

Full Length Research Paper

Evaluating change management capabilities of money deposit Banks in Rivers State

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In determining and evaluating the degree of change in money deposit banks in Rivers State, Lewin's change model of planned change (unfreezing, moving, and refreezing) was adopted to reengineer the banking process and evaluate change management capabilities of these money deposit banks. It was recommended that money deposit banks through organizational change is to establish new line of thinking, because in designing a change plan, the organizational context must be incorporated, through the acknowledgment of organizational philosophy along with needs and prospects that should be met in the reengineering process. Because the match between change plan and organizational context may also play a significant role in the success or failure of organizational change, management of money deposit banks should make policies to successfully implement the reengineering process to fit in with organizational values and needs of the stakeholders.

Keywords: Change Management, and Money Deposit Banks.

INTRODUCTION

Since money serves as grease that lubricates the steering wheels of any economy, the banking sector (being a major holder of money) can be likened to a parent sector that regulate activities of other sectors in this light. In this sense, banks; especially money deposit banks need to undergo several change management (organizational development) processes for it to be effective and remain in business (Porter and Kramer, 2006). The significance of the factors of the effectiveness of money deposit banks are extensive as it includes several issues that are connected to the external environmental changes on one hand, and issues which will improve the internal managerial effectiveness on the other hand. In essence, money deposit banks must consider the reasons for change, in the external and internal environment to decide which factors to be changed (transformed) in the first place.

However, shared known targets of organizational change may include the vision (core value), strategy (elaborate plan), culture (shared belief), structure (hierarchical arrangement), system (interconnected, interrelated, and interdependent parts), production technology (technological process and stage), and leadership style of these money deposit banks (Yang, Zhuo, and Yu, 2009).

Since the historical economic collapse and the resultant mergers of money deposit banks in Nigeria (especially, in Rivers State) during the tenure of Dr. Sanusi Lamido Sanusi as the Governor of Central Bank of Nigeria, one of the biggest event in history in the banking sector, has given rise to the need for evaluating change management capabilities of these money deposit banks in Rivers State.

One of the main reasons behind this collapse was the mismanagement of the banking system, indicating the lack of change management capabilities of the money deposit banks, financial speculations made by some banks in the country, creating a fizz which had to burst (Haveman, Russo, and Meyer, 2001). The financial crisis was a process that started several years ago, when the Nigerian government started "minimizing banking regulation and control over the operation of money deposit banks". This led to aggressive and exploitative banking investment policies, high risk loans and general financial activity which was led more by greed, rather than accountability and responsible judgment. Such activities of money deposit banks were first limited to Nigeria and later spread abroad. This situation gave rise to and supported behaviour driven by the accumulation of capital and profit in the financial sphere in Nigeria,

making risky management of finances socially acceptable. Several years of such social and economic procedures created unsustainable economic growth in Rivers State (Haveman, Russo, and Meyer, 2001).

After the collapse, a series of financial reforms and regulations were made in order to stabilize the situation and preventing money deposit banks going into bankruptcy, thereby putting money deposit banks in Rivers State in the state of insolvency. The banks' reputation dropped to low levels. Many lost their savings, mortgage payments doubled in time, and in addition, many struggled to recover from the traumatic experience of the collapse itself, which led the small country towards political and economic instability.

Since then, money deposit banks in Rivers State and in Nigeria at large have been trying to recover their corporate image as well as improve their operations in order to ensure that this crisis will not repeat itself, and are working towards regaining the trust of the people and the recovering of their financial situation. As part of its efforts, the CBN, being the parent bank in Nigeria, got involved to salvage the situation, made compulsory, the procedures of re-engineering the structural arrangement in money deposit banks in an attempt to get new money deposit banks (through mergers) – by creating good image for the money deposit and build back trust in such banks. This can be achieved by adopting change management techniques.

Conventionally, theorists on change management have argued that the primary purpose of change was to create a stable system in money deposit banks through the least amount of change initiatives – reengineering (Kotter and Schlesinger, 1979). Teece (2000) noted that this approach is guided by methods of scientific enquiry and rational theory development grounded in modernism. Hoffman, (2000) stated that the modern banking era is characterized by electronic and hierarchical structures based on the extreme division of labour, and control systems that suppress people's emotions and minimize their scope for independent action.

Jones (2004) revealed that to attest to the pervasiveness of modern beliefs within the field of organizational change has been the domination of the top-down, rolled out, approaches, which provide step-by-step guides for managers and change agents. Although there is an overall recognition of the need to manage change successfully in money deposit banks, questions regarding the substance of change and how the processes can be managed still remain mostly unanswered (Hoffman, 2000).

Nevertheless, there are sufficient literary works on change management; but, there seems to be scanty literary works evaluating change management capabilities of money deposit banks in Nigeria, specifically in Rivers State. Fortunately, the significance of the well-being of money deposit banks cannot be

overemphasized (Hoffman, 2000). Based on this remark, this strand of literary work is aimed at filling this void by evaluating and analyzing change management capabilities of money deposit banks in Rivers State, Nigeria.

THEORETICAL FRAMEWORK

An extensive review of relevant management literature demonstrates that several theories explain change management. This study is nonetheless being based on the teleological theory. This is because several empirical studies have hinge on this theory intensely for underpinning change management (Van de Ven and Poole, 1995). Change management literature revealed that another term for teleological theory is consequentialist theory. The most important consideration for this field of ethics is, what is the result or consequence. For a person who follows teleological theory/consequentialist theory, an action is morally right if the consequences of the action are more favorable than unfavorable.

In real life situation, however, the teleological perspective believes that organizational change is an attempt to achieve an ideal state through a continuous process of goal-setting, execution, evaluation, and reengineering.

Change Capability Areas

In evaluating change management capabilities certain change capability areas are of interest in the process. These change capability areas include:

- ❖ **Leadership:** This is concerned with leadership activities that center on building change management competencies in the organization. This change management evaluation areas attempts to examine how committed is the leadership of the organization to change management. What are those measures put in place by the leadership to communicate the value of change management? The leadership evaluation of change management considers communication from key leaders about the importance of managing the people in course of the change, vision for change management deployment effort and creation of business rules, policies and procedures that establish change management.
- ❖ **Application:** This change capability area considers the use of change management processes and tools with regards to projects and other initiatives within the organization. Are there available human and financial resources that will enhance the adoption of change management on projects and initiatives across the organization?

This change capability area looks at the various work units, divisions, functions that are applying change management. It attempts to ascertain the availability of tools for managing change from the people's perspective, and also to consider if a change practitioner is available to facilitate the change management.

- ❖ **Competencies:** This change capability area is concerned with the training and development of key groups that must apply change management tools and principles. The organization will be able to understand if it has competencies of applying change management by considering the following: Have we trained change management practitioners? Has our managers and supervisors undergone any training that will result in change management competencies? Does the employees have the mental readiness to cope with change management?
- ❖ **Standardization:** This aspect of change capability area is concerned with harnessing the mechanisms and systems through which change management can be institutionalize. It attempts to find out or asserts if every part of the organization is using the same change management approach. Standardization, therefore, forms a component part of how the organization introduces change. It seeks the adoption and provision of a standard measures and tools necessary for change management. It designs a change management training chart, and also integrates change management into the standard of project delivery process.
- ❖ **Socialization:** This refers to the members of the organization being committed to change management. This process, therefore, builds capabilities and competencies required to handle change management. It consist of certain components which include: executive charter for building change management capabilities and competencies, capturing, publicizing and sharing change management successes, and reinforcement for sustained change management application.

Money deposit banks that scores high in each of the above change capability areas is said to be effective in change management which will have a corresponding organizational effectiveness. On the other hand, a money deposit bank whose leadership, application, competencies, socialization and standardization is low seeks improvement in those areas in order to remain competitive or to show resilience.

Concept of Change Management

Cummings and Worley (2001) describe change management as a structured and systematic approach

to transitioning individuals, groups, and organizations from a current state to a desired future state, to fulfill and/or implement a vision and strategy through the application of knowledge. It is an organizational process aimed at empowering employees to accept and embrace changes in their current environment by adopting corporate strategies, structures, and technologies to deal with the changes stemming from the core and outward circumstances being a process of reengineering (Raineri, 2011).

Reengineering involves the fundamental and essential identifying, recognizing, rethinking and radical reshaping, reforming, restructuring, and redesigning of business methods to achieve dramatic enhancement in critical, contemporary and fashionable measures of performance such as cost, value, service, and speed (Holman and Devane, 1999). In an attempt to initiate a reengineering process that would orchestrate the needed change, the management of money deposit banks are continually facing choices about how best to respond to the forces for change.

Forces for and against Organizational Change

Lewin's force-field analysis (unfreezing - Moving - Refreezing) model, an organization is an open system. There are two forces in organization change (Lewin, 1951), one is the pushing of the firm to a new course or path; it is the proposing force. The other is averting the firm from changing; it is the restrictive force. When driving force is stronger than the restrictive force, organizational change occurs, and the organization will move towards a new course or path. When preventive is stronger than the proposing force, the firm will stay where it was; and when these two forces are correspondingly powerful, it will stay stable temporally (Raineri, 2011).

When the firm is about to change, there are different forces to prevent them from change, which is the above-mentioned preventive forces. Preventive forces can be divided into three levels: corporate level, group level, and individual level (Yang, Zhuo, and Yu, 2009). Factors in the corporate level include the corporate structure, and system pressure and politics, organizational philosophy, and the pressure from past success. Factors in group level include the viewpoint variance and interest conflict between different departments. Factors in individual level include the misinterpretation, lack of conviction, own advantage threat feeling, doubt, custom, etc.

Making moves to manage these forces that may hamper the efficacious change of the firm. The active ways to gain the firm's members' backing includes edification, communication, contribution and participation; while the passive ways to eradicate members' confrontation and resistance include assistance, compromise, and compulsion (Kotter, and Schlesinger, 1979).

Effecting a reengineering process through the Lewin's change model (unfreezing, moving, and refreezing) requires monitoring and evaluating the results of the change initiatives. This encompasses relating the reengineering process with the corporate objective; understand where further improvements may be required.

Again, change management process tend to require sequences of performance pointers to monitor and evaluate the expected benefits, staff reaction to change, whether the change meets customer's need, the cost of effectiveness of the change. Nevertheless, the fallouts of

this reengineering process evaluations need to be communicated openly to all concerned, as the expected process needs to be communicated, the actual process, the gap, its cause, and the suggestions from the reengineering process to close the perceived gap. The Lewin's change model was adopted to reengineer all organizational processes in the money deposit banks in Rivers State in four independent progressions, imbedded in the three (unfreezing, moving, and refreezing) stages of the Lewin's model. Thus:

Unfreezing

Assessing the present situation in money deposit banks. What works? What should be changed? Identify the gap between current and desirable situation.	Assess the current situation and attitude towards reengineering. The issues which should be identified are: social and environmental impact of firms' activity, corporate governance and corporate image building.	Establish reality picture of the attitude towards reengineering, setting accurate starting point.	Examine official organizational parts: states, codes of conduct, principles, documents and interview with key position holders. Depth approach – relying on engagement of stakeholders in dialogue which can relieve more trustful picture, increase trust and commitment in the process and promote cooperation for the building of the desired image.
	Identify key stakeholders and their crucial issues. There are many stakeholders with diverse interests, values, objectives, expectations and demands which must be taken into account when planning change.	Create clear assessment of the roles and groups allow establish clearer process and future more accurate understanding of the dynamics within the money deposit banks. Help gaining cooperation, address pressures and generate more harmonized process.	Process of identification and analysis of stakeholders, their power, influence and importance. Prioritizations of them.
	Evaluation of the climate for change: Uncover corporate norms and values in order to fit the new program to the existing culture. In order to create a genuine lasting change, there is a need to connect it to core values and business practices of the money deposit banks. Benchmarking competitors' practices, reengineering norms and standards: look and learn from outside, competitors and industry.	Learning through out experience of others and networking helps to understand what is needed, reduce the blurriness around the concept and foster the process of planning and coming up with possible actions. Networking allowing creating closer dialogue with stakeholders such as policy makers, investors, competitors, academy. Adjusting the change to corporate culture of the money deposit banks helps create smoother shift, showing what and how things should be done.	Learning through out experience of patterns of success and failures. - Identify the best performers of reengineering among the industry, evaluate the best practices among the competitors, compare them and chose those who best suit the firm. Learn about the acceptable norms and standards in the operating environment, compare to the situation in the company, identify the gap and according to that plan how to fill it.

<p>Develop change plan – specific goals, dividing responsibilities, content and process. The key for successful plan is keeping balance between specifics and flexibilities. The emphasis shall be listening and engaging the participants in the process will increase effectiveness, much more than short term pressures and 'stick'.</p>	<p>Establishing vision and working definitions of reengineering. These money deposit banks must define what exactly reengineering means, and this definition must promote social responsible vision, include stakeholders' expectations, be compatible with organizations long term strategic goals. Developing reengineering integration strategic plan – Many organizations want to implement reengineering but don't know how to incorporate the 3Ps (people, planet, profit) into strategy and action, translate values, visions and policy statements into actual action. Development of reengineering supporting structure requires use of established operational definition in target development and creation of measurement mechanism.</p>	<p>Dealing with resistance to change. Formulating, declaring and communicating operational definition of the change will assist to reduce uncertainty, confusion and misunderstanding of the process, its meaning and effect on the money deposit banks.</p>	<p>Creating frame of reference for each player. Giving each of the players a role will help recognize if they willing to put effort and reveal cooperation and resistance, and adjusting the plan according to that. - Operative definition is essential for establishing agreed direction and measure progress; revile motivation for the commitment and the stakeholders which are important to the process.</p>
<p>Sponsorship – anchoring support among the powerful players. There is a need to win over the commitment of key players in order to convince them to become change leaders: - Emphasize the necessity in change and costs in rejecting this change. - setting clear goals and exit points in case things don't work out. - giving possibility of influence to the sponsor. - keep the sponsor on high informed level. Implementation of change occur top – down but the content of change must be developed bottom up, this is why sponsors role is so important.</p>	<p>Employees are the face of these money deposit banks and obtaining a lot of power: being ambassadors, advocates, sources of ideas, information and in some cases also of problems. Empowerment of middle management, identification and enabling their cooperation and support is crucial for the process.</p>		<p>Identify whose commitment is crucial for the process, who can influence them and gain their support, recruitment of influential players to be change leaders. Creating monitoring system to assess progress.</p>

<p>Prepare recipients for the change – change will not be possible unless the people will be willing to accept it. The actual implementation occurs only when employees accept the concept of the change and its specifics in their everyday routine.</p>	<p>Raising awareness in the money deposit banks – both of management and employees. The development of such awareness often triggered by changes occurs in the business environment which influence management perspective towards reengineering: economical pressure, stakeholders and so on.</p>	<p>Every change, positive or negative will raise resistance because it contains the unknown and adds stress to the system. Dialogue opens communication channels, increase levels of knowledge and help reduce stress.</p>	<p>The change should be communicated to the recipients and implementers as clearly as possible, in order to reduce the unknown using: credos, corporate charters, mission statements, reports, websites and more. Managers need to invest in programs to educate the employees about reengineering to ensure smoother execution and cooperation from all parts of the money deposit banks.</p>
<p>Creating culture fit – making the change last. The change must become essential part of culture and 'how things are done' in order to last, not being a separated or additional part. Failure to achieve anchor the change in long term strategy will bring to failure of the entire process. There must be match between the new strategy and existing culture in order to increase chances to last.</p>	<p>Essential for the organization to match the reengineering and the core values of the money deposit banks so it becomes natural component of the culture. Insert value driven culture rather than target driven. After uncovering the norms, values and culture, now the implementers need to make sure that the new program fit those.</p>	<p>Ensure persistence of the change, lasting process.</p>	
<p>Choose and develop change leading team – the role of leaders is to inspire, create vision and facilitate the process. Define the key players and their roles, dividing the money deposit banks into: strategists – initiating the need in change and designing the strategy. Change implementers – those who enforcing the change and enabling the strategy in reality. Change recipients – the employees that must adapt to the change, in order to achieve that, they must be convinced that it's going to benefit them.</p>	<p>Top management is the one to determine the direction of movement; middle management is the one to put it into action: making sure resources are allocated according to the set plan, monitor performances, behaviour and communication of the strategy through the organization. Enforcing top implementation.</p>		<p>The change leaders better to be group rather than individual: diversity of skills and perspectives, sharing vision with other members increases commitment, motivation and competence for action. - appointing officials or committee to be responsible for overall implementation. – putting reengineering responsibilities into job descriptions and performances evaluations - recruiting knowledgeable about reengineering employees. Developing communication channels to share knowledge within the money deposit banks.</p>

Moving

	<p>Implement reengineering integrated strategic plan – creating training program and engagement of all the employees in the process. Such training program should cover aspects such as: worldwide reengineering issues, policies, programs, goals, performances, and the relevance of reengineering to business operations such as: suppliers, transportation, waste, emissions, product design and so on. The program needs to demonstrate to the employees how reengineering is relevant to their daily work and can help the company to achieve its goals.</p>	<p>Creating employees training will increase understanding of reengineering issues, reduce resistance and increase cooperation by improve awareness of importance and advantages.</p>	<p>Engagement of the employees: focus on awareness and ensure they know WHY this process is done and important, the context of action, motivations, relevance, objectives and implications. - Involvement of employees in discussions, decision making and implementation, creating ownership towards reengineering activities among them, gaining over important stakeholder group. - providing incentives, rewarding employees for good performances or extra initiative in reengineering</p>
<p>Small wins for motivation – the longer the change process the more achievable goals along the way are important. Small victories and their celebration giving reenergizing to the process, provides open communication lines, increase sponsors support and reinforce reporting.</p>		<p>Increase support for the process, provide prove of progress and motivation and reduce resistance.</p>	<p>Create short term goals and milestones to motivate employees during the process. Too long term vision might be frustrating and contribute to resistance. Makes it easier on change leading team, encourage them by receiving positive feedback.</p>
<p>Constantly communicating the change – ‘communicate, involve and be honest’. Communication is the key and can determine success or failure of the process.</p>	<p>Communication about reengineering – internal and external. Internal communication is the key to successful reengineering implementation: clear identification of stakeholders and their expectations, enabling open and ongoing dialogue. The communication at this stage will consist of reporting regarding the change progress and informing employees on this in order to reassure them.</p>	<p>Increase understanding, reduce confusion, inform and prepare employees for the change.</p>	<p>Use as many communication channels as possible: newsletters, reports, meetings and trainings. Maintaining ongoing dialogue with stakeholders promotes development of knowledge, understanding and know how about the issues that coming up.</p>

Measure progress – essential in order to get an indication how the process is going, to keep the program on track and be able to spot down any problems as soon as they occur. Makes the roles and goals clearer, help to compare between what is trying to achieve, and what happening in reality.	Audit mechanism provides threshold to compare performances to expectations. The effectiveness grows even more when external audit body is involved. Stakeholders should be encouraged and invited to verify reengineering performances.	Provide tool to ensure sticking to the plan. Present frequent small reports.	Create measuring scheme to monitor the progress. The measurement must be focused on a result driven approach, measuring only parameters which relevant to the program. The measurement process needs to be done along the whole program, not only in the end.
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Refreezing

Integrate lesson learned through reflection – a process which should be happening through out the whole process, not only in the end of it. 'Lesson learned reflection as one looks back on all that have been done so far and learn from what worked and what not, to adjust the next steps.	Evaluation – the program must be evaluated according to measurements and goals which were set, in order to determine what works and what not.	Dealing with problems and finding solutions in real time, identify the weak points of the process, forcing the change leaders to face the reality. Help to understand what works and what not, what practices shall be maintained, and what stopped or changed. How to overcome the barriers for success, revisit the original goals and reset new once.	'Lesson learned' concept provide the strategists and implementers tool to learn about what is been done. The instrument used here are trigger questions that force people to make 'case – result' connection and review the success of the process, such as: what we were set to do? What actually happened? Why did it happen? What we are going to do in the next step? Did we achieve the goal or not? Why? What can be done to improve the situation? Did achieving the goal provide the expected results?
	Communication during refreezing stage more focused on outside, emphasizing the success of the process, anchoring the vision in daily activities.	Constructive dialogue can help improve and fix weaknesses and mistakes which were made during the process.	Communication to outside is important especially during refreezing. Publishing reports can serve a valuable tool to maintain the dialogue with stakeholders outside the money deposit banks shareholders, customers.
	Institutionalization of reengineering – how can change be maintained? How to ensure it became essential part of organization culture and decision making process? The way to achieve it is by maintaining ongoing dialogue with the involved stakeholders, to ensure creation of long term value. The money deposit banks need to create managerial competence and capacity to deal with stakeholders' concern.	Avoiding the change fading away. Transparent and open dialogue during evaluation process derives future improvements and promote positive attitude towards organization and process, reducing the level of skeptics and increase cooperation.	

Source: Lewis, Schmisser, Stephens, & Weir (2006).

Change management model; modified, adjusted, and enhanced for the purpose of this work specifically to evaluate and analyze the progress of reengineering implementation process of money deposit banks in Rivers State, Nigeria.

CONCLUSION

From the analysis above, the fallouts of the analysis demonstrated that the key processes involved in successful implementation of capabilities are grounded within the interpretation of reengineering theoretical concepts to fit in with organizational values and needs of the stakeholders. The main factors behind an efficient process of change management are edification, communication and institutionalization of open ongoing dialogue among all the stakeholders. These methods will allow recognition of organizational philosophy along with needs and expectations that should be met in the reengineering change management process.

RECOMMENDATIONS

The recommendations are drawn from the analyses and conclusion above:

1. Money deposit banks through organizational change is to establish new line of thinking, because in designing a change plan, the organizational context must be incorporated, through the acknowledgment of organizational philosophy along with needs and prospects that should be met in the reengineering process.
2. Because the match between change plan and organizational context may also play a significant role in

the success or failure of organizational change, management of money deposit banks should make policies to successfully implement the reengineering process to fit in with organizational values and needs of the stakeholders.

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