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ORGANIZATION LEADERSHIP & DEVELOPMENT QUARTERLY

Centre for Organization Leadership & Development

2019

- Workplace Spirituality
- Organizational Change Strategies
- Organization Development in Banking
- Employee Productivity
- Organizational Capabilities
- Purpose of the Corporation

The Organization Leadership & Development Quarterly (OLDQ) is an operational tool for today's business professionals. Its research-based content brightens the grey areas of leadership and development practice by providing cutting-edge solutions to problems, only research can proffer regardless of industry, profession or career phase. –*Tosin Ekundayo*

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Advancing the OD field

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EDITOR'S NOTE

The *Organization Leadership and Development Quarterly (OLDQ)* is proud to be publishing its fourth *Issue* under the Volume 1 publications. It is with great pleasure that we end the year 2019 with great achievement of successfully publishing the four editions. We rely on our Editorial Purpose as a benchmark for success. This *Issue* covers an editorial article on workplace spirituality as an essential addition to the corporate boardrooms. The article explored the mechanistic and spiritual paradigms of corporate governance and corporate management. An article by ***Hafiz Kashif Ali Naeem*** from Pakistan focused on organizational change strategies. In view of complexity and chaos in the business operating environment, the emphasis of organizational change strategies should not be exclusively targeted at the tools and techniques, but the ability of the change strategies to bring transformative value to organizations.

We concur to the view that the banking environment is highly complex and chaotic as a result of the inevitability of change and the resultant tensional forces. Effective change management demands a consideration of the internal and external environment through the adoption of OD interventions. In this guided article, ***Grace Magwani*** worked on putting together OD concepts and OD vocabulary in the banking sector in Zimbabwe.

Employee productivity is an important factor in revenue generation. ***Jahirul Aslam*** from Bangladesh explored the issue of employee productivity as fundamental to revenue generation within hotels. The recommendations proffered in this article points out to OD interventions targeted at employee development and motivation. OD focuses on enhancing organizational capabilities. ***Walter Nyakanyanga*** pointed out that infrastructure development banks need to craft an appropriate mix of strategies and actions that can simultaneously address the divergent concerns of its stakeholders. In view of the developments in corporate governance, we also included the 'Statement of the Purpose of the Corporation' by the US Business Roundtable.

We appreciate our global reach and having received contributions from different countries such as Uzbekistan, Nigeria, Pakistan, Bangladesh, and Switzerland. Thank you so much for taking time to read this *Edition*. We welcome your feedback and OD success stories as we advance the field of Organization Leadership and Development.

Managing Editor

Dr. Justine Chinoperekweyi

Volume 1; Issue 4

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Editorial Purpose:

Our mission is to share and ignite insightful conversations that enhance knowledge, skills, and application; and strengthen synergies among OD professionals and organizations.

Editorial Contributions:

The views expressed in OLDQ are those of the authors and do not necessarily represent those of COLD.

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Editorial: Workplace Spirituality – The 'Poor Cousin' of the 'Red-headed Stepchild' now dining with 'Adults' in Corporate Boardrooms

Justine Chinoperekweyi

Received: June 8, 2019 Accepted: August 21, 2019 Published: October 01, 2019

Extracted from the book: Corporate Governance in Banking: Nuggets from Canada, Georgia, Germany, U,K., and Zimbabwe

It is stated that organizational studies have undergone a fundamental shift from a mechanistic or Newtonian paradigm that values reason and scientific principles to an organistic or spiritual paradigm that values consciousness and understanding (Whitty, 1997). It seems evident that the focus of organizational studies shifted from reductive analysis and predetermined plans to more holistic analyses. The mechanistic paradigm states that individuals can be scientifically measured and categorized based on intellectual and other characteristics they possess, and that certain people are meant to be leaders whereas others are meant to be followers. This view further assumes that organizations and the world function on rational laws that dictate the only correct way of doing things. The mechanistic paradigm has a strong belief in scarcity of resources, leading to practices such as "antagonism, political manipulation, 'padding' of budget requests, empire building, and lack of trust and cooperation between persons and organizational units" (Whitty, 1997). This editorial article submits that the spiritual paradigm should be fully integrated into corporate boardrooms rather than be viewed as the 'poor cousin' of the 'red-headed stepchild' among adults in corporate boardrooms.

With reference to my doctoral thesis and other scholars, Table 1 summarizes the differences between the mechanistic and spiritual paradigms in the workplace:

Table 1: Workplace Spirituality: Mechanistic vs. Spiritual Paradigms

Mechanistic Paradigm	Spiritual Paradigm
Management possesses inflexible attitudes and beliefs about their organizations, themselves and all other stakeholders. Managers are resistant to change.	Management is open to change, understanding the significance and/or purpose of life, and understand how they are connected with a greater whole.
Management establishes and follows specific procedures or rules of behavior.	Managers trust their employees, share information, and work in concert with teams to accomplish mutual objectives.
Management decisions are purely based on logic and reason.	Managers empower employees and uses "intuition and emotions in reaching decisions for the common good" (Whitty, 1997).

Possess a scarcity mentality hence the use of the win-lose tactic in conflict resolution.	Managers possess an "abundance" mentality hence the use of win-win strategies in conflict resolution.
Organizations are characterized by rigid, bureaucratic structures and hierarchical chains of command.	Organizations are characterized by flatter organizational structures and openness to change.
Organizations use formal communication channels, very formal procedure manuals, and policy manuals. Concerned with policies and procedures and not stakeholders.	Organizations are concerned with existing in harmony with their environment, hence the focus on ecology and environment, and meeting the needs of all stakeholders.
The scarcity mentality leads to competition, politics and power struggles between organizational units.	The abundance mentality leads to greater interconnectedness, cooperation, and employee empowerment.

Source: Chinoperekweyi, 2018 (Unpublished PhD Thesis)

A review of past organizational studies paints spirituality as the 'poor cousin' of the 'red-headed stepchild'. However, it is interesting to note the significant shifts leading to this purportedly 'poor cousin' now dining with the adults in corporate boardrooms. Benefiel (2003) confirmed this shift by stating that "Spirituality and management, once thought incompatible, have in the past decade fallen in love". Spirituality is regarded as the basis for evolutionary and revolutionary transformational leadership and corporate governance. Evolutionary leadership, revolutionary leadership and corporate governance emphasize envisioning the future, and involve a change in the philosophy, beliefs, and principles of the society.

The field of workplace spirituality as a scholarly topic has attracted increased attention in the last three decades as a result of the confluence of disparate events. The spiritual progress in the business world seems to be a 'reaction to the corporate greed of the 1980s' (Zamor, 2003). The world today is plagued by large-scale economic, social, and environmental problems necessitated by human gluttony and a lack of love and compassion due to the pursuit of self-centered interests. These immense problems have triggered in humankind a renewed search for harmony and peace, a search that is in essence a spiritual journey (Cacioppe, 2000). Such a paradigm shift enables an emphasis on issues such as team work, trust, creativity, and openness to change as approaches to dealing with the disruptions caused by the drive toward globalization thereby keeping businesses thriving in a changing world.

Based on a review of existing literature, here are some of the explanations for the appeal of spirituality in corporate boardrooms and the deepening love between spirituality and management:

- "organizations are a great human achievement, and work is the centerpiece of most people's lives and inextricably impregnated in people's search for ultimate meaning" (Mitroff, 2003).
- improvements in employee working conditions and the quality of life for all stakeholders is a function of organizational performance. It is difficult, in

contrast, to grant "spiritual richness" joy and meaningful work to employees if the organization is poorly managed and focused on material survival.

- there is an increased possibility in contemporary organizations, that employees bring only their arms and brains to work, and not their souls (Mitroff, 2003). The resulting consequence is a failure by the organizations to trigger the full creativity and potential of employees. Employees, in turn, fail in developing themselves as holistic human beings.
- inappropriate management of workplace spirituality may permeate the corporate structures with spiritual qualities that serve as a new technology of control, that is, as new and more sophisticated forms of domination (Cunha *et al.,* 2006).
- the correct interpretation of workplace spirituality can mitigate or eliminate: injuries to employee mental health, vassalage, people humiliation and destruction, dehumanized practices and serious threats to the "human soul" (Mitroff, 2003).

According to the Harvard Business School, spirited workplaces outperform spiritually weak companies. It has been proven that workplace spirituality is 'a sanctified and blessed intangible asset for any organizational long term progress and survival'. "In spite of the fact that the language and practice of biblical times are far removed from modern day finance, the wisdom of the Scriptures would enlighten the moral understanding of market fragilities and renew a commitment of the faithful toward behavior that pleases God rather than men" (Smith, 2010). "The disengagement of economic problems from the spiritual realm, the determination to find economic solutions while the religious problem is ignored or held in suspense constitutes the prime crisis" (Henry, 1955). Organizational effectiveness can be achieved if organizations openly incorporate the principles of workplace spirituality in their business models. This involves "addressing employees as whole human beings by meeting their physical, mental, emotional, and spiritual needs" (Dehler and Welsh, 2003).

Though spirituality is often associated with the practice of religion, various scholars have asserted that it is distinct from the practice of religion. Spirituality is concerned with qualities of the human spirit, such as love and compassion, patience, tolerance, forgiveness, contentment, commitment, a sense of responsibility, a sense of harmony, which bring happiness to both self and others. In contrast, religion is concerned with the claims of salvation, an aspect of which is acceptance of some form of philosophical reality. Workplace spirituality advocates for a culture that recognizes that employees have both a mind, a spirit, and seeks to find meaning in their work and desire to connect with other employees and to be part of a community. Workplace spirituality recognizes the inner life of each individual employee that nourishes and is nourished by meaningful work that takes place in the context of community (Ashmos and Duchon, 2000). The spiritual paradigm essentially 'recognizes that people work not only with their hands, but also their hearts or spirit' (Ashmos and Duchon, 2000). It is when people work with a committed spirit that they can find a kind of meaning and purpose, a kind of fulfillment which means the workplace can be a place where people can express their whole selves. Workplace spirituality refers to "a framework of organizational values evidenced in the culture that promotes employee's experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy" (Giacalone and Jurkiewicz, 2003). The two main components of spirituality in the workplace are: a desire to transcend the individual ego or personality self *(vertical)* and a desire to be part of the service to other humans and the planet *(horizontal)*.

At the individual level, spirituality is viewed as an affective and cognitive experience: an employee feels and believes in a spiritual connection to work and the workplace. At the organizational level, spirituality reflects the spiritual values that is part of the organization's culture and is thus used to inform behavior, decision-making, and resource allocation. Pawar (2009) suggests that workplace spirituality can be encouraged at both levels. For examples, employees can participate in spiritual development programs, such as, learning meditation. The organization can use spiritual values to modify organizational planning and strategy making, human resource management practices, and building a culture that provides a context for daily life.

The diagram below depicts the five main principles of spirituality in the workplace. These five principles in Figure 1 are essential in building organizational congruence and driving organizational effectiveness. Effective organizations are creative, aspire to a shared vision, are effective in communication, show respect to all stakeholders, and understand their purpose (Pawar, 2009; Giacalone and Jurkiewicz, 2003).

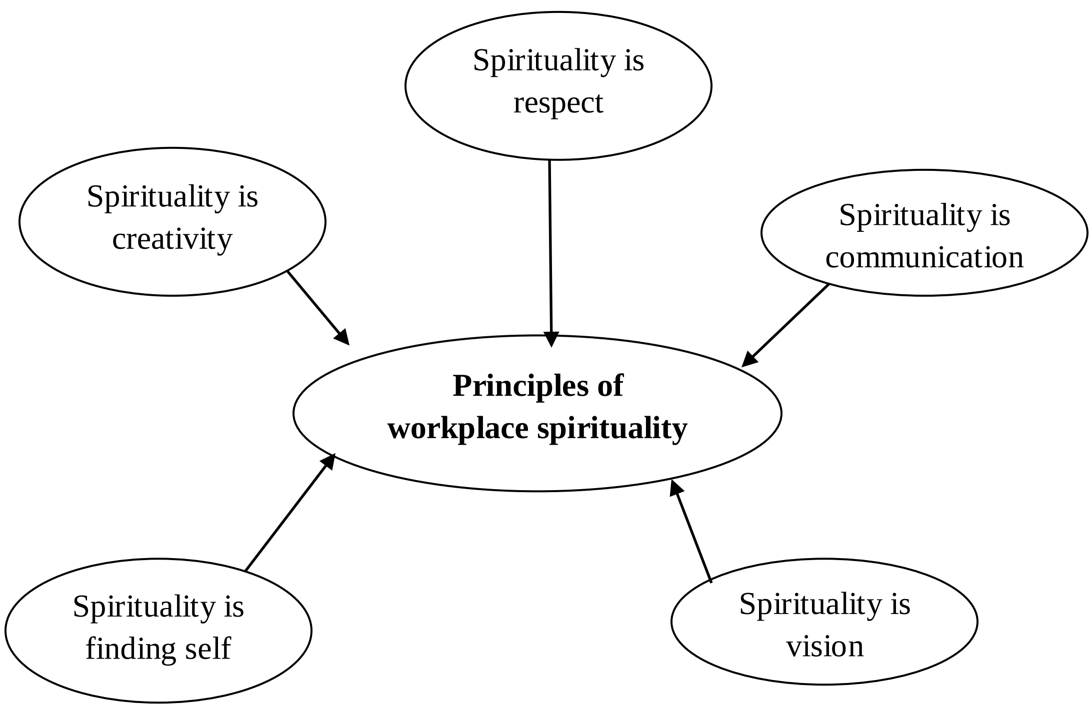

Figure 1: Principles of Workplace Spirituality

Following are the characteristics that drive organizational effectiveness in spiritual organizations:

- Strong sense of purpose in the work;
- Prioritizes individual development;
- Focus on building trust and openness within the entire organization;
- Empowerment of all employees; and
- Employee expression is greatly tolerated.

Other common practices of spiritual organizations include: meditation centers, prayer groups, career counseling, ethics and core values, healthy work environment, work-life balance, programs that integrate work and family, servant leadership and stewardship. It is an undoubted aphorism that these practices are essential in building a benevolent workplace which sustains organizational effectiveness (Giacalone and Jurkiewicz, 2003).

This editorial advocates for the incorporation of workplace spirituality in corporate boardrooms because organizations that uphold ethical and spiritual values enjoy increased productivity, profitability, employee retention, customer loyalty, and brand reputation. Organizations that intentionally address their employees' spirituality benefit from a reduction in stress levels, enhanced employee creativity, and improved problem solving (Tischler *et al.,* 2002). The focus on the "spiritual qualities of meaningfulness and joy at work leads to increased job satisfaction" (Harung *et al.,* 1996), enhanced job involvement, organizational identification, and compensation satisfaction, honesty, trust, and dedication (Krishnakumar and Neck, 2002), and even improved work performance (Duchon and Plowman, 2005).

This editorial subscribes to the assertion that spirituality is the basis for revolutionary, transformational leadership and corporate governance; hence the need to ensure it guides all the corporate activities. In support of this assertion, "management science research suggests a paradigm shift in the direction that embraces not only the drive for profit, but also for social and religious responsibilities" (Tsafe and Rahman, 2013). Scholars are widely calling for the broadening of the problem-solving approaches in organizations in order to incorporate spiritual dimensions (Parvez and Ahmed, 2004). Literature shows that workplace spirituality has a major role in enhancing the internal corporate governance of firms and subsequently organizational effectiveness.

In studying entrepreneurs, Mardhatillah and Rulindo (2008) focused on qualitative analysis to determine the effects of spirituality on businesses. The results of this qualitative analysis confirmed that spirituality of the micro-entrepreneurs greatly influences business performance. This was noted because corporate governance and organizational effectiveness are behavioral issues and as such require such principles and practices as workplace spirituality for them to be enhanced.

Table 2 summarizes workplace spirituality vowels of organizational effectiveness. Based on the vowels workplace spirituality has should promote the following five elements: affirming the organization's mission, embodying good governance, influencing people towards ethical practices, obeying all laws and customs, and unifying all the constituent parts of the organization.

Table 2: Workplace Spirituality Vowels of Organizational Effectiveness

	Workplace Spirituality	Description
A	Affirm	Spirituality in the workplace should affirm the values and mission of the organization.
E	Embody	The organization should exemplify good governance by adhering to acceptable standards of behavior.
I	Influence	Workplace spirituality should influence and inspire all stakeholders to abide to ethical practice.
O	Obey	Spirituality encourages observance of laws and customs.
U	Unify	Workplace spirituality has the objective of unifying all the constituent parts of the organization.

Source: Chinoperekweyi (2018)

This editorial considers workplace spirituality as a key corporate governance variable for organizational effectiveness. This was in view of the purported shift of organizational studies from a mechanistic paradigm and scientific principles to an organistic paradigm. A cursory perusal of numerous organizations' value statements confirms the perspective that workplace spirituality drives organizational effectiveness.

Discussion and Interpretation

Workplace spirituality encourages trust, teamwork, openness, and creativity which issues are important in determining organizational effectiveness. Organizational effectiveness through workplace spirituality is achieved because of greater interconnected and cooperation between organizational units, employee empowerment, ecological and environmental support, and focusing of diverse stakeholders' needs. These views are consistent with observations by Cunha *et al.,* (2006) who stated that workplace spirituality "imbue organizational structures with spiritual qualities that drive effectiveness". Results are also in agreement with Duchon and Plowman (2005) who found out that workplace spirituality improves employee performance, increase job satisfaction, and enhance organizational identity.

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A Review of Organizational Change Strategies

Hafiz Kashif Ali Naeem

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Abstract

There is an exponential increase in the number of studies focusing on organizational change and organization development. Though these studies differ in terms of their philosophical orientation and the expected transformative value, there seem to be a general consensus in terms of the constancy of change and the tools and strategies for managing change. This article notes that there are numerous change management and change implementation models and each model has different methodical idea, knowledge application, and resources for management which are utilized for the acceptance and establishment of business processes within organizations. , i.e. conducting certain changes with the purpose of reaching the targeted condition and projected results. However, the article affirms that the emphasis of organizational change strategies should not be exclusively targeted at the tools and techniques, but the ability of the change strategies to bring transformative value to organizations. This article offers a basic review of the main organizational change strategies that should be adopted in executing change initiatives.

Keywords: *Organization Change, Change, Change Strategies*

Introduction

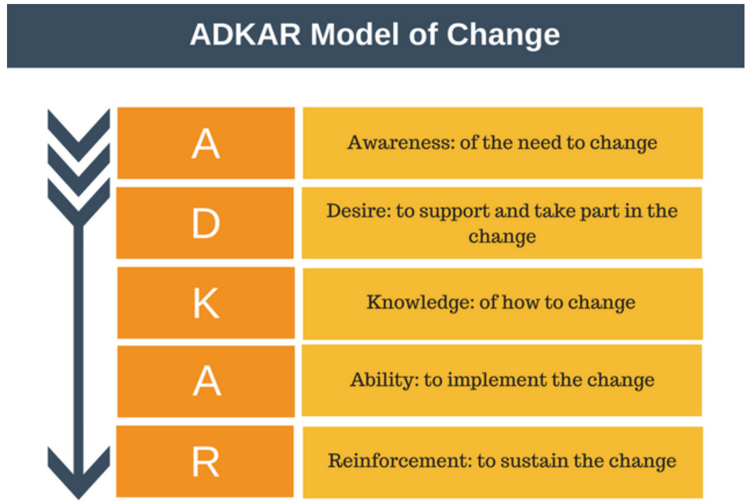
As stated by Heraclit, it is an aphorism that change is the only constant. Organizations today are faced with a continuously changing environment and it is imperative for organizations to develop effective organization change strategies. Organization change strategies provide direction and purpose for all strategic and operational activities of an organization. By outlining the unique characteristics of change and its risks and potential effects, organizations become increasingly ambidextrous and agile. There are numerous models to manage organizational change and organizations need to develop customized change strategies by using such established change models. The article explores and evaluates the organizational change strategies available to contemporary organizations. The article also reviews the change solutions that can facilitate the achievement of organizational outcomes.

Organization Change Models

Organization Development scholars and practitioners need to constantly review change models and change strategies in order to ensure fitness of change initiatives to the operating environment. Following are some of the main models of organizational change management. The article offers a brief and simplified overview of each model and its strengths and weakness.

Hiatt's ADKAR Model

The ADKAR model was developed by Jeff Hiatt in 2003 and it was introduced as a practical tool by Prosci, a renowned change management consultancy and learning Centre. The ADKAR model is mainly intended to be a coaching and change management tool to help and assist employees through the change process within organizations (Hiatt, 2006). ADKAR is an acronym for *Awareness, Desire, Knowledge, Ability, and Reinforcement.*



Awareness

Awareness is the *de rigueur* of successful change management and change leadership. A key role of organizations in this step is to ensure all concerned parties understand the need for change. Each individual or work group need to be conscious of why the change is happening and why the change is necessary. Awareness therefore demands acute inquiry and observation of the entire organization and its environment.

Desire

In this step, organizations need to engage everyone and develop the desire to take part in and support the change. To ensure effective change process, it is important to explain on an individual basis the benefits of engaging in the change process. This could mean enhanced job security, a sense of belonging to a team, career advancement, or even financial incentives. The organization should strive to ensure alignment of the change process with the vision and mission statements.

Knowledge

This step focuses on enhancing employees' knowledge on how to implement change. Each stakeholder should be given the knowledge of what to do or how to change by formal education and training, coaching, monitoring and customized workshops.

Ability

Once the knowledge of how to change is in place, then employees need to be supported during the actual performance. The result of this step is that the individual has the ability to show new skills and behaviors.

Reinforcement

The final step is that the new change or behavior is reinforced within each individual. This step is necessary for organizations to sustain the change by taking corrective actions quickly, position reinforcement, rewards, recognitions & celebrations.

The ADKAR model has its own well-documented strengths and weaknesses. Some of the strengths of this model include:

- It is a result-oriented approach.
- For each step of the model, progress can be measured at the individual level. Any gaps identified can then be rectified.
- The model recognizes that it is ultimately people that facilitate change and not simply processes.
- It provides a clear checklist of things that need to be done to manage change.

The weaknesses of the ADKAR model include some of the following:

- This model does not focus on what needs to be done but focuses on result.
- It ignores program management and the need to provide clarity of direction and the steps that are needed to get to the final destination.
- It is better suited to smaller change initiatives. Only focusing on the people dimension isn't enough to make large-scale change happen.
- It is purely based on individual efforts to make change.

John Kotter's 8 Step Change Model

John Kotter (1996), a Harvard Business School Professor and a renowned change expert estimates that 70% of all major change efforts in organizations fail because:

- People don't like to change
- Poor or no planning
- Ignoring culture
- Insufficient communication

To minimize failure of change efforts, Kotter developed 8 steps to successfully implement change (Kotter, 2014).

Step 1: Create a sense of urgency

Organizations should create high sense of urgency. This includes:

- expressing the need for change
- get a discussion going on about the change
- management should clearly communicate the change timelines and the goals and objectives of change.

Step 2: Build a guiding coalition

Organizations need put together a group of individuals to be the leaders of the guiding team, based on the following:

- the group must trust each other and be moving in the same direction
- leaders are selected for their authority, expertise, resources knowledge or skills
- make sure there is a good mix of members from different departments

Step 3: Form a strategic vision & initiatives

Organizations then create a clear understanding of what the change is about, through:

- determining the key reasons for change
- developing a 2-3 sentence vision statement that explains the future of the organization
- knowing how the organization's vision can be executed
- vision must have flexibility to adapt to the organization

Step 4: Enlist a volunteer army

It's very common that if employees don't understand the change initiatives, they won't support the change. At this stage, the organization clearly addresses all parties about the change. Group leaders need to hear from people about the obstacles to make the change then support and empower the employees to make the changes (Thurman, 2011). This requires applying the organization's vision to all aspects of the organization and leading by example.

Step 5: Enable action by removing barriers

When an organization start to implement the change, effort should be directed at removing any form of barriers through the following necessary action:

- evaluate the current organizational status to ensure conformity with the vision
- motivate the employees by recognizing and rewarding for making the change happen
- continuing conduct self-assessment often to check for change resistance
- address issues immediately and get feedback

Step 6: Generate short-term wins

Organizations should set specific short-term performance goals in line with organization vision and when short-term goals are met then success can be celebrated. This gives a sense of motivation and it is necessary to avoid losing performance momentum and keeping all employees engaged (Hackman, 2000; Jaques, 2015).

Step 7: Sustain acceleration

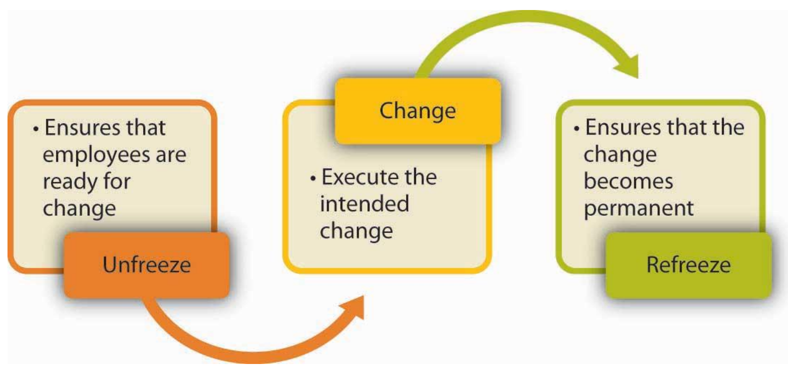
Organizations should take time for the first steps and consider early success as an enabler for future success. This involves analyzing the change process and setting new goals. It is also essential to adopt the *'Kaizen Approach'*- the Japanese idea of continuous improvement.

Step 8: Institute change

After achieving the desire goals and changing the organization structure, it is essential to tell success stories to others like ideas and values when hiring and training new staff. It also involves succession planning to replace key leaders of change as they move on. It is important to always monitor the acceptance of the change and change must become a part of shared values of the organization.

Kotter's 8 Step Model is considered as simple and easy to follow model. The model also provides clear steps and encourages communication across all steps thereby facilitating easier transitioning from one step to the other. However, the step-by-step process makes it difficult to change the direction of the process and can lead to deep employee frustration. The change process also takes time to implement.

Lewin's 3 Step Change Model



This change management model was created by psychologist Kurt Lewin. Lewin noted that the majority of people tend to prefer and operate within certain zones of safety (Lewin, 1947), hence the three stages of change. While this change management model remains widely used today, it takes time to implement. Of course, since it is easy to use, most companies tend to prefer this model to enact major changes.

Unfreezing

Organizations create awareness that change is needed. The organization ensures that all employees feel the change is needed then they are more motivated to change.

Change

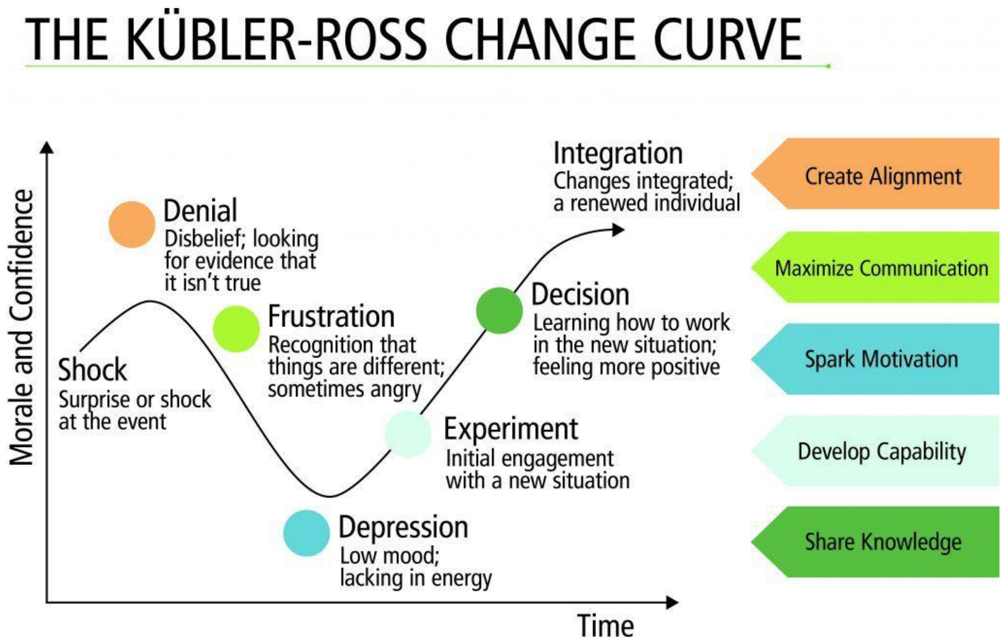
At this stage organizations execute the intended change and also learn the new ways of thinking, new processes, and so on. This stage encompasses the process where organizations move from one stage to the next. The stage is characterized by increasing complexity and chaos as the organization executes the intended change.

Refreeze

At this stage organizations ensure that change becomes permanent and solidify the new state after change. At this stage, 1) changes made are accepted and implemented as the new norm; and 2) organizations avoid people falling back into the old state.

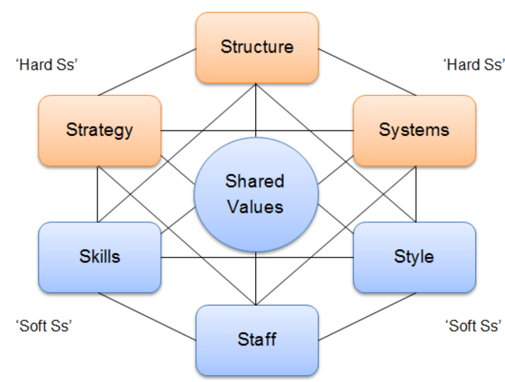
Change Curve – model

The model was originally developed in the 1960s by Elisabeth Kubler-Ross, and reveals the phases of the personal transition, pointing how the employees react to the changes, giving them assistance and support in the transition. The change curve is a model which, just like the ADKAR Model, is about the changes on individual level.



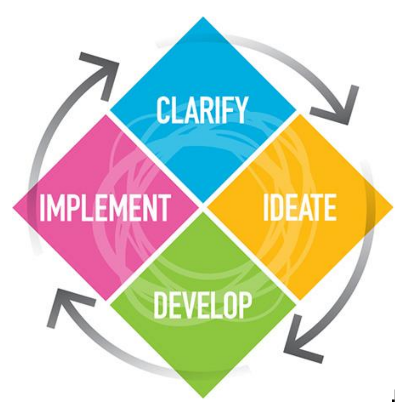
McKinsey 7-S Model

The model was developed in the late 1970s by Tom Peters and Robert Waterman, former consultants at McKinsey & Company. They identified seven internal elements of an organization that need to align for it to be successful. It can help you to improve the performance of your organization, or to determine the best way to implement a proposed Change strategy.



Creative Problem Solving (CPS) Tools and Techniques

The Creative Problem Solving Model is comprised of four stages with a total of six clear procedure steps. Each step uses divergent and convergent thinking.



Clarify

At the first stage, organizations identify the challenges, gather the data for clear understanding and formulate challenges by creating challenging questions that invite solutions

Ideate

This stage involves generating ideas that answer the challenge or questions. This stage demands entrepreneurial proclivity and critical thinking among the change agents.

Develop

After ideas generation, organizations move from ideas to solutions. Organizations should evaluate solutions and select solutions for best "fit."

Implement

After selection of best fit solution, organizations explore acceptance and identify resources and actions that will support implementation of the selected solution

Divergent Tools

There are numerous divergent tools that organizations can use to gather data effectively. The tools help break-down one big idea into discrete and manageable steps. Through these tools, organizations get a picture of who or what will help and /or hinder the implementation of an idea. The following tools can be used:

- *Ask questions* to all employees by using each of the 5 "Ws" and an "H" in order to gather data.
  - ✓ Who
  - ✓ What
  - ✓ Where
  - ✓ When
  - ✓ Why
  - ✓ How
- *Make action plan* after gathering the data and create
  - ✓ List of all the possible actions.
  - ✓ Possible sources of assisters and possible sources of resisters.
  - ✓ Actions to control your assisters or overcome resisters
- *Brainstorming*
  - ✓ Brainstorming is imaginary to be about connecting the power of thinking outside the box to solve that impossible problem. It's the magic that helps you find amazing, unique ideas.

Convergent Tools

Convergent tools are associated with analysis, judgment, and decision-making. It is the process of taking a lot of ideas and sorting them, evaluating them, analyzing the advantages and disadvantages, and making critical decisions. Examples of convergent tools include:

- *3 "Is"* helps organizations evaluate whether intended change is appropriate. This involves analysis, judgment, and decision making on Influence, Importance, and Imagination.

- *Voting (Hits)* is very helpful to build compromise and congregate on options
- *Targeting* helps to compare current situation to ideal situation and identifying what need to happen in order to meet that goals.
- *Highlighting* helps organizations narrow down and focus on what is important.

Change Solution Link to Achievement of Organizational Strategy

In developing organization change strategies, it often helps when organizations take into account every aspect of the company from the culture to the top leaders and even part-time staff. There are several strategies for change management that organizations can consider adopting before making any change within the organization (Rothwell, 1995).

Start from the top
Organizations should consider forming a team that will lead the charge. This demand ensuring that people responsible for driving change initiatives are competent and aligned in their thinking and operational activities. Change leaders should ideally be effective communicators in order to clearly spread the word in the organization.

Ask for Feedback
Many organizations ask for feedback after they're already shoulder-deep in their change initiative. But organizations may be more likely to succeed if organization begins change initiatives with the feedback already at hand.

Define the Change
It's often not enough to just tell employees that change is coming. Consider establishing goals for transitions. While organizations can simply tell employees that change will "accelerate growth," it's often much better to set concrete goals that can be measured. To do so, consider making the SMART goals (Specific, Measurable, Action Oriented, Realistic and Time) Bound. You'll not only be able to measure your progress, you'll also hopefully give your employees something solid to work toward.

Simplify the Change
Overcomplicating matters may just make employees confused and speechless. Organizations should strive to keep change initiatives simple.

Do it in Section

Doing this may allow you to figure out the difference in productivity, morale and finances, which may ultimately determine whether the change has potential for success across the entire organization or if you should do more tinkering before escalating it.

Don't Stick to Numbers

Organizations need to ensure that there's an emotional drive toward making change rather than exclusively focusing of external rewards.

Adopt Recognition Programs

Consider setting standards by recognizing employees who are aiding the change. Tailor the rewards to specific actions and company values so other employees know what type of behavior might store a reward. It may also show that the organization truly appreciate and acknowledge employees.

Open Communication

It's not efficient to communicate change and then assume that employees are ready to go. Instead, look for feedback and do it constantly. Organizations should use feedback to adjust change strategies.

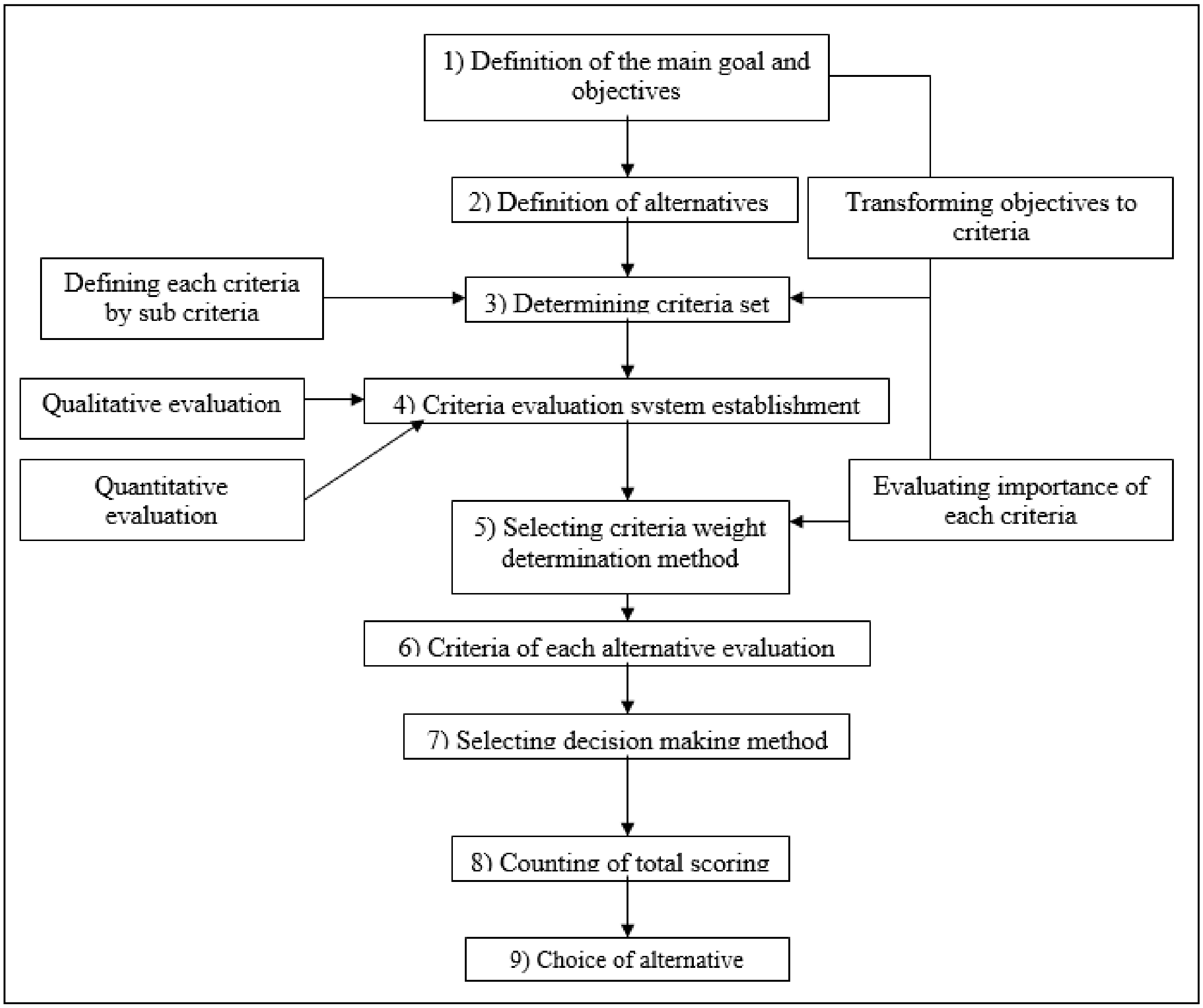
Criteria to selecting and supporting change implementation models

Before selecting any implementation change model, the following factors should be considered:

- Is the methodology used for change management is structured?
- Is the methodology used for change management is flexible?
- Does the framework provide guidance on what to do in different situations?
- Is this methodology strong enough to address systematic change?
- Does the methodology have a business focus or is it more conceptual?

Planning and the successful implementation of the project directly affect the organization's goals and objectives. Therefore, continuous project planning reflects project planning methods for economic, social, and environmental sustainability. To select the best change implementation model organizations should evaluate the all possible criteria of change like, new time schedules that will agree within organization. It is also essential to use multi-criteria decision making models. To apply multi-criteria decision making model organizations should consider the following:

- Define all feasible alternatives
- Set the alternatives' criteria.
- Identify factors, which have an essential influence on and are important
- The stakeholder identifies goals and a set of criteria
- Define the values of criteria, because each criterion has its value for a different specific choice



Source: Anonymous

Analytical tools to monitor change initiatives

When a company feel that the activities which they are doing, the management, the way of administration, the use of technology, the human resource policies, the culture of the organization, the liking and disliking the contents and context of the organization by the employees, organization structure, group concept, and the product quality are continuously destroying the image and reputation of the organization the question arises that how will change the organization in present scenario, so when the expert specialist decides about all the situation and preparing for changing the organization it leads to the concept of organizational change or change management (David 2005). Change management means when all the needed actions are taken to improve the present situation for future to implement the change strategies to get the maximum advantages and also see that the objectives of the organization is achieving or not (David and Andrzej, 2005). There are three types of tools that organizations use to monitor change initiatives.

<u>Strategic tools</u>

Strategic tools deal with researching, assessing and strategizing the change. It includes SWOT, PESTLE, Porter's Five Forces, Root Cause Analysis and Boston Matrix etc.

Planning tools

Planning Tools are instruments that help guide organizational action steps related to implementation of an initiative, program, or intervention.

Analytical tools

Help to clear picture, quantify and measure the change. They are more dynamic than strategic and planning tools are. The following are the list of analytical tools used to monitor the change in most organizations.

Microsoft Excel

Excel is a basic tool used by most organizations to check and evaluate the efficiency and productivity. It is popular and widely used analytical tool almost in all industries. It analyzes the complex task that summarizes the data with a preview of pivot tables that helps in filtering the data as per requirement.

Flow Chart

The power of this tool is to help picture the status of change at various points. It is useful to evaluate the efficiency and productivity of operation and very helpful to organizations to make decision for global expansion and started buying local subsidiaries from outside market.

Force Field Analysis

This analytical tool assesses the forces driving and retarding change. That includes objective and realistic ones. It also includes subjective, cultural and political ones. It can show the current status of these forces at any point in the change.

Metrics

Metrics help measure change. The key is finding the right ones. Metrics are also help the other change management tools. They are especially important to analytical tools of change management.

Data Collection

When choosing the metrics, it is good to look at what data collection tools there are. These include software, workflows and sensors. If the right tools are not there to collect the data for the metric, it will retard change. This tool answers questions such as:

- How well can we track what we are monitoring?
- How much effort will it take to collect the data?
- How much will it cost?
- How long will it take to collate it?

Measurement techniques to track change within organizations

To monitor and evaluate the organization change management strategy, it is essential to identify the indicator for performance assessment. Before going to track the change, an organization should clear the difference between monitoring and evaluation.

Monitoring is a continuing function that uses systematic collection of data on specific indicators to provide the management and the main stakeholders of an ongoing intervention with indications of the extent of achievement of objectives and progress in the use of allocated funds.

Indicator is a quantitative or qualitative variable that allows changes produced by an intervention relative to what was planned to be measured. Organizations use the following indicators to monitor the change:

- What is to be measured?
- What is going to change?
- What unit of measurement to be used?
- What will be baseline of measurement?
- What will be size, magnitude or dimension of intended change?
- What will be quality or standard of the change to be achieved?
- What is the target population?
- What is time frame?

Evaluation is the systematic and objective assessment of ongoing and/or completed projects and policies, in respect of:

- What was the overall plan?
- What are the anticipated outcomes of implementation?
- Did the company achieve the desired results?
-

Evaluation emphasizes the assessment of outcomes and impact rather than the delivery of outputs. The criteria applied in the evaluation process should cover the following aspects:

- Objectives
- Efficiency
- Effectiveness
- Impact
- Sustainability

Organizations can measure individual progress in change management as well as cumulative progress.

Measure Individual Progress
Managers can use the ADKAR model to monitor the progress of individual transitions. If an individual becomes "stuck", the model can help identify which of the building blocks is the barrier and the manager can then identify specific tactics to help the person get past the barrier point (Hiatt, 2006). ADKAR model is a simple, yet very powerful model for measuring individual progress in adopting and using a change

Measure Cumulative Progress

To measure the cumulative impact of the individual transitions, organizations can use the three human factors developed by Prosci from their Best Practices Research. The three factors which can be summarized with the acronym SUP are:

- **S**peed of adoption - how quickly are people adopting the change?

- **U**tilization - how many people are using the change in their daily work?
- **P**roficiency - how well are people using the change?

The actual measures, organizations use to assess SUP will be specific to change. The data can be gathered in a number of ways, including interviews with a representative sample of employees and individual surveys. Individual progress and cumulative impact need to be measured a number of times during the lifecycle of a project to objectively evaluate the effectiveness of change management plan. By measuring multiple times, organizations receive early warning of the need for revisions to the plan in order to achieve the desired outcomes. Applying these three steps will help ensure your change management efforts are contributing to what really matters the achievement of the business outcomes that your leaders care about.

Strategies to minimize the adverse effects of change in organizations

This is especially true when their company is changing due to mergers/acquisitions, new executives or a change in corporate direction which can drive professional unpredictability. When this happens, an organization find professionals align to one or more of these emotional responses:

- Scared/concerned
- Anger/disengaged
- Excited/relieved

Change creates resistance to change in most organizations in terms of the reactionary response from the side of the old employees. When change strategies have implemented in the organization the employees quickly respond by voicing complaints, engaging in work slowdown, threatening to go on strike, etc. but care should be taken by the change management expert to overcome the resistance. Major force for resistance to change is either individual level or organization level. Individual sources of resistance to change include the following: Habit, security, selective information processing, economic factors, fear of the unknown. Organizational sources of resistance to change include limited focus on change, organization structural inertia, threat to expertise, threat to established power relationship, group inertia, threat to established resource allocation. In overcoming resistance to change, change agents have the ability to use some of the following tactics:

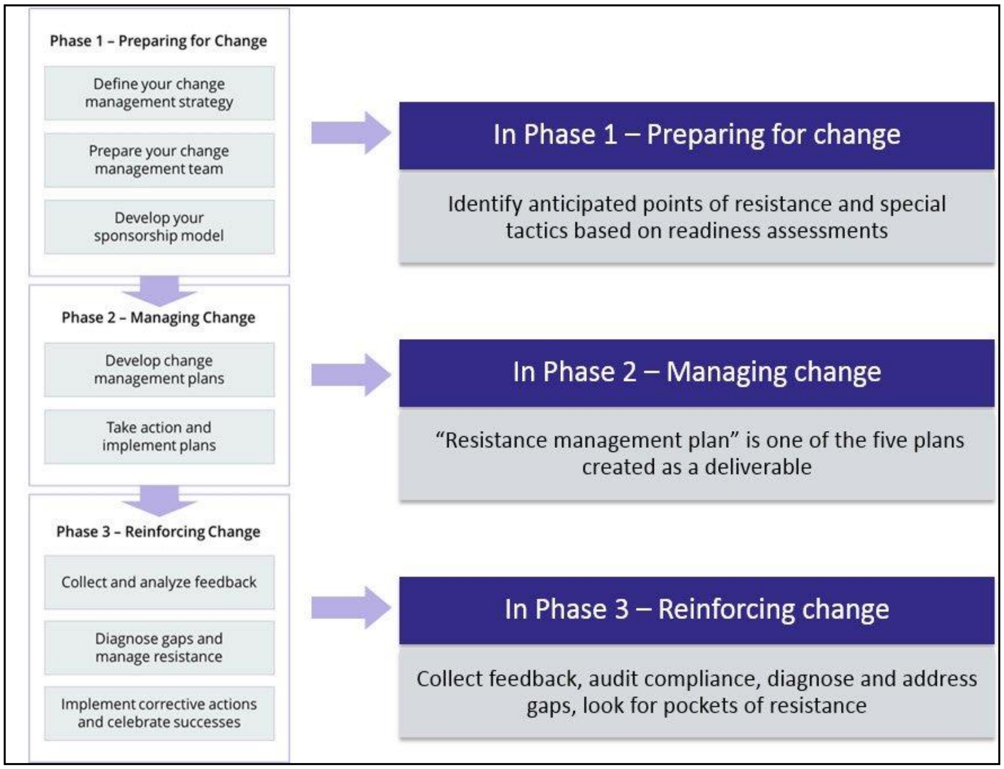
- Implementing change fairly
- Selection people who accept change
- Education and communication
- Participation
- Building support and commitment
- Manipulation and cooptation

Process required in reviewing change impact

The change management process is the sequence of steps or activities that a change management team or project leader follow to apply change management to a change in order to drive individual transitions and ensure the project meets its intended outcomes.

The below elements have been identified from research as key elements of a successful change management process.

These elements are incorporated into Prosci's 3-Phase Process as depicted below:



Listed below are the nine elements of a successful change management process:

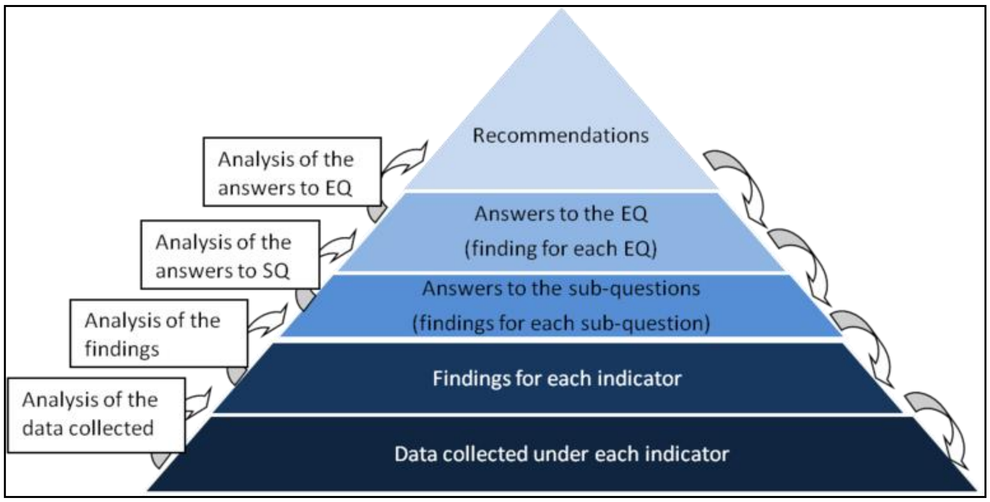
- Readiness assessments
- Communication and communication planning
- Sponsor activities and sponsor roadmaps
- Coaching and manager training for change management
- Training and employee training development
- Resistance management
- Data collection, feedback analysis and corrective action
- Celebrating and recognizing success
- After-project review

Change Impact Review Result

As we have discussed above that the general motor adopted two main strategies for change management, recently one was cost cutting strategy for change management and other was merger and acquisition of profitable companies management strategy, the company adopted two other change strategies but these are the most recent, by developing such strategies the company has increased its market shares , as the company was threatened by the emerging of competitors in the industry but the company decided to bring changes and now the company again in better position and he again maintained the brand of core products, beside of these the company also achieved the cost benefits by implementing these change strategies in the company.

Change Analysis

The aim is to sum up all the information collected throughout the evaluation process and formulate objective and well-structured findings according to the framework set up at the start of the evaluation. Those findings will support the recommendations that will be included in the final report.



The following sub-activities should be carried out:

- Analyze the data collected
- Draft the findings by Evaluation Question
- Formulate the recommendations and draft the final report

Once the gaps are recognized it becomes easy to work in upward movement for the growth of the organization, changing any organization is not as simple as it seems to be. Knowledge, skills & expertise are the key areas for any organization undergoing change. There has been much research on the fitness of organizations focuses on the maintenance of structures and stability. Most organizations fall under the category of fit organizations.

Conclusion

This article offers a basic review of the organizational change strategies. The models reviewed in this article are not exhaustive, but are essential in nurturing conversations about effective change management within organizations. However, it is fundamentally critical to understand that the models themselves cannot facilitate effective change management. Organizational change agents should focus on ensuring that the models are used to alter perspectives towards sustaining organizational stability and continuity.

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The Role of Organization Development in Effective Change Management: Banking Sector Perspective

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Abstract

The banking services sector plays an important financial intermediation role in any economy. Zimbabwean banks are at the centre of economic transformation and the growth of other sectors. The banking environment is highly complex and chaotic as a result of the inevitability of change and the resultant tensional forces. Effective change management demands a consideration of the internal and external environment through the adoption of organization development interventions. It is an aphorism that organization development is a strategic and operation imperative for sustainable change management in the banking sector. This research sought to critically analyze the role of Organization Development (OD) in effective change management. The researcher adopted an explanatory, exploratory, and descriptive strategy in conducting this qualitative study. The research indicated that organization development is fundamental to the stability and continuity of banking institutions in Zimbabwe. The study shows that the banking sector in Zimbabwe is greatly affected by both the *macro, meso, and micro* environmental factors. Change management interventions are mainly affected by the political, legal system, stakeholders, and technology in Zimbabwe. The researcher posits that a failure to develop and implement organization development interventions within the banking sector will lead to slow growth as the individual banks will be incapacitated to resolve the complex emergent issues prevalent in the industry, prolong chaos (disorganized and unordered structures), and promote conflict among key stakeholders thereby limiting the capacity to be critical in addressing change.

Keywords: *organization development, change management, Zimbabwe, banking*

Introduction

Organization Development (OD) has attracted increased attention in organizational literature as a field essential to driving sustainable organization change. The business operating environment has been described by various scholars and practitioners as being highly volatile, uncertain, complex, and ambiguous. It is worth noting that the extent of dynamism is extremely more pronounced in the financial services sector. Literature posits that organizations in the contemporary, post-normal environment have also assumed various conceptions, such as complex adaptive systems (CAS), organisms, and chaotic structures. In view of the macro, *meso*, and micro operating environmental influences, change has become inevitable and a threat to sustainability.

Sustainability in complex adaptive systems is a function of effective change management embedded in the theory and practice of organization development. The banking industry has witnessed significant changes during the last decade and these changes have affected the growth and development of individual banks. In view of the tumultuous operating environment in Zimbabwe, most organizations are involved in the exclusive search for profit and wealth maximization, thereby putting short-term gains at the centre stage and ignoring long-term partnerships. The organization's genome and *raison detre* is compromised and employee engagement and motivation is squeezed out. In business terms, most banking institutions aspire to create great teams and high performance organizations. However, the constancy of change significantly influences the growth interventions and as such organization development has become strategic to driving organizational effectiveness.

This study submits that addressing the problem of poor organization development plans within the banking sector will help transform the people, work groups, and entire organization because organization development considers essential values for change management and enhancing organizational performance. This assertion has become an aphorism for sustainable development within the banking sector and all other economic sectors.

The researcher asserts that practice of organization development has assumed increased attention as a precondition for organizational stability and continuity. The practice of OD principles and upholding OD values has become the fundamental solution for resolving most of the complex corporate challenges prevalent in the current post-normal business environment. The creation of a solvent and stable banking institution is directly related to the extent of management innovation and the proportion of investment made in developing and implementing OD interventions. Sustainable change management demands that banking institutions be confident about the appropriateness of their operating models, the effectiveness of risk management strategies, and that bank performance measurement indicators reinforce the desired behaviour (Chinoperekweyi, 2019).

The banking sector outlook in Zimbabwe is favourable because of improving economic fundamentals, favourable regulatory climate, and easily accessible transformation technologies. The present study seeks to elaborate the role of organization development in driving effective change management in the Zimbabwean banking industry. This study will seek to proffer organization development interventions and methods of optimal solutions appropriate for the Zimbabwean banking industry.

Research Objectives

The general purpose of this case study is to elaborate the role that organization development practice and theory plays in facilitating sustainable change management within the Zimbabwean banking sector.

- To critically analyse the essence of current organizational structure, strategies, and culture within Zimbabwean banks
- To explore the driving and resistant forces impacting on the development and implementation of organization development interventions within the banking industry

The study adopted the exploratory, explanatory and descriptive research strategies so as to achieve the research objectives. The research adopted the exploratory strategy in order to understand the fundamental concepts of organization development and sustainable change management; and the explanatory dimension is considered in order to clarify the relationship between organization development and change management in the context of the Zimbabwean banking sector. The study also adopted the descriptive research dimension in illustrating the current nature of organization development and change management. However, the research was predominantly explanatory.

Significance Statement

The post-normal business environment demands that organizations, particularly banks, develop and incorporate interventions that are guided by organization development theory and practice among all work groups as a strategic and operational roadmap to sustainable change management (Chinoperekweyi, 2018). Chinoperekweyi (2018) further highlighted that the practice of organization development is fundamental to the growth of banking institutions for several reasons: facilitates fact-based decision making; cultivates essential leadership skills among organizational members, addresses the digital complexities prevalent in banking, and aligns the organization to the operating environment. Failure to develop and implement organization development interventions within the banking sector will lead to slow growth as the individual bank's will be incapacitated to resolve the complex emergent issues prevalent in the industry, prolong chaos, and promote conflict among key stakeholders thereby limiting the capacity to be critical in addressing change.

Banking has become highly competitive and as such the approach to organization development is essential to solvency and stability within the sector. In view of the Star Model of organizational design, there seem to be increased level of fragmentation across individual banks' design policies: strategy, structure, processes, people, and reward systems. The lack of congruence across these essential design elements of the bank is repugnant to business growth and the organization's capacity to innovate and self-renew.

The present study is of importance in closing the literature gap in the area of organization development, change management and organizational efficiency in the context of Zimbabwean banking sector. The findings of this study points out to the key roles and responsibilities of those involved in organization development. Furthermore, the findings will be useful to the Zimbabwean banking industry in order to support solvency and stability among individual banking institutions. The present study is of importance in ensuring individual Zimbabwean banks gains competitive advantage. This is because in line with the Resource Based View, The Capability View, and the Knowledge View; sustainable change management leads to organizational efficiency. The study will also add management value through raising awareness on the role of organization development in effective change management.

Literature Review

This section covers related, empirical, and theoretical literature on organization development, change management and sustainability with a view to address the cardinal points of this research and research objectives in the preceding chapter. Empirical literature is reviewed in order to ensure a firm grounding on previous researchers' work and avoid duplication of research. The use of theories, models and frameworks is considered vital in order to support the empirical and related literature findings. The researcher also reviewed related literature given the multi-disciplinary nature of the research variables.

Organization Development (OD)

Organization development is commonly characterized as the organization-wide, planned effort that is managed by those at the higher levels of the organization's hierarchy in order to increase health and effectiveness of the organization through planned interventions based on behavioural science knowledge (Beckhard, 1979). This definition focused exclusively on planned change, and most scholars and practitioners assert that the current business environment is post-normal. It is therefore highly ineffective to plan for change in a highly volatile, uncertain, complex, and ambiguous environment.

Empirical literature positions organization development as a behavioural science based activity aimed at enhancing the organization's knowledge, expertise, interpersonal relationships and other desired outcomes over a long-term. The desired organization development outcomes are focused at individual, work groups, the entire organization, community, or ultimately the whole of humanity.

To ensure effectiveness of OD initiatives and interventions, organizations should be systematic in order to align all elements of the organization. There are a number of drivers and organization development tools & techniques that an organization can use to identify needs or developmental opportunities. Examples of organization development drivers include processes, strategic intent, workplace diagnostic, policies & procedures, risk, and performance enhancement. These drivers provide valuable insights into strategic planning and the determination of OD interventions. Organizations should be able to identify the OD drivers and capitalize on those drivers to achieve organizational effectiveness.

OD practice is mainly informed by action research, systems thinking, organizational learning, and behavioral science. According to American Society for Training and Development's OD Professional Practice Area, the practice of organization development:

- require alignment between the organization and its objectives;
- should be embedded in the behavioral sciences;
- should be ongoing and considering the long-term view of the entire organization;
- be process oriented in order to achieve results;
- is based on collaboration among individuals, and work groups;
- is a systems orientation.

The main focus of OD is to drive organizational effectiveness. Literature generally states the main conceptions of organizational effectiveness to include profitability, financial-market, sustainability, stakeholder satisfaction, and quality of firms' transformations (Chakravarthy, 1986). The organization development interventions therefore focus on addressing all the measures of organizational effectiveness.

OD Interventions and Models

OD interventions and strategies can be targeted towards improving financial and non-financial metrics such as: organizational performance, effectiveness of teams and work groups, organizational culture, customer satisfaction, employee loyalty, brand value and so on.

Organization development interventions are the different measures that an organization adopts in order to ensure the achievement of the predefined performance outcomes (both financial and non-financial performance). Organizational Performance is founded on an organization's capacity to fulfill its mission.

All organizations are embedded in the operating environment. As such, organization development interventions encompass the diverse actions that an organization adopts in order to positively influence the operating environment and the overall relations with all other stakeholders. The actions involve rules, frameworks, policies, and norms that guide the operations of an organization. As social structures, organizations heavily rely on individuals; hence organization development includes the actions adopted by a firm to improve the performance of individuals in an organizational context (Chinoperekweyi, 2018).

OD interventions can be applied at individual, work group, intergroup, and organizational levels. Individual interventions include coaching and counseling, staff training, Statistical Process Control (SPC), process improvement, and life and career planning. Work group or team interventions include job enrichment, team building, quality circles, open-system mapping, and process consultation. Intergroup intervention encompasses work-flow planning, scheduling review, third-party interventions, and cross-functional training. Organizational interventions include strategic planning, reengineering, work design, culture transformation, structural change, and socio-technical systems (Rothwell *et al.,* 1995).

Examples of OD Models are: Action Research Model, Appreciative Inquiry (AI), STAR Model, The Burke-Litwin Model, The Emergence Approach, Systems Thinking, and The 5As Framework to OD Consulting.

Change Management

Change management can be reviewed from two perspectives: planned change and emergent change. Change at any level creates significant ripples that disturb the usual routine and calmness of life. Change in a social structure such as an organization is associated with significant emotional connotations that in most cases necessitate resistance. Empirical research indicates that organizational change is characterized by emotional impact on the social and psychological aspects of staff. Most change programmes alters the nature of work and as such affects the level of employee satisfaction and leads to increased levels of organizational uncertainty and commitment (Thornhill *et al.,* 2008). In organization development practice, it is essential to conduct change readiness assessments in order to understand the implications of organizational change and its impact on organizational performance. Organizational change cannot be viewed as an event that happens within a short period of time. The process starts at the foundational level and takes a lot of time to be implemented. It is important that organizations embrace every stage process and ensure the collaborative working among work groups and individuals (Stanleigh, 2007).

Van de Ven and Poole's (1995) developed four theories of change. These theories help to better understand change readiness in organizations, and revolve around four change process elements. The theories are life-cycle, teleology, evolutionary and dialectical aspects. Each theory presents unique conceptual motors that drive change. The dialectical theory focuses on the norms associated with change readiness. This is based on the belief that all existence is shaped by opposition. The theory states that organizations are the primary examples of the opposing internal forces. Conflict exists between management and staff in the event of change implementation. Change management therefore demands that all the internal stakeholders of an organization get synced in terms of the impending change.

There has been an increase in the number of models proposed to gauge the estimate value of determining organizational change readiness. Armenakis *et al.,* (1993) model is commonly used to understand the process of creating organizational change readiness and its relevance in changes that constantly occur. The authors indicated that change readiness is essential in dealing with resistance from staff and their adaptive skills related to the impending change. Change readiness assessment determines helps determine the extent of employee readiness when implementing change interventions (Armenakis *et al.,* 1993). The authors further stressed that organizations need appropriate methodologies to understand and capture the implications of change. This process demands subtle yet dynamic qualitative techniques in order to minimize the impact of adapting and implementing change.

According to Sanchez (2019), the three main factors affecting sustainable change management include: 1) leadership style; 2) employee commitment, engagement, and innovativeness; and 3) leveraging on technology and nascent OD methodologies. The author further pointed out that the management of change requires 1) determining issues and areas for change, 2) selecting leaders to lead the change efforts, 3) communicating change, 4) and sustaining the change efforts.

Methodology

The study adopted the abductive approach which combines deductive and inductive. Abductive research approach moves from empirical to theoretical analysis dimensions. In view of the two research variable of this study, the researcher will follow the abductive approach. This is also in view of Dubois and Gadde (2002) who observed the logic of abductive as more useful than relying on the mono-approaches of deductive and inductive. The two research variables are mainly influenced by laws and generally accepted principles, hence the abductive approach. The abductive approach is also mostly accepted as important in interpretive study (Lukka and Modell, 2010). The research reviewed literature on organization development and change management and the models that underlie these two variables were applied to the Zimbabwean banking sector.

Discussion

Banks in Zimbabwe needs to engage in both dialogic and diagnostic interventions in order to sustainably manage change. The main interventions that should inform Zimbabwean banking institutions' strategic and operational roadmaps are systems thinking and action research. It is also essential for banks to engage in extensive external stakeholder engagement. Banks should institute initiatives targeted at developing organizational structure, strategies, and culture. The key approaches which most banks in Zimbabwe are using in this respect include Environmental Analysis and Stakeholder Engagement.

The banking sector in Zimbabwe is greatly affected by both the macro, meso, and micro environmental factors. Change management interventions are mainly affected by the legal system, stakeholders, and technology in Zimbabwe. Most banks engage in numerous stakeholder engagement activities at all levels. The stakeholder categories within the bank include the internal and external stakeholder groups. Banks in Zimbabwe have also instituted various committees to support all developmental initiatives.

Environmental factors can be a hindrance or driver to the implementation of organization development interventions. The study shows that the main environmental influences affecting Zimbabwean banks are political, technological, economic, and stakeholders. It is therefore imperative for banks to continually engage in environmental analysis. The business environment is volatile, uncertain, and ambiguous. The main driving factor is Research & Development within the bank, followed by the dynamic business environment and management. Banks should engage in organization development activities in order to ensure effective change management. Banks makes use of individual, work group, intergroup, and total organization interventions in order to manage change. The most highlighted interventions include team building, training, coaching, procedure manuals, culture transformation, and survey feedback.

The achievement of OD outcomes requires extensive understanding of the operating environment in which the business operates and inclusive stakeholder engagement. The study shows that there are more forces driving and hindering change management interventions in Zimbabwe. The secondary data sources show that the factors hindering or driving change management interventions can be categorized under macro, *meso*, and micro forces. The stakeholders are the key drivers in change management and organizational effectiveness.

Conclusions and Recommendations

The current study was informed by the post-normal business environment in which organizations are operating today. The thesis of this article is that the practice of organization development is fundamental to sustainable change management in the banking sector. The researcher posits that a failure to develop and implement organization development interventions within the banking sector will lead to slow growth as the individual bank's will be incapacitated to resolve the complex emergent issues prevalent in the industry, prolong chaos (disorganized and unordered structures), and promote conflict among key stakeholders thereby limiting the capacity to be critical in addressing change. This study was carried out based on the fundamental financial intermediation role of banks in Zimbabwe and across world economies. The study sought out to conduct a critical analysis of the role of organization development in facilitating sustainable change. This is because banking has become highly competitive and as such the approach to organization development is essential to solvency and stability within the sector.

The findings of this research indicate that there is a positive relationship between organization development and sustainable change management. Sustainable change management requires active stakeholder engagement informed by environmental analysis. The environmental analysis should incorporate macro, *meso*, and micro environmental factors. Results point out that the achievement of OD outcomes requires extensive understanding of the operating environment in which the business operates and inclusive stakeholder engagement. Feedback is essential in keeping all stakeholders understanding the OD interventions, business models and the changes in the operating environment.

Sustainability is mainly affected by organization culture, structure, and people. In the context of the Zimbabwean banking sector, participants of the current study affirmed the need for organization development practices and values. Results show that the ability of organizations to address the problem of poor organization development plans will help transform the people, work groups, and entire organization because organization development considers essential practices for change management.

The essence of current organizational structure, strategies, and culture within Zimbabwean banks cannot be overemphasized. A lack of congruence among these elements is detrimental to sustainable change management. Literature aptly states that the lack of congruence across these essential elements of the bank is repugnant to business growth and the organization's capacity to innovate and self-renew. The main driving factor is Research & Development within the bank, followed by the dynamic business environment and management. The implementation of organization development interventions in banking is greatly affected by the macro, *meso*, and micro environmental factors. The changing business environment was mainly attributed to the macro-environmental factors, particularly the economic and technological influences.

The main hindrances to organization development emanate from both the internal and external environment. As such organizational analysis should always be top priority for banks in Zimbabwe. The results indicate that the high risk factors are economic and technological factors. Other factors that were identified include staff, policies, and culture. In terms of the driving forces, results show that R&D, management, competition, and technology are the main factors facilitating the implementation of OD interventions in Zimbabwean banking sector.

Future Research

The researcher noted that there are still numerous ambiguities regarding organization development and its integration with human resource management. There is also not much literature about the integration of organization development and director development in banking. It is therefore imperative that future research looks at these elements and the nascent OD technologies that banks can use to enhance sustainability. The inclusion of

Artificial Intelligence is also essential in organization development.

In a nutshell, the researcher noted that most banks rely heavily on individual, work group, intergroup, and total organization interventions in managing change. Examples of the commonly used interventions include coaching and counseling, staff training, life and career planning, team building, quality circles, open-system mapping, and process consultation. Intergroup and total organization interventions adopted by most include work-flow planning, scheduling review, third-party interventions, cross-functional training, strategic planning, and culture transformation.

This study has attempted to elaborate the role of organization development in effective change management. The present study does not assert to have found the answers to the change management and organization development shortcomings in Zimbabwe, or to have proffered prescriptive recommendations to effective change management. The researcher chose this study area in order to try and reveal the models and approaches to addressing the complexity of change in the current operating environment, particularly with respect to banking institutions. A constructivist conceptual paradigm is suggested for future inquiry in organization development and change management.

This article acts as a way of opening up conversations on adopting organization development as a strategic and operation imperative to effective change management in the banking sector. The aim of this article is to raise constructive debates to enhance the general understanding of OD and change management. This article is a provocation to fellow OD & Change Management academics, OD and change management practitioners, and corporate banking countries. The present study offers unique insight into the complex discipline of banking sector corporate governance.

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Employee Productivity as a critical revenue growth factor – A Hotel Management Perspective

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Abstract

Employee productivity is one of the most important success factors in revenue growth within the tourism and hospitality industry. Productivity refers to the hourly output per employee considering quality standards (Sutermeister, 1976). It is also defined as "the increased functional and organizational performance, including quality" (Dorgan, 1994). The economic environment within most economies is continuously changing due to the volatility of the global economic performance. In this regard firms in the hospitality business should continually monitor their operations in a bid to ensure growth in revenue. The revenue growth of a hotel is essential because of the following factors: 1) to bear all of expenses of operation such as salaries, utilities bills, rents, etc.; 2) the UAE market is very competitive for the hospitality industry and competition intensity is increasing day by day. Revenue growth in the hospitality industry makes a firm stable and gain competitive advantage; and without growth, hospitality industry players cannot sustain stability and continuity for the long term competition; hotel renovation, service and product implement maintenance etc. Through revenue growth is possible to bear all operational expenses and the industry can continue to grow. This paper examines the role and importance of employee productivity in driving revenue growth within the hotel industry. The study will take a case study approach using One & Only Royal Mirage Hotel in Dubai, UAE.

Keywords: *employee productivity; critical success factor; revenue growth; customer service; guest experience*

1. Introduction

The tourism and hospitality industry is an important sector in the UAE. Scholarly and practitioner literature indicates that customer service which relies on employees is the backbone of this sector. The performance of employees in providing exceptional service to the hospitality industry is a key success factor in the tourism and hospitality industry. The effectiveness of the business and its employees in serving guests determines the business' level of success.

Critical success factors refer to the key areas giving a firm competitive advantage and the ability to survive in the marketplace (Thompson, 2016). Research indicates that the critical success factors in the hospitality industry are constantly changing due to global competition and changing customer expectations. The main focus of hotels in UAE is the enhancement of quality standards in order to sustain stability and continuity. Employee productivity is a vital factor of revenue earning within the hotel industry.

Employee productivity is a measure of the efficiency of a worker or group of workers (Thompson, 2016). Productivity is measured through the output of an employee in a specified time period. The measure of employee productivity is determined relative to an average for employees doing similar work. The success of any organization depends on the productivity of its employees; hence employee productivity requires strategic attention as a critical success factor.

According to Averkamp (2015) revenue refer to the net amount earned by the business after deducting the cost of sales and all operating expenses. It is often presented as net earnings or net income. Revenue earning depends on employee productivity at a large scale. In the simplest terms, profit is the result of revenue minus expenses. An increase in revenue leads to a corresponding increase in profitability and market share. Market share measures how much of a given market segment for which a particular company accounts (Kennan, 2016). As revenue increases, an organization takes initiatives to expand the business and the market share. Revenue growth enables a firm to acquire superior technology and institute barriers to entry in a particular market segment (Strategy & Business, 1994). Revenue growth also enables the business to develop and launch new product in the market which gives competitive advantage.

There also exists a positive relationship between revenue growth and corporate social responsibility. The primary goal of a corporate sustainability program is to align environmental and social responsibilities with corporate financial objectives in a relevant way. When financial objective is gained there is more chance to be sustained in the market. Ultimately business growth is developed rapidly for a positive growing revenue earning. Hence it is very important for a hotel to earn more revenue; and employee productivity is a vital part of revenue earning in the hotel and tourism industry.

This research focuses on a case study of 'One & only Royal Mirage Hotel Dubai'. The main purpose of the present research is to examine the relationship between employee productivity and revenue growth in the UAE hotel industry. The study is important because hotel & tourism industry is a pillar to economic development in the UAE market. Employee productivity is one of the success factors in this industry. The outcome of the present research will help to recognize employee satisfaction in a new way when revenue earning depends on employee productivity. Cost management is a crucial area of the hotel business considering revenues have gone flat due to the competitive forces. It is therefore strategically imperative for hotels to manage labor properly and frequently in order to increase productivity.

Statement of the Problem

High labor costs remain a critical challenge in hotel management. It seems the application of productivity to service industry is generally limited. Productivity levels are mainly determined through revenue. More importantly in an industry where labor is one of the biggest operating expense. If employees are more productive then operation cost will be less and revenue will increase. The tourism and hospitality industry is reportedly suffering financial distress as a result of the alleged poor employee productivity. Poor employee productivity is causing massive loss of revenue thereby threatening the profitability and sustainability of individual hotels such as One & Only Royale Mirage Hotel. The increasing staff turnover, absence of trust, fear of conflict, lack of commitment, avoidance of responsibility and inattention to results are the central reasons behind the poor employee productivity and the subsequent revenue losses. It is reported the hotel industry suffered less revenue amounting to $12 million during the period 2013 to 2014 as a result of the decline in employee productivity reportedly at a rate of 10%. This research therefore seeks to examine the relationship between employee productivity and revenue growth within the UAE hotel industry.

Research Objectives

The general objective of the present study is to examine the role of employee productivity in enhancing revenue generation capability within the tourism and hospitality industry.

1. To investigate the level and impact of employee satisfaction within the hotel industry.

2. To determine whether employee training and development programs are designed to increase employee productivity.

3. To determine factors leading to exceptional service delivery from employees.

Significance of the Study

Productivity management is a complex and challenging area for organizations in the service industry. The hotel industry in UAE faces this challenge mainly in terms of employee productivity. This study is of importance as it seeks to analyze and compare employee productivity standards adopted and implemented by hotels in UAE with an objective to identify the challenges in measuring productivity in the hotels. The determination of the measures of employee productivity in the hotel industry is of importance given the key role this sector plays in UAE and in other economies. The hotel industry also employs a number of employees in UAE therefore contributes to the growth of the economy.

Literature Review

The hospitality and hotel industry in Dubai is a highly competitive market. With a growing supply of hotel accommodations in the city, it is becoming more difficult for companies to edge each other and be sustainable in their target market. As such, it is increasingly important for businesses to streamline their operations for increased efficiency and boost their employee capability for better productivity. This section reviews empirical and theoretical literature covering the two variables: employee productivity and revenue growth within the tourism and hospitality industry.

The Concept of Employee Productivity and Revenue Growth

Empirical Literature: Employee Productivity and Revenue Growth

According to Gabriel (2010) there is a positive relationship between real wages and employee productivity in the tourism industry. The author indicates that average employee productivity strongly depends on real wage. The impulse-response function indicates that a positive shock in real wages produces a small negative effect in employee productivity. The increased adoption of operations management techniques by the hotel industry results in improved productivity (Witt (2010).

Jones (2009) examined the level of employee productivity in the housekeeping departments of hotels. The research identified factors that affect productivity performance. There is no significant difference in productivity levels according to the size, location, demand methodology or age of the hotel (Jones, 2009).

Sigala (2005) aimed to illustrate the value of stepwise Data Envelopment Analysis (DEA) for measuring and benchmarking productivity. The issues and problems regarding productivity measurement as well as the advantages of using DEA in productivity measurement were analyzed. Six inputs and three outputs are identified as the factors affecting room's division efficiency in three star hotels.

A critical challenge of hotel management, especially in high labor cost areas in UAE. While the term productivity is most often associated with the goods-producing-industries, it is critically important to monitor and manage this aspect of performance in the service sector as well. Employee productivity is a ratio between input and output at a given quality level. It can be calculated for specific shifts, for individual jobs, departments, or for a property as a whole. Productivity levels can be measured for all factors of production, including labor. In the hospitality industry, there are many possible input and output units which used for employment productivity. For a specific hotel and its departments, the most meaningful ones need to be agreed upon beforehand. Input units can be measured in terms of worked hours (per day, per week, per month …), payroll expenses, etc. Output units on the other hand can be monitored in terms of revenue, covers served, number of rooms cleaned, the number of check-ins/check-outs, etc.

Measuring the Employee Productivity

Employee productivity should be measured using such measures as total revenue per worked hour, which will be monitored on a daily, weekly and monthly basis. Each operational department should also use one to two productivity measures. The trade-off between accuracy and simplicity needs to be considered when determining employee productivity. It is much better to have a simpler and meaningful system, which everyone understands and follows rather than a highly accurate but complicated concept. Many management concepts fail because they are too complex and thus not fully understood by all organizational levels.

The output is easy to measure when it is presented as a production of physical units of a limited type, with the possibility of being stored (Adam Jr. *et al.,* 1981). As opposed to other economic sectors, the hotel and catering industry offer a varied range of services, many of which are complicated to measure. But the product quality is better, good feedback from the customer, they are happy with service, they are willing to come back again than we can say that the employee productivity is increasing.

Renaghan (1981) points out that the problem is accentuated as the experience of a client in a hotel is considered or perceived as a whole, while the services received are several: lodging, meals, etc. so that kind of situation we can feel the employee productivity are going down because guest are not satisfy with the service as much as their acceptation was.

With above dialogue's, we can see that in service industry measuring employee productivity has not depend only for quantity of production but also it means the quality of service, customer satisfactions ,etc.

Measuring Revenue Growth

Business makes use of Profit & Loss Statement (P&L) to determine the financial performance (profitability) of a business over a period of time. The P&L Statement depicts the revenue, expenses, profit, and/or loss of the business.

Revenue in the concept of One & Only Royal Mirage Hotel is determined by the net of operating revenue and expenses. Due to higher employee productivity, total sales in year 2014 increased significantly compare to 2013. This trend continued during the year 2015 to 2018. The growth in revenue within One & Only Royal Mirage Hotel is attributed to the level of employee commitment and productivity. With the revenue growth, the finance department within the hotel will be able to expend the funds on different expenditure to upgrade the product and HR can expend more on employee motivations activities. This will lead to continued revenue growth.

Advantages of Higher Employee's productivity

The following are the six main advantages of improved employee productivity in the hotel and tourism industry:

Increased profit: employee productivity is closely associated with the production of more output hence business profit. The profit is needed for expansion of upgrade the hotel products, services, increase employee benefits and other activities.

Improved employees standards of living: improved employee productivity brings more profit to the company which profit is used to provide better facilities and working conditions to the employees.

Better return on investment: the return on investment is improved when employee productivity is enhanced. This enables the business to pay better dividends to the shareholders. The market price of the share will also increase.

Higher employee productivity results in **favorable relations** between the management and the employees.

Enhanced customer satisfaction and experience: customer satisfaction and experience is enhanced because customers are provided with good-quality products with best service. Customer satisfaction results in enhanced customer loyalty towards the company.

Improved credit rating: employee productivity gives the company an edge over its competitors and as such earns a good credit rating by financial institutions. This enables the hotel to access cheap funds from the market to meet working and fixed capital requirements.

Other benefits of improved employee productivity include goodwill, reduced staff turnover rate, and access to better credit terms.

Research Methods and Design

This section summarizes the research methods and research design adopted in exploring the relationship between employee productivity and revenue growth within the hotel and tourism industry. The research design could either be qualitative, quantitative or mixed.

Quantitative research is a logical and data-led research approach which provides a measure of what people think from a statistical and numerical point of view. It is used to gather a large amount of data that can be easily organized and manipulated into reports for analysis. This research design uses questionnaires and surveys. On the other hand, qualitative research is focused on how people feel, what they think and why they make certain choices. Qualitative research is made up of three tenets: "observing and explaining something that happens, collecting information, and analyzing the information". This research used both quantitative and qualitative but was predominantly qualitative. Most of the scenarios are related employee satisfaction, guest satisfaction, quality of service. But for the revenue growth quantitative research has been used.

From the 100 distributed questionnaires, 70 questionnaires were received, indicating a responses rate of 70%. And 30% questionnaires were not returned because of busy operation and ignorance from the targeted respondents. Management level responses are 5%, Human resources are 10%, Finance is 5% and general employee is 40% responded are received. At the age level 25-30, questionnaires are given 40 out of 50 because most of the employees are 25-30 years hold at employee level. At supervisory level out of 10 distributed questionnaires 9 participants responded and their age level was 30-35 years because that's the standard age level of supervisor. For finance 10 questionnaires were sent and 5 responded because of busy work period. From the human resources 10 questionnaires were sent and 9 get respondents because human resources director was not ready to respond to the questionnaire at this moment but he shared his comments unofficially.

From the guest all the questionnaires were responded to because in One & Only Royal Mirage Hotel 85% guest are multi-repeater and almost of the guest are coming to visit twice a year. Almost 90 % of the guests are coming for vacation and most of the time they are free. Moreover they know personally to our employee. It is generally accepted that a response rate of 30% is representative of the total population hence this research had a much higher response rate.

The hotel industry should priorities the issue of employee productivity because of its role in revenue growth. In hospitality industry it is essential to develop employee productivity to survive with competitive market such as UAE, to increase revenue margin, to reduce the operation cost, to provide the service with imagine experience and everlasting memories. For all above, the key is employee productivity. Empirical literature supports the role of employee productivity as a key success factor in hotel industry. Kilic and Okumus (2005) supports this view their study on the factors influencing productivity in small island hotels of Northern Cyprus. Johnston and Jones (2004) indicated the issue of service productivity towards understanding the relationship between operational and customer productivity. Sigala (2005) indicated that there is a positive relationship between employee productivity and revenue growth in productivity in hotels study which focused on a stepwise data envelopment analysis of hotel rooms division processes.

This research was about employee productivity and revenue growth in the hospitality industry of UAE. As a case study selected hotel is 'One & Only Royal Mirage hotel Dubai, UAE'. Almost one and half decade, the resort is running with a great reputations and guest satisfaction by promoting their brand value, advance product quality and many more. In this research data collected directed from the hotel guest, hotel employee from various department and category, case study by observing the hotel previous revenue and growth record and future plan. This study also noted that the level of employee satisfaction within the hotel industry as essential for revenue growth. This was supported by the guest responses for One & Only Royal Mirage Hotel. This research also noted the importance of training and development in the hotel industry. Training and development plays a vital role in driving revenue growth though enhancing skills and increasing employee motivation. Other key factors of driving revenue growth in hotel industry include exception customer service provision and better working environment for employee.

Conclusions and Recommendations

At the conclusion likes to say that about employee productivity is heart of any kinds of industry for reputation and revenue growth. In a service industry as like hospitality industry that's a great positive side to have productive employee as we can see One & Only Royal Mirage Hotel, Dubai achieve his goal and core value by employee productivity. So the asset has to use by carefully to develop the productivity and revenue growth.

One & Only Royal Mirage is highly recommended because of diverse reasons. Moreover the resort is surviving almost one and half decade with lots of reputation and revenue growth. This is mainly attributed to the level of employee commitment and eventual employee productivity. Other empirical studies also show that hotel reputation and revenue growth is primarily driven by employee productivity. Without sustained employee productivity, the mission and vision of the hotel will not be achieved. Hence, the resorts management should prioritize employee welfare and commit to continuously develop employees in order to drive revenue.

In order to enhance employee productivity and thereby derive revenue growth the following OD interventions should be adopted:

1. Training and development of employees.
2. Improvement in employee working condition.
3. The implementation of such reward schemes as bonuses and performance based salaries.
4. Employee participation in decision making.
5. Enhance management –employee relationship.

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Organizational Capabilities in development banks

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Abstract

Organizational capabilities play an important role in determining the effectiveness of an organization. Economic literature indicates that the success of business strategy within the rapidly volatile business environment largely depends on the capabilities of the organisation. This has prompted many researchers to pay special attention to organisational capabilities. Organizational capabilities encompass the capacity of an organization to perform its key tasks in order to achieve its *raison de'tre* (Helfat and Peteraf, 2003). Organisational capability is premised on the fact that organisations rely on its people in decision making and as such any new program must be implemented through people (Ulrich and Lake, 1991). This research focuses on the state and nature of organizational capabilities within development banks. A case study approach is used and the researcher made use of questionnaires, interviews and content analysis to gather data. Both qualitative and quantitative methods are used in the present research in order to enhance the validity and reliability of data.

Keywords: *organizational capabilities, competitive advantage, public sector*

Introduction

Most economies are currently facing economic challenges and the seemingly worsening economic environment has affected both private and public businesses. Against a backdrop of a sluggish economy, most infrastructural development banks have struggled to execute its mandate and make meaningful contribution towards the well-being of the economy. Among other issues, the infrastructural development banks are failing to deliver on its key mandate deliverables. The banks have also struggled to execute its fundamental role of crowding in private financial flows from local and international sources for sustainable.

It seems infrastructural development banks are facing challenges to deliver on its key mandate deliverables. The challenges are in the area of executing its fundamental role of crowding in private financial flows from both local and international sources for sustainable development. Being a public financial institution caught in between the strict requirement to comply with a government mandate and the need to profitably satisfy government and other stakeholders has become a major challenge for the development banks. The banks need to craft an appropriate mix of strategies and actions that can simultaneously address the divergent concerns of its stakeholders.

The art of strategy and strategic planning, so derived from war philosophy, has found universal acceptance in contemporary business circles. The success of business strategy within the ever changing present day business environment now largely hinges on the capabilities of the organisation. This has prompted many researchers to pay special attention to organisational capabilities. An organisational capability refers to the ability of an organisation to perform a coordinated set of tasks, utilizing organisational resources, for the purpose of achieving a particular end result (Helfat and Peteraf, 2003). Organisational capability is premised on the fact that organisations do not think, make decisions, or allocate resources but the people in the organisations do. New organisational strategies or programs must be implemented through people (Ulrich and Lake, 1991).

Research indicates that, the nature of business assets has changed over time. In 1981, firms had 62% tangible and 38% intangible assets and by 1992 they had 62% intangible and 38% tangible assets (Lev and Daum, 2003). These makeover changes in business assets composition have expanded the warring grounds for business dominance from resources and their control to now include organisational capabilities as a means to a defined end. Growth in intangible assets represents organisational capabilities and potential for future growth. The capabilities to acquire, nurture and deploy resources thus become imperative for the realization of the business potential embedded within the intangible assets base. It is thus important to establish the organisational capabilities that result in business success.

The key to the success of public organisations is their ability to identify and build capabilities in order to produce the greatest value for stakeholders (Bryson *et al.,* 2007). The research adopted the Resource-based view of the firm (Penrose, 1995) and drew full attention to infrastructural development banks. Since the Resource-based view (RBV) is not directly related to competition, it has been used to understand value creation in public sector organisations. The research further assumed the open-system view which postulates that to some extent, the organisation is an active actor that adapts to the environment or attempts to reconfigure its ecosystem within the confines of its resources and capabilities.

Research Objectives

The main research objective of this study is to investigate the organisational capabilities within infrastructure development banks. The following specific objectives will be explored:

- To explore the nature and extent of organisational capabilities within infrastructure development banks
- To determine the key factors influencing organisational capabilities within infrastructure development banks
- To offer recommendations for organisational capabilities improvement within infrastructure development banks
- To draw insights on the application of organisational capabilities in public financial institutions for future studies

Justification of the Study

Infrastructure development banks are considered a qualitative addition to the banking sector most economies. The institutions drive forward comprehensive development in most economies. In this role, the banks are expected to be equal to the task of developing infrastructure, supporting the SMEs and entrepreneurship in any economy. Such a role is an extremely important national responsibility for infrastructure development organizations. This national responsibility bestowed on these institutions requires the bank to harness the prowess of organisational capabilities. This research offers insights into how infrastructure development banks can develop and deploy organisational capabilities in value pursuit initiatives for their economies. The use of organisational capabilities with infrastructure development banks can make a difference by enhancing the bank's capacity to provide a portion of the much needed developmental stimulus. In this current situation where most governments hardly have any fiscal space to stimulate economic recovery, the use of organisational capabilities can help public institutions to delineate relevant strategic considerations and the priorities they must embrace to enhance institutional performance.

The research will benefit the infrastructure development banks by providing knowledge on how to develop and deploy organisational capabilities in the bank's operations. The research will provide the banks with measures that can be adopted in the execution of the bank's mandate. Most governments will benefit from the research through the performance of the infrastructure development banks as a government appendage as well as social and economic dividends from the bank's profitable operations.

A number of stakeholders may benefit from the findings of this study. The government of different economies can also apply insights from the research to other public institution for better performance results. Since the bank is mandated to promote socio-economic transformation and improving the livelihoods of the people, the general populace will benefit from the research through infrastructure development banks' execution of its development mandate. Through enhanced capacity building, SMEs in different economies will benefit from the enhanced operations at the different institutions.

Literature Review

This chapter established the background theories and relevant literature on organisational capabilities and how they affect the performance of institutions. Various definitions of the organisational capabilities framework as well as the factors that affect organisational capabilities are reviewed. The definition, functions as well as organisational capabilities within public financial institutions are also briefly discussed. The next chapter sets out the research methodology as well as the research design and related research parameters.

Economic literature indicates that the three main methods of enhancing competitive advantage are strategic, financial and technological capabilities (Ulrich, 1991). The ability of organizations to offer competitive products and services and the incorporation of technology into an organization's operations must be supplemented by organizational capabilities. This refers to the organization's ability to manage its people resources in order to gain competitive advantage.

Organizational capability as a source of competitive advantage is made up of 1) Economic/Financial capability, 2) Strategic/ Marketing capability, and 3) Technological capability.

Organizational Capability versus Competitive advantage

Organizational capability encompasses managers' proficiency in developing principles and practices that ensure the people will optimize performance and gain competitive advantage. The performance of individual employees is directly connected to competitive advantage. Organizations that are defined as capable have a shared mindset both internally and externally. The shared mindset is built by management practices. Capable organizations also create a capacity for change through understanding and influencing the systems used in the organization. Capable organizations empower employees (Ulrich, 1991).

It is usually assumed that an organization is an integration of teams, groups, and departments with individuals as their fundamental units (Robbins et al., 2013). Organizational capability can be defined as the ability displayed by an organization to achieve its goals through identifying and accomplishing the right work. It can be formally represented as:

*Organizational Capability = (Organizational Knowledge + Organizational Skill) * Organizational Affect*

Organizational knowledge has various connotations (Nickols, 2000). Simply put, knowledge is an understanding of the world in human mind. Traditional knowledge was strictly defined, dated back to Plato, as the "justified true belief" (Nonaka, 1994). Although knowledge is suggested to be situated and contested (Blackler, 1995), we will take the argument that knowledge is a stable and objective understanding justified by human rationality Human beings, taking the structure of the world as the object of understanding, draw knowledge from interactions with the world and/or from the appreciation of epistemic accumulation of human beings (Nonaka, Toyama, & Konno, 2000; Tsoukas & Vladimirou, 2001). From the function point of view, knowledge enables human beings to "exercise judgement" or "draw distinctions" (Tsoukas & Vladimirou, 2001), or in general, to act. Based on the process, organizational knowledge can be defined as a justified shared mental model toward its work, emerged from organizational members in achieving their goals.

The categories of organizational knowledge can be listed as follows:

- Knowledge of the organizational goals, including sub goals for all levels within the organization;
- Knowledge of the working process;
- Knowledge of the work outcomes;
- Knowledge of the work resources;
- Knowledge of the employees.

Organizational skill has many synonyms such as ability and competencies, which is defined as "ability of doing things well" (Cambridge, 2017). Nelson and Winter(2009) describe skill as the ability to ensure a smooth working process. It is thus clear from the definitions that skill has two constituents: doing things and doing well. "Doing things" represents a series of actions for a particular purpose which can be categorized into two groups. One group contains a series of actions to meet directly the purpose. The other group includes the actions of planning that is necessary to generate the actions in the first group. In order to achieve organizational goals, an overall work can be perceived as producing certain products or providing certain services through working procedures containing a series of subtasks. In implementing of a working procedure, the following skills are indispensable: understanding organizational goals, identifying resources, evaluating working outcomes, managing organizational employees, and making organizational changes.

"Doing well" implies that actions shall be effective and efficient for delivering good performances. Efficiency depends on the skills to automate a routine of repetitive pattern of behaviours (Nelson & Winter, 2009; Singleton, 2013). The organizational skills can be categorized into four groups of skill set: goal, workload, knowledge and affect.

Organizational affect represents the influence of collective emotions on the organizational behaviour. Collective emotion, in Huy's opinion (Huy 2005), reflects the main stream of the members' emotional state. Von Scheve and Ismer (Von Scheve & Ismer, 2013) defined collective emotions as "synchronous convergence in affective responding across individuals towards a specific event or object". The explanations imply that the consensus of individual emotions is a body of collective emotion, and organizations provide the context for the generation or development of individual emotions into statistically low variance affective state.

Principles of competitive advantage

Leadership

This deals with the nature and development of leadership skills within an organization. This principle includes envisioning and communicating the vision to all stakeholders. Leadership also encompasses empowering and encouraging employees.

Capacity to change

Due to the rapidly changing business environment organizations should have strong capacity to change. This includes a reduction in cycle tine in terms of product development or service provision. Capacity to change also encompasses the ability to learn from the past and integrate tasks, processes, and systems of the organization towards enhanced results.

Management Practices

Management practices transform the nature of an organization in terms of customer satisfaction and competitive advantage. The practices refer to the formal processes of governing the behaviour and actions of employees.

Organizational Capabilities Framework

The organizational capabilities framework includes structural capabilities such as project management; organizational structure, span of control; and business analytics. The framework also includes behavioural capabilities such as employee performance management, leadership and management performance, and change management capabilities (Boston Consulting Group, 2012).

Data Collection Procedure

The research data was obtained from both primary and secondary sources. Primary sources include research original works. Authoritative is good example of primary sources because the information gathered is not diluted by a third party. Secondary sources provides research project data framework for the research project, research question(s) designing and validation of study findings. This is data from adulterated sources.

The organisational capabilities questionnaire was used to collect the data pertaining to organisational capabilities, resources and respondents' view on the operations of infrastructure development banks. The researcher also made use of interviews to gather data about organizational capabilities within infrastructure development banks. A total of eight interviews were conducted with senior and middle level managers.

In order to capture the progression of processes and activities with infrastructure development organizations, the researcher conducted participatory observations. Information was gathered from proceedings in formal management meetings, strategic planning sessions and routine business operations. The data recorded include; turnaround time on transactions, decision making and query resolution, general mood within the bank, informal teams within the bank, formal team performance, and aspects related to organisational culture and a few more.

To ensure construct validity of the findings (Yin, 2003), qualitative and quantitative data are obtained using data retrieval methods. Structured questionnaire were used to solicit for the views of management with regard to organisational capabilities. Data about infrastructure development organizations' operations, strategies and products was also gathered from internal and external sources. The researcher observes live operations at the bank and records the processes that drive the bank as they happen. The data retrieved from research respondents was synthesised together with observation data as well as data gleaned from documents and literature.

Discussion of Findings

The research achieved a 100% response rate for all the 60 questionnaires that were sent. This was enhance by the researcher influence on the respondents and the constant follow up that was conducted using emails and telephone calls. All respondents were given 30 days to respond to the questionnaires and the questionnaires were received on time.

Non response bias was evaluated by comparing the composition of the first batch of 46 and the late batch of 14 respondents. There were no significant differences between the two groups because all values are above the alpha level of 0.05 from the T-test. These results do not suggest non-response bias, therefore the questionnaires responses in this study can be regarded as representative of the selected sample.

Frequency Distribution and percentage of responses

Respondents	**Frequency**	**Percentage (%)**
Executive Managers	25	42%
Middle Managers	20	33%
Lower Level Managers	15	25%
Total	**60**	**100%**

Descriptive Statistics Results

Bank Structure

Descriptive statistics results to question indicates that 77% of the respondents agreed that infrastructure development banks' structure is effective, 5% strongly agreed and 18% strongly disagreed.

Bank Change Management

Results shows that the bank is not effective in terms of adapting to change as the majority 65% strongly disagreed with the statement that the bank adapts to change. This has significant implications on the structural capabilities of the organization.

Environmental Scanning

Environmental scanning impacts on the structural capabilities of the organization yet 70% of the respondents indicate that the bank is not active in scanning the environment. This has significant implications on competitive advantage.
In terms of responding to the research objectives, the researcher noted that most development banks does not prioritize the organizational capabilities as a special area of consideration. However strategic planning and some change management

initiatives influence organizational capabilities. The organization is mainly focused on structural capabilities and ignores the behavioural capabilities. Leadership also plays an important role within development banks in terms of enhancing competitive advantage.

Change is one of an essential piece of work for an organization to survive and to excel (Teece, 2014b). As an organization is set up for achieving its goals, changes must occur if any part of the organization, including the work, the structure, the people and the resources, could not produce the outcome in line with the organizational goals. Organizational changes must ensure that the organization could respond properly to external environment (Cameron & Green, 2015). Changes lead to systematic transformation of an organization, such as the redesign of working processes, the re-allocation of the resources and restructuring of the organization (Cummings & Worley, 2014). An organizational change is often associated with huge effort and great uncertainties. A successful change needs comprehensive and careful observation, plan and implementation. Change management, aiming at the successful change result, focuses on the analysis of behavioural phenomena during the change process and on approaches about what and how people should act. By taking change management as a part of the organizational work, effective change management shall start with a good planning by incorporating both organizational context and the organizational capability.

Change management is a comprehensive and integrated discipline to help individuals, teams, and enterprises as a whole to adjust, adapt, and thrive in a future state that is an exponential leap from the current state. Change Management is not just about the external manifestations – such as communication and training – but more about culture, psyche, and mindset, as well. The change is typically transformational and broadly encompasses capabilities, structure, operating model, processes, and people. If not addressed in a cohesive manner, the change management challenges could derail any transformation and sub-optimize the intended ROI (Return on Investment) from a transformational project.

Merriam Webster defines "Change" as to make a shift from one to another, and "Management" as the conducting or supervising of something (such as a business). Hence, when you combine them, one can derive a meaning such as "Orchestrating the shift from one to another in a planned way to help ease the shock of transition."

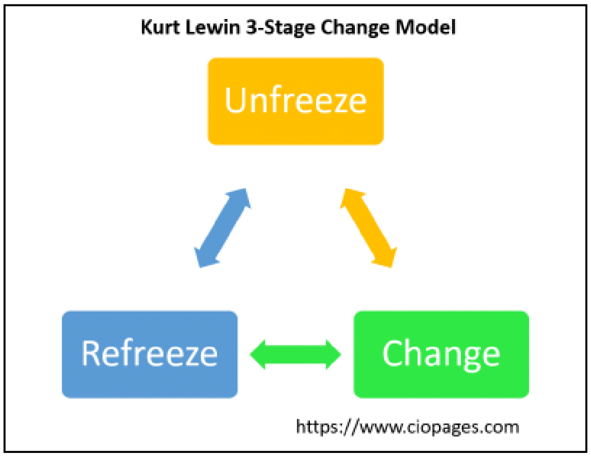
There are numerous change models used in change management some of which are covered below:

Lewin's Change Management Model

One of the most popular and successful change management models, Lewin's Change Management Model act by Kurt Lewin, a social scientist, and physicist in the 1940s. Lewin was interested in what factors or forces are influencing a situation at any given time - notably, social situations. He aimed to determine the effects either hindered movement toward a goal or drove the move toward a given unfreezing. He is mostly considered the founder of change management.

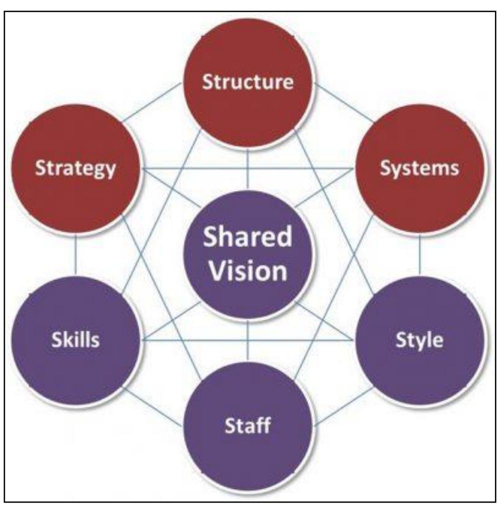
Lewin defined any change in a human system as "changing as three steps" or CATS. The three steps are

1. Unfreeze
2. Change
3. Refreeze



The McKinsey 7-S Model

This model is perfect for organizations that aren't exactly sure how they need to change but know that something is amiss, the McKinsey 7-S Model is yet another standard model for organizational change. McKinsey consultants Tom Peters and Robert H. Waterman, Jr., proposed the model in their seminal book, "In Search of Excellence." Essentially, the model centers on seven core elements that all organizations must possess to perform well. Organizations can reference these elements to see where change and realignment are necessary or to ensure mutual reinforcement of each element to maintain quality performance. The seven elements are depicted in the Figure below:



The McKinsey 7S Models aims to help organizations ensure the alignment of these core elements:

Shared Values: The central values of an organization

Skills: The major capabilities and competencies of the organization

Staff: The characteristics of all key working roles, including demographic, attitude, and education

Style: Behavior patterns of all work divisions

Strategy: The overall purpose of the organization and how it aims to surpass the competition

Structure: The structural division of work within the organization

Systems: Defined procedures for resource allocation, measurement, and reward

In times of rapid change, experience could be your worst enemy. ~J. Paul Getty, Oil Tycoon

Recommendations

Recommendations to Infrastructure Development Banks

The infrastructure development banks should develop its organisational structure, strategic planning capability change management capability and project impact assessment capability. Using an organisational capabilities development plan, the bank can adopt the results of this research in developing these capabilities. It is also important that these organizations improve their technological innovation capability, knowledge management capability, capacity building capability and resource mobilisation capability. Using an organisational capabilities improvement plan, the bank can adopt the results of this research in developing these capabilities. Infrastructure development banks should maintain the project value chain capabilities other than the ones recommended for development or improvement. The bank being an extension of the government should develop and deploy political dynamic capabilities to influence the government in ways that benefit the bank.

Recommendations to Governments

In order to strengthen the bank's resources base, the government needs to urgently work on restructuring. This will improve the bank's balance sheet position and transitively capital resources. The board of directors is fully constituted by appointing additional directors. Diversified board views will enable the bank to operate more efficiently. The board should expedite the restructuring exercise to finality as recommended.

Recommendations to the Academic Society

Operations of development financial institutions are critical for the development of emerging third world countries. It is thus recommended that the curriculum of academic courses in management should include aspects of development finance business. This will equip students with the necessary skills required in understanding the business model and operations of development banks, whose importance in emerging countries is undisputable.

Summary & Conclusions

The importance of organizational capability lies in its close link with organizational performance. The study undertook to establish organisational capabilities with infrastructure development banks, to determine the key factors affecting these capabilities and recommend appropriate organisational capabilities for the bank in line with its mandate. The study mainly focused on; the bank structure, strategic planning capability, change management capability, knowledge management capability, technological innovation capability and market orientation capability adopted method triangulation in data gathering and analysis.

The study established that organisational capabilities are imperative for improved performance within infrastructure development banks. The study also established that organisational capabilities within development banks are largely in the infancy stage and need to be developed in order to improve the bank's performance. Consistent with the results obtained by several researchers (Teece, 2007; Helfat *et al.,* 2007), this research reveals that organisational capabilities can be realistically harnessed to reincarnate organizations' aspirations through sustainable development.

Conclusions

Organisational capabilities are important in the business of infrastructure development to ensure bank positive performance.
Organisational capabilities are lacking at most development banks therefore experiencing negative balance sheet positions.
Strategic human resources management is important in developing and deploying organisational capabilities since the majority of factors that affect organisational capabilities are people related.
Team work is a vital cog in the organisational capability jigsaw puzzle. Organisational capabilities emerge when a company delivers on the combined competencies and abilities of its individual employees.

Resources and capabilities need to be consciously synchronized with corporate outcomes and priorities to attain organisational objectives and increase profitability.

The creation of an enabling internal environment is not enough to develop organisational capabilities. The pillars that support capability development should be erected to support the development of organisational capabilities.

Areas for further research

This research investigated the organisational capabilities within public financial institutions. It however did not make a deliberate distinction between the variants of organisational capabilities that is operational and dynamic capabilities. Further study can focus on the effects of specific capabilities either operational or dynamic on more than one public financial institution. Future researchers can also investigate whether public financial institutions in different economic environments possess different organisational capabilities. Future research should also endeavour to develop more advanced tools and methods of measuring, codifying and articulating organisational capabilities within public financial institutions.

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Statement on the Purpose of the Corporation

Adapted from: https://opportunity.businessroundtable.org

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While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

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- Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.

- Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

August 2019

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Organization Leadership & Development Quarterly (OLDQ)

Leadership and Organization Development Resource

ISSN (P): 2663-0478

Submission Guidelines

Language: All submissions should be in English

All articles should integrate scholarly and applied concepts. An author bio of not more than 75 words should be provided including the author's affiliation. Articles should be approximately 4,000 words excluding the abstract, author bio and reference list.

Page format: The manuscripts should be prepared as Microsoft-Word documents in Constantia (Font Size 11) on A4 size. The line spacing should be single-spaced including references and tables. Tables and Figures should be in their respective position in manuscript with title of Table/Legends of Figure.

Abstract: It should not exceed 250 words in a single paragraph and not required sub-headings and should be a brief summary of the work carried out including the objectives of the study, the techniques used and what was accomplished in a concise manner.

Keywords: It should contain up to 3-5 key terms related to the work separated by commas.

Introduction: It should represent the background significance, brief survey of the previous works, purpose, scope and novelty of the article work and should not have subheadings. At least two specific objectives of the article should be stated. The significance of the article should be briefly elaborated in relation to organization leadership and development or related fields.

Literature Review: A brief review of related, empirical, and theoretical literature should be provided. A conceptual framework should be developed to demonstrate new insights and ignite candid discussions and debates. More emphasis should be given to applied engagement.

Methods: Sufficient information in detail regarding the materials and the methods used to develop the research works (analytical, statistical and experimental procedures) should be mentioned to enable the others to repeat the authors work. The Research Onion as developed by Saunders (2007) should guide the structure of the methodology.

Results and Discussion: It should contain summary of the article, results, interpretations, speculations and assessment of future research or prospects.

Conclusion: It should include outcome of the work, important findings and your view(s).

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