FACILITATING EFFECTIVE CHANGE MANAGEMENT PROCESS IN A DEVELOPMENT BANK IN MYANMAR

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Abstract

This research investigates to identify the successful intervention of change management in Myanmar's semi-government bank for systemic organizational change. The research has been done in 'C' Bank, Myanmar and employs the 41 respondents including different managerial levels from all departments including General Manager, Manager and staffs. This action research employs structured questionnaires and semi-structured interviews in two phases: pre-ODI and post-ODI. The Pair sample T-test and the contents analysis of the interview passages translated from Myanmar to English for coding are included in data analysis and treatments. The results revel that there is a significant difference between the pre-ODI and the post-ODI of motivating change, creating a vision, developing political support and effective change management. Finding of this study suggest that the analysis on how to sustain the momentum of change in establishing the new organization structure, the impact of organizational structure change on branches, and the employees' satisfaction with a new structure should study in the future.

1. INTRODUCTION

Al-Haddad, & Kotnour (2015) studied to help support the literature review of change management and define types of change, enablers of change, and methods of change properly in their research. It helps managers classify their change situation in their organizations and select a method of implementation for change systematically and for change management. Success is essential to plan for change and notice the critical factors that can bring success. Additionally, adopting a well-organized procedural process can achieve the anticipated outcome. It is also needed to remember that the chosen method has to be associated with the change type of organization (Al-Haddad & Kotnour, 2015).

Not only the type of organization but the organizational structure is the foundation of an organization because the structure presented the assigns duties, roles and obligations, coordination,

supervision, and decision-making to accomplish the organizational objective (Waldron, M. W., Vsanthakumar, & Arulraj, 1998). The structure also identifies how people join the group and joins the organization (Jacobides, 2007).

'C' Bank is the financial institute established since year 2013 and hold sharing 51% by the Government and 49% by the private. The main purpose of the 'C' Bank to support the people who want to construct their own resident but required the loan support from Bank. However for preventing the focal organization in term of negative impact from the research, the name 'C' Bank was used during the research. During the revolution of the Central Bank of Myanmar (CBM), many key policies and Good Governance are announced and enforced to compliance to all financial institutes in Myanmar (CBM, 2018). However, the foundation of change that needed to compliance with the new regulation are the changing of new structure to make the 'C' Bank more transparent" system.

According to the reason mentioned above, the 'C' bank needs to change the organization structure. However, it needs the facilitation process. Therefore, thisstudy focuses on how to facilitate effective change management in organization structural change process of 'C' bank by improving motivating change, creating vision and political support.

1.1. Pre Diagnosis

The first stage of the pre-diagnosis of the organization is SOAR analysis including strengths, opportunities, aspirations, and results. The SOAR analysis in 'C' bank is conducted on February 05, 2019, and the participants are Chairman, Vice Chairman and 5 Board of Directors. The result of the SOAR analysis is shown in Table 1.

Table1
Result of SOAR analysis

Strengths	Opportunities
• Government, central bank and top management agree to change structure • Top management agreed to support resources for structural change process such as time, budgets and experts	• Mutual understanding among people • Strong management team will develop • Operation will undergo systematically because of clear chain of command • Employee trust and motivation will acquire
Aspirations	Results
• The performance of whole organization is leveraging • Healthy structure will implement for the organization • Clearly defined role and chain of command will eliminate power playing and conflict issuers • Motivation of people	• Higher performance of whole organization • Strong management team to supervise operation of whole organization • Operation process well perform • Higher employee motivation

The second step of pre-diagnosis is an informal discussion with the Chairman, vice chairman, Board of Directors and General Manager of the human resources department on 2019, March 06.The interview mainly focuses on the establishment of a new structure in the organization.

The power and authority will distribute to related 'C' level person instead of holding by one person. The information flow and operation system will be more effective with clear role and responsibility. The structural change process required to manage the process of changing (Kral & Kralova, 2016).

1.2.Research Questions

- How to support the newly established organizational structure of 'C' Bank with effective change management?
- How to improve motivating change, creating vision and developing political support to enhance effective change management?
- How to start the power-sharing among stakeholders positively?

2. LITERATURE REVIEW

2.1. Effective Change Management on Organization Structure

According to Imran, Bilal, Aslam&Rahman, change has become one of the essential elements of the everyday life of the organizations. Change is constant in all types of dynamic organizations as societies are changing their strategies, culture, structure and processes to line up with their capabilities within respectively industry part in making decisions and sharing information. The most vital part of the change process is change implementation, and the failure in change implementation is employees refuse to participate in the change transition((Imran , Bilal , Aslam , & Rahman , 2017).

Kotter &Schlesinger studied the way to choose strategies for change. With this study, found the four main reasons for resistance to change, there are a feeling of unwilling to lose something they value, a misinterpretation of the change and its implications, and a trust that change will not actually make any difference for the organization and their low patience for change (Kotter & Schlesinger , 1979).

Dalati tested the effective theoretical models of the change in banking organizations and the application of theory on actual cases in business organizations. The findings illustrate that organizational issues are improving positively but people's issues are not improving well and need more attention (Dalati, 2018).

According to Kappelman, Prybutok, Dran (1996) empowerment is important organization development models suggest a need of early and unremitting employee commitment to the progress and application of planned change efforts. A "change agent" can help the organizations to achieve transformational change. They create a strategy to improve or change the organization while motivating their followers to accept to a new change(Kappelman, Prybutok, &Dran, 1996).

Ash Phillip proved that knowledge solution is important for fast and effective change management. When the employees understand that change is actually needed to occur, they might feel stressed or

depressed since they fear they will not be able to perform will in the post-change work environment. The organizational change will be implemented faster and more effectively (Ash, 2009)

2.4 Action Research and Change Management

Kurt Lewin's planned change model is a classical approach to studying factors that make an organization's environment and systems stable. According to this model, there are three stages of change implementation such as unfreezing stage, moving and transformation stage and refreezing stage (Lewin, 1951).Field Theory in Social Science.

According to Cumming and Worley, the structure, work design, HR practice, management and information system are the building blocks to construct the architecture of the organization design. Strategy, structure and working design are the components of the organization design (Cummings & Worley, 2009).

Therefore, motivating change, creating a vision, developing political support, manages the transition and sustaining momentum of Cummings and Worley's model of planned change are important activities in managing the change process because those activities help to improve in strategy, structure and working design of the new paradigm and effective change management. Therefore this study used an effective change management model from 'Organization Development and Change 'by Thomas G. Cummings and Christopher G. Worley (Cummings & Worley, 2009)
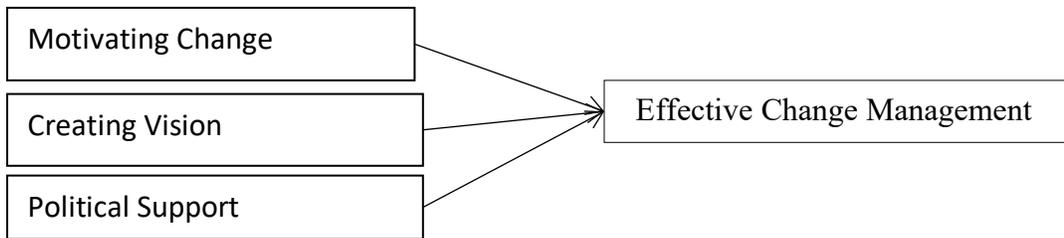
Figure 1:
Theoretical Framework
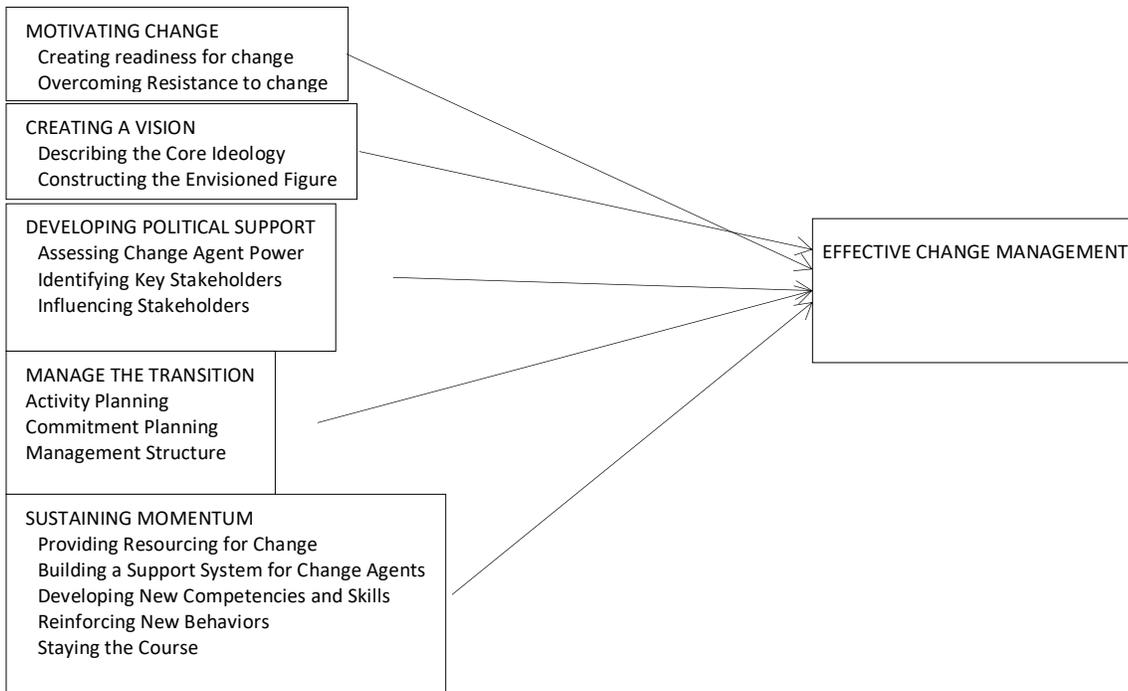
Note: Adapted form Change Management Model of Cumming and Worley (2009)

2.6.Conceptual Framework

The conceptual framework to support the effective change management that adapted from Cumming and Worley (2009) was selected as the process to facilitate the change of the organization structure of the 'C' Bank. However, only three first steps were applied to the research because the next two processes (managing the transition, and Sustaining momentum) were appeared after the execution of the organization development intervention. That may be impact with the timeframe of this research and the reliability of measurement.

Figure 2
Conceptual Framework

2.4 Action Research Framework
Figure 3
Action Research Framework
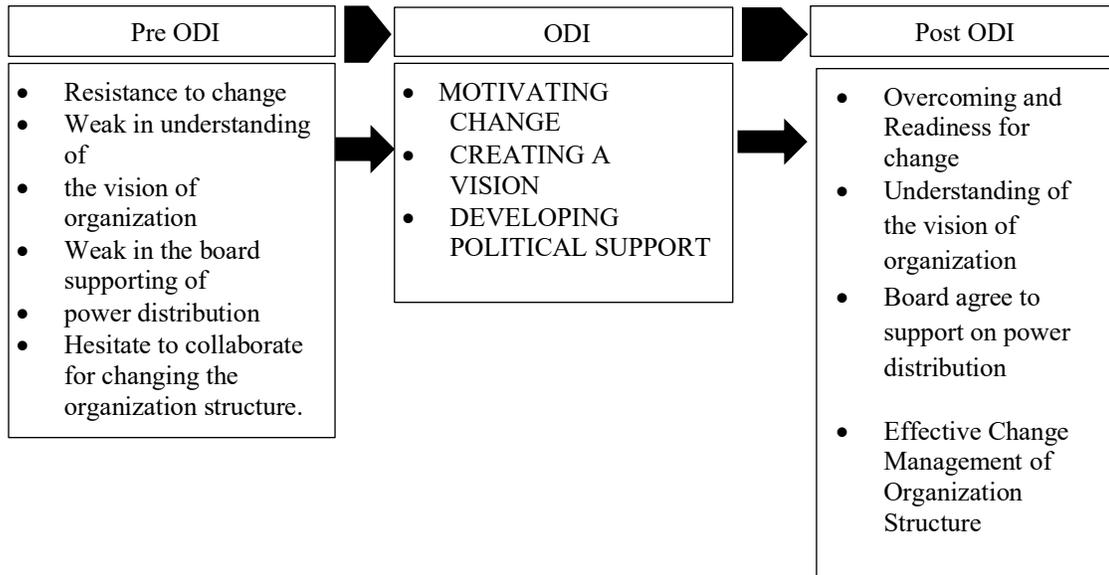
Action research was developed by separated into three areas. There are Post-OD Intervention which summarize the situation during the Diagnose stage in four areas; Resistance to change, Weak in understanding of the vision of organization, Weak in the board supporting of power distribution, and

Hesitate to collaborate for changing the organization structure. The OD Intervention presented the key intervention the implemented and executed during the change process to ensure the creation of positive impact on the factors under the Post-OD Intervention.   Research collected data both quantitative and qualitative at Pre-ODI and Post-ODI to comparative the change between before and after execution the OD Intervention.

3. RESEARCH METHODOLOGY

3.1.Research Method

Participants of the research are from 'C' Bank. The study employs random sampling. The Board of Directors (BOD) define the participants should cover the whole organization. Therefore, different managerial levels from all departments of 'C' Bank will involve the study according to BOD decision, and the total number of respondents is 41.

This research utilized the qualitative and quantitative methods in data collection to prohibit the possible errors that may appear from a misinterpretation of questions or respondents not paying attention in answering. All questionnaires were in the English language, and the focus group was from the management level. All the research instruments will be pre-tested earlier for the actual data collection process. The same set of questionnaires and interview questions was used to analyze both the pre-ODI and post-ODI phases. Together with self-observation and personal interview, the research instrument was used to gather pre-ODI and post-ODI results for quantitative data. An interview was conducted through semi-structured questions.

3.2 Scope of Population and Instrument

Participants of the research are from 'C' Bank. Different managerial levels from all departments of 'C' Bank will involve in the study and total number of respondent is 41.

3.3 Hypothesis
This research constructs the hypothesis to serve the research objective as follows:
H1: There is a mean difference on Motivating Change between Pre-ODI and Post-ODI
H2: There is a mean difference on Creating Vision between Pre-ODI and Post-ODI
H3: There is a mean difference on Political Support between Pre-ODI and Post-ODI
H4: There is a mean difference on Effective Change Management between Pre-ODI and Post-ODI

3.4 Reliability and Validity test

The reliability test byten participants is carried out before the intervention stage because of the population size is 35 persons. The participants of pilot test are 5 General managers and 5 Managers from the department of Human Resource, Operation, Research and Development, Business Development and IT. To ensure all key functions were involved in this reliability testing. The result of Cronbach's Alpha shown that the value is higher than 0.7 then the questionnaire is reliable to collect the data.
Table 2
The Cronbach's Alpha test result

Variable	Type of Variable	Cronbach's Alpha
Motivating Change	INDEPENDENT	0.8205
Creating Vision	INDEPENDENT	0.872
Developing Political Support	INDEPENDENT	0.877
Effective Change Management	DEPENDENT	0.859

4. ORGANIZATION DEVELOPMENT INTERVENTION

4.1 Motivating Change

The organizational motivation for all of the change initiatives was developed by the desire of the leadership to continue to be competitive, improve the value and develop constantly. Therefore, a starting point for motivation in the structural change process in 'C' bank is creating readiness for change in organization members.

4.2 Creating Readiness for Change

The first step of ODI was creating readiness for change. A series of workshops were done on June 12, 2019, with four sections.

Table 3

The information about the workshop

Workshop	Objectives	Speaker	Participants
Work Shop: Readiness for change • How importance of change for organization • The success and failure Story of Development of Asia and Local banks about the structure change • Comparing the current and desired situation of CHID Bank • Evaluation of the workshop by the participants	• To get awareness of change • Acknowledging about how differences between development bank and local commercial bank • To aware the need for change in organization • To know the effectiveness of the workshop	Two External speakers and Researcher	35 persons of Middle Management

4.3 Overcoming Resistance to change

At this step, the participants from Readiness for Change (step 1) will use as a change agent for this change project.

Table 4

The process for overcoming resistance to change by Meeting with C Level

Process	Objectives	Speaker	Results
1. Discussing the needs between change agents and C level 2. Department start operating under related C level 3. Weekly meeting on Monday 4. Weekly meeting on Friday	• To get support from change agent • New structure establishment • To build positive relationship each other • To discuss about the progress and difficulties	C levels and participants participants C levels and Change agents C levels and researcher	C levels agree to support the requirements of departments. Change agents agree to assist building communication between C level and the rest of the organization. Decision and actions for short term Decision and actions for long term

The whole organization operating with the process mentioned above for 4 months and the data sharing among departments, reporting and information sharing issues are developed as the largest issue in July and August. Although people learned from the workshop that the structure should be changed, there are still some uncertainties in working with a new structure. It is not clear which data can be shared between departments and which data is confidential. It is not clear which department needs to get reporting and to which General Manager and 'C' level they need to report. Therefore, data and information sharing, as well as reporting issues, are quite confusing for the employees in July and August. Therefore the researcher and head of departments set the meeting for three times a week and discussed and decided data sharing and step-by-step reporting process for current and upcoming projects. Therefore, the issues are significantly drop in September. Another issue is the responsibility issue. In 'C' bank, most of the projects are done with the corporation of many departments. Although more departments are involved, the duty and responsibility are not clear cut, and the responsibility is also weak. With the new structure, the same issue also appears with the same number in the first two months.

4.4 Creating a Vision

The second step of intervention is creating a vision. While the workshop for motivation change has done in July, there are some uncertainties in working with a new structure. Therefore the next step focuses closely on a departmental level. Starting from the first week of August, the researcher went to each department and made activities based on SOAR analysis about working with a new structure every Friday of a week. The purpose is to recognize the positive future of the organization with the new structure.

As a result the data sharing among departments, reporting and information sharing issues are developed as the largest issue in July and August, 2019.Although people learned from the workshop that the structure should be changed, there are still some uncertainties in working with a new structure.

It is not clear which data can be shared between departments and which data is confidential. It is not clear which department needs to get reporting and to which GM and 'C' level they need to report. Therefore, data and information sharing, as well as reporting issues, are quite confusing for the employees in July and August. Therefore, the researcher and head of departments set a meeting for three times a week and discussed and decided data sharing and step-by-step reporting process for current and upcoming projects. Therefore, the issues are significantly drop in September. Another issue is the responsibility issue. In 'C' bank, most of the projects are done with the corporation of many departments. Although more departments are involved, the duty and responsibility are not clear cut, and the responsibility is also weak. With the new structure, the same issue also appears with the same number in the first two months. However, the researcher and top management already discussed this issue. From September, only the related departments with the project are involved, and the duty and responsibility, reporting process and decision process are stated together in the announcement of a project with the decision of the BOD meeting in August2019. Therefore, the responsibility issue also decreased in September.

The support from top management is very important in the organization structural change process of 'C' bank. Therefore, the researcher tries to get an agreement to vote while trying to get an agreement from BOD. The researcher discussed the benefit of power distribution by asking their view with the Chairman and Vice-Chairman before the BOD meeting. The discussion points of the meeting are very supportive of the BOD meeting on June 28, 2019. The Chairman and Vice-Chairman lead the meeting to discuss power distribution will help for operation, and the decision-making process becomes clearer. As a result, the Job Description of 'C' level is developed.

5.RESULT AND DISCUSSION

5.1 The Result of Quantitative Data Analysis

For the quantitative analysis the survey questionnaires is used. The data are analyzed with the Jamovi version 1.6.23.0. The paired sample test is used at 95% Confidence Interval. According to the results, the P value is statically significant smaller than 0.05, so the null hypothesis is rejected. Therefore it can be said that there is significance difference between pre and post ODI of all variable

Table 5

Paired Sample T-Test

Effective Change Management						Result
PreODI and Post ODI	**Statistic**	**Df**	**Means Difference**	**SE different**	**p**	
H1:Motivating Change	-37.46	39.0	-1.85	0.05	**<.001**	**Accepted**
H2: Creating Vision	-66.39	39.0	-2.78	0.04	**<.001**	**Accepted**
H3:Developing Political support	-52.20	39.0	-1.37	0.03	**<.001**	**Accepted**
H4:Effective Change Management	-30.69	38.0	-0.98	0.03	**<.001**	**Accepted**

From the table 8, a paired t-test of Pre-ODI and Post-ODI in term of Motivating change was carried out to see after OD Intervention mean different with the significant evidence (t(-37.46) = 39.0, p <0.001 of a change in Motivating change after OD Intervention.   This concluded that the Hypothesis 1 was accepted. For Hypothesis 2, the Creating Vision between Pre-ODI and Post-ODI was found significant mean different with the significant evident (t(-66.39) = 39.0, p <0.001, by this information can concluded that the Hypothesis 2 was accepted.   The next testing between Pre-ODI and Post-ODI of Developing Political Support also was accepted by significant evidence (t(-52.20)= 39.0, p<0.001. The Hypothesis 4, the significant mean different was accepted with the significant evident (t)-30.69) = 38.0, p <0.001).

5.2 The Result of Qualitative Data Analysis

At the Pre-ODI period, all participants were sharing people are not fully ready to change. Because they are lacking the motivation to change.Also, most participants said people are not enough passion for changing the new structure. The most frequent reason for not ready to change is because of power play.

Per the Post ODI the interview summary about the motivating change, all participants said ready and passion for changing with the understanding job description under the new organization structure due to the positive dialog and open communication workshop, all of participants feel they are freely the select and design which way to change belong to the new structure and revised responsibility as redesign structure.

In creating a vision at Pre-ODI, all participants said difficult to make them succeed with the new organization structure and not clear picture about the future success with the new role and responsibilityandneed more information and training to understand the vision. .

By the Post ODI result of creating a vision, after the OD Intervention all participants believe in success, more understanding about vision and improve self-management.During the interview session before ODI in developing political support, most participants said weakly in the job description and weak power distribution. They also said weakly in HR policy.In the Post ODI result, all participants said they clear their job description, and they execute better in part of power distribution and they found the HR policy is support their result.

6. DISCUSSION AND RECOMMENDATION

The C' bank is an institution that has been set up for seven years. It has the largest number of retired government employees since its founding, as it is a semi-government bank. The result of the quantitative, the OD intervention has a positive result on every variable. The main reason is that there were only two people at the top of the hierarchy, and the whole organization depended on them. According to interview with BOD,Separating power from those two people has become the most difficult issue. As a semi-government bank, it is not easy to change people at the top. At this point, the Central Bank's new regulation for corporate governance is a good opportunity for the organization.
In the change process, distribution power becomes fair; employees come to understand their JD. The value of the change process is that power play is reduced. Therefore, many conflicts have been resolved without the need for direct resolution. Once JDs have been defined for all levels, the decision-making process is cleared, and employees are more efficient.

Concerning the creating vision, the structure and JD are on paper, and in practice, they are with his team, and the staff at the operation level does not know JD, nor do they know their department's monthly goals or annual goals. Therefore, training and workshop are arranged to explain the value of the change. The new structure would help the people to manage their work by themselves rather than waiting for orders.

Concerning developing political support, the bank has been around for years, but its HR policy is volatile. Many negotiations and discussions need to make to reach the final discussion. The basic reason does not want to share authority. Therefore, at the BOD and C level, the division of power needs to be negotiated and agreed upon by the JD.

7.LIMITATION

The study only focuses on the intervention that help people to accept the new structure and working with it because the main limitation of the research is reluctance to change by the people. Although there are many factors which impacts on the implementation of new structure, the research focuses on the difficulties of people to work with new structure and the implementation process. As the people are used to work with previous structure for years, and the structural change process increased the worries for working with new 'C' level, change of command, reporting process and decision making process The organization development intervention is based on the effective change management theory of Cumming and Worley (Cummings & Worlsy, 2005). According to time limitation, among the five categories of effective change management theory, the study only focuses on motivation change, creating vision and developing political support. Sustaining momentum of change is not involved in this study because of the following reasons

- The structure change process is just start in current situation

- The main issue in structural change process is how to make people to accept

- Sustaining momentum need more time to analyze

The study includes people's acceptance of new structure only and excludes the financial information, risk and compliance information etc.

8. RECOMMENDATION

This research only focuses on the establishment of new structure according to the limited timeframe. Therefore, this study recommends the top management for the continuous analysis of the implementation of new structure should do in the future by applying this framework.

For the OD practitioner in Banking industry, the framework in this research would be useful for studying the structural change process of government banks and private banks as well as how to sustain the momentum of working with the new structure is necessary to study in the future.

The Organization Development Intervention should be adapted and revised the sequencing to running especially the practice of AI together with SOAR may create the fully engagement during the OD Intervention. The design of each OD Intervention should be mapping to the right group of people in Banking Industry and the period to training.

For further study, this research only focuses on the head quarter workplace and departments because the key departments were located here. Therefore, the impact of organizational structure change on

branches also needs to study. As the human resources is the most important for the bank, the employee's satisfaction on new structure is a good topic to study in future.

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