which she viewed as the *“ability to embrace digital disruption, having as many legacy systems and structure and processes as big organisations do”*. Isabelle further suggested that *“there’s no shortage of innovation and digital disruptions. It’s the ineffectiveness of embracing those technologies and bringing them into the organisation to help improve the organisations innovation ability”*.

The traditional space has historically approached new product and service developments around efficiencies and cost while delivering these products and services to customers from multiple blinkered lenses like transacting, investing and insurance. These lenses were very focused on a top down design approach rather than a bottom up design approach, thereby rendering organisational growth a slow and long process as described in Chapter 2.

“Fintech as defined by smallish or medium startup challenger banks are a particular threat because of the very clear focus they have on a particular value proposition whereas most banks ... that have been around for a while have very wide multiproduct distribution or value proposition” (Ephraim). These new Fintech start-ups rise from a bottom up product and service design approach, bringing them closer to the preferred client experience. Thereby making them disruptive. Fintechs present incumbent firms with opportunities to obtain escape velocity from a competitive differentiation point of view. Ephraim supported this view when he expressed that a *“challenge the retail banking segment faces, in terms of technological revolution and velocity, is that the challenges are very focused on the client experience”*.

Traditional challenges linked to the culture of the organisation and the emerging digital culture characteristic is summarised as *“clear strategy and vision, ..., knowledge about what digital capabilities exist and how we can leverage off those, skills, and being clear on what we’d like to achieve from the digital capabilities or technologies available, and it makes it difficult if the leadership is not able to clearly articulate this”* (Ben, Respondent 5).

5.4.2 Challenges against Convergent Culture Model

A clustering of the challenges according to the convergent culture models revealed the more frequent challenges as per the table below:

5.4.2.1 Artifacts Level – Controllable

Table 3: Characteristics of Organisational Culture Challenges at the Artifacts Level

Rank	Construct	Frequency in the context of challenges
1	Legacy systems	12
2	Context switching - Process	4
2	Single view - Clients	4
4	Integrated, full value chain approach	3
4	Red tape	3
6	Curse of the expert	2

Legacy systems remained a core challenge for organisations where individuals had similar opinion on the challenges faced by the organisation. Legacy systems were referred to in the context of *“different important back end systems written in old language that they need to continue supporting in some sort of way, and in some cases in fact they’ve decided not to sunset them. They actually paying 50-year-old and 60-year-old developers who know how to work with DOS and cobalt incredible amounts of money looking after those systems”* (Ephraim, Respondent 10).

Greater emphasis was placed on the challenges that were internally driven rather than externally triggered. Ben advised that *“coping with the legacy while you’re transforming”* and *“old platforms, old systems”* combined with resistance in that *“this the way we do things, we’ve always done it this way type of comments”* from leaders, have created the traditional cultural weight with which organisations sit. Contrary to that, he offered the other challenge linked to this mind-set of old thinking was *“not saying to people that legacy is legacy, the fact that we do stuff in a certain way doesn’t mean we going to continue doing it in that way”*.

Similarly, Ephraim - Respondent 10, suggested that incumbents struggle to respond because of the *“broad multifaceted product offerings with a very (at times) old infrastructure underpinning that product offering. Even if they knew those challenges, even if they very clear about what the particular product or experience is whether it’s the lending product etc., its difficult for the bank to respond because they sit with significant legacy systems”*. He further elaborated that *“as part for that broader challenge in making products available digitally, is also to up and modernize their core infrastructure. Most banks sit with not one core system they sit with many banking systems, a lot of them built with very old technologies and lack of resources to maintain those challenges”*.

Context switching was a construct that was often reported to hinder the progress of organisations from successful digital transformations. This, represented the artifacts level of culture where processes, structures and operational efficiencies hinder the digital process. Context switching refers to the creation of *“a whole bunch of work, and we put it onto individual we give them 5 or 10 or 12 pieces of work – and we have context switching – and what it states is that when you move from one piece of work to another piece of work, it takes your mind about 15 minutes to forget about what you were working on and focus on what you now working on – and if you have about 5 pieces of work that you work on for a day, you only about 20% productive”* (John, Respondent 3) .

This concept is supported by another Respondent who articulated that *“today they are developing an app, tomorrow they told there’s a crisis, go work there. It’s not that they pick up where they left the development, they go back to square one”* (Deon, Respondent 8).

With practitioners reporting the importance of being agile, one of the Respondents suggested that *“we cannot improve how we work much more. So, the throughput in terms of how we work in an agile way is no longer an issue. There are other issues and we don’t engage with those issues. We put too many projects in the pipe, it makes it slow. So, we need to have less work in the pipe”* (Deon, Respondent 8).

Prioritisation of work appears to be a greater challenge than the needs to be agile. This suggests there’s a tension between the getting people to adapt and getting people to change their behaviour in the context of transitioning towards a digital business landscape. What was suggested for successful digital capability building, was that *“you have to separate build and run the bank”* (Deon, Respondent 8), which can be linked to

the firm's ability to exploit (run the bank) and explore (build the bank) from the ambidexterity literature. Within the ambit of exploring Deon iterates that *"you can't have people interrupted in the development process"*. He further proclaimed that *"people are not idiots, they look at this and they say... you just want us to work harder and better. But what about more resources, less projects better structure. So, it is to approach an issue and a problem from a systemic view, not from a continuous improvement and problem-solving view"*.

The construct of a 'single view' refers to the structural level of organisational culture, where different branches or divisions exist in isolation for the same organisation, each delivering products and services for the same customer profile without integration. John (Respondent 3) asserts that *"as long as they focus on silos and not focus on the value put across to the customer then you always going to be hindered by this prioritisation issue"*. This view was strongly supported by Lorrain (Respondent 15) who noted the issue of not having a single view of the customer when she expressed: *"so you find as a customer, they will get a letter or message from home loans and later on in the day a phone call from credit card and the frustration from the customer is that you should know because you're my bank and you should know exactly what I need and you call me once with everything that I need. And that's the biggest problem"*.

With the younger organisations, as Chris (Respondent 9) suggests, *"the way the bank is designed as well ... firstly we have a client centric view of the client which means irrespective of the product that you have with the bank we can see all of that in one particular place. So, if you think of other organisations, if you for example have medical aid or insurance and banking with the client they don't necessarily see across the spectrum and understand what your behaviour might be because all of those are built on separate systems. All of our infrastructure is built off one system"*.

Taking an integrated full value chain approach and the challenge of red tape were also issues that organisation are faced with. From a structural perspective, the value chain approach referred to the structuring of teams and projects that enables integration for the digital business landscape. Franklin (Respondent 11) asserted that *"you don't fund projects, you have to fund teams"*. This suggests that the structure of getting projects completed should revolve around a dedicated content team that works across all projects. His caution to this approach is where *"you can't have two different teams building on one app, it's not going to work. So, what you do is you no longer paying for a project. So, the project would have been - 'oh insurance wants an app, bank wants an*

app, they build two separate apps. What we're saying is here's a mobile team that builds apps we'll fund that team and that team will build it. That enables integration".

The 'red tape' challenge arises from both the internal and external environment. The processes and procedures that leaders have put in place for dealing with digital partnerships aside from the regulatory requirements. This 'red tape' is being viewed as *"quite frustrating especially on the part of the start-ups who are used to quick turnaround times and quick decisions and them having to be divided by the red tape, processes and procedures that can take up to months and up to years' at a time"* (Isabelle, Respondent 14).

Part of the artifacts level was the challenge of historical success, which Deon (Respondent 8) described as the *"curse of the expert"*, where he describes it as *"I'm confident in what I know, I'm confidence and my standing in the market is based on my success and I'm not willing to risk or take a dip in my company's performance to make a step forward"*.

5.4.2.2 Norms and Behaviours – Controllable

The characteristics most frequently shared by the respondents are reported in Table 4 below, display the challenges at the second level of organisational culture.

The construct of 'old ways of thinking', and 'knowledge' were frequently iterated as the challenges organisations are facing in their digital transformation journeys. Which is directly linked to the third and fourth and constructs of 'generational differences' and 'new thinking'. These constructs appear to be driven by the fifth and sixth constructs of the 'mindset' and 'support'.

A good example of the requirement of shifting older thinking to newer thinking is expressed by Deon (Respondent 8) when he explains *"how earlier CEO's thought about this was - let's get the bank established and our core clients are non-digital clients - and with the change of guard"* - being a new CEO, younger board members and newer thinking to head up key departmental roles within the organisation who are *"more open to the fact that the future lies in digital...our challenge is, how do we move forward? Do we move ahead of our clients or do we wait for our clients? And I think the changes now has been - let's lead our clients to be more digital - whereas in the past it was - let's follow our clients where they want to go next."*

Table 4: Characteristics of Organisational Culture Challenges at the Behaviours and Norms Level

No.	Construct	Frequency by Context
1	Old ways of thinking	24
2	Knowledge	17
3	Generational differences	15
3	New thinking	15
5	Mindset	14
6	Support	9
7	Vision	7
8	Speed	5
9	Fragmented approach	4
9	Incremental successes	4
9	Soft Side of business: Diversity	4
12	Mastery	3
12	Own best practice	3
12	WHY - organisation exists	3

Other challenges to older ways of thinking are the opportunities being presented by Fintech players, which make incumbents uneasy *“to entrust data to storage space that is not in South Africa”* (Deon, Respondent 8). Organisations have been *“very conservative in saying ‘nope the data must be stored on premises, and we must have exclusive access to it’. And it’s taken a new CIO to convince the executives that the cloud is as risky as an on-premises storage, and the cloud is far more affordable”* (Deon, Respondent 8).

Diffusion of new practices in the organisation was also highlighted in the challenges with attempts at new ways of working were met with a *“typical organisational way, top-down - ‘you will now work this way’ - and in typical change resistance fashion it was resisted through passive-aggressiveness which is also typical internal response to change. People nod their heads and say they will do but then afterwards they will do their utmost*

to undermine or sabotage the initiative” (Deon, Respondent 8). This indicates the negative ripple effect that ‘old ways of thinking’ has on what otherwise can turn out to be a move in the right direction for organisations.

Being *“inwardly focused, bordering arrogance”* was also cited as one of the challenges of ‘old ways of thinking’ that may have previously led to success and was fit for the period in which the organisation operated. With the rise of a new generation and a new way of thinking and working, the ‘old ways of thinking’ arise from a generational gap, often grinding against the new generation way of thinking. This creates a gap in the culture dimension of the organisation where survival of legacy businesses rests upon the thinking of the newer generation.

The younger view on culture was reported as being *“based on individuals”* and *“is individuals”*. Organisations are made up of these individuals that are the culture. Similar to the arguments presented between Smirich (1983) that - organisations are cultures - which was later contested by Schneider, Ehrhart & Macey (2013) that -organisations have cultures. The ambiguity of culture prevails. John (Respondent 3) suggested that *“people unassumingly create the culture”*. And the interesting thing about that is *“we still stuck in the old way of we use to do things – like PDFs – PDFs don’t fit the digital space, we don’t generate PDF documents anymore. It doesn’t have a place in the business process, and yet our business leaders are still talking about a PDF document Why I mention that is exposing people to new technologies, and how things are happening in the digital space. Just to get them to open their minds of what can happen”* (Ben, Respondent 5).

In moving ahead in a digital space the challenge of ‘old ways of thinking’ can presumably be overcome by new thinking because *“transforming with the people you have is impossible. Business needs to realise they need new skills, people that understand what it means to operate in the digital space. There’s no way from going on a digital transformation roadmap with people we have currently”* (Ben, Respondent 5).

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Another challenge posed by respondents which links old ways of thinking, knowledge, and generational differences is the view that organisations “*need a massive change in leadership, the leadership that we have is very backwards, still of the old school opinion. And no, I don’t mean white male, they worried more about building empires rather than doing what the customer needs or wants. So, there’s a massive change in our organisation when it comes to leadership that needs to happen. Either that or a bigger change in the way our leadership is actually thinking. Instead of hiring more people, and we have our head of technology that says let’s go back to printing brochures...this is our head of tech. We need to start changing the way people think*” (Franklin, Respondent 11).

This view was strongly supported by Kelly (Respondent, 7) who argued that “*there’s certain degrees of people issues because you’ve got different generations that are in the bank. And what we find is that a lot of the execs are of an older generation than your managers below them. Whereas you would see something in the market and a trend that is growing and developing fast and you want to catch up with that. You can’t really be a leader if you see something and the best you can do is be a follower and then not be so quick to adapt to that change. So, selling any concept or idea especially in my role is a little bit more challenging because you’re dealing with generational differences*”.

On the concept of knowledge, there was a general need for executives to understand the concept of digital and what it had to offer. At the same time, the concept of knowledge was also referred to in the context of every level within the organisation with emphasis on the challenge and need “*to have an outside in side view*” and to “*experience the pain*” of the customer in order to “*imagine a different process or imagine the pain people are going through to buy from you. You have to expose yourself to that process to just imagine what it is like and then only will you be able to picture a new process or a different experience*”. The creation of a stimulating environment was noted as a challenge within organisations both young and old to “*avoid group think, and power battles*” and “*the breakdown of hierarchy, recycling people, leadership training and coaching to manage change projects*” (Henry, Respondent 13).

Along with a stimulating environment internally, Nancy (Respondent 17), highlights the mindset shift when she argued that “*only when they (employees) stepped out of the office to say - let us actually see this business this person is in and really understand - then the shift in the mindset really took a different direction...but you can never take away from people seeing, feeling and smelling what is it that’s shifting. They have to feel it, they*

have to experiment with it, they have to live it so that they know that this is what we are dealing with, otherwise it becomes just theoretical”.

The constructs of support, vision and speed are closely linked to each other in the views that Mike share that sum up support as expressed by other respondents as well. Mike (Respondent 16) argues that it *“comes down to employee engagement, ... understanding your employees, and understanding your teams”* because, *“these people are on the journey with you. You need to understand what are their aspirations, ... so you’ve got to plot out that journey for them and I think you need to make those options available”* for their personal growth”.

The construct of ‘Mastery’ was reported as the *“I think it’s by design, and goes back to the previous point about strategic plan, if you have plan on what your transformation end goals is going to be, and you know it’s not about technology but about the way people think, it’s about the way we ...in the old way it was a lot about products and in the digital world it’s a lot about clients and customer engagement –so ...you plan who to expose when to what, what the impact is –so reskilling people is critical in this journey. I think another mistake leadership makes is they think that this little transformation is going to have this huge impact on efficiencies and you have to let go of people”* (Ben, Respondent 5)

5.4.2.3 Regulatory – Partly Controllable

Table 5: Characteristics of Organisational Culture Challenges at a Regulatory Level

No.	Characteristic	Frequency
1	Spinning Ecosystem	14
2	Regulatory Requirements	1

The regulatory environment is characterised by the external environment, one which regulates the industry and the other which shapes the industry. The spinning ecosystem is representative of the speed of change in the external environment from the availability of digital capabilities to the availability of Fintech partners available to outsource certain job functions. Deon referred to those overcoming some of those challenges as becoming more comfortable to outsource some functions, and “over the years we are more comfortable to do that. Certain development work, we outsource

which is something we never did in the past, so there is a move in the right direction to deal with those frustrations”. The functionality of the ecosystem is to enable organisations to “lean on the strength of others in their expert field” (Kelly) and “adopt a different approach ... working with a few Fintech’s, doing some pilots, basically to see how could we get more services done using Fintech’s, given their expertise”.

5.4.3 Conclusion

A greater number of challenges were internally focused suggesting the issue of external adaptation is driven by the failure of internal integration. These internal challenges are viewed from a holistic organisational culture view, where managers practicing *leaderment* (leadership and management) skills are able to practically influence the culture of the organisation or department. Leaders and managers are in need of practical guidance on how to take a particular culture and overlay that on a digital foot print?

5.5 Results for Research Question 2

RESEARCH QUESTION 2: What characteristics of organisational culture have required adaptation?

The aim of Research Question 2 was to identify what the existing characteristics are of organisational culture that enhances or inhibits the organisation from successfully transforming digitally.

The sub-culture theme was present, but not to the degree that it impacted digital transformation. The subjectivity and presence of sub-cultures can be derived from the generational challenges articulated in Research Question 1. As a holistic view, Kelly (Respondent 7) argued that *“there’s organisation culture holistically and there’s individual business unit culture. So, it’s always said that culture eats strategy for breakfast and you see it often in different business units, where the culture is a can-do spirit, so let’s do it, we can do this, we’ll find out, quickly pick up the phone and call someone. And then there’s the culture of tick box everything, we need to make sure everything is done and it will be slow, waterfall approach trying to mix the two approaches, agile and waterfall, and you’re like ‘ok guys this is not the same thing, it doesn’t mean the same thing’. And when you try to challenge people, this again comes back to generational differences in individual culture. So, culture is subjective”*.

The overarching description of organisational culture centred around being conservative, *“we prefer to do things ourselves”* while grappling with the *“dominant decision-making culture”* to enable organisations to open up to outsourcing digital capabilities (Deon, Respondent 8). This tension between knowing that the organisation needs to make a shift but not knowing what capabilities are core to the business leads to power struggles. Deon suggests traditional and legacy driven cultures of *“command and control”* are being teased by evolving characteristics of *“hands on involvement”* that *“drives ownership”* and creates complete transparency and places people at the front of the decision-making chain. Deon articulates that the *“culture of command and control will disappear because people have a choice, people have access to information, and the culture will have to change in terms of how we manage data, how we manage people and how we make decisions. And so, the decision for digital technology requires a far more higher level of delegation than what we do currently”*.

While some respondents described the prevailing culture and characteristics necessary for successful digital transformation as *“entrepreneurial”*, other respondents argue that *“clinging to the entrepreneurial style of doing things when we are no longer an entrepreneurial company”* suggests that organisational cultures need to adapt to accommodate the strategy laid out for future growth. A key part of a prevailing digital culture was described as a *“culture where people understand the digital world but also understand from a banking perspective what is practical. So, in that culture you want digital - for example, you want them to playback practical business solutions that could actually work for clients out there and not necessarily things that are so fantastic but practically can’t work. So, we place a lot of emphasis from a culture perspective on taking ownership and understanding the problem, but practically playing back a solution that would make sense”* (Chris, Respondent 9).

Leadership involvement in shaping the culture of the organisation was staunchly present with respondents suggesting that a core characteristic of organisational culture for digital transformation is *“a lot of leadership involvement – not at a higher level – more involved to the decision-making level. To the point where they know exactly what the client experience is going to be - user involvement”* (Ben, Respondent 5).

Leadership involvement then filtered into a culture of communication whereby respondents suggested that leaders need to be *“clearly articulating the strategy and vision, talking around and talking to people and reinforcing that vision and outcome and*

dream over and over” while creating “a very comfortable and relaxed kind of way of doing things” (Ben, Respondent 5).

The look and feel of the organisation, though mentioned by one respondent, was not a common theme across all respondents, however the house rules were seen as impeding the culture by creating a disincentive for younger, more tech-savvy digital ambassadors to join the organisation. The reason for this as Franklin (Respondent 11) suggested was that *“a lot of the people that are coming into the organisation are below 30 and these guys are coming in with sandals and shorts. But the things that they need are the right equipment, they want access to social media and the likes and that culture (old, bureaucratic) needs to change very quickly in banks...like face book and blog access”*. The disincentive part he argued will result in losing staff because their *“working environment needs to have a lot more freedom”*. *The traditional culture which worked in the early years he argued will no longer suffice for the newer generation where “the culture is not one of hierarchy, that’s gone. If you keep trying to impose that hierarchy in people to say this is my title and I’m in charge and you will do what I say ... in the digital landscape, it doesn’t work”*.

5.5.1 Characteristics of Existing Culture – Enhancers and Inhibitors

Table 6: Enhancing and Inhibiting Characteristics of Organisational Culture

Organisational Culture Enhancers			Organisational Culture Inhibitors		
No.	Characteristic	Frequency	No.	Characteristic	Frequency
1	Hybrid Structure with dynamic objectives	55	1	Role of the leader in understanding and involvement	54
2	Beliefs and Values: Client View and Big Picture	30	2	Decision making	21
3	Collaboration	28	3	Hierarchy	8
4	Test and Learn	15	4	Closed-ness	7
4	Skills Supply Chain for Skills Congruence	15	4	Command and Control	7
6	Decision Making Prioritisation	12	6	Strategy	5
7	Flexible	6	7	Carrot and the stick	2
7	Relatedness	6	8	Power	1
7	Velocity	6	8	Risk aversion	1
10	Ambidexterity - Leadership and Management	5			
10	Dynamic working	5			
10	Soft side of business	5			
13	Socialising	4			

5.5.1.1 Culture Enhancers

The term ‘dynamic’ is defined as a force to produce motion, an energetic force; or a motive force – that is “characterised by continuous change or activity” (<http://www.dictionary.com/browse/dynamic>).

The characteristic of a hybrid structure was repeatedly referred to by respondents describing what cultural characteristics enhance digital transformations. The hybrid structure refers to the separation of the organisations activities to support existing operations (exploiting current capabilities) while simultaneously creating a separate structure within the organisation to support the future activities of the organisation (exploring other digital capabilities - innovation).

Younger organisations appear to have latched onto the structural adjustment expressing it as *“‘build the bank’ activities to reap those resources that work on the future of the bank, and keep them separate from those resources that looks after compliance and risk what we all ‘run the bank’”* (Deon, Respondent 8). To support the hybrid-structure, there exists the task to *“create a bank that can easily move into becoming a fully digital bank in the future”* and to *“create a very significant department or division that looks at the banking purely from a digital perspective”*. The preference for a hybrid structure is to ensure that *“the same minds and the same ideas that get used into applying our normal banking practices will mean we don’t take it as seriously we believe it to be”*.

The hybrid structure was further supported by Chris (Respondent 9) who suggested that the *“structure needs to be separate from the existing structure. What I mean by that is there can’t be an overlap between what you are doing in your existing structures compared to what you want to do in the digital space. And the very simple reason for the complete separation is if you blend the two, the probability is high that you going to use what you are finding out in digital in order to improve the existing bank only. So, you going to solve the problems that you currently have now and not think about the solutions that you may want to put in place a year or two down the line. Now we take our existing digital solutions and we do plough it back into the bank because it makes sense, but you almost want to work with the mindset of ‘I need to think of banking in a total different way, I need to question all the laws again, I need to question all the things that need to be done, I need to think of it and you can’t do that within an existing structure. Because if you do that within an existing structure, all of the things that inhibited you from becoming more digital in the first place becomes more and more prevalent”*.

Other respondents made reference to a separate structure in the form of incubators and innovation labs where the sentiment of a separation was stressed *“structure is very simple. Your digital and innovation piece needs to be completely separate from the organisation and not be built into a part of the business, it needs to stand separate and you need to be able to say this is the digital, here’s a 100 mill, go and get us what we need. You need to also give people a bit more freedom to try things because that’s one of the biggest problems we have because it’s so tight from a cash point of view, the cash is there to build things that are needed and not giving any freedom whatsoever to innovation”* (Franklin, Respondent 11).

Within the structure of the organisation, reference was made to workflow design as being part of the structure where *“what you have in an organisation is how you designed the*

work. If you design the work to say I have 5 resources and they will work on all the projects, then you've designed for failure" (Deon, Respondent 8). This is further supported by the characteristic of designing a value stream whereby the designed workflow passes through this value stream with dedicated resources who are *"ring-fenced based on the importance of the value stream, and no one can touch them"*. Therefore, the clear design and structure of work acts a culture enhancer.

Dynamic objectives refer to the continuously changing objectives of digital platforms that serve as a guiding tool for the organisations when deciding on appropriate structures. Where there are decisions to be made around technology *"you have to deal with deeper complexities before you simplify"*, and organisations want to *"sometimes move too quickly to implement something without stopping, thinking and asking - what are the complexities that we first need to deal with?"*. These complexities guide the measurements needed to determine the impact of digital change.

'Beliefs and values' came through strongly when describing the change processes and client impact. Leadership was strongly associated with the creation of the vision, values and influencing employees' beliefs towards the client perspective because *"people mimic those around them"*. Digital capabilities bridge the gap between what the client needs and how the organisation can deliver on those needs. Therefore, organisations need to have an *"outside-in view"* where they *"need people to have the ability to actually draw insights from that particular information... it's another thing trying to understand it (the information) and actually create some form of business acumen out of it. And understand it within the laws of what you allowed to do. So, think where you start out, instead of starting out as a bank, you start by understanding what value it is you want to deliver to your client"* (Chris, Respondent 9).

'Decision making – leadership prioritisation' relates to leadership involvement and understanding of the internal and external environment. As Chris advises, *"executives in the bank, they spend at least two days a month visiting branches, speaking to clients, understanding what are some of the pain points that we have in the bank. And they spend significantly at least an hour or two every week with the innovation team and the digital team talking about different ideas etc. So, the practical experience of what happens out there in the market relative to what it is that we are trying to do is a significant thing as well"*. This suggests that the impact of leadership involvement and leadership presence is significant for leaders to make informed decisions to enable organisations to successfully transform. Reflecting on a previous organisations Chris remarked *"when I*

worked for a couple of different organisations in the past, the probability that a manager would actually understand what happens out on the ground is very slim. Which means you make decisions based on hearsay, you make decisions based on what people are actually telling you, and not necessarily on what was actually happening”.

The characteristic of testing and learning relates to organisations embracing a changing digital landscape where organisations realise that they need to “*go through this learning curve” and acknowledge that they could be “doing stuff realising that it’s something that we may not take to market right now ... but realise that we actually need to do it in order to learn and understand more what the digital space is”* (Chris, Respondent 9). Another application of testing and learning is described by Tammy (Respondent 4) as “*we definitely do a test and learn, so what you have is a champion challenger kind of set up”* whereby ideas are tested internally and passed on till changes are made in order to make the idea work.

‘Skills supply chain for skills congruence’ was referred to in twofold:

1. In the form of providing the organisation with a “*supply chain of IT resources ... and potential IT candidates from as far back as school. So, we have made our pipeline longer. That’s not just to fill a vacancy, but to fill a supply gap. So, what we’ve done is we looked at the lack of quality supply, and we took ownership of this situation and we’ve invested in IT students”* (Deon, Respondent 8).
2. “*On the other side, what we’ve done is established an academy. In terms of investing in clients, in making them less brick and mortar dependent”* and helping them understand the potential digital capabilities can offer their businesses.

Other references to the skills supply was made in reference to the younger generation that organisations are employing, “*and if you look at the average age of the personal that we hire in the bank, I mean most of them are developers in their 20’s and 30’s middle management as well, which means it’s kind of younger folk that kind of understand the landscape as well of where they believe banking needs to go. So, we spend time giving them an ear, giving them an opportunity to share ideas and with the premise that we actually try some of these”.*

The traditional way of recruitment and selection has shifted from a focus on hiring for core educational skills to recruiting “*people that don’t just have a background in other*

banks” but “recruit as widely with as broad an experience and as much experience as possible”. This is to ensure that vertical skills which previously represented the organisation human capital is now levered out by human capital with “horizontal skills”. Another core function of bringing in a diverse set of skills represents a shift in the direction towards digital transformation, “towards bringing in people that think differently, that operate differently” which Isabelle (Respondent 14) suggests “has definitely helped in engaging effectively with some of the start-ups (reference to Fintechs) that we’ve brought into the organisation”.

With existing employees, skills congruence is noted to be important calling for organisation to *“multi skill people”* so they can be *“nimbler as an organisation”* and can also *“shift and move resources”* as needed. *“So, if there’s a huge demand in accounts opening, if they cross skill resources, we can move them form one department to the another. So that’s what we’ve tried to do is cross skill resources. So, it’s not to say that they become redundant, all that becomes redundant is their actual function. They need to reskill themselves and this goes to the whole new world we are living in. You need to unlearn stuff, relearn stuff”* (Mike, Respondent 16).

Skills congruence can be achieved through employee engagement. By treating you team as a *“friend”*, understanding that *“people are on the journey with you. You need to understand what are their aspirations”*. These skills and aspirations Mike (Respondent 16) suggests need to be understood *“long before this (digital change)”*. And ... *“if your people are happy your clients are happy, your organisation is happy, so you’ve got to plot out that journey for them and I think you need to make those options available. And in some instances, there will be people who don’t want to change and who don’t want to move with the times and you always going to have those outliers, that’s just the way life works”*.

Flexibility, relatedness and velocity ranked seventh on the list of predominant characteristics of organisational culture. Flexibility was referred to in the context of decision making *“in terms of shifting to a digital mindset”* whereas relatedness was referred to in the context of skills development and learning practices that are closer to the client, and with the *“type of clients we (the organisation) is trying to attract”*. This relatedness is changes the way employees *“learn from each other, it’s no more about going into a classroom and being off from work for two or three days”* (Nancy, Respondent 17).

Velocity was referred to in the context of partnerships with Fintechs to enable organisations to *“easily move into becoming a fully digital bank in the future”*. The inhibitor to organisations obtaining velocity is perceived to be the lack of knowledge of what digital entails thus making it *“really difficult to tell somebody Rome is burning when they are seeing sunshine and roses in front of them”* (Henry, Respondent 13).

What supports this is *“a progressive executive”* who along with *“the heads of divisions, specifically IT, the CEO himself, marketing, operations and business development – who form a core team”*, to *“put them in a room every once a month and show them where we think the world is going and for a couple of hours that we have them in the room, we not talking of the existing bank as we have it today. We are talking about how it (the organisation) will be in the future and what the challenges are in the future”* (Henry, 13).

Ambidexterity in leadership and management refers to the ability for leaders to move beyond theory and manage implementation. A culture of leadership ambidexterity requires a leader to *“be able to understand, especially in this day and age, there are specialists and those specialists are going to know way more than you but it’s a question of how you integrate every single specialist into a team”* (Franklin, Respondent 11).

Leadership ambidexterity also entails the need to *“change our leadership and management style... be more open, and learn to respect every single person around us and you got to accommodate that”*. Referring to the younger generation, Franklin (Respondent 11) advised that *“you can’t expect people to be walking in with suits and ties anymore into the corporate world”*. On the note of ambidexterity in leading relationships with Fintechs, Isabelle (Respondent 14) suggested that leaders need to *“create a workforce that can understand and engage appropriately”* with a generation who are used to *“quick turnaround times and quick decisions, and them having to be divided by the red tape, processes and procedures that can take up months and up to years’ at a time”* makes it an imperative for the leaders of today to manage the tension brought about by the generational gap.

Culture of dynamic working makes reference to the changing needs of the employees, moving away from traditional business practice of having everyone in the office all the time. This is a move in the digital direction of a liquid workforce.

The softer side of business represents the elements dress code and the look and feel of the organisation whereas the characteristic of socialising represents access to social networks. These elements were present to a small degree.

5.5.1.2 Culture Inhibitors

Culture characteristics that continue to inhibit organisations in a digital landscape were related to the 'role of the leader' in that there is a lack of *"leadership understanding of what is available out there, and what technology can do for you"*. Iterating the understanding of technology, leaders display the lack of insight that *"digital transformation is only seen as something that is seen happening in the technology space but it's actually something that must happen across the whole organisation. It's not a technology thing, it's a way of working, a whole approach"* (Ben, Respondent 5).

With digital transformations already permeating organisations through department initiatives, there is bound to be a shift in the culture at varying level. One of the respondents confirmed that there *"is a shift happening (culturally). The decision makers haven't really acknowledged it really or sometimes haven't really realised it"* (Deon, Respondent 8).

Decision making still acts as an inhibitor when they are being made in *"a very closed community, in a very certain way and very exclusively"* (Deon, Respondent 8). New thinking is expressed as a barrier eliminator as one respondent described *"when they appointed the new CEO, he got it right within a short time - 2 years - turned the whole culture of the company around from being very traditional in the way they use to do things to becoming very pivotal. From marketing, right through to the software that was developed, the way in which customers were serviced, the way in which social networks were used and the value in them. The way in which our summits and events were held changed completely"* (Ben, Respondent 5).

The impact of leadership and decision-making stems from the challenge of 'old school thinking'. Kelly (Respondent 7) validated that *"there's the organisation culture which is still very old school"* carefully considering her words she advocated that *"people still want to see you in the office and you can be working here in the office for 13 hours doing 'bugger-all'. They would appreciate that to - not being in the office regularly, but still delivering. And they can see your outputs and your volume of your output is much larger than previous years. But of they can't see you present then they don't consider you to be*

doing any work. It's still challenging with those old mind-sets". With the challenge of an appropriate mind-set, Chris (Respondent 9) supported Kelly's (Respondent 7) views but offered that *"it's a mindset of saying ... if you take seniors in the bank - I (the seniors) don't actually know everything, or what I know I need to go and re-learn or I need to go and understand and read up more on and we have people that are so passionate about the bank that they do that"*, others as Kelly expressed are unable to make the old school shift.

The characteristic of 'closed-ness' was identified by Deon (Respondent 8) as an inhibitor in the *"over-reliance on our own best practice"* where organisations focus broadly on internal recycling of processes which he describes as *"the continuous improvement thing"*. This process of continuous improvement process he likened to insanity because *"that process just becomes death in itself"*. The respondent offered that *"if you do not balance continuous improvement with casting your eyes broader with what's happening outside there? What new developments are there? Then you are not actually growing the company. You're just making people more efficient you are not building any sustainability"*. This characteristic of closed-ness also reveals a *"sometimes very inwardly focused, sometimes bordering on arrogance, you know what we do is the best – are not open to new approaches"*.

Command and Control was also highlighted as an inhibitor suggested that this behavioural element stemmed from traditional hierarchy and organisation structures. Evidence exists that this characteristic is being applied to digital transformation efforts with contrasting results. Some of these results are perceived as *"forced culture change"*, *"generational tension"* arising from the threat of being replaced, and discomfort with younger employees knowing more than the older guys.

5.5.2 Characteristics of Digital Culture

Table 7: Characteristics of a Digital Culture

No.	Characteristic	Frequency
1	Adaptable	41
2	Beliefs and Values: Client View and Big Picture	30
3	Ambidexterity: Exploration 'build the bank activities'	14
4	Agile	13
5	External Environment	12
6	Appetite for risk / failure	11
7	Asking a lot of questions	2
8	Autonomy	1

Characteristics of a digital culture are represented by a culture of adaptability, a deep vertical and horizontal view of the customer to enable 'big picture thinking'.

Building on the beliefs and values expressed in the section above, the context of a digital culture is represented by organisations expecting employees to *"take responsibility for it (operating in the digital age)"*. Part of the values development was for organisations to *"build into the culture the fact that you are product owners. Their focus predominantly is not only on delivery, but their focus needs to be on doing research and understanding how banking is changing and bringing that thoughts through"*. Value and beliefs are further iterated by the comment of open-ness by a respondent who shared that *"we have sessions with outsiders and external folk that can help us understand and enhance our knowledge"* (Chris, Respondent 9).

Exploration is representative of *"improving our ability to utilize tech better"* while simultaneously ensuring the structure of the organisation (as discussed in the enabling characteristic of structures). This was placed as a characteristic of a digital culture given the comments placing emphasis on what would be ideal rather than what presently is.

The characteristic of agility is representative of the ability to *"transform into a digital space quickly enough"* without wasting your resources. This characteristic was further enforced by the comment that *"one of the flaws in our decision making sometimes has been our saving grace and it's been our strength up to now. We'll make a decision very quickly and whatever issues we have with implementation, we WILL make it work. With technology, you can't do that"* because *"with technology you have to deal with deeper complexities before you simplify"* (Deon, Respondent 8). Therefore, leadership

ambidexterity is necessary for managing the agile characteristic of a digital organisational culture.

The external environment characteristic is associated to the characteristic of exploration and decision making within an ecosystem of Fintech partners, and deeply understanding the controllable and uncontrollable environmental challenges. The factors for consideration within the external environment are the *“development of the tech”* in the country; research exploration on the *“impact of Fintech’s for example on the bank, how is it that we react, what is it that we believe we need to do in order to either negate it, or understand what the particular impact would be”*. Understanding the weaknesses of the external environment where the organisation can leverage off shared value. This opportunity is expressed by Henry who suggested that *“Fintech’s all struggle with scale. They get to a certain point, they get to their one thousand customers, but then to get to the next step where they get a million customers they get stuck because, they just don’t have that brand which the banks have”* (Henry, Respondent 13). This suggests that exploration within the external environment need to take into consideration an ecosystem of partners, digital capabilities, patient capital, and dextrous decision making.

The characteristic of having an appetite for risk and failure is related to the need for patient capital. This is because in the digital landscape, *“you almost need to invest now knowing that you are investing in something that is only going to come more and more into fruition in five years’ time”* (Chris, Respondent 9). The concept of patient capital rests on the perception that *“research plus exploration equals to disruption. And that is to basically say that we do a hell of a lot of research both in terms of start-ups, in terms of specific needs we might have ... that requires some technology that maybe doesn’t exist or that’s a bit on the edge of what is mainstream today. Now there’s a lot of hype around blockchain, let’s figure out what we can do with a blockchain type of thing ... So, we continuously monitor the environment”* (Henry, Respondent 13).

A further iteration of a digital culture is expressed by Mike (Respondent, 16) as *“a digital or a transformative culture is a risk culture. So, it’s a culture that encourages adequate risk taking. That means not being cowboy and just winging it, but being opened to taking risks, failing and moving forward. And only once top management opens themselves up and show people they willing to take chances and that they admit to when mistakes are made and they correct their mistakes, do everybody else follow the same culture. For me leading from the front, it’s being out there showing that you willing to change, you’re willing to transform, it’s going on the journey with the people not just sitting, dictating the*

change down. So, for me that's what encourages a transformative culture into the digital way of working, it encourages the multiskilling".

5.6 Results for Research Question 3

RESEARCH QUESTION 3: How does an organisation manage culture change for a digital age?

The aim for Research Question 3 aims to identify the change practise being adopted by organisations to support and promote culture change for successful digital transformation.

5.6.1 Overall Management Culture Management

As respondents suggested during the interview that *"to create that culture (digital culture), you need to create the structure that allows that culture ... specific structures in the organisation that allows for people to have the time to think about it from a digital perspective"* (Chris, Respondent 9).

Structural change is referred to as one that is *"separate from the existing structure"*, where there should be no *"overlap between what you are doing in your existing structures compared to what you want to do in the digital space. And the very simple reason for the complete separation is if you blend the two, the probability is high that you going to use what you're finding out in digital side in order to improve the existing bank only. So, you going to solve the problems that you currently have now and not think about the solutions that you may want to put in place a year or two down the line. Now we take our existing digital solutions and we do plough it back into the bank because it makes sense, but you almost want to work with the mindset of 'I need to think of banking in a total different way, I need to question all the laws again, I need to question all the things that need to be done' ... and you can't do that within an existing structure"*.

Supporting the structural view, Mike (Respondent 16) suggested the key to successful change management process to support digital transformation is *"to structure yourself right and you spearhead those key roles with people who can drive the change, who can pull it together... You need to structure yourself in such a way the you can execute. And then you need to bring in slow and steady change at first and then ramp up that change.*

You don't come with this radical shift, you start incrementally and you build that up. You get people on the bandwagon to do it".

He supports the notion as the other respondents shared, that *"cultural change is a very difficult one"*. From his experience, he shared two instances at different banks. *"I'll speak for two banks, I'll speak for X bank and Y bank. So' I'm currently back at the X bank and it's very much a culture of we can do it, let's do it, and that comes from the leadership at the top that put the trust in the people. It's no longer a culture of the manager does it, the team does it. Its very much self-managed, self-organised, self-moving and I think it goes down to that design thinking, it's about making sure these independent teams or squads are all self-managing and they are putting the client first, they are putting the user first, they are empathising, and they are reiterating. Whereas you go to a culture where for example at the Y bank, its very stale, very dictatorship, hierarchical, one person making the choice, everybody else listens, and you know that's not change, that's one person's view. And in the times that we live in, you need more than one person's view"* (Mike, Respondent 16). This therefore suggests that for change to be successful, aside from the appropriate structural change required, power needs to be lateral while empowerment takes the front seat; and the results one can expect is a successful transition.

With all change initiatives comes resistance to change. In terms of managing resistance to change, organisations can be ready for it through proper planning because *"people don't resist directly, they passively-aggressive, they'll find other ways to resist you"*. There is a greater in belief in learning rather than change management because *"we think once we taught someone how to use a system or process, they can now use it they must now be happy. With the new millennials coming in, with a new bunch of people coming in, that type of approach is no longer sufficient. So, resistance takes on far more public forms"* (Deon, Respondent 8).

When trying to introduce change towards digital transformation, an organisation needs *"a more proactive approach to change management"*. This approach *"is more a consulting framework of activities that needs to happen prior to change and then the engagement that needs to happen around it"*. The approach of a consulting framework offers the ability for the organisation to pre-empt the reaction and build it into the change consulting framework. Therefore *"resistance to change is not a surprise, you can actually predict how people will resist. If you work on that assumption and you start activities around engaging the people, proper communication. Not ignoring the needs, trying out*

accommodate the needs and you can do a lot to work with the resistance rather than being surprised by it” (Deon, Respondent 8).

5.7.1 Change Practices

The change practice some suggest “*must not be informal*” nor should it “*rely on informal discussions*”, especially if it’s “*a severe change, it should be directed by intent*”. It is “*always important to show the business rationale for the change so it doesn’t appear to be change for change sake or arbitrary change or change by whim*”. In order to achieve this, the “*business rationale*” must be shown. More critically, “*the client perspective should always put to the forefront so staff always need to be reminded and remember why this is better for clients, why this is an improved value proposition and have to understand the clients change in value proposition and change in engagement and the improvement that client will experience*” (Ephraim, Respondent 10).

Table 8 below displays the most frequently referenced change practice being adopted by organisations across the financial services industry.

Table 8: Change Practices adopted by firms towards digital transition

No.	Change Practice	Frequency
1	Communication	40
2	Planned Focus	19
3	Reskilling	15
4	Awareness	14
5	Reward system	12
6	Supporting change	10
7	Workflow management	9
8	Measurement system	8
9	Engagement process	5
9	Training	5
11	Actively jilting culture	4
11	Feedback	4
11	Own the transformation	4
11	Workflow Design	4
15	Pipeline investment	3
16	First Follower	2

The most frequented change practice adopted by organisations was communication. A digital landscape offer access to information in a transparent manner to speed up the decision-making process. Where firms characterised by strong command and control

cultures would find their leaders holding on to information. *“That is going to disappear. Those individuals lower down now have to speed up to other work. And our culture of command and control will disappear because people have a choice, people have access to information, and the culture will have to change in terms of how we manage data, how we manage people and how we make decisions. And so, the decision for digital technology requires a far more higher level of delegation than what we do currently”* (Deon, Respondent 8). This delegation requires clarity of communication from senior leaders.

“If your communication about what you’re doing is not clear and precise, people get confused. When we announce our strategy, and say this is the way the banks going, people say like what does that mean” (John, Respondent 3). This suggests that communication needs to be present ahead of the change. Part of a successful change practice is constant communication. *“Before you can change the business processes you can’t stop talking about changing the business processes”*. This is due to a *“lag in getting the infrastructure set up before you start talking about changing the way you do things”* (Ben, Respondent 5).

The challenge organisations face in terms of communication is that they *“don’t do communication very well”*, because of the *“communication silos”*, and inherently because of the organisational artefacts level – processes and structures. *“If I sit on one side o the business, I can’t send a communication to other side without it going through group comms. And group comms is very hesitant to send something out to group”* (John, respondent 3). This effectively increases the impact of the broken telephone.

Leadership impact is necessary for guiding the clarity of the message and *“in this communication thing it’s really important for the leadership to be seen participating and being involved”*. This involvement relates to *“those workshops, steercos, talking to people frequently about what is going on, having a monthly all hands meeting where all colleagues are in the room and talking about things, giving feedback on client experiences the wins and giving thumbs up great things that are happening, getting feedback form partners – these things must happen constantly – focusing on the wins”* (Ben, Respondent 5).

Communication imperatives shared were that *“it must be clear”* and *“there must be clarity of change”* (John, Respondent 3). It must be *“steered from the top level”* so that *“your adoption by the team is a lot more rapid than if someone lower to the ground was trying*

to drove a change agenda” (Kelly, Respondent 7). Some views highlighted that simply dropping a mail a form of communication may actually hinder the change process because “even if you send a communication out, the one thing you learn is that people do not read emails” (John, Respondent 3).

Successful communication practices *“will have to be multi-pronged – face to face communications, social media, change champions, group communications in smaller groups and high impact and very regular cadence. You couldn’t drip-feed into the organisation, because if you did one group and that group starts talking to another group then you have broken telephone” (John, Respondent 3).* This leads to negative impacts in assumptions that feed back into the culture in the form of resistance.

An alternative communication practice highlighted was *“satellite communication throughout the organisation at the same time to have the same level of impact. The people that are driving the message have to be fully in sync on what that message should be?”* A further iterative approach to communicating the change is through the use of *“a white board and a pen... you can see this aha moments, you see it on peoples faces. When they come in here and they unsure of what you are saying and you slowly take them on the journey and they get it” (John, Respondent 3).*

Managing digital cultures requires a *“well-organized and structured engagement process”*. This process requires *“talking about what am I doing in the transformation space and how it’s going to impact their space and the experience on the outside. And because the experience on the outside is going to change, then something on the inside has to align to that”*. It’s more influencing the leadership teams so *“they can understand what’s going to happen, what we can achieve, and then because of that, how they should think about how we work currently. How the teams are structured? How we set out SLAs? How we communicate? And, how we respond to our clients? There’s a lot of things there that needs to take steps in this direction” (Ben. Respondent 5).*

Other communication practices adopted are *“conversation and coaching”*, accompanied by *“theory of constraints, culture, intrinsic motivation, behaviours and agile”* this is packaged as a sales pitch to create clarity and obtain buy-in (John, Respondent 3). This packaged sales pitch can be better supported by an alignment from within the organisation through leadership alignment. One of the respondents indicated that *“I’d much rather have a well- organized holistic plan and have frequent engagement where we talk about this frequently. COOs in this transformation and CDO and CEO are not*

completely aligned on what this transformation means for the business it's going to fail. It's going to take much longer to achieve the end point or goals" (Ben, Respondent 5).

Planned focus was depicted as the act of decision making that had a direct impact on structure (for build-the-bank and run-the-bank activities), resource allocation (for digital capabilities and skills congruence), strategic foresight (investment in patient capital and understanding the longer-term building blocks). Part of the planned focus related to centralised and de-centralised decision making and making a *"point of being deliberate in the transformation roadmap"* (Ben, Respondent 5).

The practice of awareness referred to conscious decision making *"by design ... on what your transformation ends goals"* are going to be, and in understanding and dealing with the *"deeper complexities"* of digital changes, and being in touch with *"the Fintechs out there"*. Awareness was attributed to the knowledge around knowing that *"it's not about technology, but about the way people think. In the old way, it was a lot about products and in the digital world it's a lot about clients and customer engagement – so that awareness would mean that if you take your whole business through (the change), you would have a plan of who to expose when to what, what the impact is"* (Deon, Respondent 8; Ben, Respondent 5). Awareness was also linked to the perception that *"the exco no longer sits way distant from the people on the floor"* (Kelly, Respondent 7), thereby influencing the decision-making capabilities of senior leadership towards being more open and supportive digital futures and cultures.

The practice of re-skilling focuses renewing existing skills within the organisation to align with critical skills needed for digital transitions. At the same time, this practice drives the concept of awareness to enable organisations to be deliberate in their decision making and communication practices. Attention was drawn to the perception that *"transforming with the people you have is impossible"*. And businesses need to be aware that *"they need new skills"* and *"people need to understand what it means to operate in the digital space"* (Ben, Respondent 5).

The analysis of a reward system adopted for digital transition indicated that rewards systems that worked with legacy businesses no longer apply to the digital landscape. This was highlighted by views which indicated that organisations *"should be getting rid of bonuses"* in order to drive intrinsic motivation and shared value for the organisation. The explanation supporting this view was that *"one of things you want to do about intrinsic motivation and competition is to remove the reason for competition – the reward – that's*

why people compete because it affects my bonuses... it's about taking money off the table. And that's only possible if you find that fair wage for people. If people feel they're being paid fairly, bonuses then become less of an issue. And if you can pay them fairly and they're not chasing some bonus, then it changes the dynamic in the workplace... it comes down to behavior". This behaviour becomes counterproductive to taking business initiatives forward in that it encourages the behaviour of *"I'm going to work over you, or against you, because I'm focussing on MY priorities ... and not what is in the best interest of the organisation. So, to remove that, you have to remove the incentive"* (John, Respondent 3).

The reward systems influence on behaviour was further substantiated by highlighting concerns surrounding KPIs (Key Performance Indicators) of CEOs. Where CEOs *"have their own KPIs. Their KPIs is about making their sales targets and profit margins. For them to work together to say - I'm going to forgo my marketing and rather work within a global holistic brand campaign and thereby from that benefit - that's going to be a tough one"* (Ben, Respondent 5).

Contrary to the older views on rewards systems, incumbents found to be making a smoother transition to digital cultures indicated alternative practices used for rewarding. These alternative practices are *"benefits recording ... when we build something with our wonderful technology, we can track everything that you are doing... and how you are reducing our cost to serve...financial benefits, the money you generate, and non-financial benefits like customer service and customer retention"* (Franklin, Respondent 11).

This new approach to rewards practices calls for *"a clear reward philosophy that is around contribution"* because if you *"start diluting reward and recognition, it becomes a blurred line"* (Nancy, Respondent 17). What has been made clear is the call for transparency in remuneration structures. Some respondents offered that rewards and recognition create divisions within the organisation, so *"we don't like to use that for the purpose of rewarding things like digital adoption drives because its not everybody who's going there at the same pace" ... so you need a "strong recognition program whereby we recognise teams that are doing amazing things in driving and supporting us to achieve strategic things such as digital adoption and that's what we use to recognise them ... but we very clear what reward is used for and what recognition is used for"* (Nancy, Respondent 17).

The practice of supporting change serves to provide a *“balancing act to understand - you created an individual and trained them - or - we created a team and you put them into this organisation”* and due to the internal structure, behaviours and culture, *“this organisation just wouldn’t enable them to operate”* (John, Respondent 3). Further practices on supporting change made reference to taking a holistic organisation view to change rather than a departmental view of change. Within this organisational view, all departments need to be involved in articulating the change needed and to *“move from governance to enablement. So instead of being seen as a stick, they need to be seen as an enabler”* (John, Respondent 3). This then leads into other change practices of re-skilling and up-skilling through training, coaching, mentoring and providing a stimulating working environment (Henry, Respondent 13; Ephraim, Respondent 10; John, Respondent 3).

Workflow management involves the practice of prioritisation in work through the hybrid structure of the organisation. When practiced appropriately, workflow management has the potential to deliver velocity for the organisation through appropriate measurement reward and systems of individuals. So, *“output is measured in on - if I actually deliver the work at the end of the 2 weeks and it was of the quality that was expected. That measurement is called my velocity, so I develop a velocity”* and I get compensated for staying within my velocity (Deon, Respondent 8).

The practice of actively jilting culture focuses on the acts of active communication *“lobbying and a great deal of talking to people... reiterating the business case”* because one can *“never assume that you told them once they will get it. They have other projects that they’re working on and your project gets put at the back of the line. It’s continuous selling and working around the resistance”* (Henry, Respondent 13). Whereas the practice of feedback is centred around the health of the organisation through *“engagement surveys that happen And if something comes up during the employee engagement survey then there’s groups that are formed to deal with that and brainstorm together with people how to resolve it. Top management and regional management comes out and says we want to improve in these and there’s people working on that. If there’s an issue it filters down to every level and those people get feedback from team members”* (Gemma, Respondent 12).

Though not frequently expressed, the art of using the first follower as an ambassador to the any change initiative is still a practice amongst some firms, though it is not a core

practice. There appears to be greater emphasis on the leader as the ambassador of digital cultures.

5.7.2 Change Models Adopted

Organisations adopt varying degrees of change models from 'Kotter's 8 Steps', to the Adkar Model for Individual Change. Models are converged to suit the needs of the organisation. One of the converged models used by a younger organisation was a *"process for change, managing change, and reinforcing change"* and converged it at an individual level using *"Adkar model of awareness, desire, knowledge, stability and reinforcing. We used those as standard frameworks and then we have listed under each of them specific change activities for them. Stuff that you do to define the change, determine impact and readiness, things around creating change capability. Under the managing of change is managing resistance, managing impact. So, we've developed a model for our use for consulting that follows in a way a systems approach because change management for us about people enablement, but it always falls within the context of a 'culture of greatness' that we want to create and aligning with the organisational other stuff. It never happens in isolation and it always happens in the context of the organisation. It's almost like a shopping list of things that need to happen before you start to manage change"* (Deon, Respondent 8).

Another respondent shared a business model change process. He introduced the concept of a *"spine model"* for successful change. The *"spine model"* emerged from the lack of transferrable skills observed from formal training programmes. The justification for a new model for change management came about because the organisation identified that *"you are bringing skills in to the organisation that never existed. And you need a particular type of skills and behaviour to be able to make this transition"*. Therefore the *"spine model"* comprise of *"an arm of education, an arm of skills development and a strategic arm. Education is about general information, getting people up to speed, and training them on practices and principles. Skills is about developing individuals on specific skills that we need to do the transformation and strategic is about changing the organisations core principles and core processes to become enablers for this education and skills that we create"* (John, Respondent 3).

5.8 Conclusion

The results from the 14 interviews held are presented in this chapter. The characteristics and processes that emerged during the in-depth interviews and through the analysis of the data collected are supported by the existing literature on the topic of organisational culture. Furthermore, new insights, knowledge and findings were developed through the process and contribute to the understanding of the characteristics that enhances organisational culture for survival in the digital age. Along with this, a practical framework will be presented on how the culture of the organisation can be adapted through interactive change practices to ensure transition to a successful digital culture.

CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

In Chapter 6 the research findings are discussed in detail. The context of the study and the literature presented in Chapter 2 informs the discussion of the results. The insights obtained through the findings of this investigation are provided in this chapter and are compared and contrasted to the concepts and characteristics offered in the current literature in order to answer the Research Questions identified in Chapter 3. The research findings contribute to an improved understanding of the characteristics that impact organisational culture and offer new insights that are currently unexplored in the reviewed literature. The relevance of the results and the literature pertaining to this study are explored in the following sections.

6.2 Discussion of Results for Research Question 1

RESEARCH QUESTION 1: Establish how organisations are dealing with the role of organisational culture in digital transformations?

Research Question 1 sought to identify how the participants perceived the organisation to be dealing with the role of organisational culture in digital transformations. It was first necessary to determine the major challenges facing the organisation with the rise of new digital entrants prior to determining how the organisation deals with the issue of external adaptation, and then understand the role of the organisation's culture in digital transformations.

6.2.1 Understanding the Role of Organisational Culture in Digital Transformations

The data from the interviews supported the core cultural issues organisations face towards digital transformations. The results for Research Question 1 were presented at the controllable and observable levels of the Convergent Organisational Culture Model presented in Chapter 2. Namely: Artifacts, Behaviours, Competitive levels. The data was analysed based on frequency counts of the concepts and grouped into the related levels they appeared to represent. These results are presented in Tables 3, 4 and 5 respectively.

At the 'Artifacts' level (Table 3) - The highest ranked challenge in dealing with the culture of the organisation in digital transformations was 'Legacy Systems' with a

frequency count of 12. The second highest ranked challenge with a frequency count of four was 'Context switching –Process' and the third was 'Single view – Clients'. Fourth were 'Integrated, full value chain approach' and 'Red tape' with a frequency count of three each. All of the constructs as challenges were supported by McCafferty, 2017; Vey, Fandel-Meyer, Zipp & Schneider, 2017; Kiron et al., 2016; Wienelt, 2016 who all agree that the digital transformation challenges that organisations face are legacy systems, inconsistent processes, ignoring the client and being internally focussed. Legacy infrastructure, as the greatest challenge, was described as "*different important back end systems written in old language that they need to continue supporting in some sort of way, and in some cases in fact they've decided not to sunset them. They actually paying 50-year-old and 60-year-old developers who know how to work with DOS and cobalt incredible amounts of money looking after those systems*" (Ephraim, Respondent 10) was in line with the descriptions provided by Fitzgerald, Kruschwitz, Bonnet, and Welch, 2013 who support that older systems create limitations for digital transformation.

The challenges that were raised at the artifacts level refer to the processes, policies, systems and structures at the most observable and controllable level of organisational culture. In reviewing the top four constructs it can be assumed that the findings indicate that the role of organisational culture does determine the competitiveness of the organisation which is not a surprise given the volumes of literature available to support this. Though the availability of information is prevalent in literature and by practitioners, organisations are still struggling to overcome the challenges of digital transformations.

At the 'Norms and Behaviours' level (Table 4) – The highest ranked construct was 'Old ways of thinking' with a frequency count of 24, followed by 'Knowledge' with a frequency count of 17, and a combined frequency count of 15 for the third constructs of 'Generational differences' and 'New thinking'. The fifth construct that also ranked high with a frequency count of 14 was 'Mindset' and 'Support' was also reported as a challenge with a frequency count of 9. The 'Norms and Behaviour' level is an indication of the strategic goals, philosophies, behaviours and organisational practices (Schein, 2004; Tejeiro Koller, 2016; Vey, Fandel-Meyer, Zipp & Schneider, 2017; Kiron et al., 2016) and are supported by the literature.

At the 'Regulatory' level (Table 5) – The 'Spinning Ecosystem' came out strongly amongst a greater number of participants with a frequency count of 14. This collectively represented the digital ecosystem which is impacted by changes in the external environment from an opportunity and threat perspective (Costanza et al., 2016; Tejeiro Koller, 2016). New digital entrants are represented a part of the ecosystem and from a culture view, this relates to the external adaptation capability of an organisation.

6.2.2 Conclusive Findings for Research Question 1

All of the challenges are supported by both practitioner and academic views who agree that the challenges being faced by organisations can be managed through organisational culture as a mechanism through which organisational congruence can be achieved. Organisations are dealing with the concept of organisational culture in varying forms, and from varying entry points as hatch (1993) suggested in the Cultural Dynamics Model. From the data collected, it was not evident that younger organisations dealt with the concept of organisational culture any differently to older organisations. Thereby suggesting that the concept of 'Old ways of thinking' impacts 'Knowledge' and that 'Generational differences' and 'New thinking' could play a critical role in helping organisations deal with organisational culture for digital transformations. Of the challenges faced by these organisations, a greater number of them were internally focussed suggesting that external adaptation is driven by internal integration (Schein, 2004).

6.3 Discussion of Results for Research Question 2

Research Question 2 sought to identify what were the existing characteristics of organisational cultures that have required adaptation in enhancing the organisations efforts in transforming digitally.

The findings for Research Question 2 can be found in Table 6. 'Hybrid Structure with dynamic objectives' ranked first with a frequency of 55 whereas 'Beliefs and Values: Client View and Big Picture' ranked second with a frequency count of 30. Collaboration was ranked third with a frequency of 28 suggesting that these three constructs rank significantly higher in both influencing the transformation efforts and requiring leadership and management attention as an area that can be adapted to enhance digital

transformation efforts. These constructs display diverse elements of adaptation and were supported by Tejeiro Koller (2016) in that diverse elements of adaptability require the appropriate organizational structures, the right strategy (which stems from the beliefs and norms), and the appropriate activities and intellectual capital. What is significant in this that practitioners and academics support is that structures and behaviours require a departure from old routines (Buschgens, Bausch & Balkin, 2013; Kiron et al., 2016; O'Reilly & Tushman, in press).

Other characteristics ranked important and having experienced adaptation were 'Test and Learn' and 'Skills Supply Chain for Skills Congruence', both of which ranked fourth and had a frequency count of 15. The characteristic of 'Test and Learn' were synonymous with innovation literature and O'Reilly and Tushman (in press) whereas "Skills Supply Chain for Skills Congruence" was not explicitly identified in the literature. This concept of skills in general has been addressed by literature in relation to giving to being "necessary for action" because the concept of skills sits snugly in the centre (core) of the Organisational Culture models where 'Behaviors and Norms' level is argued to have little relevance if not "backed up by skills, habits and styles that allow people to translate them into practice" (Giorgi, Lockwood & Glynn, 2015, p. 14).

Interestingly enough, the reference made to the characteristic of 'Skills Supply Chain for Skills Congruence' was two-fold. Firstly, it was made in reference to the external environment with regards to the shortage of available skills in the field of technology to feed into the hybrid-structure. This was described as the "skills pipeline" for "a supply chain of IT resources" (Deon, Respondent 8). Therefore, as part of the culture adaptation process, the organisation had developed external partnerships to deliver the skills needed to support the organisation from a shared values perspective. Therefore, it can be assumed that an appropriate artifacts level of the organisation requires reciprocating relationships with the external environment for skills delivery. The second observation made around this characteristic is to ensure vertical skills with depth and horizontal skills with exposure thereby justifying the need to upskill and cross-skill existing employees to become multi-skilled.

Other characteristics of organisational culture that required adaptation are represented in Table 9 along with the theoretical characteristics identified in Chapters 1 and 2. This display of the characteristics in table form enables us to cross reference corresponding characteristics and draw inferences on those not corresponding.

6.3.1 Understanding the Characteristics of Organisational Culture in Digital Transformations

The convergent model depicts the characteristics of organisational culture for successful digital transformations at all level of the theoretically constructed converged model. The first column depicts the 'Artifacts' level, the second column depict the 'Behaviour, Norms, Values and Beliefs' level, the thirist column depicts the 'Assumptions' level and the fourth column depicts the 'Regulatory Environment' level. The combined Cultural level characteristics is a convergence of the academic literature of (Costanza, Blacksmith, Coats, Severt and DeCostanza, 2016; Duerr et al., 2018; and McConnell, 2015)

Table 9: Characteristics of Converged Culture Model

Artifacts	Behaviour, Norms, Values, and Beliefs	Assumptions	Regulatory Environment
Cross-functional Teams	Start up Mentality	Need for Digital Skills	External Focus
Physical and Virtual Team Collaboration	Failure Culture	Increasingly Demanding Digital Customers	
Dual Structures	Embracing Digital Skills	Necessity for Increased Agility	
Collaboration with Start-ups	Power Equality	Buoyant Integration of IT into Innovating	
Platforms with Partner and Competitors	Mutual Decision Making		
Customer Integration	IT as a Business Creator		
Freedom to Experiment	Shared sense of Purpose		
Response to External Environment	Distributed Decision Making		
Open to change	Anticipation and Confidence		
Development of Capabilities	Risk Taking		
Sustaining change	Executing change		
Collaborative action planning			

An over lapping of the data obtained from Chapter 5 Section 5.5.1 is broken down into the various levels of culture in the tables below:

Theoretical Characteristics Artifacts	Data Findings
Cross-functional Teams	Hybrid Structure with dynamic objectives
Physical and Virtual Team Collaboration	Beliefs and Values: Client View and Big Picture
Dual Structures	Collaboration
Collaboration with Start-ups	Test and Learn
Platforms with Partner and Competitors	Skills Supply Chain for Skills Congruence
Customer Integration	Decision Making Prioritisation
Freedom to Experiment	Flexible
Response to External Environment	
Open to change	Velocity
Development of Capabilities	Ambidexterity - Leadership and Management
Sustaining change	Dynamic working
Collaborative action planning	Soft side of business
	Socialising

Theoretical Characteristics Behaviour, Norms, Values, and Beliefs	Data Findings
Start up Mentality	
Failure Culture	Beliefs and Values: Client View and Big Picture
Embracing Digital Skills	Collaboration
Power Equality	Test and Learn
Mutual Decision Making	Skills Supply Chain for Skills Congruence
IT as a Business Creator	Decision Making Prioritisation
Shared sense of Purpose	
Distributed Decision Making	Relatedness
Anticipation and Confidence	Velocity
Risk Taking	
Executing change	
	Soft side of business
	Socialising

Characteristic of a Digital Culture
Adaptable
Beliefs and Values: Client View and Big Picture
Ambidexterity: Exploration 'build the bank activities'
Agile
External Environment
Appetite for risk / failure
Asking a lot of questions
Autonomy

Costanza et al. (2016) supported the characteristics at the values level in supporting and adaptive culture with an external focus on anticipation and confidence. And an action orientation towards open-ness to change, development of capabilities, collaboration and risk-taking. Other constructs highlighted in the tables above indicate which characteristics are congruent with literature practices.

The results of the overlapping of the characteristics of organisational culture revealed the four characteristics not covered by the theoretical constructs. These were 'Skills Supply Chain for Skills Congruence', 'Velocity', 'Soft side of business' and 'Socialising'.

6.3.2 Conclusive Findings for Research Question 2

Research Question 2 sought to determine which characteristics of organisational culture required adaptation for digital fit. Most of the characteristics found in the data was covered by the literature with the exception of the four characteristics which are both dextrous in nature requiring internal and external orientations. This is representative of the gap in the functionality of the traditional culture models.

6.4 Discussion of Results for Research Question 3

Research Question 3 sought to determine change processes that are in place in order to shift the culture of the organisation towards supporting a digital culture. The top five change practices adopted by organisations according to Table 8 were 'Communication' ranking first with frequency count of 40, second was 'Planned Focus' with a frequency count of 19, and third was 'Reskilling' that was referred to 15 times. Respondents also

referred to 'Awareness' as important, in fourth place with 14 references being made to the term. The change practice of an appropriate 'Reward System' was mentioned with a frequency of 12.

The process of 'Communication' was placed at the forefront of all discussions around change suggesting that communication needs to be present ahead of the change. Part of successful change practice is constant communication about the change without the assumption that people will figure it out. The reason for communication up-front is due to the inherent lag between getting the infrastructure ready before it begins to impact the way you do things. In digital transformations, the design of the organisation experiences adjustments to support and maximise tacit knowledge from within (Kotter & Heskett, Cameron & Quinn, 2011; 2008; Nold & Michel, 2016).

Challenges found was that communication is poorly articulated with communication silos resulting in "broken telephones". Therefore, the results support that leadership knowledge, awareness and involvement in ensuring communication clarity was reported as vital (Cameron & Green, 2015). Leaders need to be hands-on, and present in all transformation meetings to gather information and share feedback to employees on the ground. Change steered from top management was reported to have a greater impact on the success of the change process. Literature supported this notion that senior leadership involvement reduces the tension of the forces trying to resist the change and those trying to embrace the change (Cameron & Quinn, 2011; Kotter & Heskett, 2008; Cummings & Worley, 2015). One of the respondents shared what he described as the "*spine model*" for successful change. The "*spine model*" emerged from the lack of transferrable skills observed from formal training programmes. Digital capabilities bring skills in to the organisation that never existed. The "*spine model*" comprise of education, skills development and strategy. Education was about general information, getting people up to speed, and training them on practices and principles. Skills is about developing individuals on specific skills that we need to do the transformation and strategic is about changing the organisations core principles and core processes to become enablers for digital transformation. This represents a simplified version of the knowledge aspect of digital transitions.

Interestingly enough, workflow management was not a once off allocation during the change process. It was reported to have an active role in the change process to ensure prioritisation of work through the hybrid structure. This was linked back to being able to afford organisations *velocity* supported by appropriate measurement and reward

systems of individuals. The concept of velocity as offering an organisation competitive advantage was supported by Vey et al. as the change that is arising from the impact of a changing environment. The concept of 'Velocity' was also identified in Research Question 2 as a characteristic necessary for transitioning to a digital culture. Research by Moore (2011) indicated that firms could move away from the pull of the past through obtaining 'escape velocity'. Moore (2011) takes on a holistic view of how organisations can obtain "Escape Velocity" through the powers of hierarchies, resource allocation, investment in innovation and driving change management processes organisation wide.

We can then group 'Workflow management' with 'Measurement systems', 'Engagement process', 'training' and 'actively jilting culture' into one category with a focus on obtaining 'velocity'. This supports the argument by Vey et al. (2017) that the impact of the digital landscape needs businesses to focus on velocity, scope, and systems impact. All of which impacts organisation culture at the observable and controllable levels but are missing from culture models. This supports the lack of focus on the external environment that impacts the changes seen internally (Dauber, Fink, & Yolles, 2012).

6.4.1 Conclusive Findings for Research Question 3

The findings from Research Question 3 were the change practices adopted by firms were not mutually exclusive from the practices suggested by Camron and Quinn (2011) and Seufert and Meyer (2016). Combined practices suggested by the literature in Chapter 2 were *identifying small wins; Generate social support; Design follow-up and accountability; Provide information; Measure; Create readiness; Explain why Hold a funeral; Implement symbolic as well as substantive change; Focus on processes* (Camron & Quinn, 2011). Standardised training - in the formal context; transfer-oriented educational programmes, moderated reflection processes in work practice, and self-initiated professional communities – in the informal context (Seufert and Meier, 2016).

The practices most prevalent in the context of the Financial Services firms differed in the following areas:

Accountability was not a core focus for the respondents, the practice of 'hold a funeral' was not considered thereby implying that organisations have not looked the practices to be adopted when sun-setting a digital platform has to take place. The concept of a social support structure and self-initiated professional communities was not addressed by the respondents. On the other hand, what is missing from the change practices in the

literature are the concepts of 'Workflow management' which integrates with 'Measurement systems', 'Engagement process', 'training' and 'actively jilting culture' into one category with a focus on obtaining 'velocity'.

The results indicate that the integration of change practices is necessary to deliver successful change practices that are practical and simple for managers to execute on.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

In this Chapter, the Interactive Digital Culture Toolkit is discussed in terms of the original culture models identified and developed through the literature as presented in Chapter 2 and the findings and further developments that emerged through and explored in Chapter 5 and Chapter 6. Based on the findings and the developed model, recommendations for managers are presented and recommendations for future research are suggested.

7.2 Creating an Impactful Toolkit for Managing Digital Culture

Buschgens, Bausch and Balkin (2013) called for further practical support to be offered to managers in deciding what culture characteristics can be adapted to foster digital transformation. Therefore, consideration was first given to the levels of organisational culture that impact on digital transformations and their corresponding change practices to support this level of cultural manifestation. The two levels of Artifacts and Norms, Behaviors and Values were due to their ease of influence. The Interactive Digital Culture Toolkit was drawn up from the literature review and the insights obtained from the data.

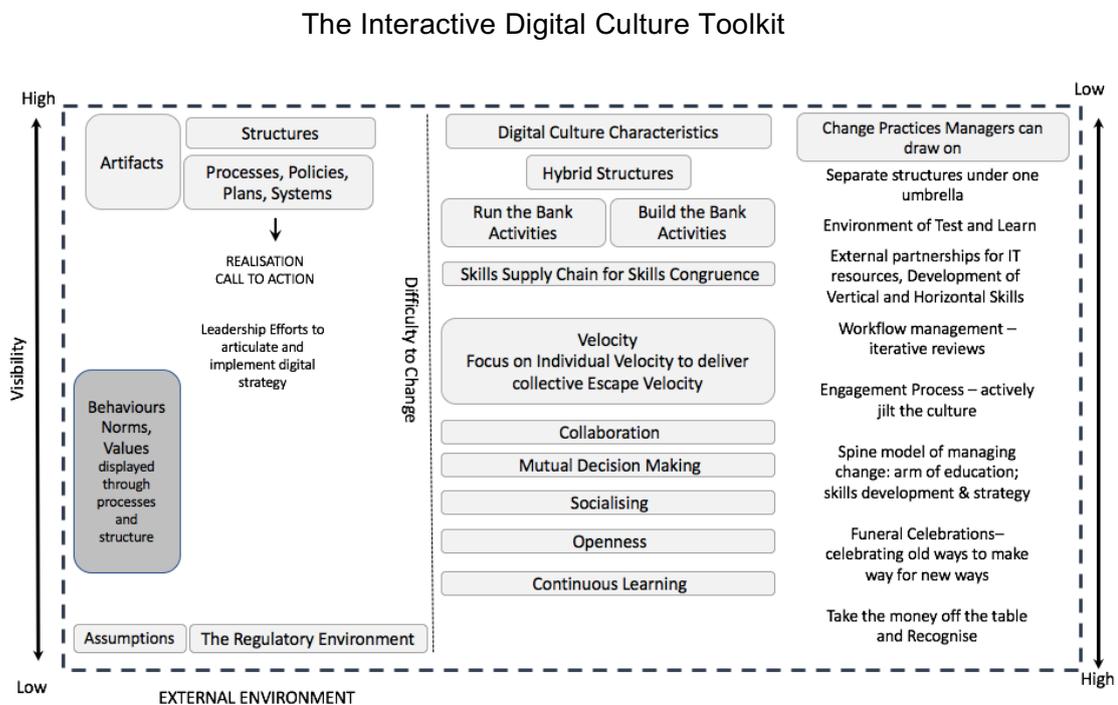


Figure 10: The Interactive Digital Culture Toolkit

7.3 Recommendations for Managers

The interview data and findings illustrated the traditional views of organisational culture and emerging views on how to make the transition a digital culture. Furthermore, the increasing effectiveness of organisational culture as an inhibitor or enabler to digital transformations is becoming more prominent. Successful navigation the disruptive environment needs a conducive, adaptable organisational culture. It is important for managers to recognise the diminishing value placed on hierarchical structures, top-down communication mechanisms, and their role in changing culture. Rather, managers need to look for ways to reduce the tension between the those resisting change and those embracing change.

7.4 Recommendations for Future Research

There is little research on converging culture models for the practical application within organisations.

7.5 Research Limitations

Qualitative research is subjective and is at risk of being subjected to many biases (Zikmund et al., 2013). Further limits to this research are as follows:

- The sample chosen was a mix of senior managers in the field of digital change. No attempt was made to understand the views of individuals at lower levels of the organisation.
- The interviews that were conducted were based on individuals residing in and around Gauteng and Cape Town, and therefore, geographical biases could have taken effect.
- The interviewer was not trained in interviewing and is at risk of being having the data results influenced.
- The industry chosen was the financial services industry, therefore generalisability to other industries could not be possible.

7.6 Conclusion

The fear of disruption can only offer organisations an old 'Kodak-moment' with a slow fade out of relevance in the market. Competitors are becoming increasingly unpredictable for organisation only looking at the external environment. Companies like

BMW “creates its own internal disruptions by redefining part of its core businesses, it prevents external digital disruptors from pushing BMW into a reactive mode” (Vey et al., 2017). However, companies can not achieve internal disruptions without re-arranging their artifacts level of the organisation to influence the desired behaviours needed at the second level of organisational culture.

The literature shows that organisational culture is at the core of successful digital transformations. Despite the high degree of ambiguity surrounding the concept of culture, no practical comprehensive toolkit was available for managers to refer to when looking to enhance digital transformation initiatives. Therefore, resulting in incremental successes and cultures defaulting to older versions. This research set out to contribute in closing the gap of using extant internally focussed organisational culture models to understand change practices needed to support organisational adaptation to the external environment.

From the 14 leaders that were interviewed, a foundational understanding emerged on the controllable elements of organisational culture from the best practices that were shared. This led to the development of the Interactive Digital Culture Toolkit to guide digital transformations.

This study contributes to the literature through the qualitative research which provides key insights into different levels of organisational culture and an understanding of controllable elements to deliver successful digital transformations. It is further hoped that this research contributes to the practice of management through the application of this toolkit by leaders seeking to successfully transition to a digital culture.

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9. APPENDICES

Appendix 1: Invitation to Participate in Research Study

Good Day XXX

Trusting you are well.

I am humbly requesting your participation in an interview for my research project into Organisation Culture for the Digital Age. One of the industries within my sampling frame is the financial services industry. I am conducting research on organisation culture, and am trying to find out more about what elements of organisation culture drives some companies to successfully transform digitally, from those that have remained incremental in their transformation. I am further looking to understand how organisations are changing the culture, if at all, to survive in the face of digital disruptions.

Our interview is expected to last about an hour, and the information and insights gained through the interview will help me better understand the concept of organisational culture for the digital age.

Your insights and views in this regard will be highly valuable in my research. If you are unable to, please direct me to an appropriate colleague working in the space of organisation culture transformation within our organisation.

I will greatly appreciate your participation in person, however, I am happy to do a Skype call at any time of the day if your schedule does not permit a face-to-face interview. Alternatively, I can also make arrangements via landline.

Your assistance herein will be much appreciated.

Regards

Naushenah Cassim Karodia

naush.mahomed@gmail.com

Appendix 2: Consent Form

INTERVIEW CONSENT FORM

Interview Consent Form

Researcher: Naushenah Cassim Karodia, MBA Student at the Gordon Institute of Business Science, University of Pretoria

I am conducting research on organisation culture, and am trying to find out more about what elements of organisation culture drives some companies to successfully transform digitally, from those that have remained incremental in their transformation.

Our interview is expected to last about an hour, and the information and insights gained through the interview will help me better understand the concept of organisational culture for the digital age.

Your participation is voluntary and you can withdraw at any time without penalty. The audio recording of this interview is also voluntary and you may choose not to be recorded. All data will be kept confidential and any quotations reported anonymously. If you have any concerns, please contact my supervisor or me. Our details are provided below:

Naushenah Cassim Karodia
15391176@mygibs.co.za
082 465 2665

Anthony Pranglely Wilson
prangleya@gibs.co.za
011 771 4325

Participant's Name: _____

Signature of participant: _____

Date: _____

Researcher's Name: _____

Signature of researcher: _____

Date: _____

Appendix 3: INTERVIEW SCHEDULE **Interview Schedule**

Name:

Organisation:

Job Title:

Date:

Thank you for agreeing to meet with me today. I really appreciate your time and input into this research.

The title of this research is '**Managing the transition to a 'digital culture': The experience of financial service firms**'.

Question 1: (RQ1)

What are the major challenges facing the industry with the speed of technological advancements that are surfacing?

Question 2: (RQ1)

How does the organisation deal with these external challenges? (Digital Maturity)

Back-up Q: What is the organisation doing to leverage off emerging digital technologies to improve or sustain competitive edge?

Question 3: (RQ1)

What challenges do you face in the organisation that impact digital transformation / progression?

Question 4: (RQ2)

What are some of the significant achievements of the organisation towards digital transformation?

Follow-up Q: What has led to these achievements?

Follow-up Q: Why do you believe these to have led to the achievements?

Question 5: (RQ2)

What are some of the failures of the organisation towards digital transformation?

Follow-up Q: What has led to these failures?

Follow-up Q: Why do you believe these to have led to the failures?

Follow-up Q: Of these reasons for failure, which one has the most influence on the failure?

Follow-up Q: How has the organisation handled these failures?

Question 6: (RQ1)

How would you describe the culture of the organisation in helping the organisation operate in the digital era?

Back up Q: What does the organisation do to ensure the organisation can operate and remain relevant in the digital age?

Back up Q: How do you get things done around here to remain sustainable

Question 7: (RQ1)

What factors would you say drives the culture described above?

Potential Prompts to be used				
Norms	Values	Behaviors	Rituals	Storytelling
Risk	Talent Development	Collaboration	Customer focused	

Question 8: (RQ1)

Of these factors described above, which three would you consider as having the most influence on culture in the organisation?

Factor 1:	Why:
Factor 2:	Why:
Factor 3:	Why:

Question 9: (RQ3)

Has the organisation always had the type of culture you described above? If not, what sparked the culture change of the organisation?

Follow up Q: What was done to change the culture of the organisation?

Follow up Q: What challenges were faced during this change phase and how was this handled?

Follow up Q: What tools were used in enabling and measuring the change process?

Planned change	Department specific	Alignment to digital objectives	

Appendix 4: Ethical Clearance Letter

**Gordon
Institute
of Business
Science**
University
of Pretoria

09 November 2017

Cassim Karodia Naushenah

Dear Cassim Karodia

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee