Change Readiness: Overcoming The Challenges of the New Normal

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Context of Study

The Bahamian Economy

Tourism and Financial Services – Twin Pillars

Financial Services

Factors Impacting Sector

The Research Problem

Research Question

"How do senior executives create readiness for change in The Bahamian financial services sector and what is its perceived impact?".

Research Aim and Objectives

AIM	OBJECTIVES	HYPOTHESIS
To explore the perspectives of senior executives on the utilisation of organisational change readiness strategies in Bahamian financial institutions and the perceived impact on the business	Critically review existing literature on existing change readiness (CR) strategies.	
	To determine the extent to which the identified key competencies for CR are understood and applied in the Bahamian financial services sector.	CR as a construct is understood and CR strategies are utilised. However, the use of CR strategies is lower in indigenous/domestic financial institutions when compared to international financial institutions
	To explore the perceptions of senior executives as to the level of change readiness in the sector and its perceived impact.	Perceived high level of CR. There is positive impact of change readiness on financial institutions
	To provide guidance based on the findings of this study to assist and inform senior executive officers on the factors to consider in relation to implementation of effective change readiness strategies within financial institutions.	Some established CR strategies are employed within financial institutions which explains the continued viability and apparent resilience of the sector however this can be enhanced.

Literature Review

The primary search terms used were:

1. organisational change
2. change management
3. change readiness
4. change leadership
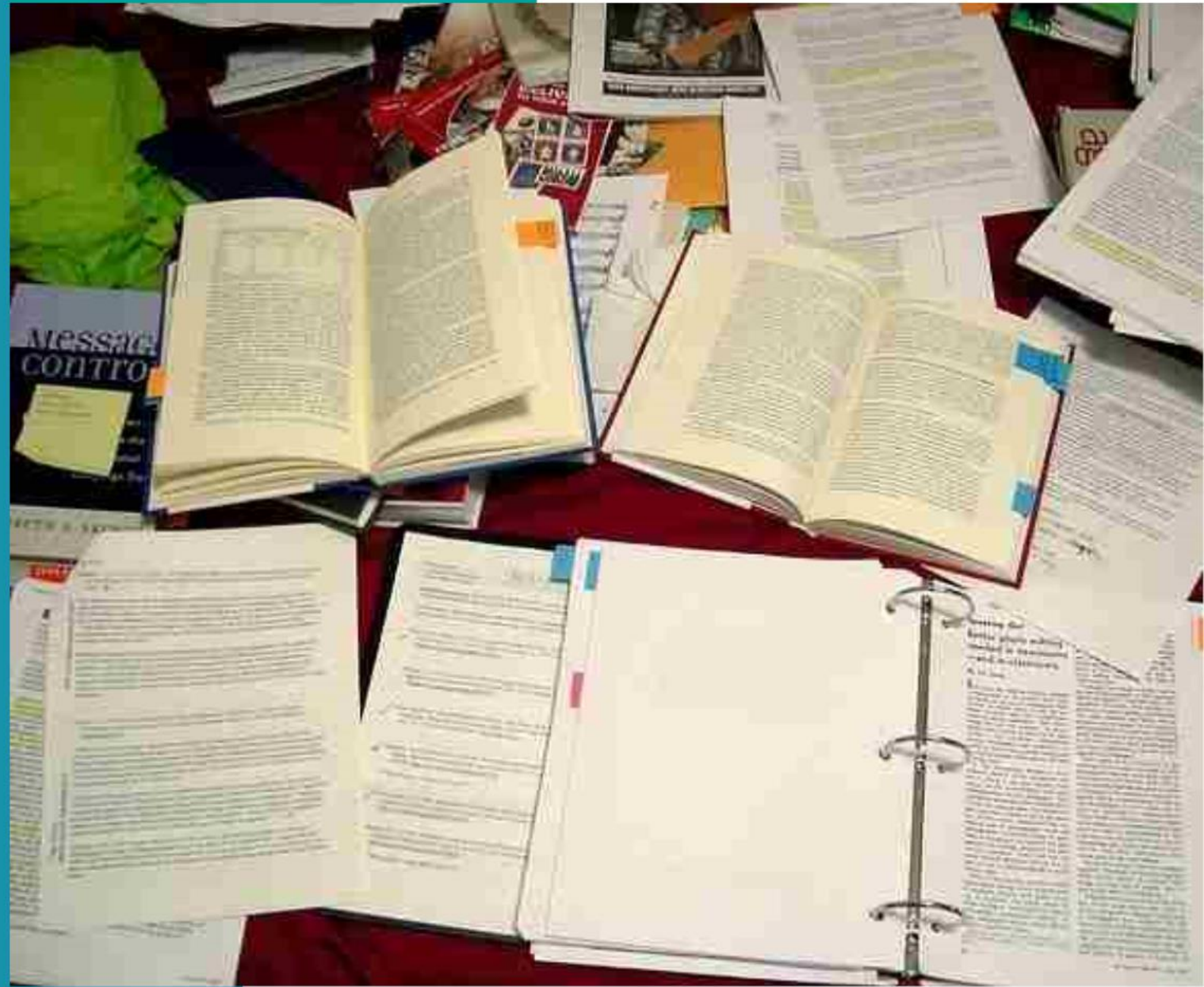
Literature Review

1. **Organisational Change**
   - What does it mean?
   - Planned change vs. Unplanned change
   - Drivers of Organisational change

2. **Theoretical Approaches to Change Management**
   - Lewin's Change Model
   - Kotter's Change Model
   - David Garvin Model for Change
   - Anthony Mento, Raymond Jones, Walter Dirndorfer's Model

3. **Theoretical vs. Practitioner's Models For Change**

4. **Readiness for Change**
   - Individual vs. Organisational

5. **Contextual Factors Critical to Creating Organisational Readiness**

What Is the New Normal?

Technology

New Geographical Markets

New Business Models

Trends Impacting Banking & Global Financial Services

Client Demands

Socio-Economic Factors

Globalisation

Regulation

Planned Change vs. Unplanned Change?

Planned and Unplanned Organizational Changes

Organizational Change

planned Changes
- Changes in products and services
- Changes in administrative systems
- Changes in organizational size or structure
- Introduction of new technologies
- Advances in information processing and communication

Unplanned Changes
- Changing employee demographics
- Performance gaps
- Governmental regulations
- Economic competition in the global arena

Change Management Models

Lewin's Change Model
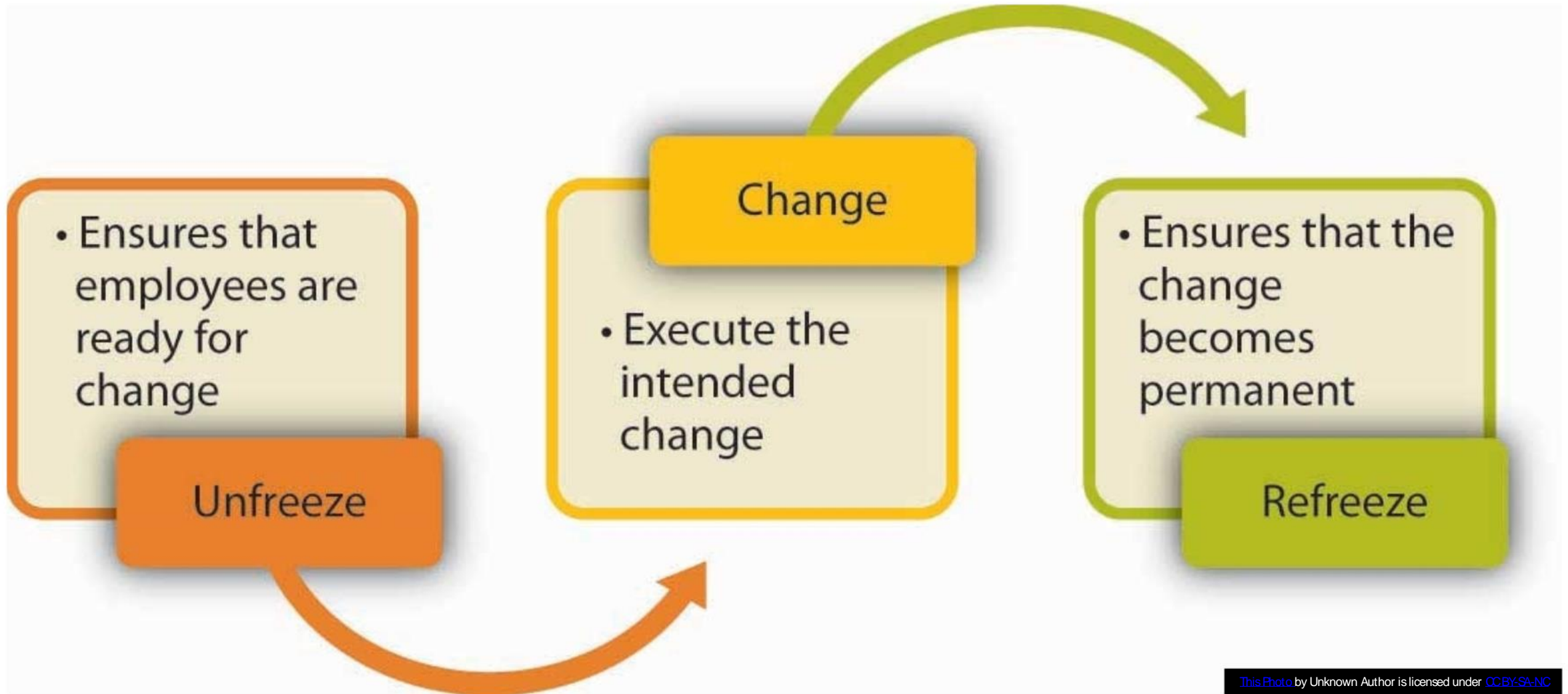
- Ensures that employees are ready for change

  Unfreeze

- Execute the intended change

  Change

- Ensures that the change becomes permanent

  Refreeze

Kotter's 8 Stage Model

8. Institute change

7. Sustain acceleration

6. Generate short-term wins

5. Enable action by removing barriers

4. Enlist a volunteer army

3. Form a strategic vision & initiatives

2. Build a guiding coalition

1. Create a sense of urgency
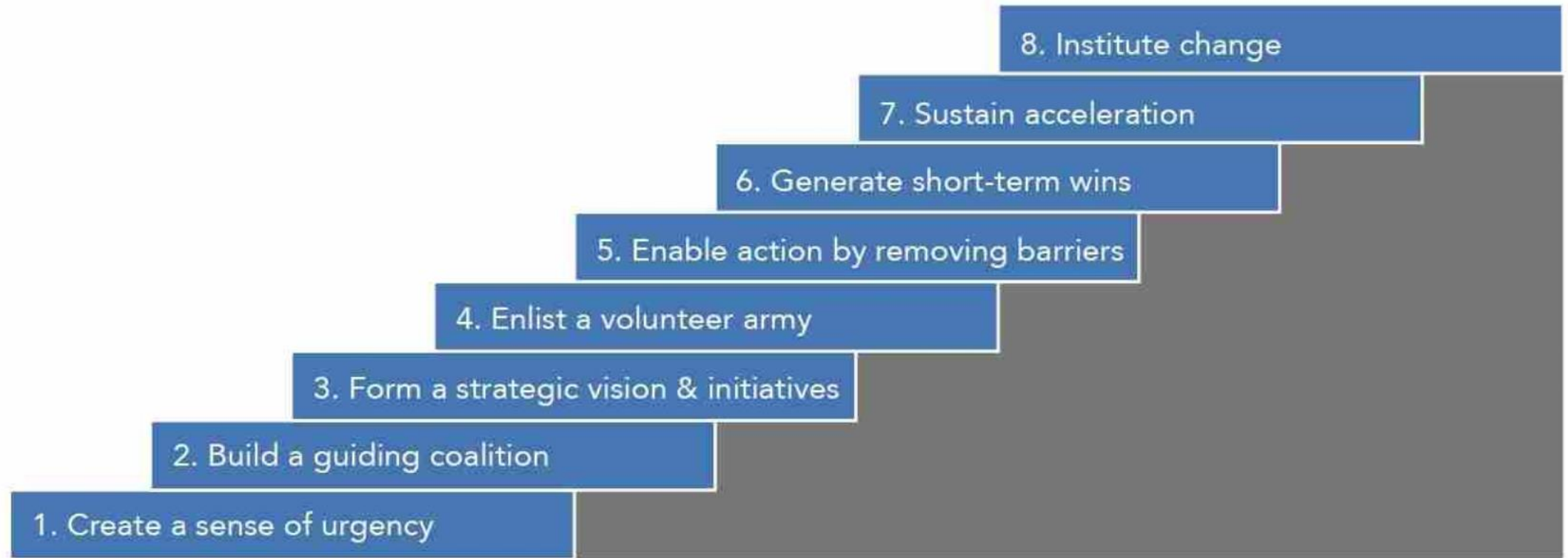
Source: https://www.kotterinc.com/8-steps-process-for-leading-change/

Other Change Management Models

1. David Garvin Model for Change (2000)

2. Anthony Mento, Raymond Jones, Walter Dirndorfer's Model (2002)

Commonalities Between Theoretical and Practitioners Change Models

VISION STATEMENT

STAKEHOLDER PARTICIPATION

PLAN OF ACTION

COMMUNICATION

REINFORCEMENT OF CHANGE

(Kotter, 1995, Burke and Litwin, 1992 and Porras and Robertson, 2015)

What is Change Readiness?

Readiness

Individual

Organisational

Contextual Factors Impacting Organisational Readiness

1. Organisational Culture
2. Adaptable Organisational policies and procedures
3. Staff Capacity

1. Communication Methods
2. Change Agent Credibility
3. Leadership

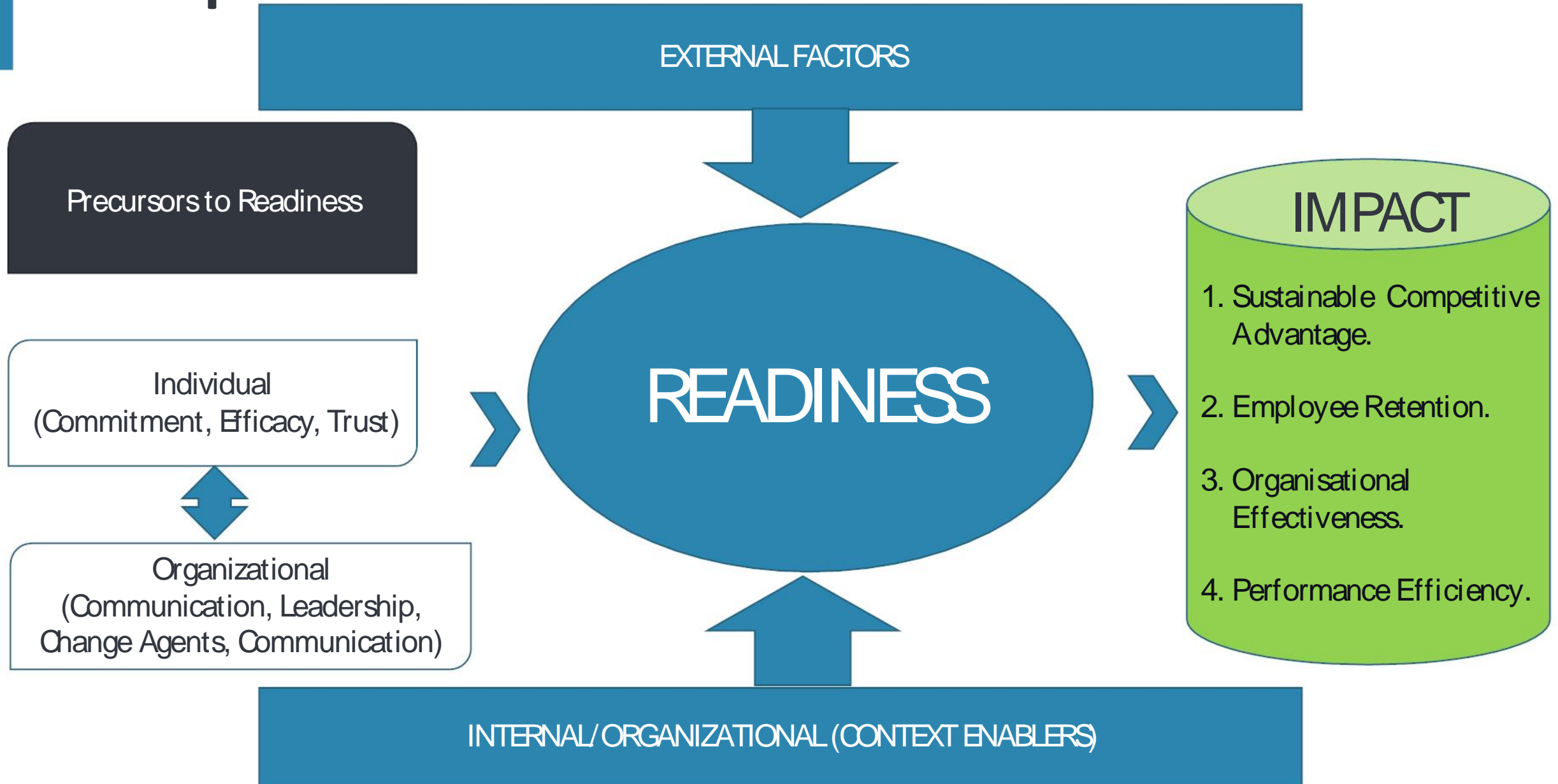# Measurement and Impact of Readiness

Measurement

- Poses a major empirical challenge" (Holt et al., 2007 at p.289)

- Wide array of tools designed to assess readiness

- Qualitative and quantitative methods

Impact

- Successful Change Implementation – Effective Response to the New Normal

- Job Satisfaction

- Employee Engagement and Retention

- Organisational Effectiveness and Performance Efficiency

- Competitive Advantage

Conceptual Framework

EXTERNAL FACTORS

Precursors to Readiness

Individual
(Commitment, Efficacy, Trust)

Organizational
(Communication, Leadership,
Change Agents, Communication)

READINESS

IMPACT

1. Sustainable Competitive Advantage.

2. Employee Retention.

3. Organisational Effectiveness.

4. Performance Efficiency.

INTERNAL/ORGANIZATIONAL (CONTEXT ENABLERS)

Armenikas et al (1999); Weiner, 2009

Research Gaps

No indication of strategies used in The Bahamas

No definition of Readiness in Context of Bahamian Financial Services

No prior studies of this nature

Sample Demographics

Type Financial Institution Represented By Participants

45%   55%
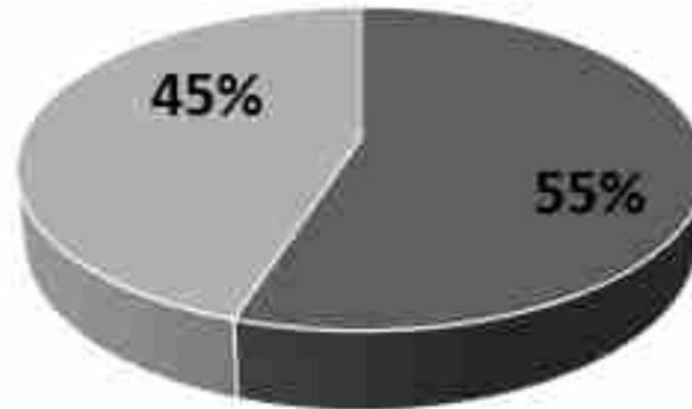
■ International   ■ Indigenous/Home Supervised

Research Findings

Change Readiness in Bahamian Financial Services Sector

Operating Environment

Global financial regulation

Technology and Innovation

Economic uncertainty due to Covid-19 pandemic

Evolving Client Behaviours

Meaning of Readiness

Updated business models

Innovation

Adaptation and Preparedness

Competitiveness

Strategies Used to Create Organisational Readiness

Leadership

Training and Professional development

Communication

Collaboration and Engagement

Organisational Culture
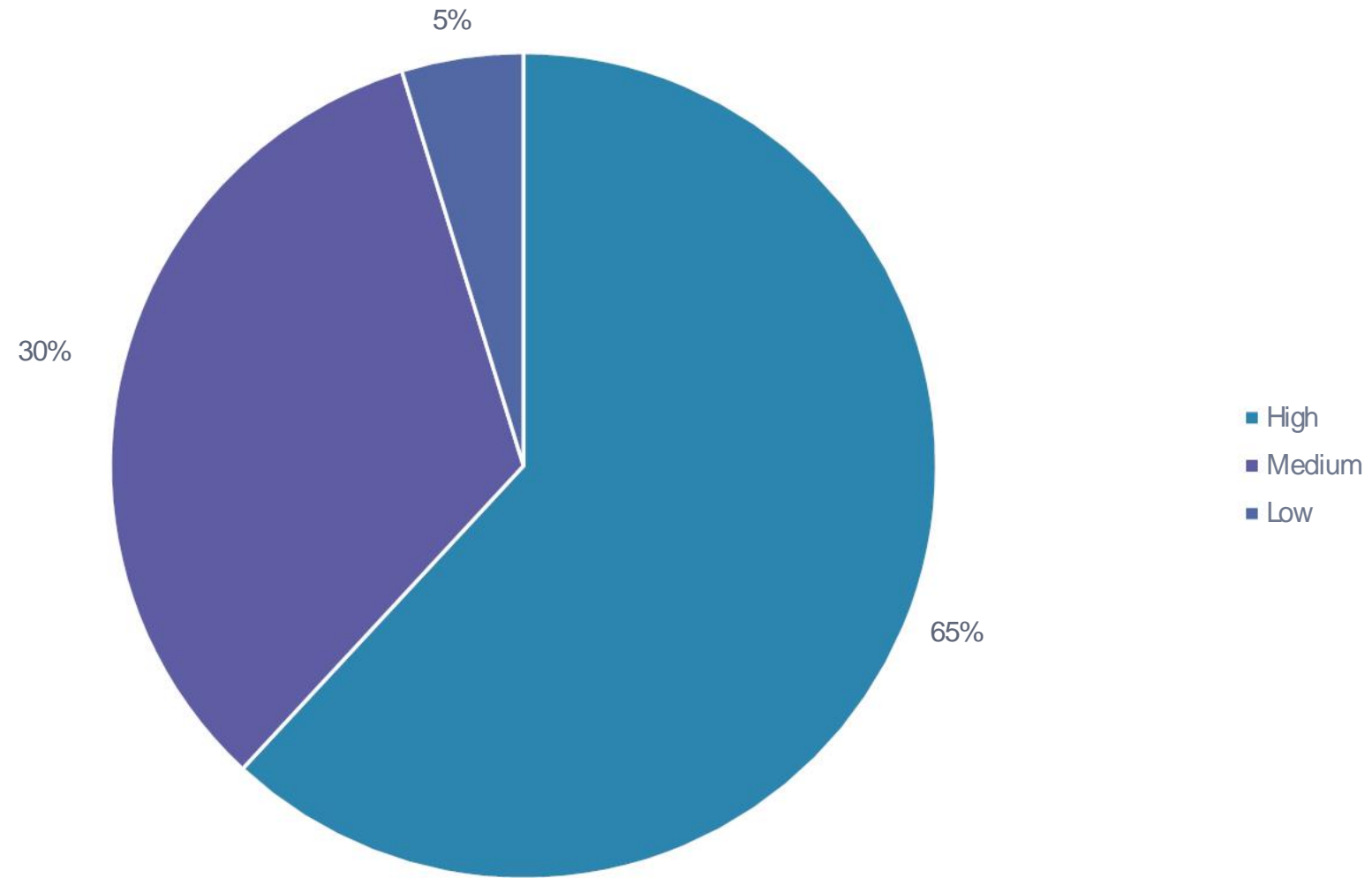
Change Agents

Flexible Policy and Procedure

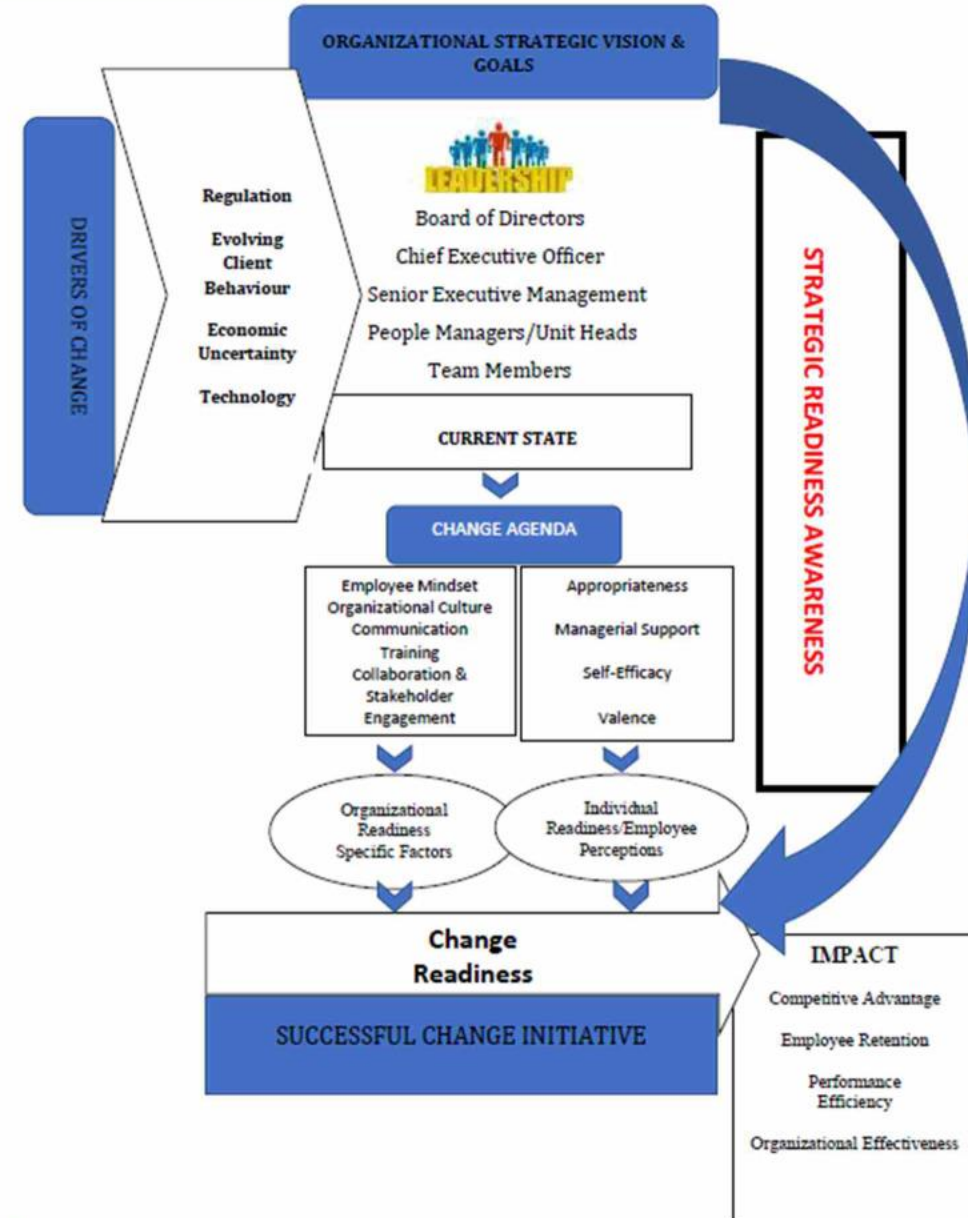**Piloting and Post- Implementation Checks**

Impact

1. Successful Change

2. Staff Retention

3. Increased Engagement

4. Productivity and Profitability

Overall Perception on The Level of Change Readiness

5%

30%

65%

- High
- Medium
- Low

A Revised Conceptual Framework

Implications for Knowledge and Practice

Recommendations

Methodological Recommendations

Future studies - Quantitative and Mixed-method

Case Study

Recommendations

Organisational/Practical Recommendations

Strategic Change Readiness Awareness Tool

Implementation of a Knowledge Management Model

Limitations

Future Studies

1. The relationship between good corporate governance and organisational readiness for change.

2. The extent to which professional discipline influences perceptions on change readiness.

3. The impact of technology on business models and organisational effectiveness

4. Risk Management and Readiness

Conclusion