THE INFLUENCE OF CORPORATE CULTURE ON ORGANISATIONAL CHANGE OF
FIRST NATIONAL BANK OF NAMIBIA

by

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DECLARATION

I declare that **THE INFLUENCE OF CORPORATE CULTURE ON ORGANISATIONAL CHANGE OF FIRST NATIONAL BANK OF NAMIBIA** is my own work and that all the sources that i have used or quoted have been indicated and acknowledged by means of complete references.

	<u>30 June 2012</u>
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ABSTRACT

Change is invariable and continuous, and has become inevitable in almost every sphere of business. The FNB Namibia operates in a highly vibrant competitive environment that is influenced by external and internal change drivers, and has not been resistant to any forces of change. This study was conducted to examine the relationship between corporate culture and organisational change of FNB Namibia. In this study corporate culture is the independent variable while organisational change is the dependent variable under the investigation. The data were collected through the questionnaires distributed to the staff members of the bank. A total of 50 questionnaires were administered, 33 of the questionnaires were correctly completed and returned. The findings showed that there is a relationship between corporate culture and organisational change. The findings also showed that the dominant existing organisational culture at the bank is hierarchy culture. Even though hierarchy culture is found to be the dominant organisational culture of the bank, the findings however, further revealed that the bank has adopted all four types of organisational culture. The study also found that different types of organisational culture have different levels of perceptions towards organisational change.

Keywords: culture, change, corporate culture, organisational culture, organisational change, organisational members, resistance to change, change management, staff members, FNB Namibia, bank.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter gives an overview of the study and outlines the key context of the study. The primary background of the study, aims, objectives, research questions, and the preliminary research methodology that will be employed in the study are addressed.

1.2 The purpose of the study

It is worth investigating the impact of cultural factors on the organisational change efforts of First National Bank of Namibia. Therefore, the purpose of the study is to establish whether there is a significant relationship between corporate culture and organisational change in FNB Namibia.

1.3 Context of the study

This study focuses on the influence of corporate culture on organisational change of FNB Namibia. The Namibian banking sector has low capital intensity but requires high skills with immense need for sophisticated technologies. For these reasons, the entry barriers to the industry are low and therefore continued innovation is a must to withstand the increasing competition in the market place. Organisational change and innovation play a major role in this dynamic business environment. Continual improvement means continual change (Goetsch and Davis, 2010:123), and change has indeed become a necessity if an organisation wants to be successful and remain competitive.

Goetsch and Davis (2010) further state that to ensure continual improvement, an organisation must embrace continual change. New products cannot be developed and new services cannot be introduced without changing the process of production or the way of delivering services to customers. Literally, to improve people, processes, services or products, change is inevitable. As a result, change in structures, strategies, business processes or introducing advanced technologies is essential. Customers' preferences and tastes are increasingly changing and this has become a question of what the organisation can offer better than its competitors. Thus, fostering change efforts has become a necessity for any organisation.

Nacinovic, Galetic and Cavlek (2009:398) also note that 'organisational change and innovation have become an absolute necessity to perform well under the present condition of rapid external and internal development and changes'. Similarly, Cummings and Worley (2009:23) indicate that 'the pace of global, economic, and technological development makes change an inevitable feature of organisational life'. Globalisation, technology advancement and e-commerce have not only brought many advantages, but significant pressures to organisations. This statement is supported by Goetsch and Davis (2010:190) who point out that 'the concept of globalisation has served only to increase the pace of change that organisations face'. For the organisation to reap such advantages in the market-place, it should prepare to cope with pressure that calls for an organisation to innovate. Robbins, Judge, Odendaal and Roodt (2009) state that, more organisations today face a dynamic and rapidly changing environment which requires organisations to adapt.

In general, organisations need to be flexible, adaptive and innovative to be able to cope and meet the changing demands in the vibrant business settings. To achieve this, it requires a special culture different from the traditional culture of the industry business, a culture that supports and favours the organisation to be responsive to competitive threats by adapting to the changing environmental factors. Organisations should continuously develop innovative solutions that offer superior customer value in order to sustain competitive advantage in this dynamic business landscape, because failure to do so results in losing market share to competitors who differentiate their products or deliver superior solutions. For these innovative solutions to take effect, organisational change is inevitable.

Organisational change is very involving, and it is a gradual process. At the core of organisational innovation is the need to invent new products and services, or modify traditional products and services to increase the value. However, organisational innovativeness requires a culture that supports change initiatives. According to Robbins et al. (2009:485), 'organisations are constantly subjected to forces of change, to which organisations have to respond in a strategic way'. Dailey (2008) states that forces of change can be infuriated by external factors as well as shifts in the organisational internal environment. Over the years, managing change has been a challenging and problematic phenomenon as the challenge lies in the implementation and workforce response to new initiatives. Organisational change differs from one organisation to the other, depending on the

nature of the organisation, the culture of the organisation, the nature of business, management and leadership style, the strategic intent of the organisation, and also the behaviour and attitudes of the workforce (Rashid, Sambasivan and Rahman, 2004:162).

1.4 Problem Statement

Change is constant and continuous, and has become inevitable in almost every sphere of business as technology becomes more part of every aspect of business. FNB Namibia operates in a highly vibrant competitive environment that is influenced by external and internal change drivers. For these reasons, FNB Namibia has not been spared from forces of change and still is expected to focus on its vision of being the local but world-class financial service provider of first choice. This vision can be attained through its mission of creating wealth for its stakeholders through innovation, value-added partnerships and a position for service excellence' (FNB Namibia Annual Report, (2010).

Many factors such as amalgamation, global financial downturn, information age, increased competitive pressures from other commercial banks, government legislations, the type of employees entering the job markets, and regulations from the central bank all call out for FNB Namibia to be responsive and make necessary changes to its operations in some way. Schein (2010: 6) indicate that 'leaders should understand the dynamic forces that arise and manage these forces to ensure that they are congruent with the organisation's mission and goals'. As such, for the past few years, FNB Namibia has taken many initiatives such as; localisation of its core banking systems, cost management and efficiency mechanisms, acquiring of latest technologies, introducing new innovative solutions, as well as restructuring of staff and remuneration structures in order to effectively respond to internal and external factors to ensure its growth and survival in the banking sector.

The dynamic environment in which today's businesses operate is indicating that, it will take all the running to keep you at the same spot. This means that FNB management is kept at its toes trying to figure out new ways of doing things in order to advance in the corporate world. However, FNB Namibia's change initiatives just like in any other organisation have been met with some difficulties over the years. Change at FNB Namibia sometimes is not always easily welcomed as at times change initiatives are strongly resisted. Some change initiatives have

been successfully implemented; some take longer than expected, while some fall short of reaching the goals.

Even though change management can be identified and classified into steps, FNB Namibia still encounters some difficulties to implement change efforts smoothly. Many factors influence organisational change, with corporate culture and resistance to change being identified as some of the influential factors. Inherently, human beings are resistant to change. The question that comes to mind is, why organisation members are resistant to change, yet change is meant to benefit the organisation as a whole. There have been many explanations which have been put on paper by many academics as the reasons why change is resisted and rendered unsuccessful in the organisation. Most scholars attribute resistance to change to be imbedded in the organisational culture. Therefore, the purpose of the study is to; establish whether there is a relationship between corporate culture and organisational change management in FNB Namibia.

1.5 The objectives of the study

The objectives of the study are as follows:

- To examine the relationship between corporate culture and organisational change of FNB Namibia.
- To assess the organisational culture, and change management process of FNB Namibia in order to establish why change is sometimes resisted.

1.6 The research questions

The study seeks responses to the following questions:

- Is there a significant relationship between corporate culture and organisational change of FNB Namibia?
- What are the most dominant cultural types at FNB Namibia in terms of Clan, Adhocracy, Hierarchy and Market types?
- Is resistance to change a function of organisational culture?

1.7 Significance of the study

- The study will be helpful to FNB Namibia top management to understand in-depth how corporate culture influences organisational change, and to understand whether resistance to change is a function of employees, processes, structures or cultural barrier.

- This study will also help the top management to establish what type of culture is more favourable to organisational change and to suggest necessary attempts that are required to make changes to the current organisational culture.

- The findings will further provide FNB Namibia's top management with a better understanding of the importance of corporate culture, so that they will be able to systematically address cultural barriers in order to ensure maximum success specifically for any broad- based change initiatives to be undertaken in future.

- As the study will explore in depth the FNB Namibia's corporate culture in relation to change management, it is therefore expected that the findings will provide the top management with recommendations on how to improve its overall corporate performance.

- Feedback on organisational culture assessment can also have a positive effect on individuals' behaviour and attitude that can lead to an improvement in FNB Namibia's organisational culture.

- This research will also allow the researcher to enhance her understanding and knowledge in the area of corporate culture and organisational change.

- Moreover, this study will be a significant venture in establishing the correlation between corporate culture and organisational change and will also be an important contribution to a body of research in the field of business management, especially from the banking perspective.

1.8 Research Methodology

1.8.1   Research design

A quantitative research design will be used as it clearly and precisely specifies the independent and dependent variables under investigation. A quantitative design makes it easier for the findings to be easily quantified. The study will employ a structured questionnaire as this is aimed to achieve high degree of validity and reliability of the gathered data and also to eliminate the subjectivity of judgment. Results can be easily summarized and analysed and even though the study will be done on a small sample, the results can give a reliable view of the total population. The Likert five point scales will be used in the assessments.

1.8.2   Data sources

The primary sources of this study will be the staff members of First National Bank of Namibia from branches and departments in Windhoek, who are employed on a permanent basis and will be participating in the study. Hence, the primary data of the study will be obtained from the survey information that will be acquired through questionnaires returned from the respondents. Secondary sources such as; scientific journals, published books, research articles, internet as well as FNB Namibia publications from subject disciplines of organisational behaviour, organisational culture, and organisational change will be consulted.

1.8.3   Population and Sampling techniques

The population in this study is made up of the staff members of First National Bank of Namibia. The population of FNB Namibia with departments and branches in Windhoek only will be studied by using a chosen sample representing the total population. The sample will be selected in a stratified random manner. The unit of analysis will be individual employees who will be segregated into strata such as: clericals, supervisors and management who serve as permanent staff and partake in the day to day operations of the bank.

1.8.4   Data collection techniques

The data will be collected by means of a survey through a structured self-administered questionnaire which will be distributed to all participants. Questionnaires will be delivered personally by the researcher herself at FNB Namibia's selected departments and branches.

1.8.5   Data analysis

The responses gathered from respondents through the completed questionnaires will be captured in a spreadsheet document. The results will be analysed using statistical techniques by means of tables, graphs and charts performed on Microsoft Excel and Microsoft Word.

1.8.6   Issues of reliability and validity

The researcher assumes that the information to be gathered is current and reliable. The questionnaire is expected to be answered in a truthful and honest manner. The data will be collected directly from respondents. To ensure the validity and reliability of the research findings, questions will be specific and easy to understand. In addition, during the process of drawing up the questionnaire, a small pilot study will be conducted on friends and colleagues to measure the reliability, the correctness of the language used, identify poor wording in questions, and also to establish the timeframe required to complete the questionnaire.

1.9 Delimitation of the study

This study is limited to FNB Namibia staff members in departments and branches in Windhoek only, and it examines their perceptions and experiences as to how they describe the present organisational culture, change management processes, and how they perceive cultural influences on the organisational change within the bank.

1.10 Definitions of terms

1.10.1 Corporate culture/Organisational culture

The words corporate culture and organisational culture are used interchangeably in the context of this study. According to Johnson, Scholes and Whittington (2006:47), organisational culture is 'the basic assumptions, imbedded values, beliefs, philosophies, attitudes and operating norms that are shared by members of an organisation'. Schein (2004:13) refers to corporate culture as 'the way we do things around here'. It is a collective behaviour of people using a common corporate vision, goals, shared values, beliefs, habits,

working language, systems and symbols. Schein (2009:27) summarises the definition of organisational culture as 'a pattern of shared basic assumptions that was learned by a group as it solved problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems'.

1.10.2 Organisational change

Organisational change is the process an organisation pursue when moving away from its current position to a desired state (Lemmex, 2007). Van Tonder (2004:232) defines organisational change 'as a difference, of varying magnitude and/or nature, in the state and/or condition of the organisation over time'. Mills, Dye and Mills (2008) define organisational change as an alteration of core aspects of an organisation's operation. In addition, Dawson (2003:48) defines change management as 'the process of aligning organisation's people and culture with change in strategy, structure and systems'.

1.11 Assumptions

Due to the complexity and ambiguity of the concept of corporate culture, it might be difficult for some respondents to define their organisational culture and thus can restrain their active participation in order to clearly articulate their perceptions towards organisational culture. The researcher assumes that some employees may not disclose certain relevant information as they may fear breach of confidentiality despite assurance that the information was going to be treated confidentially and only for academic purposes. Since the participation is voluntary, it is also assumed that some participants may not complete and return the questionnaires.

1.12 Conclusion

This chapter addressed the key context of the study, the primary background of the study, the research questions, aims and objectives of the study. The following chapter will provide the background of the area of the study in detail as well as the literature study. Some key concepts and theoretical background regarding corporate culture and organisational change will be discussed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of organisational culture and change, and gives definitions for organisational culture and organisational change. The chapter outlines in detail, many aspects of organisational change such as change management models, organisational change readiness, and academic contributions on resistance to change and strategies to overcome or lessen resistance to change. In order for organisations to fully understand the concept of organisational culture, different definitions are given. The functions of culture and levels of culture according to various researchers are offered in this section. The types of organisational culture to be adopted in this study are presented as well. This section also investigated the relationship between organisational culture and leadership. Furthermore, the chapter examined relationship between organisational culture and organisational change.

2.2 Background to the study

Organisational change has become one of the important aspects in organisations to guarantee their survival in the increasingly changing business environment. Organisations need to change to accommodate internal developments and be able to respond and adapt to the external factors. As organisations respond to those factors arising from internal and external environments, many aspects emerged to obstruct organisations' efforts to effectively implement the necessary mechanisms adopted to ensure the organisations' success. One of those aspects is organisational culture. The concept of organisational culture has been popular for the past few decades. Zhou-Sivunen (2005:12) is in support with this statement by indicating that 'since the 1980's, there has been an increase in the attention paid to organisational culture as an important determinant of organisational success'. Even though this is the case, most organisations still do not understand what organisational culture really is, and what implications it has on the organisational change.

Numerous academics have developed integrative models and frameworks of organisational change and organisational culture to help organisations realise effective change and perform efficiently in this dynamic business setting. In this chapter, the aspects of organisational change, organisational change models, change implementation process, and organisational culture and its influence on organisational change are discussed.

2.3 Organisational Change

Organisational change is a process that organisations pursue to align their core business aspects in order to be flexible enough to anticipate, adapt and respond to demanding global trends (Dawson, 2003). For an organisation to be adaptive and responsive, it requires a strategic shift in directions which subsequently affects the way an organisation operates. In other words, organisational change can be viewed as an organisation's response to significant pressures and forces arising from an internal and external environment in order to increase value and improve corporate effectiveness. Mills, Dye and Mills (2008:4) support these claims by defining organisational change as an alteration of core aspects of organisation operations. These core aspects of an organisation includes: structure, technology, culture, leadership, goals and workforce of an organisation. Lemmex (2007) describes organisational change as a process an organisation follows when moving away from its current position to a desired state. Porras and Silvers' definition of organisational change as cited in Van Tonder (2004) states that organisational change is an initiative which alters critical organisational processes, which in turn influences individual behaviours that subsequently impact on organisational outcomes.

On the other hand, Joseph Juran definition as cited in Goetsch and Davis (2010:123) describes organisational change as a 'clash between cultures', and this usually develops when an organisation solves its problems. Brown and Harvey (2006) agree with this statement by stating that solving organisational problems usually involves the introduction of change. Similarly, Shah and Irani (2010) share the same view by indicating that since change is concerned with solving problems and challenges of the organisation, no matter small or large, planned or unplanned, change affect the organisation and its members. Brown and Harvey (2006) further assert that organisational change affects the organisation and its members because it is one of the managers' most difficult tasks to initiate. Cummings and Worley

(2009:183) validate these claims by indicating that change is indeed a difficult task to initiate because 'change demands new knowledge and skills, attitudes and behaviours from organisation members'.

Organisational change takes effect in different perspectives. Brown and Harvey (2006:215) indicate that there are three basic approaches to organisational change, such as: structural, technological, and behavioural change.

The structural approach attempts to change an organisation's design by modifying the lines of authority, span of control and arrangement of work functions. When there is a need for change in structure, so is a need to reshuffle the workforce which leads to defining new roles and responsibilities. Robbins, Judge, Odendaal and Roodt (2009:484) report that an organisation's structure defines 'how tasks are formally divided, grouped, and co-ordinated'. In order to remain competitive in the global markets, organisations have to make restructuring efforts. These efforts range from incorporating merging organisations, downsizing, or changing layers of an organisation's hierarchy to centralisation and decentralisation of business operations. The introduction of a new structure can be very emotional and therefore requires immense change efforts to be successful.

The technological approach involves the implementation of new and sophisticated technologies which necessitates the introduction of new equipment, tools or operating methods to enable the organisation integrates the technologies to improve business operations. To fully integrate these new technologies, an organisation has to make some changes in its internal systems.

The behavioural approach on the other hand focuses on changing the people's side of the organisation. This approach puts more emphasis on changing employees' behaviour by trying to focus on their skills, attitudes, perceptions, and expectations. In most cases, organisations spend more efforts and money trying to change their structures and technologies and too often neglect its human assets. However, managing and changing the human aspect of an organisation can be a challenging and daunting experience. Brown and Harvey (2006:218) validate the statement by stating that 'changing people behaviour generates emotional upheaval'.

In order to produce the desired results in the organisational change efforts, attention should be paid to managing the human aspect of an organisation by completely identifying factors influencing individuals' attitudes towards change. Barclay (2009:1) notes that most researches have proved that, for change to be effective, change efforts should be focused on the people because an organisation after all, is just a collection of people working towards a common goal. While the behavioural change is believed to be more difficult and complex to deal with compared to structural and technological strategies, it nevertheless play a critical role in the organisational change process.

Although change can be identified and classified into steps to assist organisations understand why change is difficult to achieve and why it is resisted, organisations still find it difficult to succeed in their organisational change efforts. Van Tonder (2004) share the same sentiment by indicating that organisational change has been an enduring pursuit for managers and academics because the challenge lies in the implementation and workforce response to new initiatives. The success of change initiatives, however, depends on the level of commitment and support from employees and management of the organisations. Since organisational change entails 'aligning an organisation's people and culture with change in strategy, structure and systems' (Dawson, 2003:48), to ensure its success, there is a necessity for organisations to adopt and make use of effective change management models.

2.3.1 Organisational change models

2.3.1.1 Force-field Analysis Model

According to Kurt Lewin's force-field analysis model as cited in Brown and Harvey (2006) and Robbins et al. (2009), an organisational behaviour is a result of equilibrium between driving and restraining forces. This behaviour is a product of two opposing forces, i.e. driving forces and restraining forces. Brown and Harvey (2006:140) report that in any organisation, there are forces that push for change and forces that hinder change. The driving forces push for change and the restraining forces on the other side pushing for preserving the status quo. In the case of organisational change, factors favouring change represent the driving forces, while factors opposing change represent the restraining forces. Brown and Harvey (2006:140) further report that 'in order to reach the equilibrium state, the sum of the forces favouring change should be equal to the sum of the forces against change'. This is illustrated below.

Figure 2.1: Force-field Analysis Model

Restraining forces (against change)

Current equilibrium

Driving forces (for change)
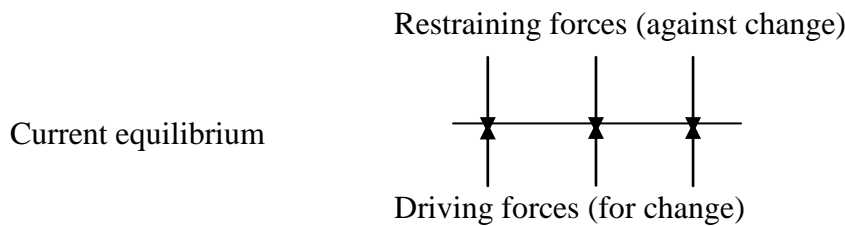
Source: (Brown and Harvey, 2006:141)

Correspondingly, Goetsch and Davis (2010) stress that change causes a classic confrontation between advocates of change and those who are resisting change. The advocates, who desire change, tend to focus on anticipated benefits of change, while those against change, desiring to maintain the status quo, focus on perceived threats to their status quo. Robbins et al. (2009:489) observe that 'for any change to take effect, the driving forces must supersede the restraining forces, thereby shifting the equilibrium'. The forces maintaining the status quo need to be overcome for change to take place. This can be achieved by increasing the forces for change, and weakening the forces for maintaining the status quo. Therefore, the force-field analysis model is a very crucial tool in the change management process.

2.3.1.2 Lewin's three-step change model

Kurt Lewin further indicates that to successfully implement change, organisations should follow the following three-stage process of change.

Figure 2.2: Lewin's three-step change model

Unfreezing ⟶ Movement ⟶ Refreezing

Source: (Robbins et al., 2009:488)

Unfreezing stage: at this stage, the strength of status quo or other restraining forces need to be reduced. Organisational issues need to be clarified, explaining why change is needed and coming up with new ways of doing things. The primary reason at this stage is to recognize the root causes of the need for change. Therefore, at this stage, more effort should be made to weakening the forces in favour of maintaining the status quo, while persuading people to accept the need for change.

Movement stage: Once the new operational level has been determined, the organisation needs to move to the new state. That is, developing new organisational values, attitudes, and behaviours to facilitate the implementation of strategies formulated successfully by encouraging individuals to participate in the change initiatives. As soon as the strategies have been implemented, evaluation needs to be undertaken to see whether the new position is working best for the organisation.

Refreezing stage: If the new level of operation is what the management desire to be the best fit to organisational goals, then the organisation has to refreeze the new change to make it permanent (Robbins et al., 2009: 488). This means that the organisation have to stabilise after change to keep on enforcing the policies and practices implemented, incorporating change into daily routines to become the new organisational culture and maintaining new behaviour to become an organisational norm.

2.3.1.3 Kotter's 8-step change model

Kotter elaborated more on Kurt Lewin's three-step change process model and recommended a detailed 8-step change model to support organisations to successfully facilitate and implement organisational change process (Kotter and Rathgeber, 2006; Goetsch and Davis, 2010). Kotter seems to pay more attention on the unfreezing stage of Lewin's model.

Kotter advises that for an organisational transformation to be successful, organisations' managers and change agents should follow the following steps:

Step 1: Create a sense of urgency

Kotter indicates that an organisational leaders or those leading change should create a sense of urgency around the need for change to ignite the initial motivation to get things moving. Potential threats to an organisation and opportunities to be exploited need to be identified at this step (Kotter and Rathgeber, 2006). The sense of urgency awareness should be done with a motivation of when and why the change process is expected to be completed.

Step 2: Pull together a guiding team

Establish a powerful guiding coalition to steer and convince employees that change is in fact necessary while continuing to build the urgency and momentum around the need for change. Kotter and Rathgeber (2006) point out that for the change team to be successful, it should have leadership skills, some level of credibility and communication skills to convince others to accept change.

Step 3: Develop the change vision

For change to be accepted there is a need to create a clear vision for change to help everyone understand and accept change more easily. According to Kotter's definition as cited in Goetsch and Davis (2010:195) a vision is a 'sensible and appealing picture of the future'. It is not only about creating a vision for change that matters, but an effective vision that is sensible, desirable, feasible, flexible and communicable, and also clearly states and clarifies the directions in which an organisation needs to move (Goetsch and Davis, 2010). Susanto (2008) however, caution that although a vision is an integral part of the change process, organisational leaders should bear in mind that a vision should only give a direction to employees.

Step 4: Communicate the vision and strategy for change

Continuous communication of the change vision to ensure employees understand the strategy for change is critical in change management process. Once the vision is developed, it needs to be communicated properly, frequently and powerfully to all employees affected. This vision has to be communicated in very simple terms to ensure that everyone understands it well. Ensuring that the vision is well understood by all employees affected by the change is a crucial step when one is initiating change efforts in an organisation. Kotter and Rathgeber (2006:131) highlight that it is essential that employees understand and accept the vision and strategic logic for change. Therefore it is important to communicate what the change is about, why the change is needed, and how it will be achieved. As soon as people see the goals that an organisation is trying to accomplish through change, then they will make more sense of the directives given to them and ultimately commit themselves to the change process.

Goetsch and Davis (2010) claim that people will buy into the change vision only if they know about it. In support of these claims are Rashid, Sambasivan and Rahman (2004) who state that once a person has information and knowledge of potential changes to be made, his or her feelings towards change might adjust to favour the changes initiated. Hence, management should know that employees' understanding and knowledge towards change's vision is very crucial to achieve buy-in and commitment of employees in the change management process.

Step 5: Empower others to act and remove obstacles

At this stage it is critical to remove the inhibitors to change by identifying resisters and processes that are barriers to change. The logic at this stage is to involve and empower employees to help them see the directions towards the goals and create a better understanding of what is expected of them in the change implementation process. Employees need to be empowered by equipping them with knowledge, skills and resources needed to effectively perform their tasks. Goetsch and Davis (2010) indicate that empowerment does not only mean involving people in the change process, but also involving them in ways that allows their voices to be heard. Saran et al. (2009:16) observe that 'by involving employees in decisions that affects them and increasing the autonomy and control of their work motivate employees to be committed to change efforts, hence, eliminating obstacles to change'.

Step 6: Create short-term wins

Employees need to be motivated to keep the morale to ensure the success of the change process. Change managers need to set short-term goals to allow them declare short-term wins to motivate employees for further achievement and also to remove censure and negative thinking that may hurt the change process. This can be done by creating some visible, unambiguous success as soon as possible. Goetsch and Davis (2010:197) note that 'change must work to be accepted'. This means that the anticipated benefits for making change happen must be felt by employees as soon as they are realised.

Step 7: Build on change

A need to build on change to ensure that the change process is in place is vital during the change process. This requires fostering and encouraging determination and persistence to push the on-going change process harder and faster. At this stage, Kotter advises that it is necessary to encourage everyone by highlighting all achievements made so far through progress reporting and also draw attention to future milestones (Kotter and Rathgeber, 2006).

Step 8: Anchor change into organisational culture

Kotter's last step of the model entails the creation of a new culture. At this step, it is imperative for the organisation to incorporate the change in the corporate culture. Anchoring the new change in the organisational culture is essential for organisation's success. Goetsch and Davis (2010) state that 'the major change that has just occurred must be anchored in the culture so that it becomes the normal way of doing business. This can be achieved by holding on to the new ways of habits and making sure they succeed until they become strong enough to replace the old traditions. In other words, change implemented should become part of the core aspects of the organisation's operations.

2.3.2 Organisational readiness for change

Organisational readiness can be referred to as an organisation members' psychological and behavioural commitment to the implementation of an organisational change. This is because it is believed that readiness is reflected in the organisation members' attitudes and beliefs about the need for change, and the organisation's capacity to successfully implement changes. Susanto (2008:50) believes that 'organisational readiness for change from members of the organisation is a critical factor in successful change implementation'. If the organisation attempts to implement change while its members are not prepared for it, then the change process will be costly and overwhelming because change managers have to spend more time and money dealing with resistance to change. Susanto (2008) states that if organisational change is to take hold and succeed, organisations and their members must be prepared for such transformation. Many factors influence organisation's readiness for change.

2.3.3 Aspects of organisational readiness for change

Susanto (2008) identified the following aspects that are likely to influence an organisation's readiness for change:

- **Employees' perception towards change efforts**

Goetsch and Davis (2010:191) report that one of the difficulties organisations face when attempting to facilitate change is the 'differing perceptions of employees and managers concerning change'. The term perception is described as the process individuals use to give meaning to their environment by interpreting an organisational sensory impression (Brown and Harvey, 2006:108). In addition, Brown and Harvey (2006:108) point out that 'what one perceives can be substantially different from reality'. This means that the change proposed may be perceived differently by individuals in an organisation. This is simply because peoples' perceptions are influenced by many factors, of which one's past experiences with change is one of them. For example, if employees have negative experiences with previous organisational changes, then their perceptions may have a negative impact on the proposed change and vice versa. Because change comes with scepticism and a feeling of threats to the status quo, uncertainty about the future, frustration, and anxiety, it is therefore essential to know employees' perceptions about changes beforehand. By knowing employees' perceptions towards organisational change in advance can help change managers understand sources of resistance to change.

- **Vision for change**

Creating a vision for change is one of the critical aspects in the successful implementation of change efforts (Kotter and Rathgeber, 2006; Goetsch and Davis, 2010; Brown and Harvey, 2006; Susanto, 2008). Without a clear vision and strategy in place to drive the organisation through the implementation process, the change efforts eventually divert into a sequence of detrimental tasks that might have negative effects on the desired change. It is therefore, management's responsibility to make sure that the vision for change and the strategy to be employed during the change implementation process is clear and understood by employees at all levels.

- **Mutual trust and respect**

Successful change efforts depend on team work, and team work should be governed by mutual trust and respect for team members to effectively work together in the change management process. Goetsch and Davis (2010) advocate that for a team to work best together, team members are required to trust and respect each other and continue building on trust among each other. Managers and change agents should ensure that they earn the trust and respect from employees to be able to lead change. People will not work well, nor commit to change efforts that are initiated by people they do not trust. To the contrary, when those initiating and leading change are trusted and respected, people are likely to listen to them and take them serious.

- **Change initiatives**

Members of the organisation respond differently to various change efforts initiated in the organisation. When change is initiated, employees' desire is to know whether the change initiated is really necessary and there are benefits derived from implementing the change initiated. Sometimes employees may view that the change being initiated is not appropriate, feasible or is not to their advantage and this may impact on their readiness for change. Since organisations are made up of people, and people are the ones to embrace or resist change, it is important that people are given an opportunity to be involved in all aspects of organisational change and also to be given a chance to propose and initiate changes that are deemed necessary. Susanto (2008), however, pointed out that although people of the organisations may be given an opportunity to propose and initiate changes, it is the organisational leaders that make the decision to effect the proposed changes.

- **Management support for change**

Management support for change plays an integral role in the organisational change process. In support of this declaration is Ndara (2009:15), who indicate that top management support is a crucial factor in any activity implementation process. Susanto (2008:57) views management support for change as 'management's commitment to be supportive and consistent in leading and establishing changes'. Management support for change should be

reflected in effective change leadership which is revealed by the leaders' capacity to adapt to change, lead and assess the change process in order to reduce resistance and also take corrective measures when necessary. An organisation would not be ready for change without the management support. Managers should ensure that system support is in place, policies and practices are flexible and supportive of change. During change initiation stage, managers should invest much of their time in facilitating change and supporting employees through training, offering emotional support, and also motivating them with incentives. Goetsch and Davis (2010:192) acknowledge that when managers offer support and understand employees' point of view, it helps maintain employees' loyalty and calm their fears during change periods.

- **Acceptance of change**

Employees' willingness to accept change plays a role in organisational readiness for change. Change efforts will not be successful if employees have not accepted the change proposed. Employees will accept change only when they are certain that change has benefits and advantages for them. However, even if change is beneficial for both employees and the organisation, employees often do not see clear benefits and advantages to appreciate them over a short period of time, and this consequently affects their readiness for change.

- **Managing change**

The management of change can have an implication on the organisation's readiness for change as well. Managing change has to do with how change management as a process, the management of employees and the system support is handled when the change is initiated. If the organisation does not have the human and technical capacity to handle and manage the change, then it can never be ready for it. Managing change requires organisation members and structures to be aligned with change strategy for smooth implementation process. An organisation's ability to manage a challenging change effectively becomes apparent in the organisation's readiness for change.

2.3.4 Organisational resistance to change

Gravenhorst (2003:2) describes resistance as 'a response that has to be expected from all members of an organisation'. On the other hand, Brown and Harvey (2005:171) view resistance to change as 'reaction to the methods used in implementing a change rather than an inherent human characteristic'. Resistance to change can therefore be referred to as a natural response of people to anything that significantly threatens their comfort zones. In other words, resistance occurs when an individual or group engages in acts to disrupt an effort to implement change. According to Michalak (2010:26), the term resistance to change is customarily mentioned in management literature as 'an inevitable consequence of organisational change initiatives, and listed among the most crucial inertial forces against any transformation'.

Even though change initiatives are meant for the benefit of the organisation as a whole, people in the organisation respond to change differently. Some members of the organisation view change initiatives as opportunities, while for others, changes are met with anxiety, despair, resentment, and generally with resistance to change. In most cases, change is resisted in some organisations (Gilley, Godek and Gilley, 2009:4); and for that reason, resistance to change has become a normal organisational behaviour (Goetsch and Davis, 2010). According to Kuriger (2005), these observations indicate that sometimes change is accepted, at times strongly resisted by different segments of the people in organisation. Kotter and Schlesinger (2008:130) also observe that organisational change efforts often encounter human resistance; this is because human beings are inherently resistant to change, and 'are limited in their capability and adaptability to change'.

These observations are expanded by Robbins et al. (2009:486) who state that, organisations by their very nature, actively resist change. Gilley et al. (2009:5) affirm that change is resisted because it possesses a powerful immune system that defends the status quo and resists change. The work of Peter Senge (2006) is quoted by Michalak (2010:28) in which he states that 'people don't resist change, but, they resist being changed'. It is believed that this statement is true because even though employees may be aware of the benefits that change will bring, they still resist to be changed as this involves the movement away from their comfort zones. Resistance can be an obstacle to organisational change. So many reasons have emerged as to why organisational change is resisted.

2.3.5 Reasons why organisational changes are resisted

Kotter and Schlesinger (2008) highlight four major reasons why people resist changes in organisations.

- **Parochial self-interest**

This means that people think that they will lose something of value as a result of change. Based on that thought, people focus on their own best interests and not those of the organisation. As a result, resistance often runs into organisational politics (Kotter and Schlesinger, 2008).

- **Misunderstanding and lack of trust**

When people do not understand change implications and perceive that change has less to offer than to gain, they are likely to resist change. This usually happens when employees feel that there is no mutual trust, and tends to question the credibility of those leading change (Kotter and Schlesinger, 2008:133).

- **Different assessment**

This implies that people assess the change situations differently from their managers or those leading the change process. Sometimes employees see more costs than benefits from the change, not only for themselves but for their organisation too (Kotter and Schlesinger, 2008). In some cases, people resist change when they are obvious that their assessments are more correct and beneficial to the organisation than those made by those initiating the change.

- **Low tolerance for change**

Kotter and Schlesinger (2008:134) highlight that people resist change when they fear that they are not able to develop the new skills and behaviour that will be required of them. Saran, Serviere and Kalliny (2009:12) support this statement by stating that change absorbs concerns and fear about people's ability to cope with the threat and insecurity attendant upon change that leads to creation of new relationships.

In addition, contributions made by other academics such as; Brown and Harvey (2006); Robbins et al. (2009) and Goetsch and Davis (2010) identify some other common reasons why change is resisted in an organisation. In their view, as the pace of change in the global market place increases, so does the uncertainty and ambiguity about change. Brown and Harvey (2006:163) indicate that organisational members may have a psychological resistance to change because they wish to avoid uncertainty and ambiguity situations. Goetsch and Davis (2010:125) elaborate more on this statement by stressing that when people are confronted with change, they find it difficult to deal with uncertainty, and as a result, they try to avoid change due to the reality that 'people like to know where they stand' in any situation. Indeed, 'change involves moving from a known state to the unknown' (Robbins et al., 2009:486), and it is for this reason that people resist change for the fear of unknown. Since change brings with it the unwanted fear of the unknown, this ultimately replaces the known with fears.

Robbins et al. (2009) and Brown and Harvey (2006) cite threat to security and status quo as another reason to have contributed to resistance to change. The fact that people feel more comfortable with their current status, they tend to resist change to remain in their comfort zones. A human behaviour is believed to be linked to resistance to change because people are accustomed to their comfort zones. Brown and Harvey (2006:164) made another contribution by mentioning that because change sometimes results in a disadvantage especially to employees, employees tend to resist change that threatens their securities. Another reason cited as to why people resist change is threat to position power. Brown and Harvey (2006) are of the opinion that when change threatens to lower the status or reduce employees' sphere of authority, it will be obviously met with resistance. Brown and Harvey (2006:165) further identify the 'unconformity to norms and organisational culture' to have played a role in resistance to change. This means that once the change initiated is not congruent with organisational culture, people will resist change because they do not want to give up their old ways of doing things.

Although many reasons are highlighted as to why change is resisted, organisations still encounter resistance to change. Kotter and Schlesinger (2008) observe that many managers do not only underestimate different ways employees respond to organisational change, but also their power to positively influence those responses. Kotter and Schlesinger (2008)

further report that in most cases, managers do not systematically assess the impact of change on employees to be able to establish who might resist change and for what reasons is change resisted. This limited approach, however, causes serious problems when management try to initiate changes in the organisation. The change process has to begin with a concern for its impact on people. Hence, Goetsch and Davis (2010:125) advise that for change to happen, advocates must begin with a different paradigm.

2.3.6   Strategies to overcome resistance to change

Kotter and Schlesinger (2008) and other academics such as; Brown and Harvey (2006); Johnson et al. (2006); Robbins and Coulter (2002) and Robbins et al. (2009) recommend the following six strategies that can be used by organisation's managers and change agents to overcome or lessen resistance to change.

- **Education and communication**

Kotter and Schlesinger (2008) recommend that it's very crucial for managers to communicate and educate employees about the change in advance. For a vision for change to be effective, it must be communicated to all employees to clearly see and understand the strategic logic for change. It is important for managers to understand the end effects of change on employees. Employees surely need to know who will be affected by the change and how will the change affects them. If such information is clearly communicated and understood by employees, a mutual trust and credibility would be maintained between employees and managers and thus, alleviate change resistance. Brown and Harvey (2006:166) concur with these recommendations by indicating that effective communication can minimise the uncertainty and fear of unknown associated with change.

- **Participation and Involvement**

Participation and involvement of those affected by change to foster positive attitude towards change is significant. Robbins and Coulter (2002) believe that by allowing those affected, particularly those opposing change to participate as much as possible in the change process, can reduce resistance, and increase their dedication to seeing change succeed. This is because

the involvement assures resisters that their contributions to change are of great importance. Kotter and Schlesinger (2008:135) are in consensus with this view by noting that 'if managers involve potential resisters in some aspects of design and implementation of change, they can often forestall resistance'.

- **Facilitation and Support**

Management support and facilitation during the change process is critical in ensuring successful implementation of change efforts. Robbins et al. (2009) advise that when people resist change due to adjustment problems, managers should offer a range of supportive efforts to help employees cope with fear and anxiety during the transition period. In this case, provision of special training programs, and emotional support such as counselling and therapy to those affected by the change should be considered. These supporting efforts can lessen resistance to change because it helps those affected to have necessary technical skills and also to be emotionally ready for change.

- **Negotiation and Agreement**

When change is proposed, some employees may feel that there is nothing in it for them, and as such, those employees may have a significant power to resist change. In this case, these employees need to be convinced to accept change. Robbins et al. (2009) advise that it is imperative to negotiate with potential resisters and reward them by exchanging something significant to persuade them to accept change. Rewards can be either in the form of incentives, pay increases, profit sharing, or bonuses. Kotter and Schlesinger (2008:136) however, warned that, while this approach may work well in influencing employees' behaviour to accept change, it also comes with the risk attached because it is very expensive. Kotter and Schlesinger (2008:136) further elaborate more by saying that this approach is expensive in the sense that, once managers negotiate with certain individuals or group, they are opening a chance of being blackmailed by other employees.

- **Manipulation and Co-optation**

Manipulation can be described as covert attempts to influence others. In the case where manipulation is needed, the use of very selective information and the conscious making-up of events is a good strategy (Kotter and Schlesinger, 2008). In some cases when change is crucial for the survival of the organisation and employees resist change just for the sake of it; management can opt to manipulate employees. Robbins et al. (2009:488) recommend that managers can twist and distort facts to appear more attractive, withhold undesirable information, and create false rumours and threats to induce employees to accept change. This strategy require well thought tactics to be successful, otherwise it can lead to problems during change once people realised they were manipulated.

- **Coercion**

Coercion is the use of power that is deliberately aimed to threaten resisters to accept the change. Johnson et al. (2006:517) define coercion as 'the imposition of change or the issuing of edicts about change'. This strategy can be used as the last option if other strategies did not work or in the case when pace for change is critical. Kotter and Schlesinger (2008:137) indicate that managers may decide on visible use of power to compel and intimidate resisters directly to accept change. However, this approach can be risky as it provokes anger that may affect the overall performance for the reason that employees may comply with the change but not be committed to it.

2.4   Corporate/Organisational culture

Schein (2004:13) define corporate culture in short and simplest terms as 'the way we do things around here'. Corporate culture is manifested in the values and organisation's philosophies that organisation's leaders practice and become apparent in the attitudes and behaviours of employees. Saran et al. (2009:12) highlight that corporate culture is an 'ordering characteristic that is reflected in the employees attributes and understanding, policies and practices implemented, and is frequently described as a deep, less conscious set of meanings about the context of work in organisation'. Corporate culture is a very powerful force that resides within every organisation, and it has many powerful attractions as a lever for change, and these forces are powerful because they operate outside of organisation's

awareness (Schein, 2010:7). Aiman-Smith (2004:1) supports Schein's declaration by mentioning that 'culture is indeed a powerful set of forces that determine human behaviour', and is known for defining people's behaviour and how organisations get things done either in positive or negative ways.

Johnson et al. (2006:47) define organisational culture as 'the basic assumptions, imbedded values, beliefs, philosophies, attitudes and operating norms that are shared by members of an organisation'. In support of this definition are Brown and Harvey (2006:18) who define organisational culture as the shared language, dress, and patterns of behaviour, value system, interactions, and group norms of the members of an organisation. Similarly, Robbins et al. (2009:424) view organisational culture as 'a system of shared meaning held by members of the organisation and distinguishes the organisation from other organisations'. Ireland, Hoskisson and Hitt (2009: 368) share the same view by describing organisational culture as a complex set of ideologies, symbols, and core values which are shared throughout the organisation and influence how the organisation conducts its business.

In conclusion, Schein (2010:18) summarises the definition of organisational culture as a 'pattern of shared basic assumptions that was learned by a group as it solved problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems'. Although organisational culture is believed to be an elusive concept which is complex to understand and interpret, it serves many purposes and advantages in organisations.

2.4.1 Functions of organisational culture

Organisational culture plays an important role in any organisation. Culture is a distinctive competence and sense of identity, it is the glue that holds the organisation together, it helps the organisation to strive towards integration and clarity, and put heavy emphasis on socialisation (Mannion, 2010:33). Robbins et al. (2009:434) report that corporate culture can give an organisation a competitive advantage over other organisations. This statement is believed to be true because culture creates a character that distinguishes an organisation from others, gives members of the organisation a sense of identity and belonging.

Culture determines organisational ability to respond to external pressures and enhances better coordination among members of the organisation. Robbins et al (2009:427) state that 'culture communicate a sense of identity to organisational members, facilitates commitment to something larger than individual self-interest, enhances social system stability, and serves as a meaningful control mechanism that guides and shapes the attitudes and behaviour of employees'. There is an observation from Ojo (2009:391) that organisational culture provides a powerful mechanism for controlling behaviour by influencing how people attach meaning to their world and how people interpret events.

Moreover, Cameron and Quinn (2006:144) indicate that organisation culture creates both stability and adaptability, reinforces continuity and consistency in the organisation. The stability is being created by the glue that binds the people together, while adaptability is fostered through the provision of a clear set of principles to follow when formulating strategies to handle the new situation.

2.4.2 Levels of organisational culture

According to Oden (1997:4), corporate culture has two levels, i.e. observable level and hidden level. The observable level is composed of attributes which can be observed in a form of physical objects and others visible forms of behaviours. Although culture can be visible in diverse forms at this level, it is however, hard to interpret. Oden's hidden level of culture comprises of deeper and concealed views of organisational members. This is because these views reside in the minds of the members of the organisation. Oden (1997) further states that although the two levels of culture can be easily distinguished, they are typically difficult to detach.

In addition, Schein (2004) add another level to Oden's levels of culture which is the 'underlying assumptions' and came up with three levels of culture. Schein's three levels of culture are shown below:

Figure 2.3: Schein's Levels of Culture

Artifacts

↓ ↑

Espoused Beliefs and Values

↓ ↑

Underlying Assumptions
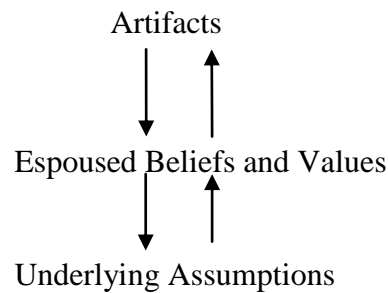
Source: (Schein, 2004: 26)

- **Artifacts**

Artifacts are things at the surface that are visible in an organisation. It includes elements that are tangible and identifiable such as: furniture, dress code, structures, symbols, practices and processes (Schein, 2004:26). Schein (2010:23) observes that the artifacts are things that 'one sees, hears, and feels when one encountering a new group with an unfamiliar culture'.

- **Espoused beliefs and Values**

Espoused beliefs and values are the organisation's stated and desired cultural elements. These are strategies, goals and reasons given for the way things are done in an organisation. Beliefs and values are the philosophies of the organisation and normally are reflected in the mission and vision statements of an organisation. Johnson et al. (2006:199) offer the same opinion by pointing out that 'values are easy to identify and are often written down as statements about the organisation's mission, objectives or strategies'. Johnson et al. (2006:200) describe beliefs as 'more specific issues which members of the organisation can surface and talk about'. In short, beliefs and values can be referred to as an assessment technique that members of an organisation use for judging the rightness or wrongness of circumstances.

- **Underlying assumptions**

Underlying assumptions are 'unconscious, taken for granted beliefs, perceptions and feelings of the members of the organisation (Schein, 2004:26). Assumptions are the unspoken beliefs that members of an organisation hold about themselves and the external world, the

personality of the organisation, and their connections to an organisation in which they work. Assumptions are the aspects of organisational life which people find difficult to identify and explain. Schein (2010:28) is in agreement with this claim by asserting that basic assumptions are the unspoken assumptions that in fact guide behaviours and tell group members how to perceive, think and feel about things. Even though organisation's member behaviours are guided by objectives and values that are written down in the mission and vision statement of the organisation, the underlying assumptions are usually evident only in the way in which people behave on daily basis.

2.4.3   Types of organisational culture

This study adopted the organisational culture typology based on the Competing Values Framework developed by Cameron and Quinn in 1999. The origin of the competing values framework is based on the study conducted by Quinn and Rorbaugh in 1983 to determine the indicators of an effective organisation. As cited in Cameron and Quinn (2006), the study identified two cultural dimensions found to be dominant in organisations and found to have affected organisational effectiveness. These two dimensions are comprised of two pairs of competing values held by organisations, i.e. flexibility and discretion vs. stability and control, and internal focus and integration vs. external focus and differentiation.

One dimension differentiates the effectiveness of the organisations according to their emphasis on the flexibility and stability. In other words, this dimension describes how the processes are carried out within the organisation. This means that while some organisations found their effectiveness on their ability to be flexible and adaptable to change, others are effective by being stable. The other dimension differentiates the organisations' effectiveness based on the internal and external focus. This dimension implies that some organisations are viewed as effective by focusing on their internal processes, while others are effective when they focus externally to compete with other organisations.

Based on the two dimensions, Cameron and Quinn categorised organisational culture into four main cultural types, i.e. clan, adhocracy, hierarchy and market as shown in the diagram below.

Figure 2.4: Cameron and Quinn cultural typology based on Competing Values Framework

	Flexibility and Discretion		
Internal focus and integration	**The Clan Culture** A very friendly working place where people share a lot of themselves. It is more like an extended family. Leaders of the organisation are considered as mentors and even parent figures. Loyalty and tradition hold the organisation together. Commitment and morale is high. The organisation emphasises long-term benefit of human resources development and attaches great importance to cohesion. Success is defined in terms of sensitivity to customers and concern for people. The organisation places a premium on teamwork, participation and consensus.	**The Adhocracy Culture** A dynamic and creative working place. Leaders are considered as innovators and risk takers. The glue that holds the organisation together is commitment to experimentation and innovation. The main emphasis is on the leading edge with long-term concern on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important. The organisation encourages individual initiative and freedom.	**External focus and differentiation**
	The Hierarchy Culture A formal structured working place. Procedures govern what people do. The leaders pride themselves on being good coordinators and organisers who are efficiency-minded. Maintaining a smooth running organisation is critical. Formal rules and policies hold the organisation together. The long-term concern is on stability and performance with efficient and smooth operations. Success is defined in terms of delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and certainty.	**The Market Culture** A results-oriented organisation with major concern of getting the job done. People are competitive and goal-oriented. Leaders are hard drivers, tough and demanding competitors. The glue that holds the organisation together is an emphasis on winning. Reputation and success are the common concerns. Long-term focus is competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive prices and market leadership are important.	
	Stability and control		

Sources: (Cameron and Quinn, 2006:67, 222)

The diagram above can be interpreted as follows:

A Clan Culture focuses on internal matters with concern for integration and flexibility and discretion. Since a clan culture has a sense of cohesion, organisational goals are strongly shared by organisational members. Members in a clan organisation are treated as partners rather than employees, and as such, they commit themselves to work towards a common goal. For these reasons, it will be easier to initiate changes in the organisation and implement them successfully.

An adhocracy culture is externally focused with emphasis on differentiation, flexibility and discretion. The main aim of an adhocracy organisation is fostering adaptability, flexibility and innovativeness. This organisation is highly adaptable, flexible and creative in responding to opportunities arising from the internal and external environment. Members of this organisation are sought to be competitive, creative, anticipate and understand change, and are more aggressive towards innovation. Since this type of culture anticipates change, employees' roles and duties are considered temporary and subjected to change in order to meet the ever-changing needs of the organisation. Change initiatives in this culture type are seen as emerging opportunities rather than threats.

A hierarchy culture focuses on internal matters and integration with emphasis on stability and control. An organisation with a hierarchy culture put more emphasis on bureaucracy and consistency which places heavy reliance on formal structures, policies and standardized operational procedures. As a result, vast majority of change efforts in this organisation are deemed to fail as employees will be more reluctant to change because it will be difficult to move from the status quo as they are drowned in the old ways of doing things.

A market culture is externally focused with differentiation, while putting emphasis on stability and control. Since this type of culture focuses more on the outside world while putting emphasis on winning and competitiveness, a thorough consideration must be made not to neglect the human part of the organisation which plays a significant role in the organisational change process.

Cameron and Quinn (2006:34) indicate that organisations that accomplish their effectiveness and competitiveness transpiring from their ability to adapt and change are those that put emphasis on flexibility, discretion and dynamism. It can therefore be summarised that for an organisation to be effective, it should adopt the combination of these four cultural types.

2.4.4 Culture and Leadership

Leadership is an important aspect that plays a crucial role in the creation and management of corporate culture in an organisation. Robbins et al. (2009) define leadership as the ability to influence followers towards the achievement of a vision or a set of goals. Kotter (1998:166) indicates that 'only through leadership that one truly develops and nurture culture that is adaptive to change'. Latta (2009:19) share the same view by indicating that 'change resides at the heart of leadership'. Aiman-Smith (2004:1) supports these views by stating that corporate culture starts with the leadership style and it is reinforced with accumulated learning of the organisational members. This is very true because culture is created first by leaders and founders of the organisation through their practices when imposing their values and assumptions on organisation's members. Schein (2010) observes that leadership and corporate culture are two sides of the same coin, in the sense that leaders first begin the process of culture foundation when they create an organisation. In addition, Calisir (2008:22) stresses that in order to build a culture, or change an existing culture, an effective leadership is required.

2.4.5. Leadership role in developing and fostering culture that is adaptive to change

Certainly, change demands enormous efforts in terms of commitment and participation from all members of the organisation to achieve the best outcomes. Organisations' leaders should therefore be responsible for assessing the current organisational culture and establishing positive influences that should guide the organisation throughout the transformation. This calls for organisations to adopt a positive culture that is adaptive to change and supported by effective leadership with ability to inspire and empower people. Effective leadership can be achieved though a leader with intellectual capability to create a stimulating vision, mission and organisational values and formulate clear strategies for pursuing that vision. For an organisation to survive a transformation process, transformational leadership and participative leadership are indispensable. A transformational leader is required to guide, inspire and motivate followers in the direction of established goals by clarifying role and task requirements (Goetsch and Davis, 2009).

Through transformational leadership, leaders are able to pay attention to the concerns and developmental needs of individual followers and help them to look at issues from different perspectives. For these reasons, leaders instil pride on followers, and gain respect and trust which is critical in facilitating the change management process. Transformational leaders stimulate employees to take risks that lead to new ideas, and allow them to participate in decisions affecting them. By allowing employees to participate, leaders positively influence the attitudes of organisational members during the change implementation process. Goetsch and Davis (20105) report that in participative leadership, 'employees will be ready to accept responsibility for solutions, goals, and strategies that they are empowered to help develop'. The work of Hausman and James (2003) as cited in Saran et al. (2009) indicate that participative leadership is more favourable to overcoming change resistance during the implementation process.

It is important for leaders to exhibit the culture that is observed by people they are leading through how they 'walk the talk' and not how they say about things. This means that, the principle of management by walking around (MBWA) should prevail at all time. Nevertheless, if the organisation has poor leadership, organisational leaders will expect nothing positive, but high level of resistance to change when change initiatives are proposed. Schein (2010:33) summarises the role of leadership in an organisational culture by stating that 'the most central issue for leaders is to understand the deeper levels of a culture'. Schein (2010) further assert that this is important because it helps leaders to understand why change is hard to come by and why change initiatives fail.

Once leaders have such an understanding, it will be easier for them to identify the right culture to be maintained or make necessary efforts to make appropriate changes to the current organisational culture to be adaptive to change. Change efforts will only be successful if leaders understand the cultural barriers to change, reasons for resistance to change, the stages of change and different strategies of implementing change. Schein (2009:6) states that leaders need to understand the cultural consequences of many ways in which organisations differentiate themselves and most importantly, align the various subcultures that have been created towards common corporate goals. A good understanding and management of corporate culture will positively influence the final outcome of an organisation change efforts.

2.5. The relationship between corporate culture and organisational change

Organisation culture can facilitate or inhibit change efforts in an organisation. It can also be resistant to change once strongly shared in the organisation which consequently become a significant limiting factor in the face of change. Irrespective of whether the culture is strong or weak, culture influences the organisational change efforts either in a positive or negative way depending on its congruence and strength. Robbins et al. (2009:425) report that, an organisation can either have a strong or a weak culture. A distinction between the two is the degree of sharedness of the core values among organisational members, and the degree of commitment organisation members have to these core values.

In a strong culture, the organisation's core values are strongly held and shared widely by its members. Ojo (2009:391) notes that the strength of corporate culture is reflected by 'how widely and deeply employees hold the organisation's dominant values and assumptions'. Robbins et al. (2009:425) affirm that 'the more members accept and share the core values and the greater their commitment to those values, the stronger the culture'. In an environment with a strong culture, employees respond to stimulus because of their alignment to the organisational values. Brown and Harvey (2006:439) report that in a strong culture, the behaviour of organisation members is guarded by mutual agreement rather than by directive.

Nevertheless, having a strong culture in an organisation can be met with two views, i.e. the positives and negatives. On the positive, since members of the organisation strongly share the core values, the organisation benefits from unity of purpose and greater alignment to those values. Sadri and Lees (2001) observe that when the organisation has a positive culture, the work environment becomes more favourable, boosts morale, increases levels of teamwork, sharing of information, and openness to new ideas. As a result, a high level of interaction that creates learning and continuous improvement is created among employees because information flows more freely throughout the organisation. However on the negative side, if the strong culture is not congruent with the organisational goals, it becomes a problem as it will be difficult to change it in order to facilitate the organisational change processes.

In a weak culture, there is little alignment to organisation values because each member of the organisation holds a unique value to him or herself, thereby creating less behaviour

consistency among members. In the case of organisational change, management will have to stick to extensive procedures to implement change efforts, which may result in resistance to change. Sometimes, employees will follow the management decisions not because they view it as the right thing to do, but the fact that it carries some punitive measures if it is not followed. Where employees view the change as a procedure to be followed, they will lack commitment to it, thereby creating a scenario of 'us and them'. In this scenario, the organisational change efforts are likely to be unsuccessful as it may be prone to subtle sabotage.

The power of organisation culture in the organisational change has been underestimated by many. Borrowing Mckinsey 7S model as cited in Kaplan (2005) and Lynch (2000), many organisations have failed to implement change initiatives effectively because they concentrate much on the hard elements, i.e. structures, systems and strategies, and ignore or pay too little attention to the soft elements, i.e. skills, staff, management style and shared values. These seven elements are shown in the diagram below.

Figure 2.5: McKinsey 7-S Model
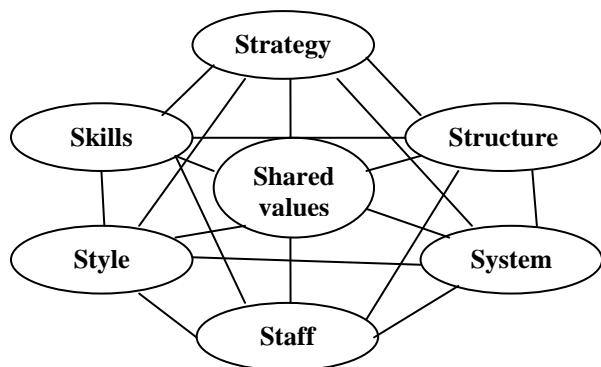
Source: (Lynch, 2000:68)

The McKinsey's model illustrates that, these seven elements are interdependent, in the sense that an alteration in one element has an impact on others (Lynch, 2000:967), and therefore, should be aligned for the organisation to succeed in the change management process. Strategy can be referred to as a course of action or a plan that an organisation formulates to maintain and build competitive advantage over the competition. Ireland et al. (2009:4) refer to strategy as an 'integrated and coordinated set of commitments and actions designed to exploit core

competencies and gain a competitive advantage'. Structure describes the way the organisation is configured and who reports to whom. Systems illustrate the daily activities and procedures that staff members engage in to get the job done. Shared values which are also called 'superordinate goals', are the core values of the organisation that constitute the corporate culture and the general work ethic. The shared values are central, that's why they are placed at the centre of the model. This entails that they are crucial to the development of all the other elements. Style demonstrates the management and leadership approach adopted in the organisation. Staff signifies the workforce of the organisation and their general capabilities. Skills characterize the actual expertise and competencies of the employees working for the organisation.

Lynch (2000) reports that because the hard elements are more tangible and definite, they are the ones that often receive greater attention. While the soft elements which are intangible, difficult to measure or assess, and are influenced by the organisational culture too often tend to be neglected. It can therefore be emphasized that, the shared values which are core to the organisation, are very crucial although complex to deal with. Therefore, it is imperative for the management of the organisation to make use of the organisation's shared values.

Furthermore, literature reveals that corporate culture is one of the factors influencing the success and failure of organisational change efforts. This exposure is being supported by many studies. Shah and Irani (2010:2) indicate that organisational culture is reportedly one of many predictors for the success of organisational change programs. One of the major findings from a study conducted by Rashid, Sambasivan and Rahman in 2004 on the influence of organisational culture on attitudes towards organisational change in Malaysia proves that organisational culture has an effect in the organisational change process (Rashid et al. 2004:176). Rashid et al (2004:168) moreover, report that 'organisational culture has also been recognised to have an important role in assuring efforts in organisational change. Similarly, Cameron and Quinn (2006:1) testify that empirical researches have reported that the most frequently cited reason given for change efforts failure was a neglect of organisational culture. Cameron and Quinn (2006:5) further report that most scholars and observers also acknowledged that an organisational culture has a powerful effect on performance and long-term effectiveness of the organisation.

Correspondingly, a study by Rahman in 2002 found that there is an association between organisational culture and attitudes towards organisational change (Rahman, 2002: iii). Sadri and Lees (2001:853) also note that although corporate culture is an intangible concept, it undoubtedly plays a meaningful role in organisations by affecting employees and organisational operations in all spheres of the organisation. Furthermore, Latta (2009:19) indicates that organisational culture is one of many situational variables that have consistently emerged as a critical factor in determining the leaders' capability to implement change efforts. According to Jackson and Philip (2005:1), organisational culture is now widely acknowledged as one of the major obstacles to managing change. Schein (2009:6) reveals that cultural issues influence all aspects of how an organisation functions. Daft (2006:423) also reports that organisations seriously face cultural issues when trying to implement new strategies and programs that are not congruent with their organisation's basic norms and values. A similar view is shared by Robbins (2005:602) who claims that culture can be a liability to an organisation when it creates barriers to change, diversity or to mergers and acquisitions.

In addition, Brown and Harvey (2006:445) report that corporate culture can be a force in reinforcing or resisting strategic changes. Given the fact that organisational culture is fundamental in the success of the organisation, it is critical to comprehend the role of organisational culture in change efforts that are directed towards the achievement of the organisational effectiveness. Saran et al. (2009:12) note that change implementation process changes operations, procedures and systems and these aspects are clearly found to be connected to the organisational culture. Saran et al. (2009:12) further point out that by creating a connection between organisational culture and change does not only facilitate effective change implementation, but also embed change in the day-to-day life of the organisation. It is found that different types of organisational culture have different levels of acceptance of organisational change (Rahman, 2002; Rashid et al, 2004). For this reason, organisational change requires a culture that supports change initiatives. For change to be easily accepted, an organisation should foster a culture that supports change initiatives. This culture must be special and different from the traditional culture of the industry/business, a culture that support and favour the organisation to be responsive to competitive threats by adapting to the changing environmental factors (Oden, 1997).

2.6. Conclusion

The role of corporate culture in organisational change has been underestimated by managers of many organisations, yet it is the values, beliefs and assumptions that are roots to the organisational change. Using the organisational iceberg theory by French and Bell as cited in Norton (2009), it can therefore be interpreted that it is not the tip of the iceberg that sunk the Titanic. This means that it is not what the management can see (overt) in the organisation that causes resistance and hindrance to change but what they cannot see (covert), that is, the culture that exists in the organisation. Hence, for meaningful organisational change to take place, it is important to align the underlying basic assumptions and deeply held goals, values, and beliefs shared by organisation's members to support change initiatives.

From the literature review provided, it is evident that for an organisational change to take place, it will depend on the corporate culture fostered in the organisation. It is also clear that corporate culture has an influence on the organisation's response to change, and different types of organisational culture have different levels of acceptance of organisational change. This however, will be determined by the leadership and management styles employed; the types of organisational culture preserved; the strategies and change management models adopted during change; and also by employees' perceptions towards organisational change, which establishes the organisational readiness for change.

Literature also reveals the importance of using the soft elements during organisational change with more emphasis on the core values which are important aspects of corporate culture. It is also noted that while organisational culture is believed to be an inhibitor in the change process, organisational culture in contrary support change efforts and continuous improvement of the organisation. Organisational culture if executed properly can help in organisational change so that whatever change may be, it can be incorporated into the organisation without difficulties or resistance from employees. While culture is believed to be an elusive concept and difficult to change, culture can be as well changed if change management models are correctly deployed during the change management process.

This chapter highlighted the theoretical background based on the literature which created a platform to serve as a guide to the research project. The next chapter will focus on the actual research process of this study in detail.

CHAPTER 3

RESEARCH METHODOLOGY

3.1   Introduction

The literature review and conceptual framework to determine the relationship between organisational culture and organisational change were presented in Chapter two. The purpose of this chapter is to describe the research design and methodology employed to address the primary objectives of this study. Therefore, this section focuses on the research techniques adopted with the aim of achieving the research objectives.

3.2   Research Methodology

According to Welman, Kruger & Mitchell (2005:2), research methodology considers and explains the logic behind research methods and techniques. Collis and Hussey (2003) as cited in van Stuyvesant Meijen (2007:79) state that research methods refer to various means to which the data is collected and analysed and gives effects to how the data was collected.

3.3   Research Design

Welman and Kruger (2001:46) describe a research design as 'the plan according to which research participants are identified and to collect information from them'. Paliwal (2009:26) refer to research design as a conceptual structure within which a research is conducted. A survey method based on a quantitative research design has been adopted for data collection and analysis in this study. Since this study attempts to understand FNB Namibia staff members' individual perceptions towards organisational culture, and their thoughts, perceptions, and experiences about change, a survey was viewed as the most appropriate way to collect such information. Besides, a survey method can be the best choice for collecting data in terms of efficiency because this method can be administered in a more convenient and economical way. Shah (2009:92) indicates that a quantitative approach is one of the major approaches applied in business and social sciences research methodology. A quantitative research design was adopted in this study because it aimed clearly and precisely at determining the relationship between an independent variable and other dependent variables under investigation (Welman et al., 2005). In this study, corporate culture is the independent

variable and organisational change is the dependent variable. That is, this study examines the extent to which corporate culture influences organisation's change management process; in this case, FNB Namibia.

Another benefit of using a quantitative approach is that the researcher can eliminate bias from gathering and presenting data. Welman et al. (2005:8) support the statement by pointing out that in quantitative research design, the flexibility is limited to prevent any form of bias in presenting the results. Even if the study is done on a small sample, the results can give a reliable view of the total population because a quantitative method allows the researcher to generalise the findings from the sample responses of the population. In addition, the quantitative research studies the phenomenon that can be easily quantified and analysed accordingly (Paliwal, 2009:10).

The following table shows the research design steps which were adopted during this study.

Table 3.1: Research Design Steps

1	Collect existing literature	Literature review
2	Develop a conceptual framework to determine the relationship between organisational culture and organisational change	Secondary data
3	Based on the developed theoretical framework a measuring instrument was developed	Quantitative research design
4	Conduct research, a minimum of 50 questionnaires were distributed to FNB Namibia branches and departments in Windhoek	Quantitative research design
5	Analysis of collected data and test the hypothesis	Quantitative research design
6	Draw conclusions	Interpretations of quantitative data

3.4   Quantitative Testing and Analysis

The paragraphs below provide an overview of the population studied, sampling method and explain how questionnaire was administered and presents the method of data analysis.

3.4.1   Population

A population is any precisely defined group of people, events or things that are of interest to and under investigation by the researcher and from which the sampling elements are drawn (van Stuyvesant Meijen, 2007:77). The total population in this study is made up of the staff of First National Bank of Namibia. For the purpose of this study, the actual sampling frame was limited to staff members at FNB Namibia working at departments and branches in Windhoek only. The choice of these branches and departments stems from the fact that they were centrally located and are the ones with a large number of employees as compared to other branches. This selection was also based on practical considerations in sourcing the required data. Since all resources required in carrying out the study were to be incurred by the researcher at her own cost, the population was therefore limited to Windhoek because it is the same town where the researcher lives.

3.4.2   Sample and Sampling method

A sample is a subset and representation of the population that is selected for research, and it consists of a selection of members from the population (Bryman and Bell, 2007: 182). The sample was composed of 50 individual staff members who serve as permanent staff and partake in the day to day operations of the bank. The sample was selected in a stratified random manner whereby staff members were segregated into strata such as: clericals, supervisors and management. Cooper & Schindler (2003:193) and Welman et al. (2005:61) report that stratified sampling gives every member from each separate stratum a chance to be included in the sample. From each separate stratum, a random sampling technique was used to select a total of 50 staff members that constituted the sample size.

3.4.3   Primary Research Objectives

The primary role of the quantitative research is to determine the effect of the independent variable on the dependent variable (Welman et al., 2005:78). The work of Denzin and Lincoln (1994) which is cited by Welman et al. (2005:8) states that a quantitative research puts more emphasis on measuring and analysing casual relationships between variables within a value free context. Welman et al. (2005) further state that the purpose of quantitative research is to evaluate objective data consisting of numbers. In this study, the researcher

intends to ascertain whether there is a relationship between the organisational culture and the organisational change of FNB Namibia. It is therefore the intention of the researcher to apply a quantitative research because the researcher believed it is a better method for measuring and understanding individual perceptions on how they feel about a particular organisation issue.

3.5   Research instrument development

The measuring instrument used in this research was divided into four sections and the data was collected by means of a structured questionnaire, (attached as Annexure A). Literature was reviewed to establish a conceptual understanding and to lay a theoretical framework for a study. This process largely leads to the formulation of research questions and study objectives which serve as inputs to the questionnaire.

The four sections of the measuring instrument were formulated as follows:

Section A: Demographics

This section requested the demographic profile of respondents, enquiring information about respondents' personal attributes such as gender, age, and highest academic qualification, number of years of working at the bank, job category, and the branch or department where the respondent was working. This information was useful when categorising and presenting research results.

Section B: Perception on Organisational Culture

This section measured respondents' perceptions towards organisational culture using an Organisational Culture Assessment Instrument (OCAI) based on the Competing Values Framework by Cameron and Quinn (2006). This was solely aimed at establishing the dominant cultural types that exist in the bank in terms of the Clan culture, Adhocracy culture, Market culture, and Hierarchy culture. Respondents were asked to indicate their agreement or disagreement with the statements on a 5-point scale ranging from completely disagree (1) to completely agree (5).

Section C: Perception on change

This part of the questionnaire was designed to acquire information on the perception of respondents on change. Three aspects of change management process such as communicating the vision for change, management support for change and employees' perceptions towards change efforts were included in this section of the questionnaire. This section as also requested respondents to indicate their agreement or disagreement with the statements on a 5-point scale ranging from strongly disagree (1) to strongly agree (5).

Section D: Participants views and opinions on influence of organisational culture on change

This part of the questionnaire consisted of two open-ended questions which were designed for participants to give additional information and recommendations related to the topic. This section allowed respondents to freely express their views and opinions on what they think about the influence of organisational culture on organisational change of the bank.

3.6   Administration of questionnaire

The administration of the pilot survey of the main study is described in the paragraph below.

During the process of drawing up the questionnaire, a small pilot study was conducted on friends and colleagues to measure the reliability, the correctness of the language used, identify poor wording in questions, and also to establish the time frame required to complete the questionnaire. The responses indicated that some minor changes such as shortening the statements were needed. This has resulted in some modifications made to the questionnaire.

3.7   Response rate and sample size

A total of 50 questionnaires were distributed to FNB Namibia branches and departments in Windhoek only. From a total of 50 questionnaires administered, 37 questionnaires were returned to the researcher which constituted a response rate of 74%. However, out of the 37 questionnaires returned 33 (66%) were correctly completed while 4 (8%) questionnaires were incorrectly completed. The incorrectly completed questionnaires were treated as unusable. This means that only 33 (66%) of questionnaires were used for this research.

3.8 Procedure for Data Collection

The data was collected by means of a survey through a structured self-administered questionnaire (Annexure A attached) which was developed based on the kind of information needed for the study. According to Shah (2009:100), a survey questionnaire is an easy and economical tool which can be used to collect the data required for the research. The use of a structured questionnaire also allowed respondents to answer to the same elements because the questions and contents were the same.

Each questionnaire was accompanied by a cover letter from the researcher together with a letter from the bank. The cover letter was aimed at introducing the researcher while inviting participants to take part in the study as well as explaining the purpose for the research. The logic behind the letter from the bank was to assure participants that the study has been approved by the management and that the researcher has been granted permission to conduct the study, hence serving as a platform to encourage and motivate more participants. Also, the letter was aimed at ensuring the participants that the information gathered from them would only be used by the researcher for research purposes only. To ensure confidentiality, the researcher also provided envelopes which were distributed together with the questionnaires to allow participants to seal in their completed questionnaires.

The data collection process took place over two weeks. At some branches and departments the researcher was granted an opportunity to distribute questionnaires and facilitate the process by herself. In this case, participants were informed that they can either complete the questionnaires that time while the researcher was waiting or they can complete it later. Due to the work load in the bank, most participants chose to complete the questionnaires later. However, at some branches and departments questionnaires could only be distributed either through focal persons or line managers due to office set-ups and also for security reasons.

Participants who had a chance to complete the questionnaires only later were given a week to return the completed questionnaires. The focal persons and line managers were used again to collect the questionnaires back from respondents. Since there were not many questionnaires returned after the agreed one week, a reminder was sent to participants and another one week was granted to allow them ample time to complete and return the questionnaires. The researcher collected all the returned questionnaires by the end of the second week and those who did not return the completed questionnaires by the end of the second week were dropped from the study and regarded as non respondents.

This study had its challenges just like any other studies. Several constraints were faced by the researcher while collecting the data for this study. During the data collection process some of the employees approached to partake in the study refused to participate because they said they were very busy and also indicated that they had already participated in a large number of surveys conducted in the bank lately. Some of the employees did not give reasons for refusing to participate in the study. From those who agreed to participate, some did not complete and return the questionnaires because participation in the study was voluntary. The researcher also believed that some people might have feared to divulge confidential information despite assurance that the information was going to be treated anonymously, confidential and only for academic purpose, and that the findings were going to be presented in a summarised manner. In addition, from those who participated, some did not properly complete the questionnaires as required, therefore, becoming unusable responses.

3.9 Method of data analysis

After the data was collected, the completed questionnaires were numbered to make it easier for data capturing and also to avoid omission and duplication of data. The responses gathered from respondents through the completed questionnaires were coded and captured in a spreadsheet document, and analysed using Microsoft Excel and presented by means of tables, graphs and charts. Microsoft Excel was used because the researcher found it most suitable and economical package for analysing data and can produce high quality charts and graphs. Mean scores and percentages were used to present the research results. In order to ensure the validity and reliability of the research findings, the followings were put into consideration:

3.9.1 Validity

Validity is concerned with the extent to which the research findings accurately represent what is really happening in the situation (Welman et al, 2005:142). If what is actually measured is what is supposed to be measured then the methodology and instrument used can be considered valid. Before the study commenced, the questionnaire was submitted to Unisa's ethics committee and also to the Strategic Marketing, Research and Communication Department of FNB Namibia for validity purposes of which the validity was therefore confirmed. According to Shah (2009:110), external validity is concerned with the generalisation of certain findings. In the case of this research, it can be concluded that there is

external validity of the findings because the findings obtained from a representative sample are valid enough to be generalised to the total population.

3.9.2 Reliability

According to Welman et al. (2005:145), reliability is concerned with the findings of the research and relates to the credibility of the findings. Cameron and Quinn (2006:153) argue that if the instrument measures what is intended consistently, then it is reliable. Cameron and Quinn (2006:143) indicate that an Organisational Culture Assessment Instrument (OCAI) used is this study for assessing organisational culture is both useful and accurate in assessing important aspects of organisational culture. According to Calisir (2008:39) and Cameron and Quinn (2006:143), the reliability of the instrument has been tested by different researchers such as Quinn and Spreitzer (1991); Yeung, Brockbank and Ulrich (1991); and Zammuto and Krakower (1991). Cameron and Quinn (2006:143) further argue that those studies provide sufficient facts regarding the reliability of the instrument. In addition, extra precautions were taken when handling, capturing and analysing the research data to ensure the reliability of the findings.

3.10 Data Analysis and Interpretation

Data analysis and interpretation concerns with how the data was analysed and interpreted. Paliwal (2009:70) describes data analysis as 'how we describe, combine, and make inferences from numbers'. The data from the first three sections of the questionnaire were analysed, summarised statistically using Microsoft Excel, and interpreted through descriptive statistics. Descriptive statistics are used to summarise data that are obtained for a group of individual units of analysis and to show basic patterns in data (Welman et al., 2005:231). After the data was analysed, the findings were presented and interpreted in order to give feedback on the findings about the research questions.

3.11 Conclusion

This chapter outlined the research methodology and design adopted for the study. The research design steps, the population and sample, and the measuring instrument used in this study were described. The chapter also discussed the data collection process followed in collecting the required data of this research as well as how the data was captured, analysed and interpreted. The results of the study will be presented and described in the next chapter.

CHAPTER 4

PRESENTATION OF RESULTS

4.1. Introduction

The concepts and theoretical background of organisational culture and organisational change were discussed in the previous chapters. A comprehensive literature study was done. The research methodology and design, along with the data collection process which was adopted for the research study conducted to obtain employees' perception on organisational culture as well as their perceptions on change was discussed. Hence, the purpose of this chapter is to present the results of this research in order to address the research objectives.

4.2. Response Rate

Table 4.1: Response Rate

Sample	50
Total Responses	37
Total Response Rate	74%
Unusable Responses	4
Unusable Response Rate	8%
Usable Responses	33
Usable Response Rate	66%

Table 4.1 above indicated that a total of 50 questionnaires administered, 37 questionnaires were returned to the researcher which constituted a return rate of 74%. However, out of the 37 questionnaires returned 33 (66%) were correctly completed while 4 (8%) questionnaires were incorrectly completed. The incorrectly completed questionnaires were treated as unusable. This means that only 33 (66%) questionnaires were used in this analysis.

According to Welman, Kruger and Mitchell (2005:154), a response rate that is lower that 50% constitutes a minority, which signifies that an incorrect generalisation of population may be obtained. Based on this research usable response rate of 66% which is >50, the researcher considered it adequate enough for meaningful statistical analysis and also for an acceptable interpretation, and decided to proceed to present the findings.

4.3   The demographical information of respondents

Microsoft Excel was used to summarise the demographical information of respondents as shown in Figures 4.1 to 4.6 below.

Figure 4.1: Number of male and female respondents
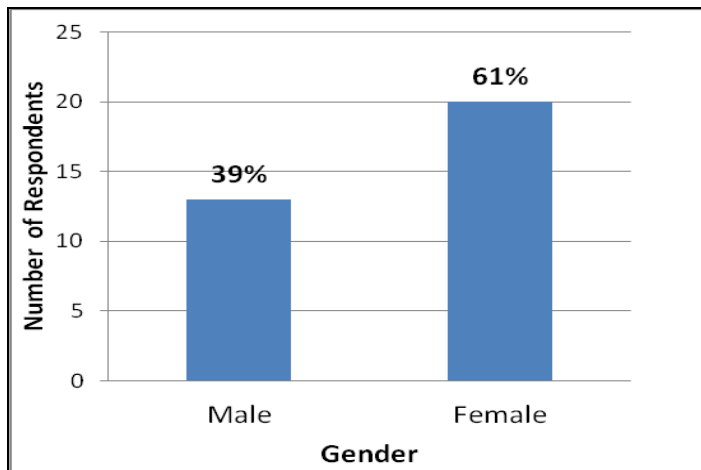
Out of the 33 respondents, 20 (61%) are female and 13 (39%) are male. This information is illustrated in Figure 4.1.

Figure 4.2: Age group of respondents
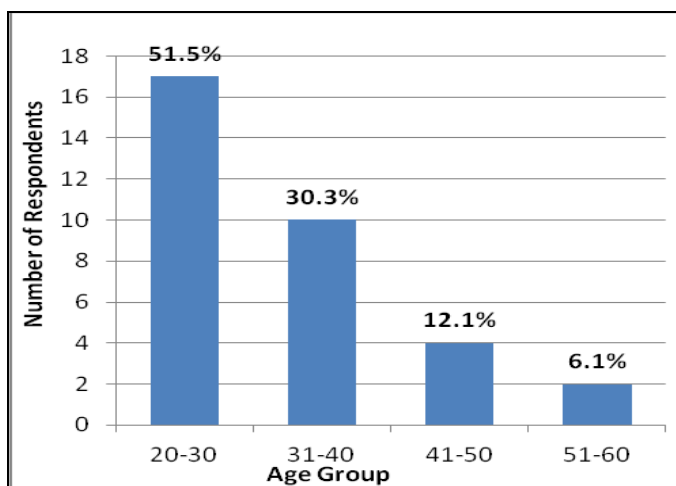
Figure 4.2 shows the age group of respondents. The results reveal that 17 (51.5%) respondents were falling into the age group between 20 and 30, 10 (30.3%) falling between age 31 and 40, while 4 (12.1%) and 2 (6.1%) falling between age 41-50 and 50-60 respectively.

Figure 4.3: Highest qualifications of respondents
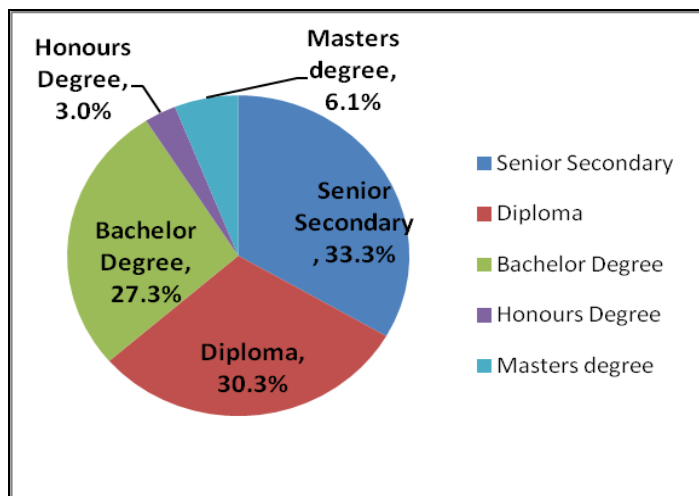
In terms of highest qualifications of respondents as shown in Figure 4.3, about 66.7% had tertiary education represented by 30.3% Diplomas, 27.3% Bachelor degrees, 6.1% Masters Degrees and 3% Honours Degrees, while 33% of respondents had only Senior Secondary educational qualification.

Figure 4.4: Staff Category of respondents
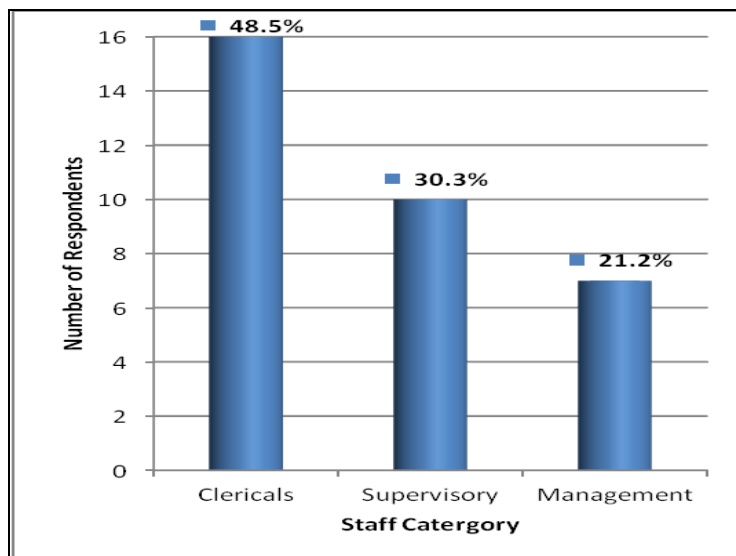
With regards to staff category in which respondents fall, Figure 4.4 demonstrates that 16 (48.5%) of respondents fall under Clericals, 10 (30.3%) fall under Supervisory, and 7 (21.2%) fall under Management.

Figure 4.5: Number of years respondents worked at the bank
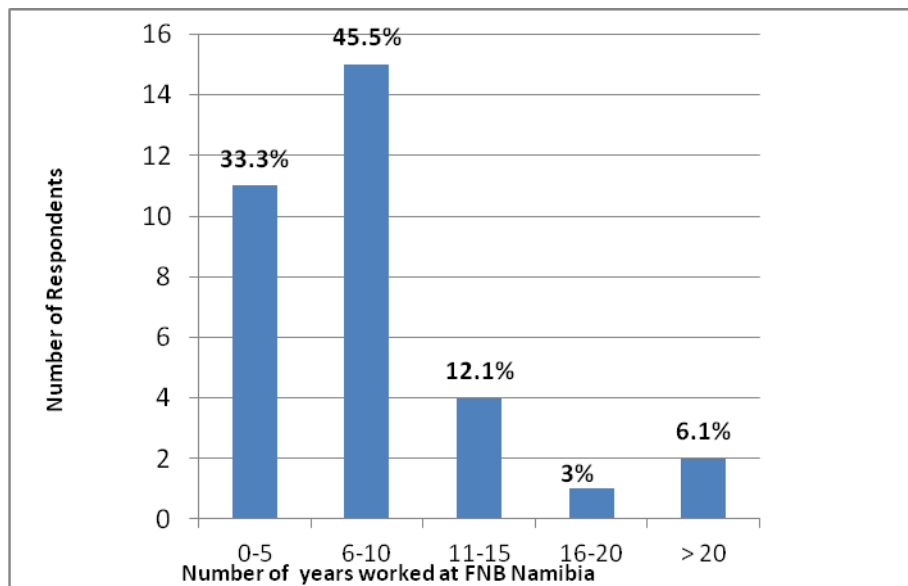
Figure 4.5 illustrates the length of time in years that respondents have worked at FNB Namibia. A total of 15 (45.5%) of respondents have worked between 6 and 10 years for the bank, 11 (33.3%) have worked for the bank for less than 5 years, 4 (12.1%) have worked between 11 to 15 years, and only 3 (9.1%) have worked for the bank for more than 15 years.

Figure 4.6: Department/Branches in which respondents work
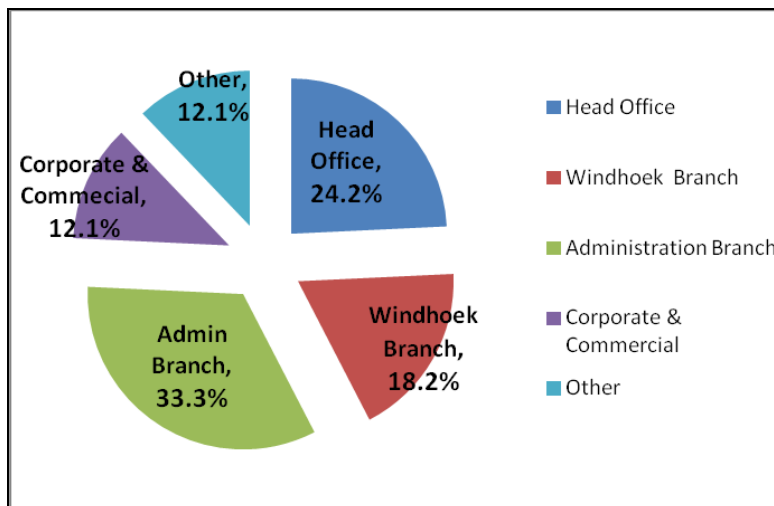
Based on the departments or branches in which respondents work in, there was a total of 11 (33.3%) respondents working in the Administration Branch, 8 (24.2%) working in Head Office, 6 (18.2%) working in Windhoek Branch, 5 (12.1%) working in Corporate & Commercial, and 4 (12.1%) from other departments.

4.4. Organisational culture profile

The results of the Organisational Culture Assessment Instrument (OCAI) are indicated on tables and plotted on graphs, based on the Competing Values Framework, suggested by Cameron and Quinn (2006). The graphs were obtained directly from the survey results of the respondents, which were generated from Microsoft Excel using the Radar chart.

The organisational culture profile was established using descriptive statistics: this was done by calculating the average scores of each organisational culture. The scores of the six individual items of OCAI based on the view of the respondents were calculated and shown on averages of the four alternatives that each represents a type of organisational culture. A five-point scale was used, ranging from 1 (strongly disagree) to 5 (strongly agree). The scores on each alternative (consisted of six items) were totalled and divided by the number of questions in that alternative to give the average score. Thereafter, the average scores of each alternative were totalled and divided by six to yield the average score for the overall perceived dominant organisational culture. In the instrument, A represented a Clan culture, B represented an Adhocracy culture, C represented a Hierarchy culture and D represented a Market culture.

4.4.1. Perceived Dominant Organisational Culture

The perceived dominant existing organisational culture based on the view of respondents is shown in Figure 4.7, whereas Table 4.2 shows the average scores of the four alternatives that each represents an organisational culture.

Table 4.2: Average scores of the perceived dominant organisational culture

A: Clan	19.54
B: Adhocracy	23.09
C: Hierarchy	29.79
D: Market	27.58

Figure 4.7: Perceived dominant existing organisational culture
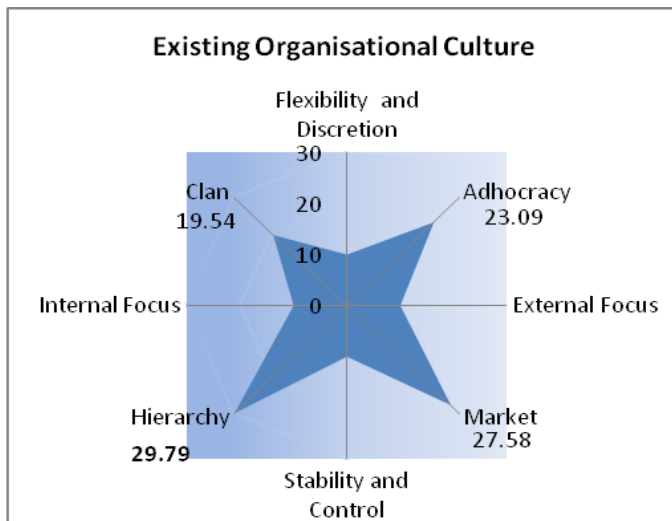
As seen from Table 4.2 and Figure 4.7 above, Hierarchy with an average score of 29.79 is seen as a dominant existing organisational culture, followed by Market with an average score of 27.58, then Adhocracy with an average of 23.09, while Clan culture has the lowest average score of 19.54.

4.4.2. Individual items of OCAI

It is important to present the scores and plotting graphs of the individual items of OCAI separately in order to see how these six culture dimensions affect the dominant organisational culture. In addition, presenting the individual items separately also makes it easier to interpret the cultural congruence in the organisation. According to Cameron and Quinn (2006), there is cultural congruence if different aspects of the organisation's culture are aligned.

The average scores of the six individual items are shown in Table 4.3 below. Figure 4.8 illustrates the individual items of OCAI.

Table 4.3: Average scores of the individual items of OCAI

	Organisational Characteristics	Organisational Leadership	Cohesion	Management of Staff	Strategic Emphasis	Reward System
A: Clan	22.40	17.80	17.66	19.45	19.57	20.33
B: Adhocracy	22.00	22.64	22.52	22.45	22.39	26.56
C: Hierarchy	30.96	30.99	31.57	30.09	29.78	25.36
D: Market	24.64	28.57	28.25	28.01	28.26	27.75

Figure 4.8: Individual items of OCAI
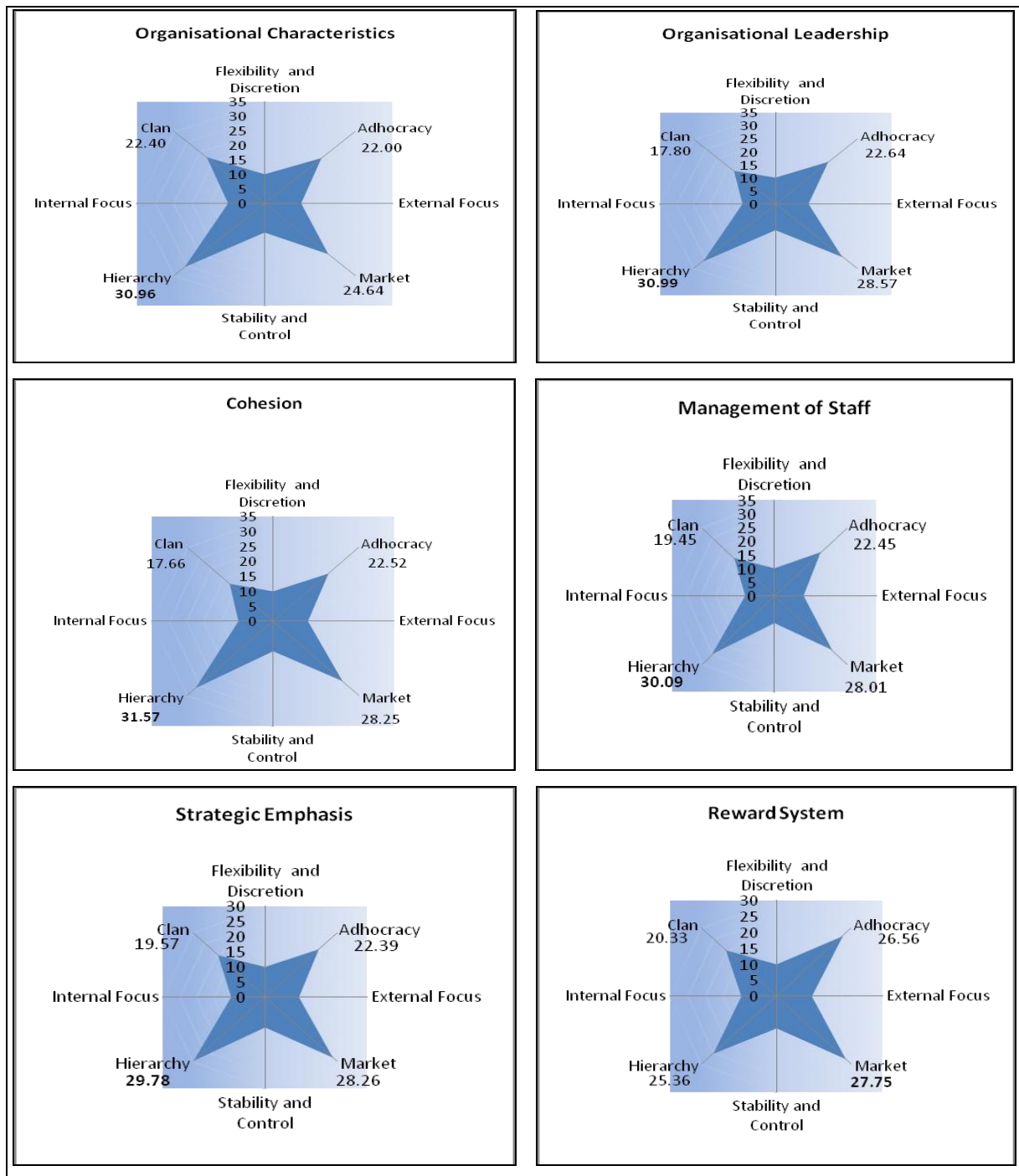
From the results presented, it can be seen that the items are congruent with each other, except for the item of Reward System. Even though Hierarchy culture is emphasized to be having the highest scores in all other five items, the Market Culture has higher score than the Hierarchy culture in the reward system item, suggesting that the reward system at FNB Namibia is based on achievement.

4.4.3. Cultural profile for staff category

In this section the culture profiles of respondents in different staff categories are presented. Table 4.4 shows the average scores of the respondents in different staff category, while Figure 4.9 illustrates the graphical presentation of the respondents in different staff categories.

Table 4.4: Average scores of the perceived dominant organisational culture of staff category

	Clericals	Supervisory	Management
A: Clan	17.86	17.04	26.27
B: Adhocracy	22.19	21.73	26.43
C: Hierarchy	31.55	33.09	22.29
D: Market	28.40	28.15	25.00

Figure 4.9: Perceived dominant existing organisational culture of staff category
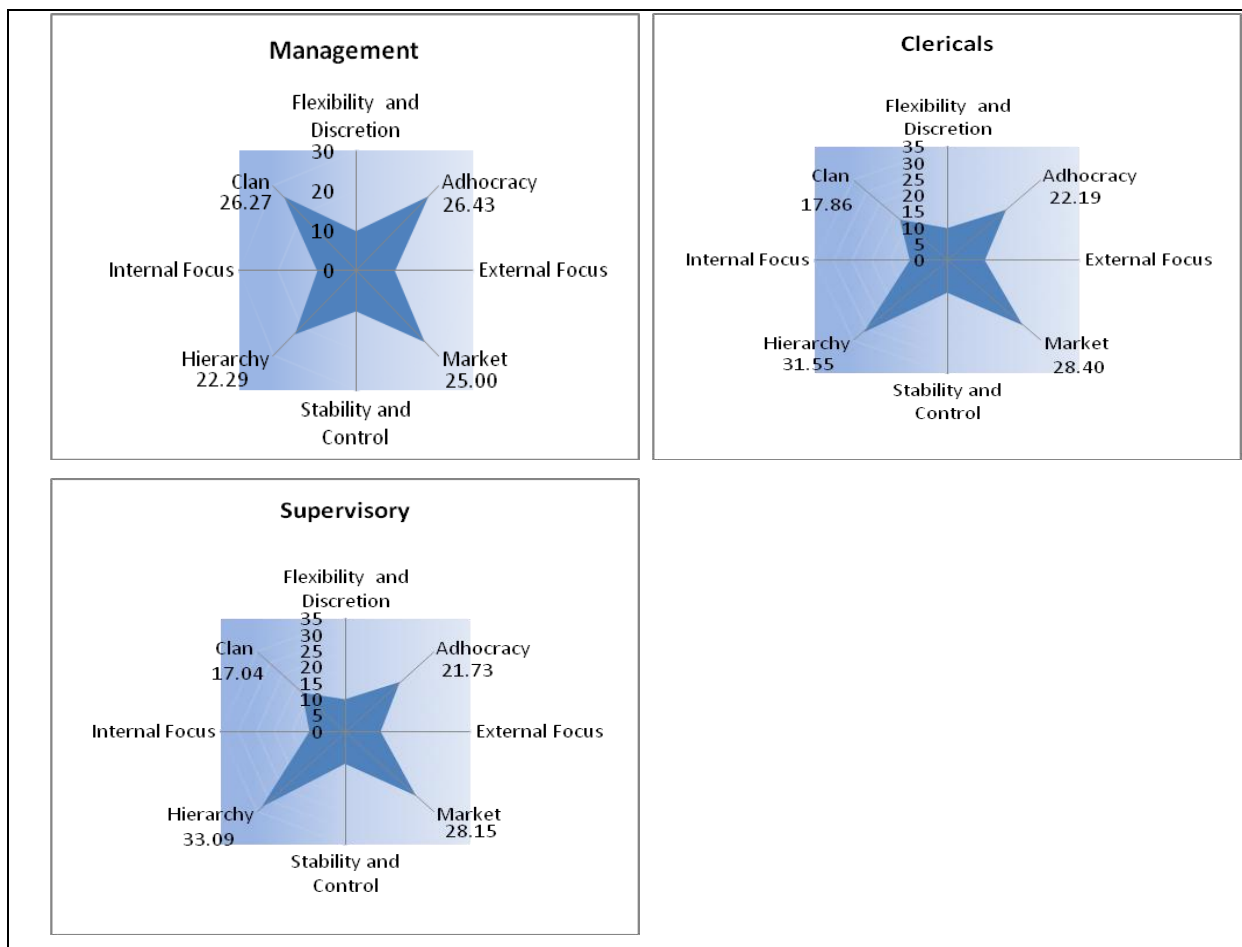
Based on the results presented above, respondents in clerical positions think that the dominant culture of the bank is Hierarchy with a mean score of 31.55, followed by a Market culture scoring 28.40. Respondents in supervisory positions also think that the dominant culture of the bank is Hierarchy with an average score of 33.09, followed by a Market culture scoring 28.15. The Clan culture was perceived to be the least dominant culture at the bank by respondents in the clerical and supervisory positions scoring 17.86 and 17.04 respectively. While the Hierarchy culture was perceived the most dominant by both respondents in clerical and supervisory positions, and Clan culture perceived to be the least dominant, the respondents in the management positions think that the dominant culture of the bank is Adhocracy scoring 26.43, followed by the Clan culture with an average score of 26.27. The respondents in management positions perceived the Hierarchy culture to be the least dominant as opposed to respondents on clerical and supervisory positions. This suggests that the respondents in management position at view the bank to be externally focused with emphasis on differentiation, flexibility and discretion, while leading edge with long-term concern on growth and innovativeness is prominent.

4.5. Perception towards organisational change

The statements were based on a Likert scale of 1 (strongly disagree) to 5 (strongly agree). The results were summarised in order to give an indication on whether the respondents accepted or rejected the statement. Respondents who scored 1 and 2 were added together to indicate disagreements. Respondents having scored 3 were regarded as neither in agreement nor disagreement, thus treated as being neutral. Respondents who scored 4 and 5 were added together to indicate agreements. The results are presented below (Table 4.5) according to sections as indicated in the research instrument.

4.5.1. Results on communicating the vision for change

This section represents the results of statements that focused on the perception of respondents regarding the communication of the vision for change. The statistical results are presented in Table 4.4 and graphical presentation of results in Figure 4.9 below.

Table 4.5: Statistical results on perception of the communication of vision for change

3.1 Understanding the vision for change: when change is initiated…	**Disagree**	**Neutral**	**Agree**	**Total respondents**
3.1.1.Clear reasons for change are communicated	18	0	15	33
3.1.2.The urgency around the need for change is communicated	16	1	16	33
3.1.3.The benefits of change are frequently communicated	19	1	13	33
3.1.4.The reasons and benefits for change are not communicated	14	1	18	33

Figure 4.10: Graphical presentation of results on communication of the vision for change
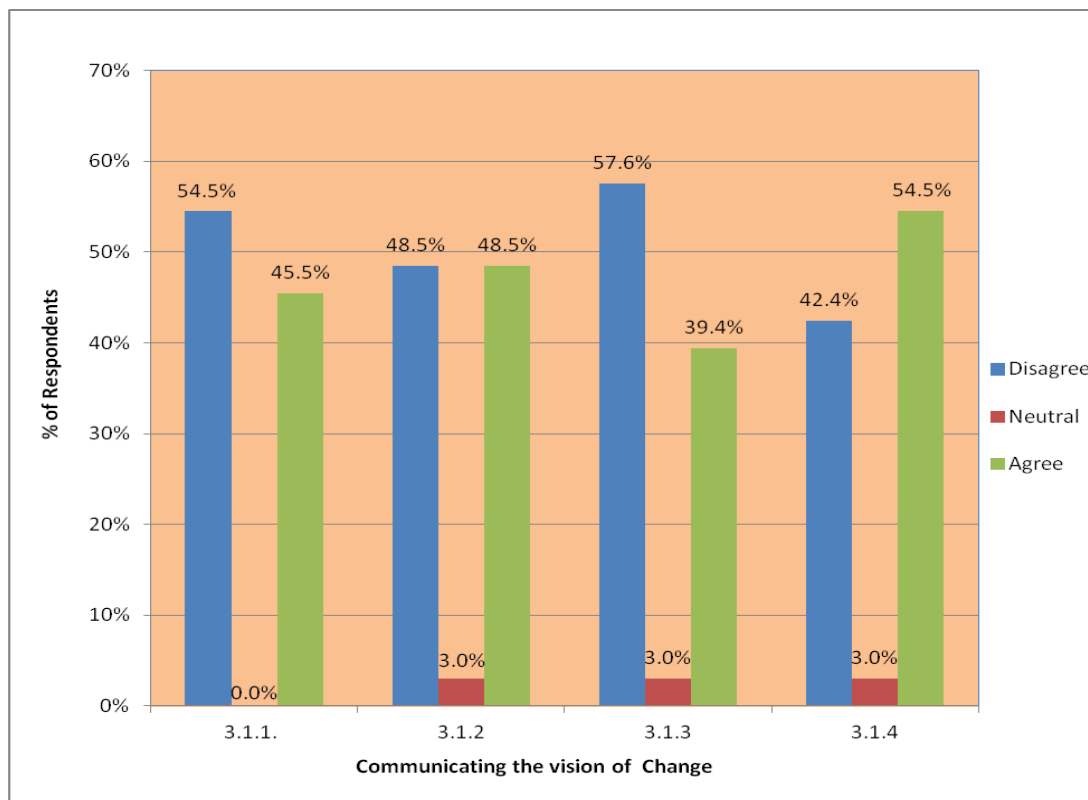
o From the results presented, it shows that 54.5% of respondents were in disagreement that clear reasons for change were communicated whenever the change effort is initiated, while 45.5% were in agreement.

o With regard to whether the urgency around the need for change was explained and communicated whenever change effort is initiated, the results shows that the agreement is at par with the disagreement sharing 48.5% each, while 3% of respondents were neutral.

o The majority (57.6%) of respondents indicated that the benefits of change were not frequently communicated while 39.4% disagreed with them and believed that benefits of change were indeed properly communicated, the remaining 3% were neutral.

o About 54.5% of the respondents indicated that the reasons and benefits of change were not communicated, while 42.4% disagreed and only 3% remained neutral.

4.5.2. Results on management support for change

The results of perception of respondents on management support for change are presented in Table 4.5 and Figure 4.10.

Table 4.6: Statistical results on management support for change

3.2 Management support for change: FNB Management….	Disagree	Neutral	Agree	Total respondents
3.2.1 Invests time & commitment in leading and supporting change	20	1	12	33
3.2.2 Does not involve the right people to make change successful	10	2	21	33
3.2.3 Ensures that staffs has required skills & resources for change	16	3	14	33
3.2.4 Understands the end effects of change on staff members	20	0	13	33
3.2.5 Does not reward & recognise the staff involved in changes	12	4	17	33
3.2.6 Involves, empowers & allows staff members to initiate changes	16	0	17	33

Figure 4.11: Graphical presentation of results on management support for change
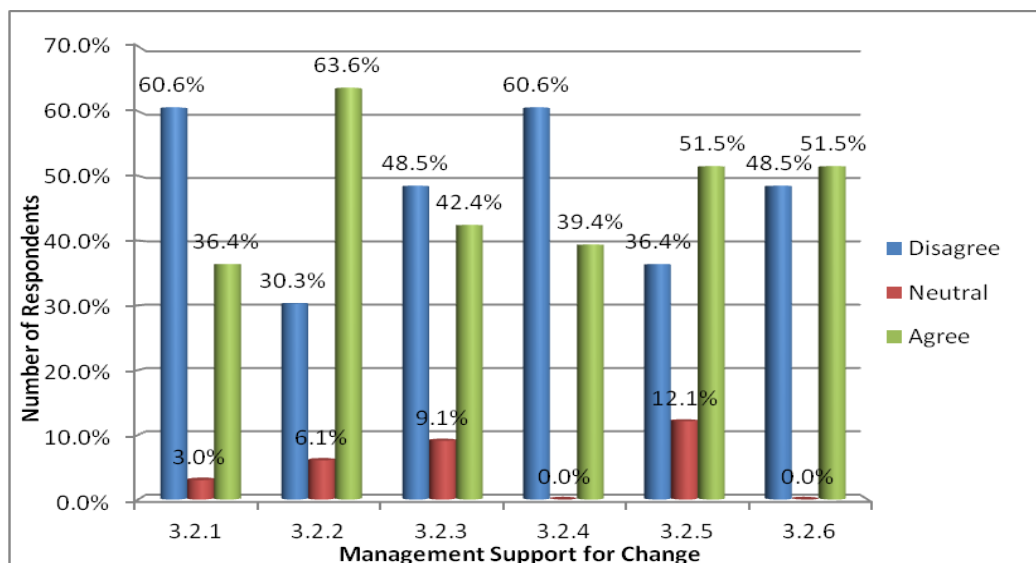
o The first item of this section was based on whether the management invests time and commitment in leading and supporting change. On this item, 60.6% of the respondents disagreed while 36.4% agreed and 3% were neutral.

o The second item was designed to determine whether management involves the right people to make change successful. About 63.6% of respondents were of the opinion that management does not involve the right people to make change successful, while 30.3% disagreed and the remaining 6.1% were neutral.

o With regards to whether the management ensures that employees have the required skills and resources for change, about 48.5% of respondents were in disagreement, while 42.4% were in agreement and 9.1% were neutral on the issue.

o The fourth item focused on assessing whether management understands the end effects of change on staff members when change effort is initiated. On this item, 60.6% of respondents disagreed, while the remaining 39.4% were in agreement with the statement.

o About 51.5% of respondents are of the opinion that management does not recognise and reward staff members who are involved in changes, 36.4% were in disagreement and 12.1% were neutral.

o The last item in this section requested respondents to indicate their views on whether management involves, empowers and allows staff members to initiate changes. The results show that 51.5% of respondents were in agreement and 48.5% disagreed.

4.5.3. Results on employees' perception towards change efforts

Table 4.7 and Figure 4.12 present the statistical and graphical results of respondents on employees' perception towards change efforts.

Table 4.7: Statistical results of respondents on employees' perception towards change

3.3 Employees' perceptions towards change efforts	Disagree	Neutral	Agree	Total respondents
3.3.1 I find change initiatives necessary	8	0	25	33
3.3.2 I see change initiatives as opportunities rather than threats	8	1	24	33
3.3.3 I am looking forward to changes within my work environment	9	0	24	33
3.3.4 I am involved in all aspects of changes that affect me	15	2	16	33
3.3.5 Changes have clear benefits both for me and my company	9	1	23	33
3.3.6 I find change initiatives not appropriate and necessary	21	3	9	33
3.3.7 Change is a painful process with no positive results	22	0	11	33
3.3.8 I do not see benefits and advantages which changes bring	20	0	13	33
3.3.9 When a change effort is initiated, I definitely disagree	23	1	9	33
3.3.10 I fear losing my status, power or my job because of change	26	0	7	33
3.3.11 Changes interrupt the way I do things around here	19	0	14	33
3.3.12 I cannot adapt easily to new ways of doing things	20	3	10	33
3.3.13 I prefer work that is familiar and within my comfort zone	23	1	9	33
3.3.14 I have negative experiences with previous changes.	19	0	14	33

Figure 4.12: Graphical presentation of results on employees' perception towards change
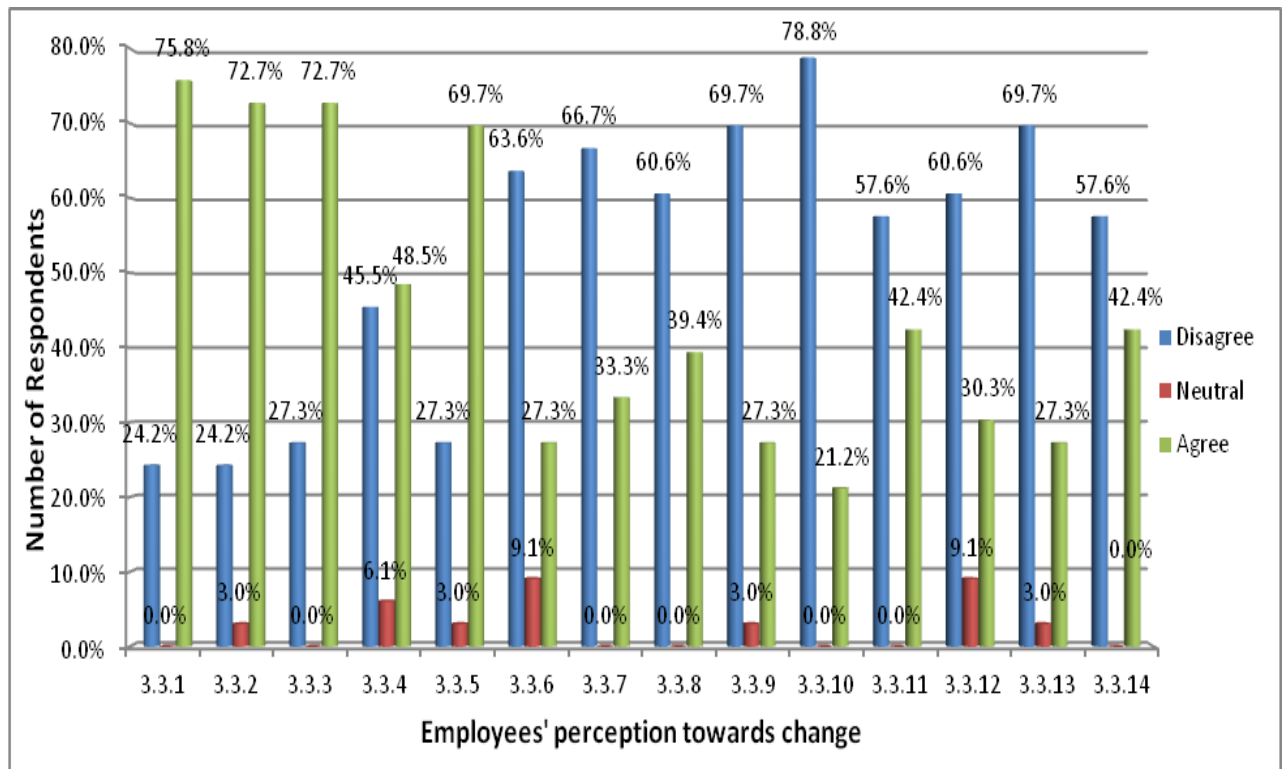
o An overwhelming majority of about 75.8% indicated that they found change initiatives necessary, while 24.2% differ to the statement by indicating their disagreement.

o About 72.7% of respondents indicated that they saw change initiatives as opportunities rather than threats, 24.2% disagreed with the statement and the remaining 3% indicated neutrality.

o With respect to whether respondents were looking forward to changes within their work environment, 72.7% responded positively while the remainder 27.3% responded negatively.

o On the issue of whether respondents were involved in all aspects of changes that affect them, about 48.5% indicated that they were involved, whereas 45.5% indicated that they were not involved and 6.1% were in-between.

o About 69.7% of respondents were confident that changes have clear benefits both for them and for their company, however, 27.3% of respondents were of different opinion by indicating their disagreement while the remaining 3% were being neutral.

o Only 27.3% of respondents found change initiatives not appropriate and necessary, while the majority of about 63.6% indicated their disagreement and 9.1% were not sure.

o On the item of whether change is a painful process with no positive results, 66.7% of respondents disagreed and the remaining balance of 33.3% were in agreement.

o The next item requested respondents to indicate whether they see benefits and advantages which changes bring. On this item, although 39.4% of respondents indicated that they do not see the benefits and advantages which changes bring, 60.4% indicated otherwise.

o Out of 33 respondents, only 27.3% were in agreement that when a change effort is initiated, they definitely disagree; while 69.7% disagreed with the statement, and the remaining 3% pointed out to be neither in agreement nor disagreement.

o The majority of respondents (78.8%) indicated that they were not having fear of losing their status, power or jobs because of change, while the remaining 21, 2% felt that change poses a threat to their status, power or jobs.

o The other item focused on whether changes interrupt the way of doing things around respondents working environment, 57.6% disagreed while 42.4% agreed.

o Respondents were asked to indicate whether they can adapt easily to new ways of doing things or not, 60.6% indicated that they adapt easily, 30.3% felt that they find it difficult to adapt and the remaining 9.1% were neutral.

o The other item dealt with the issue of whether respondents preferred work that is familiar and is within their comfort zones, 69.7% of respondents did not agreed, only 27.3% agreed, and 3% remained neutral.

o The last item focused on whether respondents had negative experiences with previous changes or not, 57.6% indicated that previous changes did not have negative experiences on them while the remaining 42.4% indicated that it was the case.

4.5.4. Relationship between organisational culture and organisational change

In order to establish the relationship between the organisational culture and organisational change of the bank, the perception towards organisational culture and the perception towards change needs to be correlated.

The scores of all six items (organisational characteristics, organisational leadership, cohesion, management of staff, strategic emphasis, and reward system) for each respondent were aggregated to indicate the opinion of an individual person with respect to alternative culture types. Any aggregated score between 20 and 36 points was considered high to determine the culture type each respondent thinks the bank possesses. Since some respondents think that the bank possesses more than one culture type, some duplication in the number of frequency occurred.

Table 4.8: Frequency according to how respondents perceived organisational culture types which exist in the bank

A: Clan	12
B: Adhocracy	16
C: Hierarchy	31
D: Market	27

As indicated from the table above, out of 33 respondents the majority of 31 respondents think that the bank possesses the Hierarchy culture, 27 out of 33 also think that the bank has the Market culture, 16 out of 33 also think that the Adhocracy culture exists in the bank while only 12 out of the total respondents think that the Clan culture also exists in bank. This means that only 2 respondents do not think the bank possesses a Hierarchy culture.

4.5.5 Respondents perception towards change according to the culture types

To determine the number of respondents who had positive or negative or neutral perceptions towards change in each culture group, the number of respondents who gave the same answer to the statement was aggregated. There were fourteen statements under employees'

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perception towards change of which five of them were positive and nine were negative. A disagreement to a negative statement was considered as a positive response while an agreement was considered as a negative response.

The relationship between different types of organisational culture and perception towards change are shown in Table 4.10 to Table 4.13 below.

Table 4.9: Perception towards change according to the Clan culture

Perception towards change	Frequency	Percentage
Positive	10	83.33
Neutral	0	0
Negative	2	16.67

The results show that out of the 12 respondents who indicated that the bank possesses a clan culture, 83.33% had a positive perception towards change and the remaining 16.67% have negative perception.

Table 4.10: Perception towards change according to the Adhocracy culture

Perception towards change	Frequency	Percentage
Positive	13	81.25
Neutral	0	0
Negative	3	18.75

Based on the results, out of 16 respondents who indicated that the bank possesses an adhocracy culture, 81.25% had a positive perception towards change and the remaining 18.75% had negative perception.

Table 4.11: Perception towards change according to the Hierarchy culture

Perception towards change	Frequency	Percentage
Positive	20	64.52
Neutral	1	3.22
Negative	10	32.26

The table above indicates that, out of 31 respondents who indicated that the bank possesses a hierarchy culture, 64.52% had a positive perception towards change while 32.26% had negative perception and the remaining 3.22% were neutral.

Table 4.12: Perception towards change according to the Market culture

Perception towards change	Frequency	Percentage
Positive	19	70.37
Neutral	1	3.70
Negative	7	25.93

The results show that 70.37% of 27 respondents who indicated that the bank possesses a Market culture had a positive perception towards change while 25.93% had negative perception. The remaining 3.70% were neutral.

4.5.6 Profile of overall perception towards change

Table 4.8 displays the respondents overall perception towards organisational change.

Table 4.13: Profile of overall perception towards change

Perception towards change	Frequency	Percentage
Positive	22	66.0
Neutral	1	2.60
Negative	10	31.40

The results revealed that 66% of the total respondents had a positive perception towards change, 31.4% had a negative perception towards change while 2.6% had neither positive nor negative perception towards change and thus were considered being neutral.

4.6 Results on open-ended questions and additional comments

The results under this section were sourced from open-ended questions and additional comments given by respondents. Two open-ended questions were presented and their results are as follows:

4.6.1 Do you think organisational culture has any influence on the change management processes of FNB Namibia? Please elaborate why you think so.

The majority (75.8%) of respondents replied in agreement that organisational culture has an influence on the change management processes of FNB Namibia, while 24.2% did not pose any comment on the question.

Respondents were of the opinion that the following were some of the reasons why they believed organisational culture has an influence on change management processes:

o One of the reasons highlighted by respondents was that they felt that the culture at the bank does not embrace change, thus making it difficult to successfully implement changes.

o The respondents felt that the way employees are treated within the bank obviously affects the response to the initiation of change efforts.

o The organisational culture has an influence on change management because it is the management and employees' behaviours, beliefs, values and attitudes towards change which determines the end results of change management processes in the bank.

o It is because organisational culture is the DNA of the bank.

o The way management leads and manages employees has an effect on change implementation processes.

o Culture is imbedded in values, beliefs, attitudes and operating norms that are shared by members of the bank which affects the way the bank operates.

o It is the culture that makes and drives the bank, and if the culture is not positive and strong, then the morale of employees will not be positive when changes are initiated.

4.6.2 In your own view what do you think are the factors likely to hinder or influence successful change initiatives in FNB Namibia?

The followings were some of the factors highlighted by respondents:

o Lack of communication, one way communication (top-down) with no room for clarity.

o Lack of clarity as to why change is needed and what the benefits are to help employees understand the vision for change.

o High work load which poses threat to successful change because employees are normally overworked, resulting in employees putting less efforts in change implementation processes.

o The autocratic approach exercised by the bank, whereby the management imposes decisions onto employees, and as a result, there is no much efforts and commitment from employees.

o Staff members are not involved, yet are forced to implement changes initiated.

o Imposing changes on staff without being clearly communicated and understood by all.

o Lack of proper reward and recognition system for change.

o Difficulties in mental change or shift of those in comfort zones.

o Fear of losing status quo and fear of unknown.

o Incorrect approach adopted in managing change processes.

o Attitudes and behaviours of management and employees towards change.

o Lack of upper management support and facilitation during change implementation process.

o The fact that the bank is rule-bound, employees prefer doing things that they are used to, thus prefer to stick to the same rules and regulations.

o Inability to manage change effectively and also to overcome internal resistance to change.

4.7 Conclusion

This chapter presented and described the results of the study without explaining or analysing the meaning of the results. The details in terms of the meaning and interpretation of the results will be discussed and explained in the next chapter.

CHAPTER 5

DISCUSSION OF RESULTS

5.1. Introduction

The previous chapter presented the results obtained from the data collected during the survey. This chapter presents the findings of the research with the aim of providing detailed interpretations and meanings to the results obtained and also giving answers to the research questions. The interpretation is organised according to the following research questions.

5.2 Discussion of results of Question 1: Is there a significant relationship between corporate culture and organisational change of FNB Namibia?

The perception towards organisational culture and the perception towards change were correlated in the previous chapter in order to establish whether there is a relationship between organisational culture and organisational change. As shown in Figure 4.10 to Figure 4.13, the Clan culture 83.33% had a positive perception towards change. In the Adhocracy culture 81.25% had a positive perception towards change. In the Hierarchy culture 64.52% had a positive perception towards change. In the Market culture 70.37% had a positive perception towards change. This implies that a Hierarchy culture is less receptive to change than other culture types. The findings showed that organisational culture plays an important role in the change processes. Therefore, it can be concluded that there is a relationship between corporate culture and organisational change of FNB Namibia.

5.3 Discussion of results of Question 2: What are the most dominant cultural types at FNB Namibia in terms of Clan, Adhocracy, Hierarchy and Market types?

This research question was based on establishing the dominant cultural types which exist in the bank. In order to ascertain that, the perception of respondents towards organisational culture was examined through the research study using an Organisational Culture Assessment Instrument (OCAI) adopted form Cameron and Quinn (2006).

As seen from Table 4.2, Hierarchy culture has the highest average score of 29.79 followed by Market with an average score of 27.58, then Adhocracy with an average of 23.09, while Clan culture has the lowest average score of 19.54. It can be interpreted that the dominant culture of the bank is Hierarchy. According to Cameron and Quinn (2006:67), an organisation possessing the hierarchy culture 'focuses on internal maintenance with the need for stability and control'. A hierarchy culture puts more emphasis on bureaucracy and consistency which places heavy reliance on formal structures, policies and standardised operational processes. From OCAI perspective, the dominant characteristic of hierarchy culture is 'the organisation is a controlled and structured place to work, and formal rules and procedures generally govern what people do, the leaders pride themselves on being good coordinators and organisers who are efficiency-minded, and maintaining a smooth-running organisation is most critical' (Cameron and Quinn (2006:67). In terms of total quality management, an organisation with hierarchy culture uses approaches such as error detection, process control, and systematic problem solving processes among others. One of the approaches of solving problems in this type of organisation is to identify the root causes of problems and take preventative actions in order to avoid them in future.

It is understandable for the bank to possess a hierarchy culture because of the nature of the risk involved in its business operations. The underlying risks associated with the banking system require comprehensive and systematic scrutiny of information, and this can be done best through a hierarchical system. The bank has the responsibility for ensuring that appropriate security control processes are in place, the substance of these processes needs special attention because of the security challenges posed in the banking system. This means that the bank should take appropriate measures and use reliable methods to verify the identity and authorisation of customers with whom it conducts business on daily basis. It is also essential for the bank to confirm that a particular communication, transaction, or access request is legitimate. Furthermore, the confidentiality of customers' information and that of the key bank information is critical. Failure from the side of the bank to sufficiently authenticate transactions could result in unauthorised individuals gaining access to account transactions and ultimately financial loss and reputational damage to the bank through fraud and divulgence of confidential information. To ensure that the bank complies with all these security measures, employees are expected to obey every rule, procedure and process when carrying out their day-to-day duties.

The second dominant culture of the bank is the Market. Cameron and Quinn (2006:67) indicate that an organisation possessing the market culture 'focuses on external positioning with the need for stability and control'. Results-oriented is one of the key aspects in the organisation with a market culture. The major concern in this organisation is getting the job done (Cameron and Quinn, 2006:66), and long-term focus is competitive actions and achievement of measurable goals and targets. It is not surprising that respondents perceived the bank to possess a market culture. The competition in the banking industry is very tough, and it is very important for the bank to be competitive in order to meet the demands of customers. In some areas, the bank strives to be first in product and service delivery. In addition, the bank is also expected to prove itself to be the local world-class financial service provider of first choice by creating wealth for its stakeholders through innovation, value-added partnerships and a position for service excellence.

The third dominant culture is Adhocracy. An adhocracy culture focuses on external positioning with a high degree of flexibility and individuality (Cameron and Quinn, 2006:67). The organisation with this type of culture organisation is usually dynamic, entrepreneurial and a creative place to work; people value innovation, experimentation, and developing new products and services. The presence of adhocracy culture can be associated to many factors. The speed of change relating to technological and customer service innovation in the banking sector is inevitable. In today's sphere of business, the banks are experiencing competitive pressure to roll out innovative financial solutions which should result in new products and services. This competition intensifies the management challenge to ensure that the adequate strategic assessment and reviews are conducted before the formulation of these new products and services. The bank should streamline its business processes in such a way that help to gain corporate competitive edge by integrating its operating methods and optimising resources. Some respondents indicated that in the last few years there have been many changes made within the bank. This has resulted in employees of the bank being encouraged to be creative and innovative. Respondents stated that the bank has an innovation proposal policy whereby employees can come up with an innovative ideas and the employee whose idea is selected and implemented will win a prize from FNB Namibia, and also qualifies into the overall FNB Holdings final draw and stand a chance to win up to a million South African Rands.

The least dominant culture of the bank is Clan. Cameron and Quinn (2006:67) indicate that an organisation possessing the clan culture focuses on internal maintenance with flexibility, concern for people, and sensitivity to customers. An organisation with a clan culture is defined as a very friendly working place, and it is more like an extended family. Aspects such as teamwork, loyalty, employee morale, and staff development attach great importance to cohesion. Based on the results, most of the respondents felt that they do not see the bank possessing values such as loyalty, trust, emphasis of human development, or mutual commitment. According to some respondents, the bank has an autocratic approach whereby the management imposes decisions on employees. The respondents also felt that employees in lower positions are less valued, and sometimes the management attitude towards employees does not create a favourable working environment.

The researcher assumed that some of these explanations could be the main motives behind respondents' perceptions. It can be summarised that the results of this study showed the presence of all four types of organisational culture adopted by the bank. The summary is being supported by the scores of respondents which gave an indication that there is no much difference between the average scores of the four culture types which respondents think exist at the bank.

5.4 Discussion of results of Question 3: Is resistance to change a function of organisational culture?

Literature reveals that even though change initiatives are meant for the benefit of the organisation as a whole, people in the organisation respond to change differently. Some members of the organisation view change initiatives as opportunities, while for others, changes are met with anxiety, despair, resentment, and generally with resistance. Kotter and Schlesinger (2008:130) observe that organisational change efforts often encounter human resistance.

In order to answer this research question, the responses in each culture type were linked to the statement that reads 'when a change effort is initiated, I definitely disagree'. This was meant to establish how respondents in each culture type associate with resistance to change. The results showed that 16% of respondents in the Clan culture are associated with resistance

to change. In the Adhocracy culture, 12.50% of respondents are associated with resistance to change. In the Hierarchy culture, 26% of respondents are associated with resistance to change. In the Market culture, 19% of respondents are associated with resistance to change. The results can be interpreted that respondents in the Hierarchy culture are more resistant to change. This could be attributed to the fact that since the hierarchy culture emphasises more on stability employees are therefore accustomed to their old ways of doing things, thus are more resistant than those in other culture types. The results also showed that the respondents in the Adhocracy culture are less resistant to change. This is not surprising because an adhocracy culture values innovation and as such change initiatives are seen as emerging opportunities rather than threats. This however encourages employees in an adhocracy culture to be more creative, anticipative and aggressive towards innovation. These findings are found to be in support of the literature.

Kotter and Schlesinger (2008:134) also observe that the amount and quality of information and the manner in which the information is communicated, and the management support that is provided when a change is initiated, are likely to influence how organisational members will react to change. The responses in the section of communicating and understanding the vision for change; and the responses for the section of Management Support for change were also linked to the culture types to see how respondents react.

The results on the Vision for change showed that 69% of respondents in the Clan culture felt that the reasons, benefits and urgency are properly communicated to employees. The majority (75%) of respondents in the Adhocracy culture felt that the reasons, benefits and urgency for change are properly communicated. In the Hierarchy culture, only 39% of respondents agreed. In the Market culture, 45% of respondents agreed. The results on the Management Support for change indicated as follows: In the Clan culture, 71% of respondents felt that the support provided by management during change is adequate. In the Adhocracy culture, 63% of respondents were of the same opinion. In the Hierarchy culture, however, only 35% of respondents agreed to that. In the Market culture, about 41% of respondents also had the same opinion.

The lower responses in the vision for change of 39%, and the management support for change of 35% in the Hierarchy culture can explain why there is more resistance to change than in

the other cultures. It is clear that 'the amount and quality of information and the manner in which the information is communicated, and the management support that is provided when a change is initiated are likely to influence how organisational members will react to change' (Kotter and Schlesinger (2008:134). It can therefore be concluded that resistance to change can be a function of organisational culture.

5.5   Conclusion

The chapter highlighted in detail the findings of the study. The result showed that the dominant culture of the bank is Hierarchy. The results also showed that there is a relationship between corporate culture and organisational change. It was also established that resistance to change can be a function of organisational culture. However, there were other aspects apart from culture that emerged from the study that seem to play a role on resistance to change such as poor execution of the change itself; lack of rewards and recognition; employees not being involved in the initiation of changes, yet are forced to implement changes imposed. The following chapter will highlight recommendations, conclusions drawn from the study, and some shortcomings on the study that would require further research.

CHAPTER 6

RESEARCH RECOMMENDATIONS AND CONCLUSIONS

6.1   Introduction

This research paper provides a platform that served as a guide to establish the influence of corporate culture on organisational change of FNB Namibia. The theoretical background and objectives of the study were laid down in Chapter one. In order to expand the theoretical background to the study, a literature review was done in Chapter two. In this chapter, the concepts and models of organisational culture and those of the organisational change were discussed. Chapter three revealed the research methodology used to obtain the data gathered in this study. Results of the study were presented in Chapter four. In Chapter five, the research findings were presented accompanied by the discussions and interpretations of those findings.

In this chapter, the most important points highlighted in the previous chapters are summarised coming to the conclusion drawn from this research. Moreover, some recommendations as well as suggestions for further research are discussed later in this chapter.

6.2   Conclusions drawn from the research findings of the study

An organisational culture assessment was performed in order to find out the current perceived dominant culture types of the bank (FNB Namibia). The cultural profile of different staff categories of the bank were also analysed in this study. Correspondingly, the organisational change assessment was also performed to establish the respondents' perceptions towards change. The relationship between organisational culture and change was also analysed to establish the association between the two variables.

The findings of the study are summarised as follows:

- This study showed that the perceived dominant current culture of the bank is Hierarchy. The main reason behind this perception is that respondents view the bank as having a strong process system which puts more emphasis on bureaucracy and consistency which is visible from heavy reliance on formal structures, policies and standardised operational

processes. Employees are expected to obey the rules and adhere to the processes and procedures while performing their job. In other words, the respondents describes the bank as a controlled and structured place to work, formal rules and procedures generally govern what people do, the leaders pride themselves on being good coordinators and organisers who are efficiency-minded, and maintaining a smooth-running organisation is critical.

- Respondents in clerical positions think that the dominant culture of the bank is Hierarchy. The respondents in supervisory positions also think that the dominant culture of the bank is Hierarchy. However, while the Hierarchy culture was perceived the most dominant by respondents in clerical and supervisory positions, respondents in the management positions think that the dominant culture of the bank is Adhocracy. The view of respondents in clerical and supervisory positions is in line with the overall culture profile of the bank. This could be attributed to the fact that respondents in clericals and supervisory positions view the bank as having a bureaucratic and consistent structure whereby heavy reliance on formal structures, policies and standardised operational processes is a norm. At the same time, they are the ones who are expected to obey the rules and adhere to the processes and procedures passed on to them by management while performing their job. On the other hand, the management views the bank to be a dynamic, entrepreneurial and creative working place where people value innovation and experimentation as developing new products and services is of high importance.

- When the individual items of OCAI were analysed it was established that there is a cultural congruence in the current cultural profile of the bank except for the item of Reward System. While Hierarchy is dominant in all other five items (organisational characteristics, organisational leadership, management of staff, cohesion, and strategic emphasis), in this specific item (reward system) Market is the dominant one. The respondents are of the opinion that the rewards at the bank are distributed based on achievement.

- The findings also showed that the vision for change is not properly communicated to be understood by employees whenever change effort is initiated. Most respondents indicated that the communication at the bank flows in one direction (top-down) only. In addition, the respondents also felt that the management support for change is not sufficient to encourage employees' commitment during the change processes.

- The study also found that resistance to change can be a function of organisational culture. An Adhocracy culture is found to be less resistant to change while a Hierarchy culture is found to be more resistant to change.

- The study also revealed that there is a relationship between corporate culture and organisational change of FNB Namibia. Different types of organisational culture have different levels of perception towards organisational change. Overall, the sample in this study showed that most of the respondents have a positive perception towards change. This means that, the more employees are open to change and are emotionally prepared for change, the lesser difficulties management will have when initiating and implementing change efforts.

6.3   Recommendations

With reference to the issues highlighted from the research findings, the following recommendations are made to improve the organisational change processes at the bank:

- The bank should try to create an innovative culture in order for the Adhocracy culture to be the most dominant culture at the bank. This can be achieved if the bank establishes a more flexible organisational structure rather than a hierarchical structure.

- Communication is a very crucial element in the change management process. It is therefore recommended that some interventions are needed to improve communication within the bank. Communication must be a two-way process. This means that not only a 'top-down' but also a 'bottom-up' approach be encouraged to ensure regular interactions between management and employees and also between different departments for an ongoing effective communication to prevail within the bank. This will make it easier for employees to inquire about any issues that are not clearly understood by them during the change implementation processes.

- Change is a leadership issue, since it starts with the leaders as they know what they want to see the change being effect, and it ends with the person who does the process. If leaders are not at the helm of the change process, and decide to discard the process to become the

responsibility of a change agent who is facilitating the process, then the results of such change might not be as favourable as expected because an inexperienced person or consultant who has limited knowledge of how the organisation operates can do a lot of harm. Therefore, leaders should invest their commitment in providing leadership and support during the change implementation process from the start to the end in order to attain expected positive results.

- For a vision for change to be effective, it must be communicated to all employees in order for them to clearly see and understand the strategic logic and benefits for change. Inherently, human beings are resistant to change, therefore communicating and educating employees about the change in advance can be helpful to reduce resistance and at the same time encourage employees' commitment to change.

- Reward and recognition can be motivating tools for successful change. Management should be able to motivate employees during the change process at the same time be willing to reward and recognise those employees who were critical in making the change successful.

- Even though the findings showed that most respondents from the sample are open for change, this does not necessarily mean that they will obviously accept changes initiated and put their commitments to it. Amongst the staff members, a certain number would obviously resist change, but what matters is how management approaches the resistance. It is therefore advised that management should take note that the amount and quality of information and the manner in which the information is communicated, and the management support that is provided when a change effort is initiated, are all likely to influence how organisational members will react to that change effort. However, what matters in the end is that, leaders should ensure that the proposed changes are accepted and committed to by all.

- Employees should be treated as one of the valuable and scarce resources of the bank. The leaders should emphasise long-term benefit of human resources development and attach great importance to cohesion and morale.

- Employees' involvement in decision making affecting them is very crucial rather than imposing decisions on them.

- Employees should be given an opportunity to experiment and become more innovative rather than being rule-bounded. The dominant culture of the bank should support and encourage competencies like creativity, risk taking, and continuous improvement among its staff members. When this is the case, then the initiation of change efforts will encounter fewer problems.

- In order for the bank to efficiently and successfully implement change efforts, Brown and Harvey's force-field analysis model, and Lewin's three-step change model should be followed carefully with more specific emphasis on the unfreezing stage complemented by Kotter's 8-step change model.

6.4 Suggestions for further research

- To determine the reasons why sometimes change initiatives take longer than expected, and why some are difficult to implement successfully, further research will be needed to have a comprehensive understanding of the underlying factors.

- This study also suggests that more research is needed to examine the relationship between corporate culture and other variables such as organisational commitment, employees' job performance, organisational effectiveness, innovation management, corporate performance and so on.

- Due to the fact that the study was not conducted on a large sample that represents the total population of FNB Namibia, the findings might have been different or different outcome might have been obtained from the study. And for this reason, it is important that a further research be carried out on the same topic in order to include a large sample of the population.

- It will be also advised that a further research be conducted to be able to determine the dominant preferred culture of FNB Namibia.

6.5 Conclusion

This chapter provided conclusions and recommendations drawn from the study as well as suggestions in the areas for further research.

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ANNEXURE: A

PARTICIPANT LETTER & RESEARCH QUESTIONNAIRE

TITLE: THE INFLUENCE OF CORPORATE CULTURE ON ORGANISATIONAL
CHANGE OF FIRST NATIONAL BANK OF NAMIBIA.

Dear Participant,

You are kindly invited to take part in this academic research study conducted by Ms. Justina Simon. I am currently studying towards the Masters degree, Magister Technologaie: Business Administration with the University of South Africa (UNISA). As partial fulfilment of the requirements to complete this degree, I am required to do a dissertation in which your participation is highly appreciated. The purpose of this study is to get the understanding of FNB Namibia staff members on the influence or impact of corporate culture on the implementation of change management processes of FNB Namibia, and also to establish why change is sometimes resisted.

Before you decide to take part in this study, it is very important that you understand the followings:
- It will take you approximately 10-15 minutes of your time to complete the questionnaire.
- This research is approved by the management of FNB Namibia and therefore there is no need to be afraid to participate (see attached letter from for granting permission).
- Responses are anonymous and confidential and will be used for academic purpose only.
- Participation in the study is voluntary but very important. Voluntarily means that you may decide to take part or not, and you have the right to withdraw any time should you begin with the study.
- In no way will the information influence or impact your role within the organisation.
- Should you have any questions regarding the study, please feel free to contact me at my e-mail addresses justina.kanalelo@gmail.com or 39266354@mylife.unisa.ac.za or call at 061- 207 4278 (w) 0812513755 (cell).

Thank you

....

Ms. Justina Simon

RESEARCH QUESTIONNAIRE

Section A: Demographics (*Please mark with √ or x*)

	Questions and filters	Coding categories
1.1	Gender	Male…....…..................................1 Female.........…........................…..2
1.2	Age group	20 – 30..1 31 – 40..2 41 – 50..3 51 – 60..4
1.3	What is your highest educational level?	Senior Secondary (Grade 10-12).......1 Diploma……....................…..…..2 Bachelor Degree................................3 Honours Degree..................................4 Masters degree...................................5 Doctorate Degree...............................6
1.4	In which staff category do you fall?	Clericals..1 Supervisory.......................................2 Management.......................................3
1.5	For how many years have you been working for FNB Namibia?	0 – 5..1 6 – 10..2 11 – 15..3 16 – 20..4 Over 20..5
1.6	At which branch of FNB Namibia are you currently working?	Head Office ....1 Windhoek Branch..............................2 Administration Branch.......................3 Corporate & Commercial...................4 Other..5

Section B: Perception on Organizational culture.

This section is for assessing the organizational culture of FNB Namibia. For each statement please indicate only once by a √ or x the extent to which you agree or disagree with the statement.

	Strongly disagree	Disagree	Agree nor disagree	Agree	Strongly agree
2.1 Organisational characteristics (FNB is ….)					
A). a very friendly place to work for.					
B). a dynamic, entrepreneurial and creative work place.					
C). a formalized work place with many rules and procedures.					
D). task-oriented, the main concern is getting the job done.					
2.2 Organizational leadership (FNB Leaders….)					
A). are caring like parents, they develop their staff.					
B). encourage risk-taking and innovation.					
C). are rule enforcers.					
D). encourage staff to meet the company's objectives.					

	Strongly disagree	Disagree	Agree nor disagree	Agree	Strongly agree
2.3. Cohesion (The glue that holds FNB together is……)					
A). loyalty and mutual trust.					
B). commitment to innovation and development.					
C). formal rules and policies.					
D). an emphasis on goals achievement and winning.					
2.4. Management of Staff (FNB management style is characterized by...)					
A). teamwork, consensus, and participation.					
B). individual risk-taking and innovation.					
C). security of employment, conformity and stability.					
D). competitiveness and achievement.					
2.5. Strategic emphasis (FNB puts a strong emphasis on…)					
A). cohesion, teamwork and staff morale.					
B). growth and development.					
C). stability and control.					
D). competitiveness and winning.					
2.6. Reward system (Rewards are distributed…..)					
A). fairly among staff members.					
B). based on individual's initiatives.					
C). based on ranks.					
D). based on achievement.					

Section C: Perception on Organizational Change

The following statements are designed to assess the organizational change processes of FNB Namibia. For each statement please indicate only once by a √ or x the extent to which you agree or disagree with the statement.

	Strongly disagree	Disagree	Agree nor disagree	Agree	Strongly agree
3.1 Understanding the vision for change (When change is initiated...					
Clear reasons for change are communicated.					
The urgency around the need for change is communicated.					
The benefits of change are frequently communicated.					
The reasons and benefits for change are not communicated.					

	Strongly disagree	Disagree	Agree nor disagreed	Agree	Strongly agree
3.2 Management support for change (FNB Management….)					
Invests time & commitment in leading and supporting change.					
Does not involve the right people to make change successful.					
Ensures that staff has required skills & resources for change.					
Understands the end effects of change on staff members.					
Does not reward & recognise the staff involve in changes.					
Involves, empowers & allows staff members to initiate changes.					
3.3 Employees' perceptions towards change efforts					
I find change initiatives necessary.					
I see change initiatives as opportunities rather than threats.					
I am looking forward to changes within my work environment.					
I am involved in all aspects of changes that affect me.					
Changes have clear benefits both for me and my company.					
I find change initiatives not appropriate and necessary.					
Change is a painful process with no positive results.					
I do not see benefits and advantages which changes bring.					
When a change effort is initiated, I definitely disagree.					
I fear losing my status, power or my job because of change.					
Changes interrupt the way I do things around here.					
I cannot adapt easily to new ways of doing things.					
I prefer work that is familiar and within my comfort zone.					
I have negative experiences with previous changes.					

Section D: Recommendations

	Questions	Comments
4.1	Do you think organizational culture has any influence on the change management processes of FNB Namibia? Please elaborate why you think so.	
4.2	In your own view what do you think are the factors likely to hinder or influence successful change initiatives in FNB Namibia?	

Thank you very much for your esteemed and valuable participation.

ANNEXURE: B

PERMISSION LETTER TO CONDUCT THE STUDY AT FNB NAMIBIA

FNB
Namibia Holdings

Strategic Marketing & Communication
5th Floor, First City Centre, Levinson Arcade, PO Box 195, Windhoek, Namibia
Tel. +264 61 299 2101, Fax +264 61 225 994, e-mail: fnb@fnbnamibia.com.na, www.fnbnamibia.com.na

This letter serves to confirm that Ms Justina Simon, a post-graduate student of UNISA was given permission FNB Namibia to interview staff members. Therefore she hereby commits to a confidentiality agreement which states that she will not use the data and information so collected for any other purposes except for the completion of her academic studies. She agrees not to disclose any personal information to third parties and will make all attempts to keep the data confidential. She also agrees to provide a copy of her completed dissertation to FNB Namibia.

Agreement signed in **Windhoek**, on the **14 October 2011**.

Ms Justina Simon

Mr Daniel Motinga

FNB Namibia Holdings

Directors: CJ Hinrichsen (Chairman)#, IJM Leyenaar*(CEO), C L R Haikali, L J Haynes*, J K Macaskill*, S H Moir*, Adv V R Rukoro, I I Zaamwani-Kamwi (Ms), JJ Comalie (Ms), CJ Giddy*
Company Secretary: Y Katjirua(Ms)   * South African #German
First National Bank of Namibia Limited,   Reg. No. 2002/0180

LETTER FROM THE EDITOR

PRIME FOCUS

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16 July 2012

University of South Africa
P.O.Box 392
UNISA
0003
South Africa

Dear Prof G E CHILOANE-TSOKA,

Re: Confirmation of the editing on thesis by JUSTINA SIMON titled THE INFLUENCE OF CORPORATE CULTURE ON ORGANISATIONAL CHANGE OF FIRST NATIONAL BANK OF NAMIBIA.
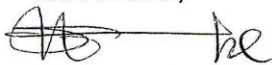
I am Sibangani Dube the Editor of the Prime Focus Magazine, a monthly business magazine in Namibia. I would like to confirm that I edited the thesis by Justina Simon on THE INFLUENCE OF CORPORATE CULTURE ON ORGANISATIONAL CHANGE OF FIRST NATIONAL BANK OF NAMIBIA.

Justina worked a thought provoking topic which current business world is facing, most of the time management know what they want to see happening but it is unfortunately that they find themselves stuck on 'how' to do it. It is my sincere hope that these recommendations will be headed. It is unfortunate that at the time of writing of this letter FNB Namibia is embroiled in a call for a nationwide strike. While the issue is disguised as wage dispute, media reports agree with the findings Justina found in her research.

It is my hope that management will heed and action on the recommendations put forward.

You are more than welcome to consult me further should need arise.

Yours Sincerely

Sibangani Dube

Editor