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RESERCH PROPOSAL ON
ASSESSMENT ON PRACTICES AND CHALLENGES OF
CHANGE MANAGEMENT AT OROMIA BANK S.C

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Addis Ababa, Ethiopia

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ABSTRACT

Organizational change is crucial for success in today's dynamic business environment, and effective change management is essential for navigating transformations. This study assessed change management practices and challenges at Oromia Bank S.C., a leading financial institution in Ethiopia. Utilizing a descriptive research design, the study examined current practices, identified challenges, and evaluated the ADKAR model's effectiveness from individual and organizational perspectives. Data was collected through structured surveys and qualitative interviews with employees and management at the bank's head office in Addis Ababa. From a target population of 801 employees, a sample size of 267 was determined using Yamane's formula. The findings revealed that Oromia Bank implemented various change management practices, including communication campaigns, training programs, and employee engagement efforts, but faced challenges such as resistance to change, inadequate communication, insufficient training, and misalignment with strategic objectives. The ADKAR model analysis highlighted critical areas needing attention, such as gaps in awareness, desire, knowledge, ability, and reinforcement. Recommendations include adopting a more structured, employee-centric approach to change management, strengthening communication strategies, enhancing training programs, fostering adaptability, and building overall change management capabilities. These insights can guide effective change management strategies for Oromia Bank and other organizations in the Ethiopian banking sector, emphasizing the human dimension of change to achieve sustainable success.

Keywords: *Organizational,Change management, ADKAR model, Banking sector Communication*

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Change is a constant and unavoidable force that continually shapes our world. It comes in various forms, such as technological advancements, market shifts, societal changes, and environmental factors. Adapting to change is essential for individuals, communities, and organizations. Organizational change, in particular, refers to the process where a large institution modifies its methods, structures, or goals in response to internal or external pressures (Beer, Eisenstat& Spector, 1990). This can involve developing new capabilities, entering new markets, or aligning with industry trends and customer demands.

Organizational change is fundamental to an institution's existence and occurs frequently in both public and private sectors. This transition from the familiar to the unfamiliar often meets resistance from those invested in the current state (Cummings & Worley, 2009). However, change is vital for progress and growth. Given the increasing frequency and significance of organizational change, change management has emerged as a critical discipline. In today's dynamic business environment, organizations must embrace change to maintain competitive performance (Robbins, 2003). Change management involves coordinating and implementing a structured transition from the current state to a desired future state, aiming for effective and lasting transformation (Bartkus, 1997).

Successful change management goes beyond issuing directives or upgrading technology. It requires a strategic approach that considers the human aspect of change, including employee mindsets, skills, and behaviors Effective change management encompasses the cognitive, emotional, and behavioral dimensions of individuals within the organization. It addresses how people think and feel about change, as well as their behaviors in response to it. Furthermore, it involves preparing the organization for both planned and unforeseen disruptions, fostering agility and resilience (Kumar, T., & Hegde, 2018).

The banking sector, particularly influenced by financial technology, changing customer behaviors, and digitization needs, is undergoing significant transformation. Oromia Bank (OB), a leading financial institution in Ethiopia, is also experiencing these pressures for change.

Effective change management has become integral to OB's operations as it navigates process, system, and cultural transformations to meet market demands.

Change is inevitable and ongoing. However, humans often resist it. Addressing change in any setting is challenging because no guaranteed methodologies or processes ensure success in every situation. Change management requires analyzing problems and proactively implementing processes or methodologies with a team vision to manage ongoing change while using and protecting information systems to meet organizational goals. One issue with change is that it generates numerous change management activities but often fails to produce the desired results.

The ADKAR Model, which stands for Awareness, Desire, Knowledge, Ability, and Reinforcement, has emerged as a reliable approach for optimizing change efforts. It provides a clear, goal-oriented framework that focuses on individual change as a key factor for organizational success. The researcher has chosen the ADKAR model as the framework for assessing Oromia Bank's (OB) change management practices because of its practical and intuitive approach to navigating transformation journeys. The ADKAR model is particularly useful in identifying specific areas where employees might struggle during change and provides a structured method to address these challenges.

The ADKAR model, a sequential and cumulative goal-oriented framework, can be used to gauge an individual and organization's readiness for change, focusing on achieving tangible results rather than merely generating activities (Hiatt, 2006). The success of organizational change depends on individual adoption within the organization. Research consistently shows that the success of organizational change hinges on how well individuals within the organization adapt to and embrace change. Each person responds uniquely to change, and managing this effectively requires an understanding of their experiences and adjustments. Achieving success in both individual and organizational change necessitates innovative strategies, modernized change frameworks, and efficient tools.

Other models that are commonly used to measure individual change perception include the Kotter's 8-Step Change Model, which emphasizes the importance of creating a sense of urgency and building a guiding coalition to drive change, and Lewin's Change Management Model, which outlines a three-stage process of unfreezing, changing, and refreezing to ensure lasting

change. These models, alongside ADKAR, offer comprehensive tools for understanding and managing the human dimensions of organizational change.

By evaluating OB's change management practices and challenges through the ADKAR model and considering insights from other established models, this research aims to provide valuable insights into the successes, obstacles, and lessons learned from the bank's change management efforts. These findings can inform the development of effective change management strategies not only for Oromia Bank but also for other organizations in the Ethiopian banking sector facing similar challenges. Prioritizing the human dimension of change and implementing a holistic approach can significantly increase the chances of successfully navigating organizational transformations and achieving sustainable success.

1.1.1 Back Ground of the Organization

Oromia Bank (OB), formerly known as Oromia International Bank (OIB), is a private commercial bank based in Addis Ababa, Ethiopia. It was established on September 18, 2008 in accordance with the 1960 Commercial Code of Ethiopia, the Banking Proclamation No. 83/1994, and the Licensing and Supervision of Banking Business Proclamation No. 592/2008.

OIB began operations on October 25, 2008 with an initial authorized capital of 1.5 billion birr and a paid-up capital of 91.2 million birr. The bank opened its first branch in the Bole area of Addis Ababa. Established with the objectives of providing universal commercial banking services, OIB initially focused on deposit mobilization, lending, remittance services, international banking, and interest-free banking. Over time, the bank has expanded its services to include electronic banking such as ATM and POS cards (Oro-Card), mobile banking (Oro-Cash), agent banking (Oro-Agent), and internet banking (Oro-Click)1.In 2022, after operating for 13 years under the name Oromia International Bank, the company made changes to its logo and name, becoming Oromia Bank (OB). As of 2022, OB has over 500 branches across Ethiopia and a paid-up capital exceeding 5.4 billion birr. The bank serves more than 4.5 million customers and is considered one of the fastest-growing banks in the country.

1.2 Operational Definitions of Keywords

Change Management: The process of managing the people side of change to achieve the desired organizational outcomes. It involves strategies and techniques to help individuals and organizations transition from the current state to a desired future state.

Organizational Change: The process by which an organization undergoes transformation or alteration of its core characteristics, such as its structure, systems, processes, culture, and strategy, in response to internal or external forces.

ADKAR Model: A goal-oriented change management model that focuses on the individual change required for organizational change to be successful. The model outlines five key elements: Awareness, Desire, Knowledge, Ability, and Reinforcement.

Oromia Bank S.C.: A private commercial bank established in Ethiopia, which is the focus of the research study to assess the practices and challenges of change management.

Practices of Change Management: The actual implementation and execution of change management strategies, approaches, and techniques within an organization.

Challenges of Change Management: The barriers, obstacles, or difficulties encountered by an organization during the process of managing and implementing organizational change.

1.3 Statement of problem

Organizations today are navigating a landscape of rapid and unprecedented change, where established certainties no longer hold, and new norms are still forming. Change is an ever-present force affecting both operational and strategic levels, compelling organizations to continuously improve processes, systems, structures, and roles to stay relevant (Burnes, 2014). Managing change within organizations, particularly in the banking sector, is a complex task that extends beyond structural and procedural adjustments to include cultural and human resource transformations (Harenstam et al., 2004). Effective change management requires a strategic approach that fosters commitment and positive engagement from employees at all levels .However, the successful execution of change initiatives remains a significant challenge, with issues related to managing the human aspects of change often cited as primary reasons for failure (Smith, 2020).

Oromia Bank S.C., a leading financial institution in Ethiopia, has been undergoing significant transformations to enhance its competitiveness and customer satisfaction. The bank's ability to effectively manage these changes and ensure a smooth transition for its employees and customers remains a critical challenge. Several factors contribute to the problem of effective change management at Oromia Bank S.C. According to Adem, resistance to change among

employees can stem from fear of job loss, changes in work processes, or lack of understanding of the new systems and processes. Inadequate communication about the changes and their impact on employees and customers can lead to confusion, mistrust, and resistance to change (Adem, 2013). Additionally, Abdilla (2021) highlights that insufficient training and development programs for employees can hinder their ability to adapt to new systems and processes, leading to decreased productivity and job satisfaction.

Given these challenges, there is an urgent need to explore and understand the effectiveness of change management practices at Oromia Bank, particularly through the lens of the ADKAR model. The ADKAR model (Awareness, Desire, Knowledge, Ability, and Reinforcement) offers a structured framework to address these human-centric challenges, emphasizing individual transitions during change processes.

Despite the extensive literature on change management, there is limited research specifically focused on the practical application of change management models, such as ADKAR, within the Ethiopian banking sector. This gap in the literature necessitates an exploration of how well the ADKAR model can address the unique challenges faced by Ethiopian banks, including cultural, structural, and operational issues. This gap highlights the need for localized research to understand how global change management frameworks can be effectively adapted and implemented within the Ethiopian context.

This research aims to fill this gap by investigating the practices and challenges of change management at Oromia Bank through the lens of the ADKAR model. By doing so, it seeks to provide valuable insights into the effectiveness of current change management strategies and offer recommendations for enhancing the bank's ability to navigate future changes successfully..

1.4 Research questions

The study was made to answer the following research questions

1. What are the current change management practices adopted by Oromia BankS.C.in implementing organizational transformations?

2. To what extent the ADKAR model is implemented in Oromia bank S.C during change management process?

3. What are the key challenges faced by Oromia Bank S.C. in effectively

managing change initiatives?

4. How do employees at Oromia Bank S.C. perceive and respond to the change initiatives implemented by the bank?

1.5 Objective of research

1.5.1 General objective

The general objective of this study is to analyze the practices and challenges of change management at Oromia Bank S.C.

1.5.2 Specific objective

The specific objectives of the research were

1. To identify and analyze the specific change management practices adopted by Oromia Bank S.C.
2. To evaluate the extent to which the ADKAR model is implemented in Oromia Bank S.C. during the change management process.
3. To investigate the primary challenges encountered by Oromia Bank S.C. in implementing change management initiatives.
4. To understand how employees at Oromia Bank S.C. perceive and react to change initiatives.

1.6 Significance of the Study

The significance of this study lies in its potential to contribute to the field of change management within the context of Oromia Bank S.C. and beyond. By exploring the practices and challenges of change management using the ADKAR model, this study offers several key contributions:

Practical insights: The findings of this study will provide practical insights into the specific practices and challenges related to change management at Oromia Bank. These insights can inform the development and refinement of change management strategies, enabling the organization to navigate and implement change more effectively.

Knowledge enhancement: This study aims to enhance the existing body of knowledge on change management by examining the dimensions of the ADKAR model. By delving into the awareness, desire, knowledge, ability, reinforcement, and satisfaction dimensions, this research

will contribute to a deeper understanding of the complex dynamics and factors that influence successful change management within organizations.

Organizational transformation: The recommendations derived from this study will have practical implications for Oromia Bank and other organizations facing similar change management challenges. By implementing the suggested recommendations, organizations can enhance their change management processes, leading to successful transformation and improved organizational performance.

Academic contribution: This study will contribute to the academic literature on change management, particularly within the banking sector. The findings and insights derived from this research can be used as a basis for further academic exploration and as a reference for scholars and researchers interested in the field of change management.

Overall, the significance of this study lies in its potential to provide valuable insights, practical recommendations, and contribute to the knowledge base of change management practices, ultimately empowering organizations like Oromia Bank to navigate change successfully and drive sustainable organizational transformation.

1.7 Scope of the Study

The scope is defined to ensure a focused and meaningful analysis within the given content, time, and geographical constraints.

This study delves into the examination of change management practices and challenges at Oromia Bank S.C. through the conceptual framework provided by the ADKAR model. Other popular change management frameworks, such as Lewin's Change Management Model or Kotter's 8-Step Process for Leading Change, tend to focus more on the organizational or leadership aspects of change. While these models provide valuable insights into the broader strategic and structural elements of change, they may not delve as deeply into the individual experiences and perspectives that can significantly impact the success or failure of change efforts.

By adopting the ADKAR model, this study aims to gain a nuanced understanding of how employees at Oromia Bank S.C. perceive and respond to change initiatives. The ADKAR model focuses on five key elements: Awareness, Desire, Knowledge, Ability, and Reinforcement. By

employing this framework, the study aims to understand how these elements influence the success or failure of change initiatives within the organization.

Specifically, the research will be conducted at the Addis Ababa head office of Oromia Bank S.C., providing a focused examination of change dynamics within the central hub of the organization. This scope allows for in-depth insights from key decision-makers, leaders, and employees who are instrumental in driving and implementing change initiatives. While the bank boasts more than 500 branches nationwide, the study will concentrate solely on the head office in Addis Ababa.

Targeting employees and management members of Oromia Bank across different parts of the country could potentially provide a more representative sample. However, practical constraints such as budget, time, and manageability necessitate limiting the scope of the study to those working at the Addis Ababa head office. This decision ensures a more focused and manageable research approach, allowing for in-depth analysis of change management practices and challenges within a specific organizational context. The head office staff, representing various departments, offer a comprehensive understanding of change dynamics, supporting the homogeneity of the bank's activities. As Neuman (2007) suggests, for a homogenous population, a small sample size can suffice.

The study's time frame is confined to the duration during which the research is conducted, specifically in 2024. By focusing the analysis on this period, the study aims to provide a snapshot of the current state of change management practices and challenges at Oromia Bank S.C. This focused approach allows for a detailed examination of recent developments and initiatives within the organization, offering insights into the dynamics of change within the specified time frame.

1.8 Organization of the Research

The research paper will be structured into five chapters. In the initial chapter, an introduction will be provided, encompassing the background of the study, a succinct statement of the problem, research objectives, research question, significance of the study, limitations, and scope. Moving on to the second chapter, the focus will be on a comprehensive review of pertinent literature related to the investigated problem. This will include defining key concepts, elucidating theoretical perspectives, and presenting the conceptual framework.

The third chapter will detail the methodology employed in the study. This section will cover the research design, types and sources of data, sampling method and size, data collection procedures, as well as the reliability and validity of the data. Additionally, it will outline the chosen approach for data analysis.

The fourth chapter will be dedicated to the presentation, analysis, and interpretation of the gathered data. This will involve addressing the research questions and hypotheses formulated earlier in the study.

The final chapter will provide a synthesis of the major findings, conclusions drawn from the study, and recommendations based on the research outcomes. The paper will conclude with a comprehensive list of references and, if applicable, include any appendices deemed necessary for a more in-depth understanding of the research process.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1Theoretical literature review

2.1.1 Concept and Definition of Change

Change is a broad and multifaceted concept that signifies the process of becoming different in various ways. In the context of change management, it encompasses transitions across multiple dimensions—personal, organizational, societal, and technological. Hammer and Chambers (1993) assert that "change has become both pervasive and persistent," highlighting its omnipresence and continual influence in shaping contemporary realities.

At the societal level, change is evident through technological advancements, cultural shifts, and evolving social norms, which continually reshape values and structures (Brynjolfsson& McAfee, 2014; Inglehart& Norris, 2016). Organizational change is driven by the need to remain competitive, enhance efficiency, and adapt to market demands, necessitating ongoing innovation, restructuring, and process reengineering (Kotter, 1996; Hammer &Champy, 1993). On a personal level, individuals encounter changes in their careers, relationships, and life circumstances, requiring personal development and lifelong learning to navigate the complexities of modern life (Knowles, 1980; Bridges, 2009).

The literature on organizational management frequently underscores the constancy of change. Phrases such as "the only constant factor in any organizational life is the need to change" are common, underscoring the necessity of change for enhancing performance beyond routine operations. In business organizations, the primary goal of change is to improve service delivery and overall organizational performance. Effective change management seeks to continuously enhance existing systems.

Scholarly definitions provide further clarity on the concept of change:

Burns (2014) describes change as the ability of an organization to enhance the design and implementation of its initiatives while simultaneously reducing the time required to complete various activities. This perspective emphasizes continuous improvement in processes and operations, ensuring organizational efficiency and effectiveness. Burns also highlights that this

process should build upon an organization's history and traditions, using past achievements as a foundation for future progress.

Fisk (2011) defines change as any deviation from a well-defined and agreed-upon scope and schedule, particularly in the context of project management. Maintaining control over a project's scope, timeline, and budget is crucial, and any modifications to the initial plan—whether due to unforeseen circumstances, new requirements, or shifts in strategy—constitute change. Effective management of these changes is vital to ensure successful project completion and the achievement of objectives.

Smith (2011) views change as a fundamental state of becoming or being different from a previously known existence. This definition emphasizes the transformative nature of change, where the current state evolves into something new.

In summary, change is an intrinsic and multifaceted aspect of life that impacts all levels of existence, from personal to societal. Understanding its various definitions and implications helps individuals and organizations better navigate and leverage change for growth and improvement.

2.2.2 Organizational change

Organizational change is a multifaceted concept that involves implementing new strategies, structures, or processes within an organization to adapt to different circumstances or markets. It is crucial for organizations to remain competitive and relevant in today's dynamic business environment. The process of organizational change can range from small, incremental adjustments known as adaptive changes to more significant, transformative changes that fundamentally alter an organization's culture, strategy, and operations.

Organizational change drives meaningful transformations within companies and institutions, involving significant modifications to various aspects of the organization, including its structure, culture, processes, systems, strategies, and personnel (Jones, 2018; Smith & Brown, 2020). The primary goal of organizational change is to enhance performance, effectiveness, and adaptability, ensuring the organization remains competitive in a dynamic business environment (Johnson et al., 2019; Lee, 2021). Ignoring the necessity for change poses significant risks, with potential adverse consequences likely to manifest sooner rather than later. To thrive in an ever-evolving environment, organizations must embrace strategies that recognize their capacity to navigate various potential futures. Given the perpetual shifts in both personal and professional spheres,

individuals and businesses alike develop coping mechanisms to adapt. Ultimately, the capability of managers and the organizations they lead will be evaluated based on their adeptness in managing change effectively and efficiently (Todnem, 2012).

Organizational change can be triggered by both internal and external factors (Brown, 2017). Internal factors such as changes in strategy, technology, or management, and external factors like economic shifts, competition, and regulations can create a need or opportunity for organizations to improve, adapt, or transform (Davis, 2016; White, 2019). Organizations must identify and respond to these factors in a proactive and strategic manner to navigate change successfully (Adams, 2020). The nature of organizational change is inherently dynamic and multifaceted (Clark, 2018). It is a continuous process rather than a one-time event, recognizing that organizations must continually adapt, evolve, and improve to remain relevant and competitive (Roberts & Garcia, 2022). Organizational change is also complex due to the interplay of various factors, such as organizational structure, culture, processes, technology, and human dynamics (Smith, 2018). It involves multiple stakeholders, intricate relationships, and interconnected elements that require careful consideration and management (Johnson & Lee, 2021).

Organizational change can be planned or unplanned (Adams, 2017). Planned organizational change is a deliberate and proactive approach to improving performance or achieving strategic goals (Brown & White, 2019). It involves a formal process, such as change management, and is typically incremental or radical (Jones, 2020). Conversely, unplanned organizational change is reactive and may occur suddenly due to unexpected events, such as natural disasters or economic downturns (Davis & Roberts, 2018). This type of change is often disruptive and can lead to negative outcomes if not managed effectively (Clark, 2021).

Implementing successful organizational change requires meticulous planning, inspiring leadership, and active engagement from stakeholders (Smith, 2019). Effective communication between management and employees across all levels of the company is crucial (Johnson, 2018). Organizational change management also necessitates a focus on planning and training, as many of the disruptors and drivers of change that businesses encounter today involve new technologies or communication methods (Lee, 2020).

Organizational change is often characterized as a structured process that unfolds over time, typically starting at a specific point, progressing through various stages, and ultimately leading to

an outcome that stakeholders hope represents an improvement from the initial state. This process resembles a narrative with a beginning, middle, and end. In an ideal scenario where external conditions remain static, employees' skills remain current, and each day mirrors the last, the need for organizational change would be minimal for managers. However, the reality is far from static; the business environment is dynamic and constantly evolving. In such turbulent conditions, organizations and their members must embrace change as a necessity to maintain competitiveness and performance levels (Robbins, 2003).

2.2.2.1 Dynamics Driving Organizational Change

Organizational change is an essential process that enables companies to adapt to the evolving business landscape and maintain competitiveness. These changes can be driven by various internal and external factors, each of which plays a significant role in shaping organizational strategies, structures, and processes.

Internally, organizational change may be triggered by factors such as shifts in organizational size, performance discrepancies, employee needs and values, and changes in top management (Sengupta, Bhattacharya, &Sengupta, 2006). Adjustments in organizational size, whether through expansion or downsizing, necessitate corresponding alterations in internal structures and operational processes to accommodate the new scale of operations. Performance gaps, identified as discrepancies between current and desired performance levels, often prompt organizations to reassess their strategic and operational approaches to bridge these gaps effectively. Furthermore, evolving employee expectations, including desires for competitive financial incentives, challenging assignments, opportunities for career advancement, and autonomy, drive organizations to align their policies and practices with employee needs to enhance satisfaction and retention. Moreover, changes in top management often bring about fresh perspectives and strategies, leading to modifications in organizational systems, structures, and processes.

Externally, organizational change may be influenced by factors such as technological advancements, shifts in business scenarios, and environmental considerations. Rapid technological progress impacts job roles and responsibilities across all organizational levels, necessitating continuous adaptation to remain competitive. Changes in the competitive landscape and global economic conditions require organizations to adjust their strategies and operations to meet evolving stakeholder demands effectively. Additionally, environmental factors such as

economic conditions, political regulations, and demographic trends shape organizational policies and strategies, driving the need for agile responses to maintain alignment with prevailing conditions.

Organizational changes can occur either spontaneously or as a result of deliberate planning. Unplanned changes, which occur spontaneously without the guidance of a change agent, can lead to disruptions such as sudden strikes or unforeseen events that necessitate immediate responses. On the other hand, planned changes are intentional efforts led by change agents to achieve specific goals, address performance gaps, and advance strategic objectives. These changes are carefully designed to bridge the gap between the current state of the organization and the desired future state.

Furthermore, additional forces of change identified by scholars like Johnson and Scholes include market convergence, globalization's cost advantages, and shifts in government policies. Market convergence refers to the trend of global consumer preferences becoming more uniform, driving organizations to align their offerings with global market trends. Globalization offers cost advantages through centralized sourcing and economies of scale, particularly beneficial for industries requiring large-volume, standardized production. Shifts in government policies, such as transitions to market-based economies, influence trade dynamics and encourage free-market principles among nations.(Scholes, K., Johnson, G., & Whittington, R. (2002)

Internal forces of change often manifest through indicators such as low morale, reduced productivity, and internal conflict. Effectively managing and implementing change requires synchronization within the organizational context, as emphasized by scholars like Aosa (Aosa, 1996). By understanding and addressing both internal and external forces of change, organizations can navigate transitions successfully and position themselves for long-term success and competitiveness in dynamic environments.

2.2.2.2Types of Organizational Change

Organizational change is essential for businesses to adapt to evolving internal and external environments. According to Anderson and Anderson (2001), there are three primary types of organizational change: developmental, transitional, and transformational. These types of changes vary in complexity, scope, and impact on the organization.

Developmental Change: Developmental change focuses on improving existing processes or situations within the organization. This type of change is often incremental and aims at enhancing current practices to boost efficiency, performance, and satisfaction. For example, updating payroll systems or refining billing procedures are typical developmental changes. Such changes are usually planned and fall within the realm of existing organizational frameworks and knowledge (Bizfluent, 2019; MTD Training, 2022).

Transitional Change: Transitional change is more complex and involves replacing existing processes, systems, or structures with new ones. This type of change is necessary when an organization needs to respond to significant external pressures or internal shifts, such as technological advancements or market changes. An example of transitional change might be a manufacturing company moving from manual production to automated systems. This process requires the organization to phase out old methods and implement new ones, often necessitating a comprehensive reorganization (Anderson & Anderson, 2001; Bizfluent, 2019).

Transformational Change: Transformational change is the most profound type of organizational change, involving a complete overhaul of the organization's culture, strategies, and operations. This change is driven by a need to fundamentally shift how the organization functions, often in response to severe external pressures or internal crises. Transformational change not only alters the operational aspects but also demands a change in organizational mindset and culture. For instance, a company might undertake transformational change to survive in a highly competitive market, requiring a shift in employee behavior, values, and overall organizational vision (Anderson & Anderson, 2001; MTD Training, 2022).

Further literature expands on these types by highlighting their unique challenges and requirements. For instance, developmental changes are often straightforward but require ongoing management to sustain improvements. Transitional changes need careful planning and phased implementation to minimize disruption. Transformational changes, being radical, often involve significant uncertainty and require robust leadership and clear communication to navigate successfully (Kelchner, 2019; Harvard Business Review, 2021).

Understanding the different types of organizational change—developmental, transitional, and transformational—enables organizations to implement changes more effectively. Each type

requires different strategies and approaches, but all are essential for maintaining competitiveness and achieving long-term success in a dynamic business environment.

2.2.3 The concept and definition Change Management

Change management is a fundamental concept in modern organizational dynamics, vital for navigating the complexities of transformation and adaptation in today's dynamic business environment.

In contemporary business contexts, organizations face constant challenges driven by the imperative for change. Managers encounter environments vastly different from their training and early experiences, necessitating adaptability and flexibility for success (Rue &Byars, 1992; Heller, 1998). Effective change management becomes essential for the successful implementation and acceptance of change initiatives, ensuring organizational agility and competitiveness.

Change management encompasses a broad array of intervention strategies aimed at enhancing human performance and organizational effectiveness. It integrates theories and practices from organizational development (OD), human resource management (HRM), project management, and strategic change (Worren et al., 1999). Beyond OD, change management includes diverse strategies such as process consultation, restructuring work processes, strategic HRM planning, and IT solutions design (Worren et al., 1999).

Prosci (2009) defines change management as a systematic approach involving processes, tools, and techniques to address the human aspect of change and achieve desired business outcomes. It emphasizes managing employee engagement and adoption during organizational transitions, with a focus on facilitating acceptance, adaptation, and utilization of changes in daily work routines.

Effective change management is crucial for organizational success, as poor management can lead to significant investments in change processes resulting in disappointing outcomes (TensaeAshebir, 2016). Understanding and managing change effectively are essential for organizations to remain responsive to evolving business landscapes and sustain competitiveness.

Change management encompasses planning, implementation, and sustainability to achieve organizational goals efficiently. Tim Creasy's definition underscores the importance of managing the human aspects of change to facilitate successful transitions (Voehl& Harrington, 2016). It

distinguishes change management from project management, highlighting its focus on individuals affected by change to ensure smooth adaptation and realization of objectives.

Furthermore, Todnem (citing Moran and Brightman, 2001) emphasizes the continuous nature of change management, underscoring the importance of aligning organizational direction, structure, and capabilities with evolving demands to achieve sustained success.

In summary, change management serves as a linchpin for organizational agility, competitiveness, and responsiveness. By effectively navigating transitions and ensuring the smooth adoption of new organizational realities, change management fosters organizational resilience and sustainable success.

Organizations have various options for handling change depending on the nature of the change process. Burnes (2004) emphasized that despite the lack of a universally superior approach, a clear and practical method for managing continuous organizational change is through a systematic approach. This highlights the importance of understanding the unique circumstances an organization faces when navigating the turbulent environment created by the unpredictable conditions.

When organizations embark on change management initiatives, they often adopt tailored approaches to suit their unique contexts and goals. One widely embraced approach is Kotter's 8-Step Change Model, formulated by John Kotter, which delineates a structured framework for orchestrating organizational change. This model underscores the significance of instilling a sense of urgency, forging a cohesive guiding coalition, and effectively communicating the change vision to all stakeholders (Kotter, 1996). Moreover, it emphasizes empowering employees to embrace the vision and integrating it seamlessly into the organization's culture and operations.

Another prominent approach is the ADKAR model, pioneered by Prosci, which centers on individual change management. ADKAR, an acronym for Awareness, Desire, Knowledge, Ability, and Reinforcement, encapsulates the five essential elements needed for successful change adoption (Hiatt, 2006). This model underscores the importance of addressing individual concerns and providing requisite support and resources to facilitate change acceptance and integration.

Lewin's Change Management Model, developed by Kurt Lewin, remains foundational for understanding and navigating organizational change. Comprising three stages—unfreezing, changing, and refreezing—this model entails preparing individuals for change, implementing desired changes, and stabilizing them within the organizational culture (Lewin, 1951).

Additionally, Agile Change Management has emerged in response to the dynamic nature of change in modern organizations. Drawing inspiration from Agile project management methodologies, Agile Change Management advocates for iterative, adaptive approaches, emphasizing collaboration, flexibility, and continuous improvement (Cameron & Green, 2015).

In essence, organizations possess a diverse array of change management approaches, each offering unique insights and methodologies for steering organizational change. By selecting and implementing the most suitable approach based on their specific requirements and circumstances, organizations can effectively manage change and drive successful outcomes in today's rapidly evolving business landscape.

2.2.3.1 Human Dynamics in Change Management

In the landscape of change management, it is imperative to acknowledge the multifaceted nature of human reactions and behaviors that deeply influence the outcomes of organizational change initiatives. Beyond the logistical and structural aspects of implementing change, the intricate interplay of individual responses holds immense significance, as highlighted by numerous studies (Bovey &Hede, 2001).

Research consistently underscores that individuals can act as either formidable obstacles or potent drivers of change, contingent upon their reactions to proposed transformations. These reactions are molded by a myriad of psychological and behavioral factors, necessitating a nuanced understanding for effective change management (Oreg et al., 2008).

Perceptions of change as either threatening or beneficial serve as fundamental determinants of individual responses. When change is perceived as jeopardizing one's values, beliefs, or job security, it often triggers resistance. Conversely, when viewed as an avenue for personal or organizational growth, it fosters enthusiasm and support (Wanberg&Banas, 2000).

Moreover, elements like self-efficacy, which denotes an individual's confidence in their ability to effectively manage change, have a substantial impact on how individuals react to change

(Bandura, 1994). Additionally, the level of trust in leadership and the effectiveness of communication regarding change efforts are also influential factors (Armenakis et al., 2007).

To navigate these complexities effectively, organizations often turn to comprehensive models that offer insights into individual readiness for change. Among these, the ADKAR model by Prosci stands out as a widely adopted framework. ADKAR emphasizes building Awareness, Desire, Knowledge, Ability, and Reinforcement at the individual level, providing a structured approach to facilitate change adoption (Hiatt &Creasey, 2012).

Moreover, other models offer nuanced perspectives on individual change readiness. For instance, Judson's (1991) individual change path model delves into the cognitive, affective, and behavioral dimensions of change, while Kotter and Schlesinger's (2008) model categorizes resistance based on factors like habit and uncertainty. In essence, a thorough understanding and adept management of the human dynamics of change, informed by robust theoretical frameworks and empirical evidence, are indispensable for navigating organizational transformations successfully. Neglecting these aspects can lead to resistance, lack of adoption, and ultimately, the failure of change initiatives (Bovey &Hede, 2001).

2.2.3.2 Role of change management in organizational transformations

There are many reasons why planned organizational changes may be necessary. In most organizations, change is typically used to improve organizational performance in some capacity and may involve targeting one or more of four categories: structural, cost-cutting, process, or cultural change (Burnes, 2004). Change management plays a crucial role in ensuring the success of organizational transformations. Transformations often introduce large-scale changes that can disrupt existing ways of working and unsettle employees (Rafferty & Griffin, 2006). This naturally leads to resistance to change, a reaction that seriously hampers transformation efforts if not addressed properly (Oreg, 2006). By taking a structured change management approach, organizations can minimize resistance. Change management prepares people for change through effective communication that builds awareness and understanding of why transformations are happening (Smith, 2005). It gives employees avenues to provide input and get involved in the process, which helps gain their buy-in (Armenakis et al., 1993). Managing change also creates clarity during periods of transition by outlining the rationale for transformations and addressing

any anxieties individuals may have about the changes (Smith, 2005). This reassures employees and eases the uncertainty that comes with major organizational shifts.

Additionally, change management is important for sustaining the momentum of large-scale, long-term transformation initiatives, which face risks to momentum due to complexities across multiple departments and competing strategic priorities over extended timeframes (Kavale, 1986). Change management provides governance structures and identifies key stakeholders to embed the transformation consistently across the organizational system (Erwin & Garman, 2010). It helps leaders track progress and course correct as needed (Weiner, 2009). Furthermore, building internal change capability is another key aspect of change management. It enhances organizational agility by developing employee flexibility and equipping managers as change leaders (Smith, 2005). Change management also establishes supporting systems to adapt to future changes (Erwin & Garman, 2010). In this way, it helps organizations transform continuously to stay responsive in dynamic business environments. In summary, change management guides people proactively through transformations to gain support and embed change successfully (Erwin & Garman, 2010).

2.2.3.3 Factors Affecting Change Management

The success of any organizational change initiative is influenced by a multitude of factors. Scholars studying change management have highlighted several critical elements, including organizational culture, resistance to change, leadership, and teamwork.

Organizational Culture encompasses the collective values, attitudes, beliefs, norms, expectations, and assumptions shared within an organization. It serves as a guide for employees, shaping their perceptions, thoughts, and behaviors regarding organizational practices and challenges. Organizational culture is ingrained and perpetuated through various mechanisms, including formal statements of philosophy, recruitment materials, promotion criteria, storytelling about key figures and events, and leadership focus and control measures (Cascio, 2006). Staffing decisions are deeply influenced by organizational culture, as individuals seek alignment between their personal values and those of the organization. Recruiters assess not only the fit between candidates' skills and job requirements but also their compatibility with the organization's values and culture (Cascio, 2006; Thomson & Strickland, 1993). Moreover, organizational culture plays a pivotal role in strategy implementation. For successful execution, there must be alignment

between strategy, structure, systems, staff, skills, shared values, and style (Thomson & Strickland, 1993). Cultural values held by managers and employees significantly influence the strategies of change, as routines that confer competitive advantages may impede change efforts if not addressed (Johnson & Scholes, 2002).

Resistance to change is a common response among employees due to the uncertainties and perceived threats associated with organizational changes. Factors such as technological advancements, shifts in work relationships, and concerns about job security can contribute to resistance (Sengupta, Bhattachanya&Sengupta, 2006). This resistance can manifest in various forms, from overt opposition to subtle reluctance. It may stem from technical, political, or cultural sources within the organization (Cummings & Worley, 2009). Resistance to change is a natural reaction fueled by both rational and irrational emotions, primarily driven by uncertainty (Donnelly, Gibson & Ivancevich, 1992). To effectively manage resistance, organizations must address its root causes rather than merely treating its symptoms. Planning, budgeting, integrating management development, and extending change durations can help minimize systemic resistance (Ansoff& McDonnell, 1990). Additionally, proactive measures such as building a launching platform and fostering open communication channels can facilitate smoother transitions (Ansoff& McDonnell, 1990).

Leadership is indispensable for driving meaningful change within organizations. Leaders play a pivotal role in articulating visions, empowering employees, fostering teamwork, and communicating strategic objectives (Dessler, 2005). Successful change initiatives require leaders to design persuasive campaigns, model desired behaviors, and provide coaching and support to employees (Dessler, 2005; Johnson & Scholes, 2002). Furthermore, leadership extends beyond hierarchical positions, encompassing anyone who wields influence within the organization. Human resource managers, for instance, require leadership skills to drive organizational change, collaborate with management groups, and facilitate the adoption of new practices and technologies (Dessler, 2005).

Teamwork Teams are instrumental in driving organizational change, bringing together individuals with diverse knowledge, skills, and experiences to tackle specific challenges (Dessler, 2005). By breaking down organizational barriers and promoting openness, teamwork facilitates collaboration and goal alignment (Dessler, 2005; Cascio, 2006). Effective teams are

characterized by cohesiveness, cooperative interactions, and compatibility among members. They are essential for executing strategies that require cross-functional collaboration, innovation, and speed (Cascio, 2006). However, managing diverse teams, including virtual teams, presents unique challenges that necessitate ongoing training and feedback mechanisms (Cascio, 2006).

2.2.3.4 Change Management Approaches

Change management involves several stages to effectively implement organizational change. Al-Khouri (2010) outlines five stages of change management:

1. **Recognition of the need for change:** This stage involves identifying triggers that signal the necessity for change and clarifying the desired outcomes. It is essential to align the structure, objectives, and performance measures with the organization's mission and strategic direction.

2. **Identifying factors influencing change:** Lewin's force field analysis model is utilized to analyze driving and restraining forces related to the proposed change. This analysis helps gauge the gap between the organization's current and desired states. Action plans are then developed to address restraining forces, which may include improving communication and empowering employees to participate in the change process.

3. **Preparing the organization for change :**Trust in management is crucial for successful change implementation. Addressing employee concerns, leadership competence, and management decisions is necessary to build trust and mitigate skepticism.

4. **Planning and executing the change strategy:** Effective change management requires awareness, capability, and involvement of employees. Commitment from senior management, addressing social and cultural factors, effective communication, and utilizing appropriate tools and methodologies are key success factors.

5. **Overcoming resistance to change:** Resistance to change is common and must be anticipated. Initiating change may face hostility, especially when values and visions are altered. Overcoming resistance requires strategic approaches and recognizing that change may benefit some while impacting others negatively.

6. **Evaluation of the change program and improvement measurement:** Evaluation and feedback are essential for measuring the success of change implementation. It involves assessing the achievement of goals and objectives, quantifying benefits, and using various measurement tools and techniques such as balanced scorecards and benchmarking.

Each stage of the change management process is crucial for effectively implementing and sustaining organizational change (Al-Khouri, 2010).

2.2.4 Change management in the banking sector

Change management in the banking sector is a multifaceted process crucial for navigating the dynamic financial landscape With technological advancements, regulatory shifts, and heightened competition reshaping the industry, banks are compelled to adapt swiftly to meet evolving customer demands. McKinsey & Company's research underscores this transformation, highlighting the industry's transition from traditional brick-and-mortar banking to digital platforms driven by changing customer preferences, competitive pressures, and regulatory mandates (Bughin et al., 2019). Change management is a critical aspect of driving successful organizational transformation in the banking sector. Banks face numerous challenges that require effective change management strategies, such as:

1. **Adapting to Technological Advancements**: The banking landscape is continually reshaped by technological innovations such as digital banking platforms, mobile applications, artificial intelligence (AI), and blockchain. Embracing these advancements requires more than just implementing new tools; it entails orchestrating a cultural shift within the organization. Change management ensures that employees are not only equipped with the necessary skills to leverage these technologies but also fosters a mindset conducive to embracing and adapting to ongoing technological evolution. It's about seamlessly integrating these advancements into existing processes while ensuring that customer needs remain the focal point.

2. **Enhancing Customer Experience**: Today's banking customers expect personalized, convenient, and seamless experiences. Achieving and maintaining excellence in customer experience necessitates organizational agility and responsiveness. Change management provides the framework for banks to continuously refine their processes, products, and services in alignment with evolving customer expectations. By engaging stakeholders across the organization, change management ensures that customer-centricity becomes ingrained in the organizational DNA, driving sustained improvements in customer satisfaction and loyalty.

3. **Improving Operational Efficiency**: Operational efficiency is paramount for banks striving to remain competitive in an increasingly crowded market. Change management facilitates the identification and implementation of process improvements, such as automation and business process management (BPM), to streamline operations, reduce costs, and enhance productivity. Moreover, it cultivates a culture of continuous improvement, where employees are empowered to contribute ideas for optimizing workflows and eliminating bottlenecks, thereby driving efficiency gains across the organization.

4. **Ensuring Regulatory Compliance**: The banking sector is subject to stringent regulatory requirements, with compliance being non-negotiable. Change management plays a pivotal role in helping banks navigate the complex regulatory landscape by facilitating timely and effective implementation of regulatory changes. It ensures that compliance initiatives are integrated seamlessly into existing processes and systems, minimizing disruptions and mitigating risks associated with non-compliance. Additionally, by fostering a culture of accountability and transparency, change management promotes a proactive approach to regulatory compliance, safeguarding the organization's reputation and integrity.

5. **Fostering a Culture of Innovation**: Innovation is essential for banks to stay ahead of the curve in an industry characterized by rapid evolution. Change management serves as the catalyst for fostering a culture of innovation, where experimentation, creativity, and risk-taking are encouraged and celebrated. By empowering employees to challenge the status quo and embrace novel ideas, change management lays the groundwork for driving transformative change and seizing new opportunities. Moreover, it ensures that innovation initiatives are aligned with strategic objectives and supported by the requisite resources and capabilities, thereby maximizing their impact on organizational performance.(Rodriguez, A..2012).

To address these challenges, best practices for effective change management in banks include prioritizing human issues and integration, understanding and meeting customer expectations, optimizing the mobile experience and addressing internal changes, securing social media communications, evolving from legacy applications, addressing data issues, and ensuring agility

in change management processes to navigate regulatory challenges effectively (Gale, 2019; Element Group, 2021; DashDevs, 2021; KPMG, 2021). By implementing these best practices, banks can enhance their change management processes and successfully navigate the complexities of implementing change initiatives in the dynamic banking sector.

2.2.4.1 Factors Influencing Change Management in Banks

Change management is a critical aspect of the banking sector due to the rapidly evolving financial landscape. Banks must continuously adapt to stay competitive and meet customer needs, which requires effective change management strategies. The banking sector is facing numerous challenges, including technological advancements, regulatory changes, and increased competition. According to a study by McKinsey & Company, the banking sector is experiencing a shift from traditional branch-based banking to digital banking (Bughin et al., 2019). This shift is driven by changing customer expectations, increased competition from non-traditional players, and regulatory changes. As a result, banks must adapt to remain competitive and meet customer needs.

Leadership plays a crucial role in change management in the banking sector. According to a study by KPMG, successful change management requires strong leadership that can articulate a clear vision, build trust, and engage employees in the change process (KPMG, 2020). The study found that effective leaders create a culture of innovation and continuous improvement, which is essential for successful change management.

Technology is a significant driver of change in the banking sector. According to a study by Accenture, banks that invest in technology are more likely to achieve successful change management (Accenture, 2020). The study found that technology can help banks improve operational efficiency, enhance customer experience, and reduce costs. However, the study also noted that technology alone is not enough to ensure successful change management. Banks must also focus on building a culture of innovation and continuous improvement.

Resistance to change is a common challenge in the banking sector. According to a study by Deloitte, employees often resist change due to fear of job loss, lack of understanding of the change, and a lack of trust in leadership (Deloitte, 2020). The study found that effective change management requires addressing these concerns and building trust with employees. The study also noted that communication is key to overcoming resistance to change.

Several factors influence change management in the banking sector. According to a study by Gupta et al. (2018), organizational structure, technology, communication, and leadership are critical variables influencing change management practices in the banking sector. The study found that banks with a centralized organizational structure, effective communication strategies, and strong leadership are more likely to achieve successful change management.

Employees play a critical role in change management in the banking sector. According to a study by Robinson (2020), successful change implementation requires employees to be engaged from the outset. The study found that understanding the human aspects of work is essential for successful change implementation, especially in conjunction with digital transformation efforts. The study also noted that effective communication is critical in change management, as it helps employees understand the rationale behind the change, the expected outcomes, and their role in the process.

Effective change management is essential for responding to compliance changes in the banking sector. According to a study by Smith (2021), an effective change management process in banking is vital for responding to compliance changes, including new regulations or modifications to existing products or services. This process involves analyzing and responding to new compliance rules, evaluating their impact on bank processes, and making necessary modifications to ensure compliance and operational efficiency.

Effective change management in the banking sector requires a holistic approach that considers all aspects of the change process. According to a study by Brown (2019), successful change management requires a clear vision, effective communication, employee engagement, and a focus on building a culture of innovation and continuous improvement.

2.2.5. Current challenges of change management

In contemporary organizational landscapes, the pertinence of change management research and models is widely acknowledged. However, the prevailing challenges stem from the escalating complexity and pace of change demanded by modern business environments (Pryor et al., 2008,). Organizations commonly encounter large-scale changes triggered by internal HR issues, technological advancements, or strategic imperatives aimed at reshaping vision and objectives for enhanced success.

Strategic changes, in particular, exert profound impacts, permeating through the organization's hierarchy. While integral for organizational advancement, strategic changes pose formidable hurdles, often stemming from inadequate change management methodologies and implementation failures. Notably, challenges manifest in comprehending and navigating employee behaviors and organizational culture, compounded by the daunting task of inducing change in entrenched habits and attitudes (Naghibi&Babn, 2011).

The success or failure of HR change programs is closely intertwined with several hard factors. These include project duration, intervals between change assessments, employee capabilities, commitment levels of affected personnel and senior executives, and the additional efforts required for change adoption (Sirkin, Keenan & Jackson, 2016).

Addressing these challenges necessitates meticulous planning. Effective change management planning entails a comprehensive understanding of the forthcoming changes' implications and ensuring compatibility between old and new systems. Assigning clear roles and establishing a well-defined timeline are imperative for successful change implementation.

Achieving consensus among organizational members is another critical challenge. Securing alignment and commitment from all stakeholders is essential for overcoming resistance and driving change initiatives forward. Effective communication plays a pivotal role in garnering support and allaying concerns, mitigating uncertainty and fostering a sense of inclusion and importance among employees (Chew & Choo, 2018).

Undoubtedly, employee resistance emerges as a ubiquitous challenge in change management endeavors. Disruptions to familiar routines and procedures can evoke reluctance and apprehension among employees, necessitating proactive strategies to address resistance and facilitate smooth transitions.

2.2.6 The effectiveness of the ADKAR model in change management

The ADKAR model offers a structured approach to change management, particularly focusing on the initial phase of change preparation. Developed with the aim of providing organizations with a diagnostic tool to assess employees' progress in the change process, the ADKAR model is characterized by its demonstrative nature (Hiatt, 2006). It serves as a guide to pinpoint where individuals may be struggling or stuck in the change process, thereby enabling targeted interventions to address these challenges effectively.

Comprising five sequential steps - Awareness, Desire, Knowledge, Ability, and Reinforcement - the ADKAR model emphasizes the importance of completing each element for successful change implementation (Hiatt, 2006). It underscores that change initiatives will not be fruitful unless all components within the ADKAR process are adequately addressed in a sequential manner. While many change management approaches focus solely on organizational change steps, the ADKAR model highlights the crucial role of individual transitions in organizational change success.

Hiatt (2006) identified a common theme of resistance to change in his experience spanning nearly two decades, leading him to develop the ADKAR model. He observed that despite various change management approaches proposed by consultants and authors, project failures persisted due to resistance from individuals involved. This realization prompted him to create a framework that integrates traditional and contemporary change management methods, providing clarity and direction in diagnosing and addressing failing changes.

The ADKAR model serves as a comprehensive framework for understanding change at the individual level while offering insights into how organizations and communities can increase the likelihood of successful change implementation (Hiatt, 2006). It provides a structured approach to managing change, guiding organizations through the complexities of transition and facilitating effective adaptation to new realities.

According to Hiatt (2006), the ADKAR model outlines five essential objectives that must be sequentially achieved for a change to be successful. These objectives, depicted in Figure 1, represent key milestones in the change process and must be followed in a specific sequence to ensure effective change implementation (Hiatt, 2006; Hiatt, 2003).

Awareness of the need for change	• a person's view of the current state • how a person perceives problems • credibility of the sender of awareness messages • circulation of misinformation or rumors • contestability of the reasons for change
Desire to support and participate in the change	• the nature of the change (what the change is and how it will impact each person) • the organizational or environmental context for the change (his or her perception of the organization or environment that is subject to change) • each individual's personal situation • what motivates a person (those intrinsic motivators that are unique to an individual)
Knowledge of how to change	• the current knowledge base of an individual • the capability of this person to gain additional knowledge • resources available for education and training • access to or existence of the required knowledge
Ability to implement required skills and behaviors	• psychological blocks • physical abilities • intellectual capability • the time available to develop the needed skills • the availability of resources to support the development of new abilities
Reinforcement to sustain the change	• the degree to which the reinforcement is meaningful and specific to the person impacted by the change • the association of the reinforcement with actual demonstrated progress or accomplishment • the absence of negative consequences • an accountability system that creates an ongoing mechanism to reinforce the change

Figure 1ADKAR Elements and Change Success Factors (Hiatt 2006 p. 45)

Awareness

The initial phase of the ADKAR model focuses on fostering awareness regarding the necessity for change, emphasizing the significance of understanding the rationale behind the change initiative. Effective communication plays a pivotal role during this stage, ensuring that individuals fully comprehend the reasons driving the need for change. Factors influencing awareness encompass an individual's perception of the current situation, comprehension of the underlying problem, credibility of the message sender, dissemination of misinformation or rumors, and the clarity of the reasons for change.

According to Hiatt (2006), addressing the "why" behind changes is paramount in change management. In a study conducted in 2005 involving 411 companies undergoing significant change projects, the primary reason cited for resistance to change was found to be a lack of awareness regarding the purpose behind the change (Hiatt, 2006, p. 6, as cited in Prosci, 2005). Project managers highlighted the importance of communicating the business need for change and articulating the compelling reasons driving the necessity for change (Hiatt, 2006, p. 6). Similarly, Bridges (2003) underscores the importance of raising awareness among employees, suggesting that clarifying the organization's current status and existing challenges is essential before proposing solutions to address those challenges.

Desire

The second aspect of the ADKAR model pertains to desire, reflecting individuals' motivation and readiness to actively support and engage in change endeavors. Unlike awareness, cultivating a desire for change is a multifaceted process and may not be entirely controllable. It typically follows the establishment of comprehensive awareness regarding the necessity for change. It's a common misconception among business leaders to assume that merely raising awareness automatically translates into a desire for change. Recognizing the factors influencing individuals' inclination towards change is crucial for effectively addressing this facet of the ADKAR model. These factors encompass understanding the change's implications, perceptions of the organization, personal circumstances, and individual motivations (Prosci, 2006).

According to Hiatt (2006), fostering a desire for change poses challenges due to the inherent limitations in influencing individuals' choices, making it difficult to compel them to willingly embrace change. Hiatt underscores the constrained influence managers wield over employees'

willingness to support and participate in change initiatives. While managers can introduce new processes, tools, and organizational structures, they cannot mandate employees' cooperation and enthusiasm for these changes (Hiatt, 2006, p. 17). Consequently, managers may mistakenly assume that simply raising awareness of the need for change automatically instills desire, leading to surprise and unpreparedness when faced with employee resistance.

Factors shaping an individual's desire to endorse and engage in change include the nature of the change and its perceived benefits, perceptions of the organization and the evolving environment, personal circumstances, and individual motivations (Hiatt, 2006, p. 21-22). Similarly, Cameron and Green (2009) elaborate on five factors influencing individuals' responses to change, encompassing aspects such as the nature and consequences of the change, organizational history, personality traits, and personal experiences related to change adaptation. These considerations delve into various dimensions, including identifying the beneficiaries of change, examining the organization's history with change management, understanding personality traits motivating responses to change, and assessing individual experiences and competencies relevant to adapting to change.

Knowledge

The third pillar of the ADKAR model is knowledge, which involves understanding how to execute the change. This aspect focuses on equipping individuals with the necessary information through training, education, workshops, coaching, and mentoring. It covers both the transition process and the actions required post-implementation. Successful attainment of the knowledge component depends on various factors, such as an individual's existing knowledge base, learning capacity, available resources for training, and access to essential information (Prosci, 2006).

Knowledge in the ADKAR model involves several key components (Hiatt, 2006, p. 23):

- Training and education on the necessary skills and behaviors for the change.

- Detailed guidance on utilizing new processes, systems, and tools.

- Understanding the new roles and responsibilities associated with the change.

Hiatt (2006) illustrates this with a case study of a network equipment manufacturer that shifted its sales strategy. The company transitioned from selling based on equipment features and pricing to focusing on customer solutions that deliver business value. This strategy required a fundamental shift from the traditional sales approach (Hiatt, 2006). Senior leaders recognized the

need for this change, and salespeople, aware of declining revenues and stock prices, understood the necessity for a new approach, given that their future commissions depended on customer purchases. This awareness fostered a strong desire to abandon the old sales methods that were no longer effective (Hiatt, 2006,).

The shift necessitated new processes and a deeper understanding of customers' business operations and financial goals. A significant knowledge gap emerged as many salespeople lacked basic financial knowledge. This gap posed a substantial barrier to change, resulting in some salespeople failing to acquire the needed knowledge for success, and a notable number of account executives left the company during this transition (Hiatt, 2006,).

Factors influencing an individual's ability to gain the knowledge necessary for supporting a change, both individually and organizationally, include (Hiatt, 2006):

- The individual's current level of knowledge.

- The capacity to learn new information.

- The availability of educational resources.

- Access to the required information.

Ability, the fourth element of the ADKAR model, signifies the demonstrated capability to implement change and reach the desired performance level. After acquiring knowledge on how to enact the change, practical implementation and actual performance need support. This support may require time and can be facilitated through practice, coaching, and feedback. Although awareness, desire, and knowledge are crucial, they are insufficient without the presence of ability. Factors influencing an individual's ability to implement change include psychological barriers, physical abilities, intellectual capability, time availability for skill development, and the resources available to support the development of new abilities (Hiatt, 2006)

Ability

According to Hiatt (2006), ability "represents the demonstrated capability to implement the change and achieve the desired performance level," highlighting that employees with knowledge of changes in processes, systems, and job roles do not necessarily exhibit immediate proficiency. Some employees may never develop the required abilities, depending on the change (Hiatt, 2006,).

Hiatt (2006) provides an example where one-third of training program participants were initially reluctant to adopt the new approach, another third were optimistic yet uncertain about their ability to implement it, and the final third left confident and prepared. Within 90 days, about 20% of the salespeople successfully implemented the program or some parts of the processing tools, with this group closing nearly all incremental sales using the new approach (Hiatt, 2006,). This example underscores that while awareness, desire, and knowledge are essential, they fall short of achieving change if ability is absent. Ability is the demonstrated achievement of the change.

Factors impacting a person's or organization's ability to implement change and achieve desired performance levels include (Hiatt, 2006,):

- Psychological barriers

- Physical abilities

- Intellectual capability

- Time available to develop the needed skills

- Availability of resources to support the development of new abilities.

Reinforcement

The final stage of the ADKAR model is reinforcement, which emphasizes efforts to sustain change. This component is crucial for ensuring that changes remain in place and that individuals do not revert to old habits. Reinforcement can be achieved through positive feedback, rewards, recognition, performance measurement, and corrective actions. It is often the most challenging aspect of change management as organizations move towards the next change. Reinforcement is essential for maintaining changes and measuring new outcomes successfully. Factors influencing the effectiveness of reinforcement include the meaningfulness of the reinforcement, its association with achievement, the absence of negative consequences, and accountability mechanisms (Prosci, 2006). According to Hiatt (2006), "Reinforcement includes any action or event that strengthens and reinforces the change with an individual or an organization.

Examples include private or public recognition, rewards, group celebrations, or even something as simple as a personal acknowledgment of progress" (Hiatt, 2006). Hiatt (2006) also notes that when someone struggles to make a change happen and no one notices, "the absence of

reinforcement becomes a barrier to sustaining the change" . This lack of reinforcement can affect future change efforts as well. Hiatt states, "Without reinforcement, the person or group may perceive that the effort expended during the transition was not valued. They may seek out ways to avoid the change, and their desired change will diminish" (2006).

For reinforcement to be successful, the following factors must be in place (Hiatt, 2006, p. 41):

- They are meaningful to the person recognized.

- They are associated with actual accomplishments.

- There is an absence of negative consequences for desired behavior.

- Accountability mechanisms are in place.

The ADKAR model operates on two dimensions: organizational and employee. Successful change requires simultaneous change on both dimensions. If stagnation occurs in one of the building blocks, targeted action should focus on that element for the highest chance of success. The ADKAR model not only helps determine steps needed to achieve the desired goal but also identifies why changes may not have been successful. This retrospective evaluation is valuable for realizing change after all (Hiatt, 2006)

The sequential, stage-gate nature of the ADKAR process ensures that the necessary groundwork is laid at each level before advancing. This provides the progressive "building blocks" that enable individuals to ultimately adopt and sustain the organizational transformation (Hiatt, 2006). Without achieving each step, gaps will emerge that inhibit overall success (Hiatt &Creasey, 2012).

2.3 Empirical literature review

Several studies have demonstrated the utility of the ADKAR model as a tool for assessing change management competencies, planning change initiatives, and evaluating the success of change efforts. For instance, Angtyan (2019) applied ADKAR to develop a change management competency profile for school principals in Pakistan. The study used the five ADKAR factors as a framework to assess principals' competencies and identify key challenges they face in managing change. This research underscores the versatility of the ADKAR model in educational settings and highlights its effectiveness in identifying specific areas where leaders need support.

Another study by Lowery (2008) examined gender differences in change management practices within a leading bank in India. The findings revealed that female employees scored higher on the

Awareness and Desire dimensions of ADKAR compared to their male counterparts, suggesting that gender may play a significant role in individual responses to organizational change. This study illustrates the importance of considering demographic factors when applying the ADKAR model to understand diverse employee reactions to change initiatives.

Furthermore, the ADKAR model has been employed to guide the implementation of technological systems within organizations. For example, a study utilized ADKAR to oversee the adoption of an e-catalogue system in a company. Researchers developed a change management strategy based on the five ADKAR stages to ensure successful adoption by employees (Angtyan, 2019). This application of ADKAR demonstrates its practicality in managing the people side of technology implementations, ensuring that employees are adequately prepared and supported throughout the transition.

In healthcare settings, the ADKAR model has been widely used to manage the transition to digital systems. A review of change management models in healthcare found that ADKAR is particularly effective due to its employee-centric focus and the sequential, cumulative nature of its five outcomes (Hiatt, 2006). This review highlighted several advantages of the ADKAR model over other frameworks, including its structured approach to addressing individual change readiness and ensuring sustained adoption of new practices.

The literature highlights several key challenges that organizations face when managing change using the ADKAR framework. One of the primary challenges is the lack of awareness and understanding of the need for change among employees. Without sufficient awareness, employees may not recognize the importance of the change initiative, leading to resistance and a lack of desire to support the change (Angtyan, 2019). Overcoming this challenge requires effective communication strategies that clearly articulate the reasons for change and the benefits it will bring.

Resistance to change is another significant challenge. Employees may be reluctant to support change initiatives due to fear of the unknown, concerns about job security, or a lack of trust in leadership. Building desire among employees to support change efforts involves addressing their concerns, engaging them in the change process, and demonstrating how the change will positively impact them (Lowery, 2008).

Insufficient knowledge and training on how to implement changes effectively is another common obstacle. Organizations must ensure that employees have the necessary knowledge and skills to perform new roles and responsibilities. This involves providing comprehensive training programs and ongoing support to help employees develop the required competencies (Angtyan, 2019).

Additionally, the inability to develop the necessary skills and behaviors to perform new roles can hinder the successful implementation of change initiatives. Organizations need to focus on building employees' abilities through targeted skill development programs and practical, hands-on training (Hiatt, 2006).

Finally, the failure to reinforce and sustain changes over the long term can lead to a regression to old behaviors and practices. Reinforcement mechanisms, such as continuous feedback, recognition, and rewards, are critical to ensuring that changes are embedded into the organizational culture and maintained over time (Angtyan, 2019).

A study examining the relevance of traditional change management models in complex environments found that while ADKAR demonstrates a high level of relevance, it lacks an element of adaptability (Lowery, 2008). The authors suggest that organizations operating in complex environments should use ADKAR in conjunction with other frameworks that incorporate more flexibility to address dynamic and unpredictable change scenarios.

While the ADKAR model has been widely applied in change management research, there are some limitations to consider. Most studies have focused on assessing ADKAR at a single point in time, rather than tracking changes over the course of a change initiative. Longitudinal research is needed to better understand how the ADKAR factors evolve during the change process and to identify the long-term impacts of change initiatives (Angtyan, 2019).

Moreover, the majority of studies have been conducted in Western contexts, with limited research on the applicability of ADKAR in non-Western cultures. Cross-cultural research is necessary to determine if the model requires any adaptations for different cultural settings and to explore how cultural differences influence individual responses to change (Lowery, 2008).

There is also a lack of research comparing the effectiveness of ADKAR to other change management frameworks. Comparative studies could provide valuable insights into the relative

strengths and weaknesses of different models and help organizations choose the most appropriate framework for their specific needs (Hiatt, 2006).

Future research should aim to address these limitations and further explore the practical implications of applying ADKAR in various organizational contexts. Qualitative case studies and action research methodologies could provide rich, contextual insights into how ADKAR is implemented in practice and how it can be adapted to meet the unique challenges of different environments.

2.4 Conceptual framework
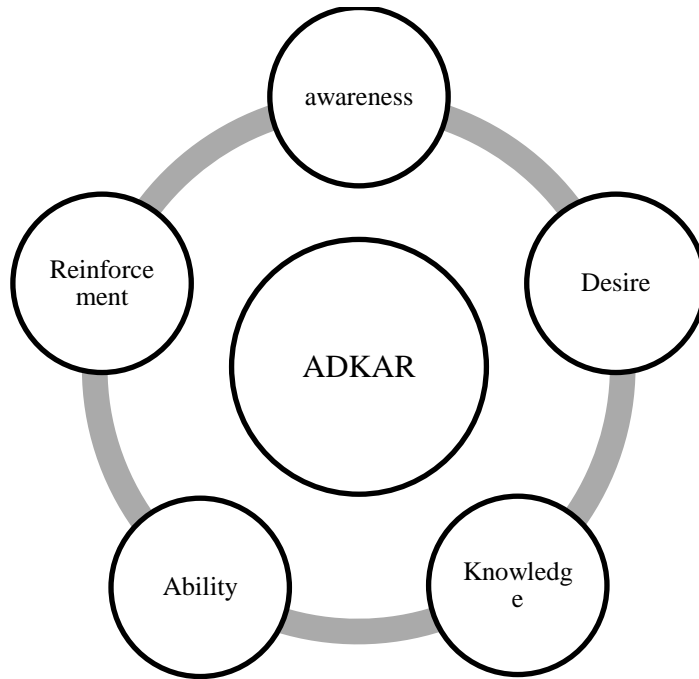
Figure 2**Figure2**Conceptual Framework for Change Management at Oromia Bank using the ADKAR Model (Source: Adapted from Prosci's ADKAR Model (Hiatt, 2006) and integrated with the researcher's conceptualization (2024))

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

The research design served as a blueprint for addressing the central research questions. The choice of research design was influenced by factors such as the study's objectives, available data sources, data collection costs, and time constraints (Saunders, Lewis, & Thornhill, 2009). This study followed a descriptive research approach, which aimed to comprehend phenomena or events in detail without altering the environment in which they occurred.

Descriptive research is valuable in understanding the complexities of a phenomenon or events, providing insights into their characteristics and dynamics. It involves systematically describing a situation, problem, phenomenon, service, or program, or providing information about, for example, the living conditions of a community or describing attitudes towards an issue. Descriptive research answers the "what" aspect of the research question, helping to detail the features of a situation without explaining why it occurs.

In this study, the descriptive research design was adopted to enable a comprehensive examination of change management practices and challenges within Oromia Bank. By utilizing the ADKAR model, the research offered a structured framework for evaluating Oromia Bank's change management initiatives from both individual and organizational perspectives.

To effectively gather the necessary data, this study employed a quantitative survey strategy. This approach was advantageous for collecting large amounts of quantitative data from a significant population in a cost-effective manner. Through surveys, the researcher gathered data on employees' and managers' experiences and perceptions regarding change management practices and challenges at Oromia Bank. This method facilitated a detailed understanding of the current state of change management within the organization, providing valuable insights for future improvements..

3.2 Source of Data

This study primarily relied on primary data collected through a structured survey approach. The survey was administered to employees and management personnel working at the head office of Oromia Bank S.C. in Addis Ababa. The questionnaire was meticulously designed to gather

relevant information and insights regarding the bank's change management practices, challenges faced during implementation, and the application of the ADKAR model.

The survey consisted solely of structured questions to ensure the collection of quantifiable data. The structured questions aimed to gather specific information and perceptions related to change management initiatives at the bank. Respondents were asked to indicate their level of agreement with various statements on a Likert scale, ranging from strongly disagree (1) to strongly agree (5).

The questionnaire design was meticulous, with each question tailored to extract specific information relevant to the study objectives. Questions covered a range of topics including perceptions of current change management practices, identification of challenges encountered during implementation, and the effectiveness of the ADKAR model in facilitating organizational change.

Using a Likert scale for responses provided a nuanced understanding of participants' attitudes and opinions. This scale allowed respondents to indicate their degree of agreement or disagreement with statements, offering a quantitative measure of their perceptions. The structured nature of the survey facilitated the collection of standardized data, enabling comparisons and analysis across different respondent groups and survey items.

3.3. Population and Sample
3.3.1. Target population

Understanding the target population is crucial in research because it defines the entire group of individuals that the study aims to generalize its findings to. This concept is essential in ensuring that the study's results are representative and applicable to the broader population. As Hu (2014) notes, the study population is a subset of the target population from which the sample is selected, and it is broader than the sample frame.The target population is important because it allows for generalizability of the study's findings to the broader population. It also defines the sampling frame, which is the list of individuals from which the sample is selected. This ensures that the sample is representative of the target population and that the study's findings are applicable to the broader population. (Hu, 2014)

The study encompassed all employees of the bank across various departments, including Human Resource Management, Credit, Risk and Compliance, Internal Audit and Control, Legal Service and Contract Administration, Strategy and Change Management, Credit Follow-up, Planning and Research, Public Relations and Marketing Promotions, International Banking, IT, and Logistics. The head office was selected as the focal point due to its central role in managing organizational changes and disseminating them across branches. To select the head office as the focal point for the study, a purposive sampling technique was employed. Purposive sampling, also known as judgmental or selective sampling, is a non-probability sampling method where the researcher selects participants based on their knowledge, relationships, and experience, ensuring that the sample meets specific criteria relevant to the research objectives. Given the bank's uniform activities and the implementation of changes across all branches, the head office was deemed representative of the entire organization. As per data obtained from the HR of Oromia Bank, the head office employs a total of 801 individuals.

3.3.2. Sample size and Sampling Technique

Determining the sample size is crucial in research because it ensures that the study is well-planned and well-executed, leading to reliable and generalizable findings. As Pourhoseingholi et al. (2013) note, the sample size is the number of patients or other investigated units that will be included in a study and required to answer the research hypothesis in the study. This is essential because a sample size that is too small may not be statistically significant, while a sample size that is too large may not be necessary and can be expensive.

The study was sampled by utilizing Yamane's (1967) sample size determination formula. The calculated sample size from a total of 801 bank employees, at a 95% confidence level and a 0.05 precision level, is obtained as follows:

$$n = N/ (1+N (e) 2.$$

The variables in this formula are:

n = the sample size

N = the population of the study (801 bank employees)

e = the margin error in the calculation ((0.05 precision level)

By substituting the values into the formula:

n = 801 ÷ [1 + (801 × (5%)^2)] ≈267, approximately

So, the calculated sample size is approximately 267 employees.

To ensure a representative sample, a probability sampling technique was utilized to select respondents from the total population of bank employees. This method assigns each unit in the sample a predetermined chance of inclusion, offering more reliable estimates compared to purposive sampling. Specifically, simple random sampling was employed, where each employee had an equal chance of being selected for the study. This approach guarantees unbiased and enhanced estimates of the target parameters (Masuku, 2013).

3.5 Data Collection Tools

The primary source of data for this research was a structured questionnaire distributed to a selected group of 267 employees at Oromia Bank S.C. The questionnaire consisted of closed-ended questions designed to assess various aspects of change management practices and challenges. The questionnaire utilized a Likert scale to measure the responses, allowing for quantitative analysis of the data. Distribution of the questionnaire was conducted via email and in-person methods to ensure a high response rate, and participants were given one week to complete the survey online. Additionally, secondary data collection methods were utilized to gather supplementary information from the bank's internal documents, such as policy manuals, training materials, and performance reports. This data provided context and supported the findings from the primary data source.

3.6 Method of Data Analysis

Descriptive data analysis was conducted to gain a better understanding of the respondents' characteristics and their perceptions of change management practices at Oromia Bank. The analysis included calculating frequencies, percentages, means, and standard deviations.

The demographic characteristics of the respondents were examined, including age, gender, educational background, and years of experience. This information provides insights into the

composition of the sample and allows for a better understanding of the perspectives presented in the study.

Furthermore, the survey data was analyzed to assess the current practices of change management at Oromia Bank. The responses were analyzed using descriptive statistics to determine the level of agreement or disagreement with various statements related to change management practices. This analysis provides a snapshot of the overall perceptions of employees regarding the effectiveness of change management practices at the bank. Correlation analysis was conducted to explore the relationships between different variables related to change management practices and challenges at Oromia Bank. This analysis helps identify any significant associations between variables and provides insights into the factors that may influence the success of change initiatives.

The analysis involved calculating correlation coefficients and conducting significance tests to determine the strength and significance of the relationships.

To facilitate data interpretation, tables and charts will be utilized, ensuring clarity and efficiency. Descriptive statistics, including frequencies, percentages, means, and standard deviations, will be applied to analyze all gathered data Ultimately, the analysis and interpretation of the data will inform conclusions and recommendations.

3.7 Reliability and Validity of Instruments
3.7.1 Reliability

To ensure the reliability of the research findings, the Likert scale questionnaires underwent pilot testing with a representative sample of 30 employees before distribution to the full study sample. This phase aimed to identify and rectify any ambiguities, inconsistencies, or potential sources of measurement error in the questionnaire items.

3.7.2 Validity

Validity was established through rigorous scrutiny by an advisor who evaluated the appropriateness and relevance of the questionnaire items in measuring key aspects of the study. Based on feedback, adjustments were made to refine wording, clarify concepts, and remove irrelevant items, ensuring the questionnaire accurately captured intended constructs.

The pilot test results contributed significantly to enhancing the validity of the instrument by providing insights into the clarity, comprehensiveness, and face validity of the questionnaire items. Iterative refinements guided by pilot test feedback ensured the questionnaire's robustness in measuring the intended constructs effectively.

Triangulation techniques were employed to strengthen validity by corroborating questionnaire data with information from interviews with selected employees and relevant documentation on change management practices at Oromia Bank. This approach enhanced credibility and ensured comprehensive coverage of the research topic.

Moreover, the study's validity was bolstered by the careful selection of participants directly involved in or affected by change management initiatives at Oromia Bank, ensuring that the research captured diverse perspectives representative of the target population.

3.8 Ethical considerations

This study was conducted with strict adherence to ethical principles in research, prioritizing the protection of participants' rights, dignity, and well-being. Institutional approval was obtained from St. Mary's University and Oromia Bank S.C. before commencing the study. Informed consent was secured from all participants, emphasizing voluntary participation and the right to withdraw at any time. Confidentiality and anonymity were rigorously maintained through data de-identification and secure storage practices. The research design minimized potential harm to participants and ensured fairness in sampling and recruitment. Transparency was maintained throughout the process, with honest communication about the study's purpose and methods. Cultural sensitivity and respect for Oromia Bank's organizational culture were prioritized. Potential conflicts of interest were disclosed and managed appropriately. The researcher committed to responsible dissemination of findings and ethical reporting of results. These ethical practices not only safeguarded participants' interests but also enhanced the credibility and validity of the research outcomes, upholding the highest standards of research integrity while respecting the specific context of the Ethiopian banking sector.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRIETATION

4.1 Background of the respondents

This section describes the demographic and socio-economic background of the respondents. These include sex, age, educational qualifications and work experience and. Understanding the demographic and socio-economic background of respondents help to relate such information with other variables, the summarization of information of the sample respondents is presented under this.. Out Of the 267 participants sample size 250 people has given their response and their response is analyzed and presented below.

Characteristics	Category	frequency	Percentage
Gender	Male	140	56.0%
	Female	110	44.0%
Age	36-45 years	88	35.2%
	26-35 years	80	32.0%
	Above 45 years	34	13.6%
	21-25 years	48	19.2%
Education Level	First degree	113	45.2%
	Master degree & above	87	34.8%
	Diploma	38	15.2%
	Certificate	12	4.8%
Work Experience	8-10 years	88	35.2%
	4-7 years	80	32.0%
	1-3 years	40	16.0%
	11 years and above	42	16.8%

This section describes the demographic and socio-economic background of the respondents, including gender, age, educational qualifications, and work experience. Understanding these characteristics helps to relate such information with other

variables. Out of the 267 participants in the sample size, 250 people provided responses, which are analyzed and presented in Table 4.1.

The data shows that the majority of respondents are male (56.0%), with females comprising 44.0% of the sample. The most represented age group is 36-45 years (35.2%), followed closely by the 26-35 years group (32.0%). In terms of education, most respondents hold a first degree (45.2%), with a significant portion also having a master's degree or higher (34.8%). Regarding work experience, the largest group has 8-10 years of experience (35.2%), followed by those with 4-7 years (32.0%).

This demographic profile provides a comprehensive overview of the respondents, which can be valuable in interpreting the results of the study in the context of change management at Oromia Bank S.C.

4.2. Analysis of collected data

As per the employed research methodology, demographic data and frequencies of respondents, each research question was analyzed through descriptive statistics. Correlation and Chi-square analysis was used to determine the relation of ADKAR. In the process of analysis, the data were fed to SPSS version 27.

4.2.1 Descriptive data Analysis

In this section, a brief descriptive data analysis is presented which were results from the questionnaire provided for the respondents. Accordingly, the respondents were guided and assisted in responding to the items in the questionnaire. The following Likert scale approach was listed for the questionnaire: Strongly Disagree (SDA) =1, Disagree (DA) =2, Neutral (N) =3, Agree (A) = 4 and Strongly Agree (SA) =5.

Awareness for change

The respondents' responses along with their evaluation and interpretations on questions that are based on the awareness of change are presented below.

Table 4.1 Descriptive table for awareness for change

Statistics						
		Creating an attractive work environment helps employees at Oromia Bank S.C. to be engaged in the change process.	Change programs at Oromia Bank S.C. are consistently evaluated to ensure continuity and effectiveness.	Initiatives contributing to change achievement are actively encouraged and supported by the management at Oromia Bank S.C	Oromia Bank S.C. provides the necessary initiatives and support to encourage employees, including female employees, to successfully support change activities.	Oromia Bank S.C. consistently acknowledges and praises achievements that support and reinforce the desired changes to maintain change continuity	Reinforcement
N	Valid	250	250	250	250	250	250
	Missing	0	0	0	0	0	0
Mean		3.04	3.06	3.00	3.04	3.04	3.0376
Median		3.00	3.00	3.00	3.00	3.00	3.0000
Mode		3	3	3	3	3	3.20
Std. Deviation		.842	.812	.862	.818	.842	.48032
Variance		.709	.659	.743	.669	.709	.231

The findings suggest that employees at Oromia Bank S.C. have a moderate understanding and awareness of recent organizational changes. The consistent mean scores around 3.04 imply that employees generally feel informed about the goals and reasons for these changes and believe the change process is aligned with the organization's future vision. However, the slightly lower scores for communication channels and continuous feedback indicate potential areas for improvement. Ensuring that communication about changes is clear and consistent and that feedback mechanisms are robust could enhance overall awareness and support for the changes. The low variance in overall awareness suggests that these perceptions are fairly consistent across the employee base, pointing to a uniformly moderate level of awareness rather than extreme differences among different employees or departments.

Mean = 3.02
Std. Dev. = .466
N = 250

Figure 4.3 Plot for awareness

Desire to change

The respondents' responses along with their evaluation and interpretations on questions that are based on the desire to change are presented below:

Table 4.2 Descriptive table for desire to change

		There is resistance to change among employees at Oromia Bank S.C.	The change management process is met with significant obstacles.	I am facing difficulties in adapting to the new processes and procedures	Communication barriers exist that hinder the change process.	Lack of sufficient resources (financial, technological, etc.) impedes the implementation of change initiatives.	Challe nge
N	Valid	250	250	250	250	250	250
	Missing	0	0	0	0	0	0
Mean		2.91	3.04	3.06	3.08	2.99	3.0160
Median		3.00	3.00	3.00	3.00	3.00	3.0000
Mode		3	3	3	3	3	3.20
Std. Deviation		.885	.856	.831	.842	.912	.38368
Variance		.783	.733	.691	.708	.831	.147

The findings suggest that employees at Oromia Bank S.C. have a neutral to slightly positive attitude towards actively participating in organizational changes. The mean scores around 3.00 indicate that employees are moderately enthusiastic and motivated to engage in change initiatives. They believe that embracing change will lead to personal and professional growth opportunities and are optimistic about the positive outcomes of the proposed changes. However, the enthusiasm and optimism scores are slightly lower, indicating areas where the organization might need to foster more engagement and positivity towards changes.

The consistency in the mean scores and the relatively low standard deviations indicate that these attitudes are fairly uniform across the employee base, with a general consensus towards a slightly positive outlook on change. This suggests that while there is a base level of acceptance and willingness to engage with organizational changes, there is also room for improvement in boosting enthusiasm and commitment to ensure successful implementation of these changes.
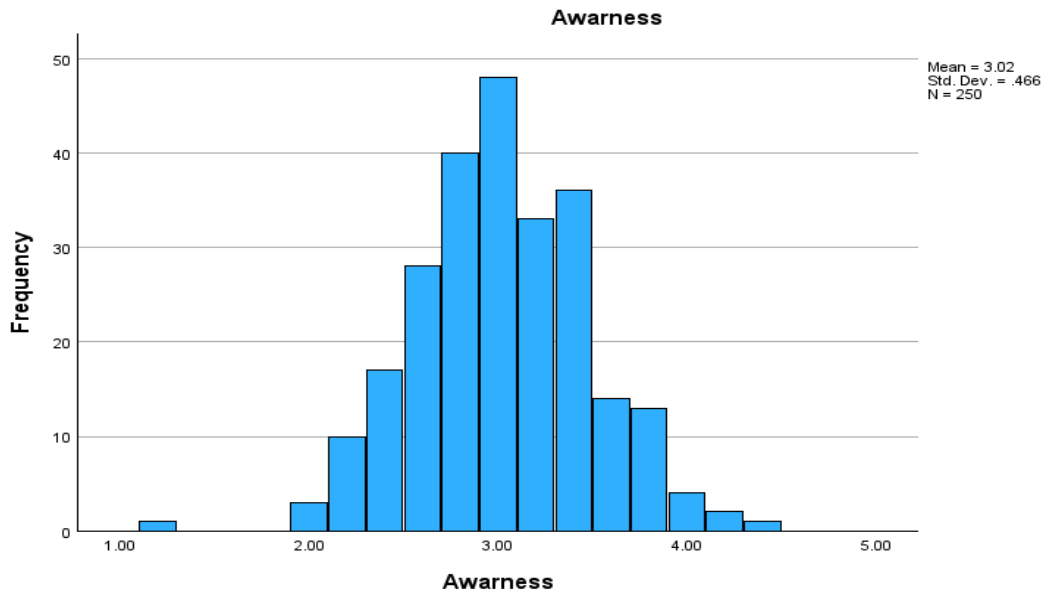

Figure 4.4 Plot for desire

Knowledge stage

The respondents' responses along with their evaluation and interpretations on questions that are

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based on the Knowledge stage are presented below

Table 4.3 Descriptive table for knowledge stage

		New resources have been made available to develop the necessary capabilities in employees for managing change effectively.	Employees demonstrate increased capability in implementing change, leveraging their skills and knowledge within the organizational change process.	The inability to adapt to change presents a significant barrier within the change process of our organization.	It is essential for management to base the change process decisions on the existing abilities of employees rather than solely focusing on developing new skills based on the change to be implemented.	Knowledge about the change process assists employees in identifying the specific capabilities required to actively participate in the organizational change process.	I have the ability to perform at the level required by the changes at Oromia Bank S.C.	ability
N	Valid	250	250	250	250	250	250	250
	Missing	0	0	0	0	0	0	0
Mean		3.00	3.04	3.00	3.03	3.04	3.04	3.0260
Median		3.00	3.00	3.00	3.00	3.00	3.00	3.0000

Mode	3	3	3	3	3	3	3.00
Std. Deviation	.862	.842	.901	.852	.818	.842	.407 83
Variance	.743	.709	.811	.726	.669	.709	.166

The findings suggest that employees at Oromia Bank S.C. have a generally neutral to slightly positive perception of their ability to manage and adapt to organizational changes. The mean scores indicate that employees feel somewhat capable of implementing changes and leveraging their skills and knowledge in the change process. The slight positivity in the mean scores also suggests that employees recognize the importance of management basing change process decisions on existing abilities rather than solely focusing on new skill development.

However, the standard deviations and variances indicate that there is some variability in individual perceptions. This means that while many employees feel neutral to positive about their ability to manage change, there are differing views within the workforce. The central tendency measures (mean, median, mode) all being at or around 3 suggest that most employees fall in the middle of the sentiment scale, with fewer employees feeling strongly positive or negative.

Overall, these statistics highlight a generally stable but slightly positive outlook among employees regarding their capability to handle organizational changes. Management could focus on addressing the variability by providing more targeted support and resources to those who may feel less confident in their abilities, thereby ensuring a more uniformly positive perception across the organization.
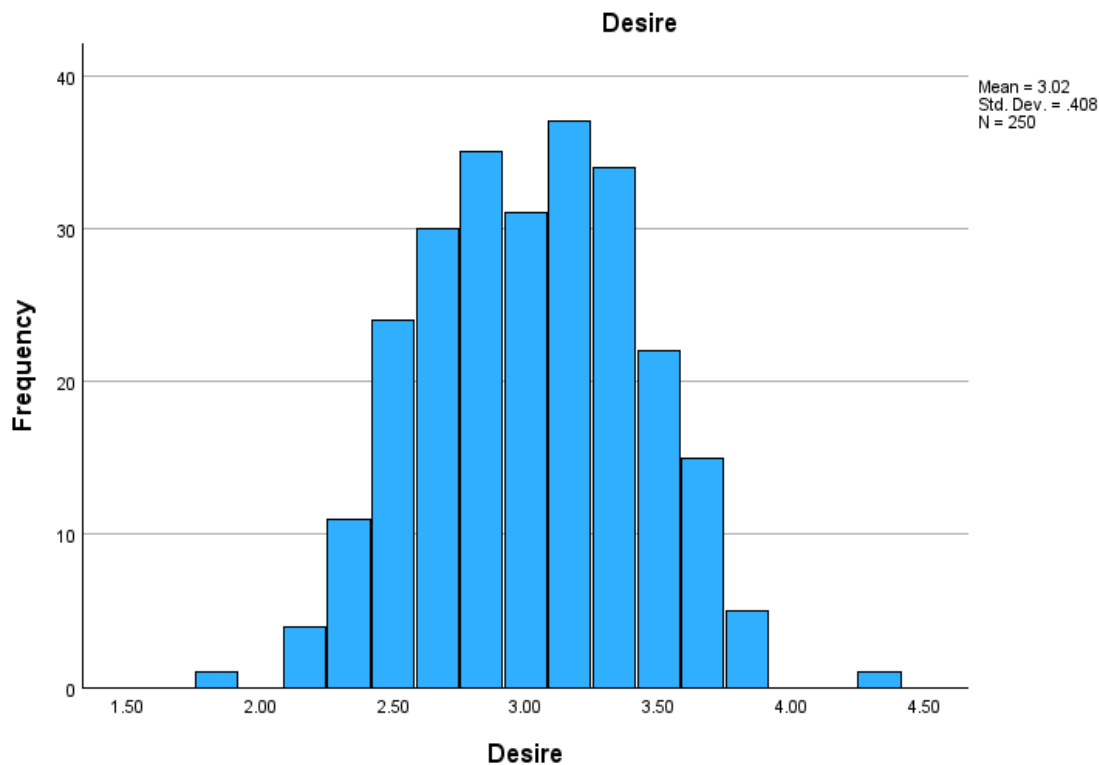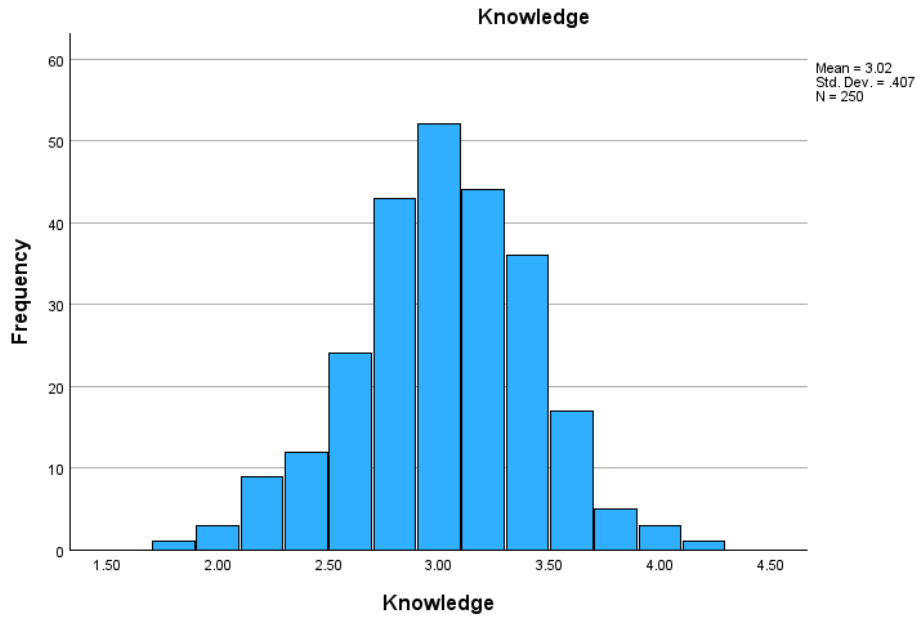
Figure 4.5 Plot for knowledge

Ability stage

The respondents' responses along with their evaluation and interpretations on questions that are based on the ability stage are presented below.

Table 4.4 Descriptive table for ability stage

				Statistics				
		New resources have been made available to develop the necessary capabilities in employees for	Employees demonstrate increased capability in implementing change, leveraging their skills and knowledge within the organizational change process.	The inability to adapt to change presents a significant barrier within the change process of our organization.	It is essential for management to base the change process decisions on the existing abilities of employees rather than solely focusing	Knowledge about the change process assists employees in identifying the specific capabilities required to actively participate in the organizatio	I have the ability to perform at the level required by the changes at Oromia	ability

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		managing change effectively.			on developing new skills based on the change to be implemented.	nal change process.	Bank S.C.	
N	Valid	250	250	250	250	250	250	250
	Missing	0	0	0	0	0	0	0
Mean		3.00	3.04	3.00	3.03	3.04	3.04	3.0260
Median		3.00	3.00	3.00	3.00	3.00	3.00	3.0000
Mode		3	3	3	3	3	3	3.00
Std. Deviation		.862	.842	.901	.852	.818	.842	.40783
Variance		.743	.709	.811	.726	.669	.709	.166

The analysis indicates that employees at Oromia Bank S.C. have a generally neutral perception of their ability to manage and adapt to organizational changes. The central tendency measures (mean, median, mode) consistently reflect neutrality, suggesting that most employees do not feel strongly positive or negative about their capabilities. However, the moderate variability in responses indicates some differences in individual perceptions.

While the overall sentiment is neutral, management should consider addressing the variability in employee perceptions by providing more targeted support and resources. Enhancing communication, offering additional training, and reinforcing the availability of new resources could help boost the confidence of those who feel less equipped to handle changes. This approach can help ensure a more uniformly positive perception across the organization, ultimately facilitating a smoother change management process.
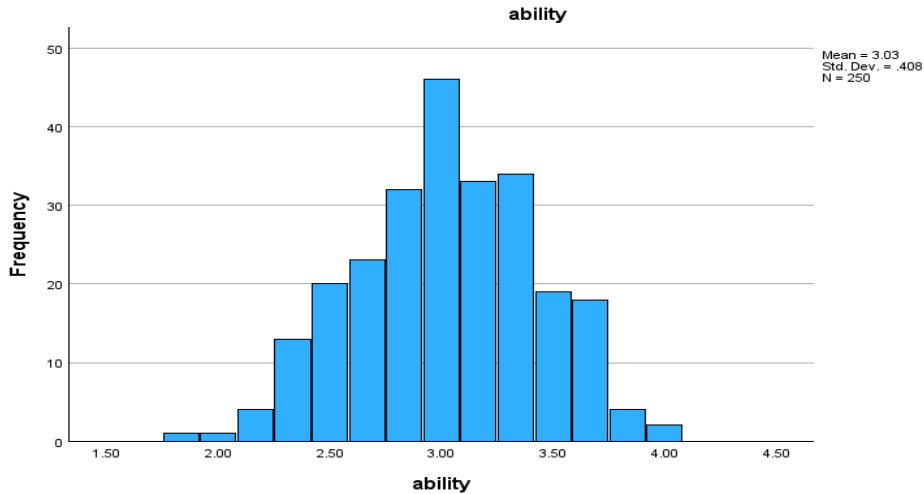
Figure 4.6 Plot for ability

Reinforcement to sustain change

The respondents respond is presented in the below table

Table 4.5 Descriptive table for reinforcement to sustain change

	Creating an attractive work environment helps employees at Oromia Bank S.C. to be engaged in the change process.	Change programs at Oromia Bank S.C. are consistently evaluated to ensure continuity and effectiveness.	Initiatives contributing to change achievement are actively encouraged and supported by the management at Oromia Bank S.C	Oromia Bank S.C. provides the necessary initiatives and support to encourage employees, including female employees, to successfully support change activities.	Oromia Bank S.C. consistently acknowledges and praises achievements that support and reinforce the desired changes to maintain change continuity	Reinforcement
Statistics						

N	Valid	250	250	250	250	250	250
	Missing	0	0	0	0	0	0
Mean		3.04	3.06	3.00	3.04	3.04	3.0376
Median		3.00	3.00	3.00	3.00	3.00	3.0000
Mode		3	3	3	3	3	3.20
Std. Deviation		.842	.812	.862	.818	.842	.48032
Variance		.709	.659	.743	.669	.709	.231

The analysis suggests that employees at Oromia Bank S.C. have a generally neutral to slightly positive perception of the reinforcement practices related to organizational change. The consistency in central tendency measures (mean, median, mode) reflects that most employees do not have strong positive or negative feelings about these practices. However, the moderate variability indicates that there are some differences in individual perceptions.

Management can take steps to strengthen these reinforcement practices by ensuring that change programs are regularly evaluated, creating an attractive work environment, and actively supporting and acknowledging initiatives that contribute to change. By addressing the variability in perceptions and reinforcing positive behaviors and achievements, the organization can foster more uniformly positive attitude towards change among employees. This can help maintain the momentum of change initiatives and ensure their long-term success.
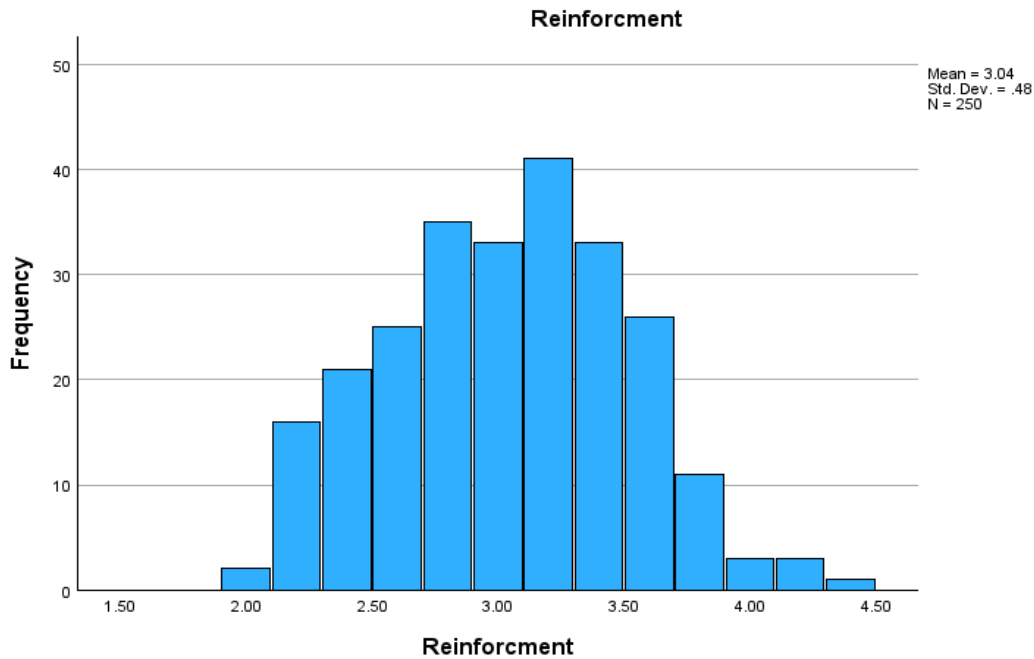
Figure 4.7Plot for reinforcement

Challenges

The respondent's response is presented below.

Table 4.6**Challenges**

		There is resistance to change among employees at Oromia Bank S.C.	The change management process is met with significant obstacles.	I am facing difficulties in adapting to the new processes and procedures	Communication barriers exist that hinder the change process.	Lack of sufficient resources (financial, technological, etc.) impedes the implementation of change initiatives.	Challenge
		Statistics					
N	Valid	250	250	250	250	250	250
	Missing	0	0	0	0	0	0

Mean	2.91	3.04	3.06	3.08	2.99	3.0160
Median	3.00	3.00	3.00	3.00	3.00	3.0000
Mode	3	3	3	3	3	3.20
Std. Deviation	.885	.856	.831	.842	.912	.38368
Variance	.783	.733	.691	.708	.831	.147

The analysis suggests that employees at Oromia Bank S.C. perceive the challenges associated with the change management process as moderate. The consistency in central tendency measures (mean, median, mode) reflects that most employees do not have strong positive or negative feelings about these challenges, with a general trend towards neutrality. However, there are some differences in individual perceptions as indicated by the moderate variability.

The specific challenges identified include resistance to change, significant obstacles in the change management process, difficulties in adapting to new processes, communication barriers, and insufficient resources. These areas represent critical points of attention for management to address in order to facilitate smoother transitions during organizational changes.

By acknowledging and addressing these challenges, such as improving communication, providing adequate resources, and supporting employees through the adaptation process, Oromia Bank S.C. can enhance its change management efforts. This approach will help in reducing resistance, overcoming obstacles, and ensuring successful implementation of change initiatives.
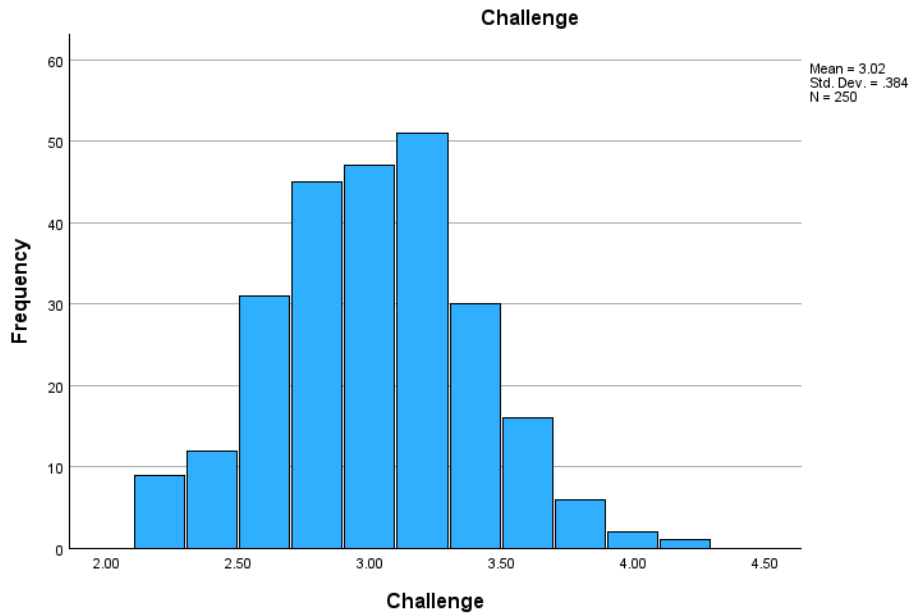
Figure 4.8 Plot for challenge

Table 4.11 Perception and Reaction about change in management initiative

		I feel adequately informed about upcoming changes within Oromia Bank S.C.	I am open to embracing new ideas and methods introduced through change initiatives.	I actively seek opportunities to contribute to the success of change initiatives.	I am resistant to changes that disrupt my established routines or ways of working.	I feel anxious or stressed when faced with significant changes in my work environment.	I actively seek support from colleagues or supervisors when adapting to change initiatives.	Perception
N	Valid	250	250	250	250	250	250	250
	Missing	0	0	0	0	0	0	0

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Mean	3.02	3.02	2.98	2.87	2.81	3.02	2.9520
Median	3.00	3.00	3.00	3.00	3.00	3.00	2.8333
Mode	4	3	4	2	2	3	2.67
Std. Deviation	1.251	1.132	1.245	1.137	1.210	1.174	.49667
Variance	1.566	1.281	1.550	1.293	1.465	1.377	.247

The analysis suggests that employees at Oromia Bank S.C. have a generally neutral to slightly positive perception of change initiatives. They feel adequately informed and open to embracing new ideas, with mean scores of 3.02 for both statements. However, there is some variability in their responses, as indicated by the standard deviations and variances. While employees are somewhat positive about seeking opportunities to contribute and seeking support, they also show signs of resistance and anxiety, with mean scores of 2.87 and 2.81, respectively.

The overall perception score of 2.9520 indicates a neutral but slightly positive stance towards change. The varied modes suggest that while some employees are highly positive about certain aspects, others are more resistant or anxious, highlighting the importance of addressing these concerns to facilitate smoother change management.

To improve the change process, management should focus on maintaining clear communication, providing continuous support, and addressing employees' anxiety and resistance by involving them in the change process and offering necessary resources and training. This approach can help in aligning the diverse perceptions towards a more unified and positive outlook on change initiatives.
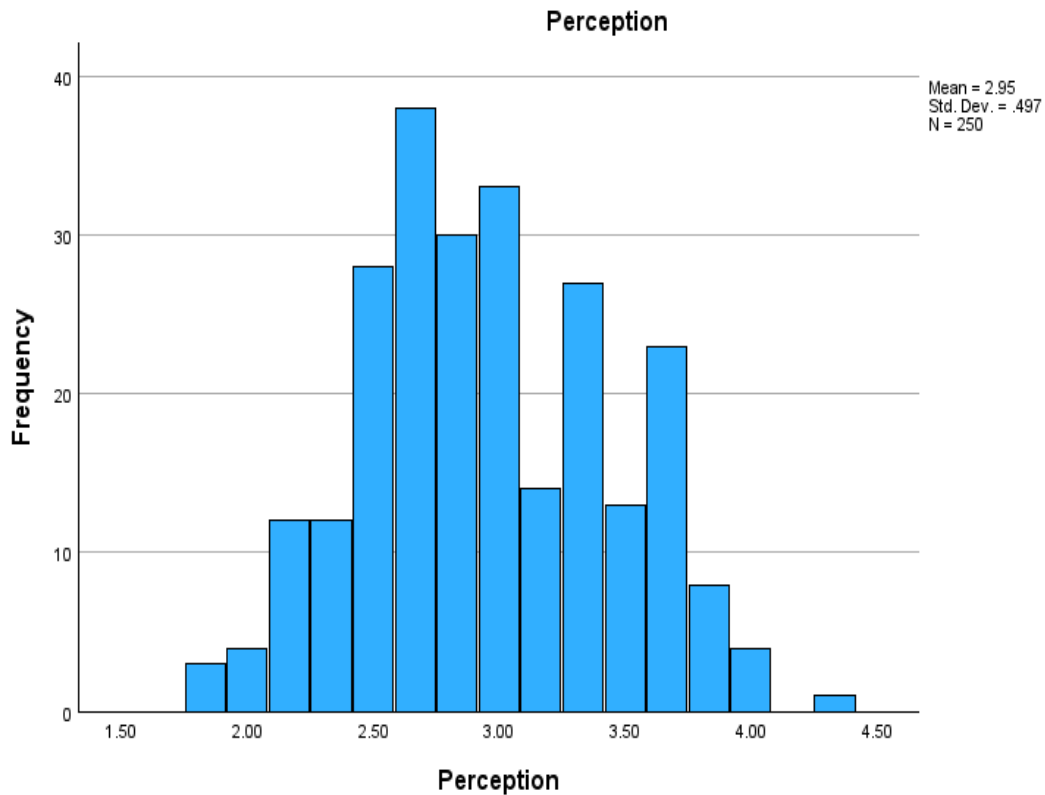
Figure 4.9Plot for Perception

4.3 Co-relation analysis

In this part of the analysis bivariate Pearson correlation coefficient has been used to examine the relationship between the dependent and independent variable. According to (Robert, 2008), Pearson correlation coefficients ranges between -1 and +.1, when 0 indicates no relationship between, -1.00 indicates a perfect negative relationship and +1.00 indicates a perfect positive relationship. For intermediary values the study uses Pallant (2010) guideline to determine the strength of the correlation, less than 0.1 indicate weak correlation, small correlation for value 0.1 to 0.29; medium/moderate for 0.3 to 0.49; and large for 0.50 to 1.00.

	Awareness	Desire	Knowledge	Ability	Reinforcement	Challenge	Perception
Awareness	1						
Desire	.541**	1					
Knowledge	.346**	.253**	1				
Ability	.694**	.517**	.520**	1			
Reinforcement	.751**	.545**	.527**	.816**	1		
Challenge	.051	.330**	.407**	.064	.019	1	
Perception	-.006	.064	.011	-.010	-.010	.035	1

**. Correlation is significant at the 0.01 level (2-tailed).

The correlations are significant at the 0.01 level (2-tailed) for all pairs except for the correlation between Awareness and Perception, which is not significant.

The correlations suggest that:

The correlations suggest that:

The correlation analysis presented in Table 4.11 reveals several significant relationships among the variables studied. Awareness shows strong positive correlations with Ability (r = 0.694, p < 0.001) and Reinforcement (r = 0.751, p < 0.001), indicating that higher levels of awareness are associated with greater ability and reinforcement. There is also a moderate positive correlation between Awareness and Desire (r = 0.541, p < 0.001), as well as with Knowledge (r = 0.346, p < 0.001). However, Awareness has a weak correlation with Challenge (r = 0.051, p = 0.421) and no significant correlation with Perception (r = -0.006, p = 0.919).

Desire exhibits strong positive correlations with Awareness (r = 0.541, p < 0.001), Ability (r = 0.517, p < 0.001), and Reinforcement (r = 0.545, p < 0.001), and a moderate positive correlation

with Knowledge (r = 0.253, p < 0.001) and Challenge (r = 0.330, p < 0.001). The correlation between Desire and Perception is weak (r = 0.064, p = 0.317).

Knowledge is strongly positively correlated with Ability (r = 0.520, p < 0.001) and Reinforcement (r = 0.527, p < 0.001), while also showing moderate positive correlations with Desire (r = 0.253, p < 0.001) and Challenge (r = 0.407, p < 0.001). Its correlation with Perception is weak (r = 0.011, p = 0.868).

Ability demonstrates strong positive correlations with Awareness (r = 0.694, p < 0.001), Desire (r = 0.517, p < 0.001), Knowledge (r = 0.520, p < 0.001), and Reinforcement (r = 0.816, p < 0.001). The correlations between Ability and both Challenge (r = 0.064, p = 0.313) and Perception (r = -0.010, p = 0.878) are weak or non-significant.

Reinforcement is strongly positively correlated with Awareness (r = 0.751, p < 0.001), Desire (r = 0.545, p < 0.001), Knowledge (r = 0.527, p < 0.001), and Ability (r = 0.816, p < 0.001), indicating a high degree of association among these variables. However, the correlation between Reinforcement and Challenge is weak (r = 0.019, p = 0.760), and it has no significant correlation with Perception (r = -0.010, p = 0.871).

Challenge shows moderate positive correlations with Desire (r = 0.330, p < 0.001) and Knowledge (r = 0.407, p < 0.001). It has weak correlations with Awareness (r = 0.051, p = 0.421), Ability (r = 0.064, p = 0.313), Reinforcement (r = 0.019, p = 0.760), and Perception (r = 0.035, p = 0.582).

Perception has weak or no significant correlations with the other variables, including Awareness (r = -0.006, p = 0.919), Desire (r = 0.064, p = 0.317), Knowledge (r = 0.011, p = 0.868), Ability (r = -0.010, p = 0.878), Reinforcement (r = -0.010, p = 0.871), and Challenge (r = 0.035, p = 0.582), suggesting it is not strongly related to these variables in this dataset.

Result Discussion

The findings of this research study provide a comprehensive understanding of the change management practices and challenges at Oromia Bank S.C. The data collected through the survey and interviews with Oromia Bank employees revealed several key insights, which are discussed in detail below.

Change Management Practices at Oromia Bank

The study identified various change management practices adopted by Oromia Bank to support its transformation initiatives. These include:

Communication Campaigns: The bank has implemented communication strategies to inform employees about upcoming changes, such as regular town hall meetings, email updates, and informational posters. However, the effectiveness of these communication efforts was found to be mixed, with some employees expressing a lack of clarity and understanding about the rationale and expected outcomes of the changes.

Training and Development: Oromia Bank has organized training programs to equip employees with the necessary knowledge and skills to adapt to new processes and systems. These training initiatives cover topics such as new software implementation, process redesign, and service delivery changes. While the training programs were generally well-received, some employees indicated that the training was insufficient or did not adequately address their specific needs.

Employee Engagement: The bank has made efforts to involve employees in the change process, such as soliciting feedback through surveys and establishing change management committees. This approach aims to foster a sense of ownership and reduce resistance to change among the workforce. However, the level of employee engagement varied across different departments and units.

Challenges in Change Management

The study also identified several key challenges faced by Oromia Bank in effectively managing change, including:

Resistance to Change: A significant finding was the presence of resistance to change among a segment of Oromia Bank's employees. This resistance stemmed from various factors, such as fear of job loss, discomfort with new ways of working, and a lack of understanding about the rationale behind the changes.

Inadequate Communication: The research revealed that while the bank had implemented communication strategies, the effectiveness of these efforts was limited. Employees expressed a need for more transparent, frequent, and tailored communication about the change initiatives and their potential impact.

Insufficient Training and Development: Some employees highlighted the need for more comprehensive and targeted training programs to enhance their knowledge and skills in adapting to the new systems, processes, and job requirements. The lack of adequate training was seen as a barrier to successful change implementation.

Misalignment with Strategic Objectives: Certain change initiatives were perceived by employees as not being well-aligned with the bank's overall strategic objectives and long-term vision. This disconnect contributed to a lack of clarity and buy-in among the workforce.

Perception and Response of Employees

The study's findings shed light on how employees at Oromia Bank perceive and respond to the change initiatives implemented by the organization. The ADKAR model, which served as the conceptual framework, provided a structured approach to evaluating the different dimensions of individual change.

Awareness: While the bank's communication efforts aimed to raise awareness about the need for change, the research revealed that a significant portion of employees lacked a clear understanding of the rationale and desired outcomes of the change initiatives.

Desire: The level of desire and motivation among employees to embrace the changes varied. Some employees expressed a willingness to adapt, while others exhibited a reluctance to move away from the established norms and practices.

Knowledge: The training programs implemented by the bank were generally seen as helpful in equipping employees with the necessary knowledge to navigate the changes. However, gaps were identified in terms of the depth and breadth of the training content.

Ability: Employees acknowledged the need to develop new skills and capabilities to effectively perform their roles within the changed environment. The research highlighted the importance of continuous learning and development to enhance the workforce's ability to adapt to the transformations.

Reinforcement: Employees expressed a need for stronger reinforcement mechanisms, such as consistent feedback, recognition, and ongoing support, to sustain the changes and prevent a reversion to old practices.

The findings suggest that Oromia Bank's change management efforts have had a mixed impact on its employees, with some demonstrating a greater willingness to embrace change, while others exhibit resistance and a lack of understanding. This underscores the importance of tailoring change management strategies to address the unique needs and concerns of different employee segments.

Factors Contributing to Change Management Challenges

The study also explored the key factors contributing to the challenges faced by Oromia Bank in effectively managing change. These factors include:

Organizational Culture: The research revealed that the existing organizational culture at Oromia Bank, which was characterized by a degree of risk aversion and adherence to traditional practices, posed a barrier to the successful implementation of change initiatives.

Leadership Commitment: The level of commitment and support from the bank's leadership was identified as a critical factor in driving and sustaining change. Inconsistent or unclear messaging from the top management could undermine the change management efforts.

Stakeholder Engagement: The degree of involvement and buy-in from key stakeholders, such as customers, regulators, and external partners, was found to influence the success of change initiatives at Oromia Bank.

Change Management Capabilities: The study highlighted the need for Oromia Bank to further develop its internal change management capabilities, including the availability of dedicated resources, structured processes, and the application of change management frameworks and methodologies.

These factors, when not adequately addressed, can contribute to the challenges faced by Oromia Bank in implementing and sustaining effective change management practices.

In conclusion, the findings of this research study provide valuable insights into the change management practices, challenges, and employee perceptions at Oromia Bank S.C. By leveraging the ADKAR model as a guiding framework, the study has shed light on the multifaceted nature of change management within the Ethiopian banking sector. The insights gained can inform the development of more robust and employee-centric change management

strategies at Oromia Bank, ultimately enhancing the organization's ability to navigate the dynamic business environment and drive sustainable transformation.

CHAPTER FIVE

CONCLUSION AND RECCOMENDATION

5.1 Summary of findings

The research study on the practices and challenges of change management at Oromia Bank S.C. yielded the following key findings:

Change Management Practices at Oromia Bank

Communication Campaigns: Oromia Bank has implemented various communication strategies, such as town hall meetings, email updates, and informational posters, to inform employees about upcoming changes. However, the effectiveness of these communication efforts was found to be mixed, with some employees expressing a lack of clarity and understanding about the rationale and expected outcomes of the changes.

Training and Development: Oromia Bank has organized training programs to equip employees with the necessary knowledge and skills to adapt to new processes and systems. While the training programs were generally well-received, some employees indicated that the training was insufficient or did not adequately address their specific needs.

Employee Engagement: The bank has made efforts to involve employees in the change process, such as soliciting feedback through surveys and establishing change management committees. This approach aims to foster a sense of ownership and reduce resistance to change among the workforce. However, the level of employee engagement varied across different departments and units.

Challenges in Change Management

Resistance to Change: The study identified a significant presence of resistance to change among a segment of Oromia Bank's employees. This resistance stemmed from various factors, such as fear of job loss, discomfort with new ways of working, and a lack of understanding about the rationale behind the changes.

Inadequate Communication: The research revealed that while the bank had implemented communication strategies, the effectiveness of these efforts was limited. Employees expressed a

need for more transparent, frequent, and tailored communication about the change initiatives and their potential impact.

Insufficient Training and Development: Some employees highlighted the need for more comprehensive and targeted training programs to enhance their knowledge and skills in adapting to the new systems, processes, and job requirements. The lack of adequate training was seen as a barrier to successful change implementation.

Misalignment with Strategic Objectives: Certain change initiatives were perceived by employees as not being well-aligned with the bank's overall strategic objectives and long-term vision. This disconnect contributed to a lack of clarity and buy-in among the workforce.

Perception and Response of Employees

The study's findings, based on the ADKAR model, revealed the following insights regarding how employees at Oromia Bank perceive and respond to the change initiatives:

Awareness: A significant portion of employees lacked a clear understanding of the rationale and desired outcomes of the change initiatives.

Desire: The level of desire and motivation among employees to embrace the changes varied, with some exhibiting a willingness to adapt and others demonstrating a reluctance to move away from established norms and practices.

Knowledge: The training programs implemented by the bank were generally seen as helpful in equipping employees with the necessary knowledge to navigate the changes, but gaps were identified in terms of the depth and breadth of the training content.

Ability: Employees acknowledged the need to develop new skills and capabilities to effectively perform their roles within the changed environment, highlighting the importance of continuous learning and development.

Reinforcement: Employees expressed a need for stronger reinforcement mechanisms, such as consistent feedback, recognition, and ongoing support, to sustain the changes and prevent a reversion to old practices.

These findings suggest that Oromia Bank's change management efforts have had a mixed impact on its employees, underscoring the need for tailored strategies to address the unique needs and concerns of different employee segment.

5.2 Conclusions

This research study has provided valuable insights into the change management practices and challenges faced by Oromia Bank S.C., a leading financial institution in Ethiopia. By adopting the ADKAR model as the conceptual framework, the study has offered a nuanced understanding of how employees at Oromia Bank perceive and respond to the bank's change initiatives.

The findings revealed that Oromia Bank has implemented various change management practices, including communication campaigns, training programs, and employee engagement efforts. However, the study also identified several key challenges the bank faces in effectively managing change. These include resistance to change among employees, inadequate communication about the change process, insufficient training, and a lack of alignment between change initiatives and the bank's overall strategic objectives.

The analysis of the ADKAR model dimensions uncovered critical areas that require further attention from the bank's management. Gaps were identified in creating sufficient awareness, fostering the desire for change, equipping employees with the necessary knowledge and abilities, and providing adequate reinforcement to sustain change efforts.

The recommendations derived from this study emphasize the need for Oromia Bank to adopt a more structured and employee-centric approach to change management. This includes strengthening communication strategies, enhancing training and development programs, and fostering a culture that embraces continuous improvement and adaptation to change.

By implementing these recommendations, Oromia Bank can enhance its change management capabilities, enabling the organization to navigate the dynamic banking landscape more effectively and achieve sustainable transformation. The insights gained from this research can also serve as a valuable reference for other organizations in the Ethiopian banking sector facing similar change management challenges.

Overall, this study underscores the criticality of effective change management in ensuring the long-term success and competitiveness of financial institutions like Oromia Bank. By prioritizing

the human dimension of change and adopting a structured, goal-oriented approach, organizations can increase their chances of successfully implementing change initiatives and driving positive organizational outcomes.

5.3 Recommendations

Based on the findings of the research study on the practices and challenges of change management at Oromia Bank S.C., the following recommendations are proposed:

Enhance Communication Strategies:

Develop a comprehensive communication plan that ensures clear, transparent, and frequent communication about change initiatives.

Tailor communication messages to address the specific concerns and needs of different employee segments.

Utilize a variety of communication channels, including town hall meetings, email updates, and visual aids, to reach all employees.

Encourage two-way communication, actively soliciting feedback and addressing employee queries and concerns.

Strengthen Training and Development:

Conduct a training needs assessment to identify the specific knowledge and skill gaps among employees.

Design and deliver targeted training programs that address the identified needs, ensuring the content is relevant and practical.

Provide ongoing training and development opportunities to help employees continuously enhance their change management capabilities.

Incorporate change management principles and strategies into the bank's overall training and development curriculum.

Foster Effective Employee Engagement:

Establish dedicated change management committees or task forces that include representatives from various departments and levels.

Actively involve employees in the change planning and implementation process, soliciting their input and feedback.

Recognize and reward employees who demonstrate a positive attitude and actively contribute to the change initiatives.

Implement a structured system for collecting and addressing employee concerns and suggestions during the change process.

Align Change Initiatives with Strategic Objectives:

Ensure that all change initiatives are clearly aligned with the bank's overall strategic vision and goals.

Communicate the strategic rationale for change initiatives to help employees understand the broader context and importance of the changes.

Regularly review and adjust change initiatives to ensure they remain relevant and supportive of the bank's long-term strategic priorities.

Develop Organizational Change Management Capabilities:

Establish a dedicated change management function or team within the organization to oversee and coordinate all change initiatives.

Provide training and resources to build change management capabilities among key leaders and change agents.

Adopt a structured change management framework, such as the ADKAR model, to guide the bank's approach to change.

Continuously monitor and evaluate the effectiveness of the bank's change management efforts, making adjustments as needed.

Foster a Culture of Adaptability and Resilience:

Promote a culture that celebrates learning, innovation, and the ability to navigate change effectively.

Encourage employees to embrace a growth mindset and actively seek out opportunities for personal and professional development.

Recognize and reward employees who demonstrate a positive attitude and actively contribute to the bank's change efforts.

Invest in organizational development initiatives that enhance the bank's overall agility and resilience.

By implementing these recommendations, Oromia Bank can enhance its change management capabilities, improve employee engagement and commitment, and drive more successful and

sustainable organizational transformations. These strategies can help the bank navigate the dynamic banking landscape and maintain its competitive edge in the market.

5.4 Research limitation

In the research study on the practices and challenges of change management at Oromia Bank S.C., the following research limitations can be identified:

Scope Limitations:

The study was confined to Oromia Bank S.C., a single organization within the Ethiopian banking sector. The findings may not be fully generalizable to other banks or organizations in different industries. The research focused on the change management practices and challenges at the organizational level, without delving into the nuances of individual departments or branches within the bank.

Data Collection Limitations:

The study relied primarily on survey data and interviews with Oromia Bank employees. While this provided valuable insights, the inclusion of other data sources, such as observations, archival records, or external stakeholder perspectives, could have further enriched the analysis. The research was conducted during a specific time period, and the findings may not capture the dynamic and evolving nature of change management practices within the organization.

Methodological Limitations:

The study adopted a cross-sectional research design, which provides a snapshot of the change management practices and challenges at a particular point in time. A longitudinal approach could have enabled the researchers to explore the change management process and its impact over an extended period. The sample size and sampling techniques used in the study may have limited the representativeness of the findings, particularly in terms of capturing the diverse perspectives of all employee segments within Oromia Bank.

Conceptual Limitations:

The research primarily utilized the ADKAR model as the conceptual framework to assess the individual-level change readiness and response. While this provided a structured approach, other change management frameworks or models could have offered additional insights into the organizational and contextual factors influencing change management at Oromia Bank.

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Appendix 1
Survey Questionnaire

St. Mary's University

Dear respondents,

This questionnaire is designed by a student from St. Mary's University for research purposes under the title "Practice and Challenges of Change Management at Oromia Bank," as part of the requirements for a Master of Business Administration degree.

The main objective of this research is to evaluate the current practices and challenges of change management within the company, based on the ADKAR model framework. Please note that all information provided will be treated with the utmost confidentiality and used strictly for academic purposes.

Your cooperation in responding to this questionnaire is greatly appreciated.

General Instructions:

- To maintain confidentiality, please refrain from writing your name or signing anywhere on the questionnaire.

- Please complete each part of the survey carefully, honestly, and with due attention.

- Place a tick mark in the space provided for your response.

- You may select more than one choice if applicable.

- Feel free to skip any questions that are not applicable to you.

Thank you very much for your valuable time.

Sincerely yours,

Please put a tick mark on your answers in the boxes provided

Section I. BACK GROUND INFORMATION OF THE RESPONDENT

1. Gender   A. Male ☐   B. Female ☐

2. Age   A. 21-25 ☐   B. 26-35 ☐

         C. 36-45 5 ☐   D . Above 45 Years ☐

3. Level of Education

         A. Certificate ☐   B. Diploma ☐

         C. Degree ☐   D. Masters and above ☐

4. Work Experience in the Organization

         A. 1-3 ☐   B. 4-7 ☐

         C. 8-10 ☐   D. 11 and above ☐

Part II. MAIN BODY

Please show the extent to which you agree or disagree with the statements given below. This is to assess the scales of strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5). Strongly disagree is given the least weight of 1; while strongly agree is given the highest weight of 5.NA = not applicable

Awareness for Change

Employees at Oromia Bank S.C. are well-informed about the goals of recent organizational changes.						
Employees at Oromia Bank S.C. have a clear understanding of the reasons behind recent organizational changes.						
The change process at Oromia Bank S.C. effectively guides employees towards supporting the organization's future vision.						
Various communication channels, including meetings and circulars, reinforce awareness messages regarding the necessity of change for employees at Oromia Bank S.C.						
Employees at Oromia Bank S.C. receive continuous feedback to enhance their awareness of the change process.						

Desire to Change

Employees at Oromia Bank S.C. are enthusiastic about actively participating in organizational changes.						
Employees at Oromia Bank S.C. feel motivated to contribute their ideas and efforts towards the successful implementation of change initiatives.						
Employees at Oromia Bank S.C. believe that embracing change will lead to personal and professional growth opportunities.						
Employees at Oromia Bank S.C. are optimistic about the positive outcomes that the proposed changes will bring.						
Employees at Oromia Bank S.C. are willing to adapt to new processes and procedures introduced through organizational changes.						
Employees at Oromia Bank S.C. are committed to actively supporting the change initiatives set forth by the management.						

Knowledge stage

Having knowledge about the change process is essential for effective change management at Oromia Bank S.C.						
Training plays a vital role in developing knowledge about change management practices at Oromia Bank S.C.						
Employees possess the necessary skills and knowledge to actively participate in the change management process at Oromia Bank S.C.						
Individualized provision of knowledge about change management is important for each employee at Oromia Bank S.C.						
Top management's involvement is crucial in fostering knowledge among employees about change management at Oromia Bank S.C.						

Ability stage

New resources have been made available to develop the necessary capabilities in employees for managing change effectively.						
Employees demonstrate increased capability in implementing change, leveraging their skills and knowledge within the organizational change process.						
The inability to adapt to change presents a significant barrier within the change process of our organization.						
It is essential for management to base the change process decisions on the existing abilities of employees rather than solely focusing on developing new skills based on the change to be implemented.						
Knowledge about the change process assists employees in identifying the specific capabilities required to actively participate in the organizational change process.						
I have the ability to perform at the level required by the changes at Oromia Bank S.C.						

Reinforcement to sustain change

Creating an attractive work environment helps employees at Oromia Bank S.C. to be engaged in the change process.					
Change programs at Oromia Bank S.C. are consistently evaluated to ensure continuity and effectiveness.					
Initiatives contributing to change achievement are actively encouraged and supported by the management at Oromia Bank S.C.					
Oromia Bank S.C. provides the necessary initiatives and support to encourage employees, including female employees, to successfully support change activities.					
Oromia Bank S.C. consistently acknowledges and praises achievements that support and reinforce the desired changes to maintain change continuity					

Challenges

There is resistance to change among employees at Oromia Bank S.C.					
The change management process is met with significant obstacles.					
I am facing difficulties in adapting to the new processes and procedures					
Communication barriers exist that hinder the change process.					
Lack of sufficient resources (financial, technological, etc.) impedes the implementation of change initiatives.					

Resistance

I feel adequately informed about upcoming changes within Oromia Bank S.C.					
I am open to embracing new ideas and methods introduced through change initiatives.					
I actively seek opportunities to contribute to the success of change initiatives.					
I am resistant to changes that disrupt my established routines or ways of working.					
I feel anxious or stressed when faced with significant changes in my work environment.					
I actively seek support from colleagues or supervisors when adapting to change initiatives.					