

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

This research focused on the role of managers in managing new changes. The important role of communicating, training and supporting the employees on the new change are not an easy task. This is because as mentioned earlier, change creates apprehension, anxiety, frustration and fear. So, apart from those functions, managing resistance is also crucial. Below are the findings and conclusions of this study.

7.1 FINDINGS AND CONCLUSIONS

Organization's path is generally determined by the type of leadership. For example, the titanic vessel which was considered unsinkable and weighed a massive 46,000 tons did go down. This is due to the belief in invincibility by its captain¹. Similarly, the type of leadership which acknowledges the threat of environment and change will lead the organization safely into the future while resistance type of leadership which ignore the signs of change will suffer the titanic tragedy. As such the type of leadership has much say in managing new changes in the organization. The result from table 5.14 shows the type of leadership in both banks. Bank Pertanian Malaysia has more planners and resisters as compared to Phileo Allied Bank where there are more initiators. As mentioned in Chapter Three, both planners and resisters are generally not supportive to new changes because they wish to protect the best of the past and believe that change only cause uncertainty. This could explain why Bank Pertanian Malaysia lags far behind other banks despite being in operation since 1969 (for more information please refers to Chapter Four). Besides the type of leadership Bank Pertanian's socioeconomic objective and

¹ Victor S. L Tan, Change To Win: The Change Imperative for Asian Companies, How To Win In The Work Place, How To Win In The Market Place, Time Books International, Singapore, 1994, pgs 2-4

numerous government's directives also capped its progress. On the other hand, the initiator leaders and their objective of maximising profit in Phileo Allied Bank could have catapulted the organization as one of the top local commercial bank in the country though it was only established four years ago in 1994.

As mentioned by Willem F G Mastenbroek, any new changes in the organization should be treated as a duality management. This means that there should be a balance between steering from the top management and responsibility from the line management and employees. The result from table 4.15 highlights several factors that would enhance employee's participation in the new changes. They are people empowerment, proper resistance management and support from top management or the board of directors. Empowerment of employees which consist of providing them opportunities, allowing freedom and ensuring job security produces high commitment level towards the new changes.

Pushing the employees on the other hand would 'break' the continuity in the change programs while friendly influence enhances the flow of change. Managers also feel that management should not be easily demoralized by minor setbacks. Surprisingly, the result in Phileo Allied bank shows that their management has low patience in dealing with the new changes as opposed to Bank Pertanian Malaysia. This might be because of the perfect competition market that surrounds Phileo Allied Bank which forces them to achieve instant results on the changes, otherwise their competitors will capture their market share.

Bank Pertanian Malaysia's managers do not agree that their management is easily demoralized. The support from the government and the absence of commercial values in the organization seems to ease the pressure of new changes from the management of Bank Pertanian Malaysia. However, both banks managers agree that the top management team shows low commitment level to ensure the success of the new changes. The management expects

managers to produce instant results without depending much on them. So the management of both Phileo Allied Bank and Bank Pertanian Malaysia do not seem to follow Mastenbroek's model of change (for further information please refer to Chapter Two section 2.4.3). In his study Mastenbroek highlighted that change which is forced on the employees will start up well but eventually will fade away as the workforce was not empowered in the change process². The arrow shows that change is managed downwards from the top management to senior management and all other departments. This contradicts the duality change management where top management, senior management and departments work as two units to manage changes.

Employees from both Phileo Allied Bank and Bank Pertanian Malaysia perceive that innovation culture in their banks should be built on clearer organization long run goal, greater investment on research and attention to workforce. As such, when executing any new improvement programs, both banks should clearly state the impact of the changes to their banks and the industry in the long run. The banks should also not hesitate to invest more on research and development. This is because merely communicating the new changes without showing signs of real commitment will impede the process. Finally is attention on the workforce. The employees will be more comfortable if the management protects their interest amidst the new changes. Phileo Allied bank shows a higher response rate (table 5.13) of risk taking which is not favourable in Bank Pertanian Malaysia. Concurrently, result from table 5.19 shows that Phileo Allied bank has lesser employees who wish to remain at their current position compared to Bank Pertanian Malaysia. Table 5.20 further explains the employees' willingness to sacrifice in order to achieve career goals. Once again, Phileo Allied bank shows a higher response rate. These results conclude that bank Pertanian Malaysia has more 'middle aged clerks' and 'enlightened professors' who dislike risk taking while executing any new changes. On the other hand, 'young Lincoln' and "continuous achievers" in Phileo Allied Bank are in favour of risk taking. In

² Willem F Mastenbroek. "Organisation Innovation In Historical Perspective: Change As Duality Management", Business Horizon. July-August 1995. pgs 5-14

conclusion, both banks can develop an innovation culture by emphasizing on communication of the organization's long run goals, investing more on research and paying more attention to the workforce. However, risk taking should be addressed after determining the type of workforce in the organization. This would then minimize resistance.

Managers' role as a communicator of the new changes should be emphasized more on the clericals and secondary educated workforce. This is shown by the results from table 6.2 and 6.3. However, merely communicating the changes would only serve as an information to the workforce. Robert Davis argued that in order to generate commitment, the employees should be involved in those changes or in other words empowering the employees in managing the changes. Table 6.10 shows that the managers' role in communicating the new changes increase the responsiveness towards change. So, to produce a better result, managers in both banks should not merely communicate the changes but also involve the employees in the new changes particularly by accepting their views, allowing them some liberty to make decisions and assuring them that these changes would not be detrimental to them. In performing their communication role, Bank Pertanian Malaysia's managers could tackle the resistance from their middle-aged clerks.

The second role of managers in the management of change is training the employees on the new changes. Results from table 6.11 highlights the responsiveness of change in both banks is significantly related to the managers' role of training. Table 5.21 further explains that both banks employees feel that structured training on the new changes should be conducted before any changes is implemented. This is because training on the new changes is also a part of people empowerment. Result from table 6.4 and 6.5 in both banks show that managers should emphasize training on the younger generation employees and the lower rank of employee. However, more often than not training is targeted towards officers and managers without due consideration on clericals.

Organization culture, which comprises of shared beliefs and norms can become very resistance to internal and external change in an organization. Larry R Williams underlined several factors on the corporate culture, which supports the idea of change in an organization. They are cooperation in the organization or teamwork, concern for people, sense of community, decision making process and individual autonomy.

Cooperation in the organization explains to what extent the employees help each other in attaining the organization's objective. Concern for people is depicted on the caring attitude of the management over their workforce. Next is the sense of community, which answers to what extent do the employees feel a sense of oneness in the organization. Finally is the flexibility in the organization structure which allows the employees to participate in the decision making process.

Result from table 5.19 shows that both Phileo Allied bank and Bank Pertanian Malaysia possess teamwork values. Furthermore, the overall work relation in the organization is 'condusive' as highlighted in table 5.10. However, result from table 5.11 indicates that the employees from both organizations also place importance on personal aspiration. They are also not very keen in discussion of ideas among colleagues. Phileo Allied Bank recorded a high response in recognition for individual performance as compared to Bank Pertanian Malaysia. So, although the workforce in both banks acknowledges the importance of teamwork they generally emphasize on individual glory especially in a competitive environment such as Phileo Allied Bank. This translates in the new changes although starts up well in a private entity like Phileo Allied bank they are focused more on short term or instant results. This has resulted in the employees focusing on individual recognition. On the other hand, long term vision and focus on stability as in the case of Bank Pertanian Malaysia reduces the chance for individual glory, thus emphasizing more in the long term results of the changes.

Finally, managers from Bank Pertanian Malaysia should target continuous support on the new changes to all age group of employees without segregating them on the nature of their work, the clerical and officers. This secondary educated workforce as shown in table 6.9 requires more support from the managers. As suggested by many management experts continuous support from the managers will encourage continuous learning process, preventing people from relapsing into their old fears and reducing their resistance on the changes.

7.2 RECOMMENDATIONS

This research was initially targeted to cover more commercial banks and finance companies. However, most of them refused to participate as they seem quite reluctant to divulge information on their new changes. This is due to the perfect competition market that surrounds the banking industry. So, it is hoped that future research in this area will be able to cover more commercial banks or at least one from each divisions, for example, local commercial bank, foreign bank , government owned banks and finance companies. Varied samples will highlight better results of change management in the banking industry. Furthermore, the bigger samples might highlight better ways to improve the management of change in a perfect competition market such as in the finance industry.

Although this research managed to interview a few of the senior managers, managers and employees of Phileo Allied Bank and Bank Pertanian Malaysia, better view of the visions and objectives will only be available from the General Managers and Directors of the banks. Even the samples that were interviewed were very cautious in their response. All their views seem to be very supportive to their management team. So, in order to preserve anonymity mail questionnaire method is the best as respondents will not be subject to any pressure while presenting their views.

Result from this study also shows contrasting efforts initiating and managing change in different market environment. For example, Phileo Allied bank acknowledging the threat of the competitive market was proactive introducing various innovative products. This has enabled them to capture the major market share compared to the subsequent entries of the similar products in the market. On the other hand, the belief of invincibility on the part of Bank Pertanian Malaysia due to the government support partly contributed to its various problems (in the passive era). Bank Pertanian Malaysia instead of initiating new ideas decided to follow the market flow, even then they were complacent. So, a monopoly market generally does not promote an innovative culture. This was the main reason for the government's privatization policy in the 1980's to instill more commercial values to the organization. In conclusion, irrespective of the market types organization needs to constantly be proactive in managing change particularly the monopoly market or it might suffer the titanic tragedy.