SELINUS UNIVERSITY OF SCIENCES AND LITRATURE
INSTITUTE OF GRADUATE STUDIES AND RESEARCH
DEPARTMENT OF BUSINESS MANAGEMENT

STRATEGIC FRAMEWORK FOR MANAGING TRANSFORMATIONAL CHANGE TOWARDS SUSTAINABILITY IN ETHIOPIAN BANKING INDUSTRY

(Ph.D. Thesis)

ABREHAM TESFAYE ABEBE

Bologna-2021

SELINUS UNIVERSITY OF SCIENCES AND LITRATURE
INSTITUTE OF GRADUATE STUDIES AND RESEARCH
DEPARTMENT OF BUSINESS MANAGEMENT

STRATEGIC FRAMEWORK FOR MANAGING TRANSFORMATIONAL CHANGE TOWARDS SUSTAINABILITY IN ETHIOPIAN BANKING INDUSTRY

(Ph.D. Thesis)

ABREHAM TESFAYE ABEBE

Bologna-2021

SELINUS UNIVERSITY OF SCIENCES AND LITRATURE
INSTITUTE OF GRADUATE STUDIES AND RESEARCH
DEPARTMENT OF BUSINESS MANAGEMENT

STRATEGIC FRAMEWORK FOR MANAGING TRANSFORMATIONAL CHANGE TOWARDS SUSTAINABILITY IN ETHIOPIAN BANKING INDUSTRY

(Ph.D. Thesis)

ABREHAM TESFAYE ABEBE

Bologna-2021

DECLARATION

I hereby attest that I am the sole author of this thesis titled "**A STRATEGIC FRAMEWORK FOR MANAGING TRANSFORMATIONAL CHANGE TOWARDS SUSTAINABILITY IN ETHIOPIAN BANKING INDUSTRY**", and that its contents are only the result of the reading and research I have done". I hereby declare that all the information in this research was obtained and presented in accordance with academic rules and ethical conduct, and I fully cited all the references materials and results and that are not original to this work.

Date …………………………

Signature ……………………

APPROVAL CERTIFICATION

This is to certify that this Thesis titled "A STRATEGIC FRAMEWORK FOR MANAGING TRANSFORMATIONAL CHANGE TOWARDS SUSTAINABILITY IN ETHIOPIAN BANKING INDUSTRY", carried out by Abreham Tesfaye Abebe with student number UNISE1251IT of the Business Management, has been approved with unanimity/majority votes by the Jury and has been accepted for the award of Doctor of Philosophy (Ph.D.) in Business Management.

………………………………… Date ………………………..

………………………………… Date ………………………..

………………………………… Date ………………………..

DEDICATION

This thesis is dedicated to Ruth (Ritaye), Anna (Annutiti), Nathan (Abichu), Elizabeth (Liza), Woynishet (Wine) and Tesfaye (Abaye) for their support towards my academic pursuit.

ACKNOWLEDGMENT

First, I would like to thank Almighty God, the compassionate, the most merciful and source of knowledge and wisdom, who bestowed upon me the health, the power of communication and the audacity to accomplish this dissertation.

I would like to sincerely thank my advisor Dr. Salvatore Fava for his constructive comments, and good guidance. I equally thank him for his kindness and necessary encouragement.

I would not have been able to accomplish what I have without my wife, Elizabeth, and the little angels (my kids) Ruth and Anna, who has shown such patience and understanding during this time. They were holding my hands the whole way through.

Lizaye, during all those difficult times your major concern was me and my education. And you have paid much to strengthen me without my knowledge. You didn't even tell me you were doing everything for me. But it was, even if, after those all inconveniences that I brought to you. I shall confess it.

Dad and Mom, your patience, encouragement and strong belief in education made me strong and your scarification was really my strength when I got tired. Thank you for helping me realize and I could do it.

My brothers and sister (Solomon, Ermiyas, Tamirat, Simegn (Hawi), Yishak and Zinash) really thank you for giving me the extra push that I needed to be through all my education, also, for having extra energy and pushing me when I had all but given up.

To all my friends and colleagues, thank you for understanding when I have not been around as much as I would have liked. Thank you for lending your ears when I need to laugh or cry.

It has been a great pleasure for me personally and professionally to work and interact with numerous other people. I apologize to them for not mentioning their names here. I would cherish my association with these people and I am thankful to them for their understanding whenever I may not have measured up to their expectation. I shall always remember the support and co-operation, it was my good fortune, to receive from all of them and I am aware, this was due to their generous disposition.

I once again express my sincere thanks to all those directly or indirectly associated with me in this effort for their unflinching co-operation and courtesies. Their continued and fruitful interaction and association made my task interesting, exciting and enjoyable.

Abreham Tesfaye Abebe

ABSRTACT

The study was aimed at developing strategic framework for managing transformational change towards sustainability in Ethiopian banking industry. The study was guided by five critical research questions so that it can be aligned to the core points of the study. To make it representative, the researcher made an attempt to include three private commercial banks in Ethiopia that entered to the industry in various periods. The samples were taken from the selected banks, most importantly, the senior executive leadership, middle level management and senior experts in the area.

Moreover, some experts in the relation to the area are selected purposely to get information about the future intention of the respective banks. Besides, after determining the sample size from each bank, the questionnaire was distributed randomly. Interview was also conducted with officials and experts.

The collected data were analyzed using frequency, percentage, tabulation and graphical representations.

Following the development of the framework using the environmental, social and economic dimensions of sustainability, it was validated with fifteen professionals who have over 20 years of work experience in Ethiopia banking industry.

As it is well noted mostly sustainability is perceived in relation to the economic dimension in Ethiopian banks. And it is less aligned with the environmental and social dimensions. To this end, it is eminent that communication plays a vital role in managing transformational change and securing the Banks sustainability related matters. Due to lack of communication, the banks face recurring resistance from stakeholders, mostly from employees.

It is therefore recommended that the concept of sustainability and green banking shall be well articulated as a policy and implemented by the regulatory organ, National Bank of Ethiopia. Moreover, sustainability shall be understood in a more holistic perspective having the three dimensions (environmental, economic and social) in to consideration. Besides, continuous training shall be conducted on the concept of sustainability in relation to banking business, performance management in that regard shall also be conducted, and the Bank's community shall clearly know that where can they contribute towards the management of change initiatives towards sustainability.

Key Words: *Sustainability, Change, Management, Transformation, Leadership, Ethiopian Banking, Framework, Leadership Style*

Contents

CHAPTER ONE

1. Introduction

1.1. Background of the Study

In today's fast-moving business world stability and continuity is seen as problematic and not possible (Sturdy & Grey, 2003). In continuation to the issues Leana & Barry (2000) also argue that a stable and skilled team of employees with engagement can provide an organization with competitive advantages, but there are always forces that push organizations to pursue both stability and change. They further view adoptability to the external environment, saving cost, gaining control or develop competitive advantages as a reason for change.

Beer and Nohira (2000) have presented a view which agrees with Leana's and Barry's (2000) in some level, but didn't consider the stability factor. The two views or theories presented by them are why changes need to happen, economic value or organizational capability. The first theory which is the economic value states as keeping shareholders satisfied and increases their value is the only reason for change. The assumption here is that satisfaction of the shareholders is the major impactful thing which entails the company's chance of survival.

The second theory states about organizational capabilities. Sturdy & Grey (2003) states as due to the environment, ingenuity, and its innovative member's organization constantly evolves. This is the argument which stresses the importance of underlying values considering organizational change management. That is why Senge (2000) states that change is seen to have the purpose to improve how organizations learn to adapt in a changing environment.

That is why nowadays change and successful management of same is becoming a top priority of all types of the organization. To this end most of us may know what does change management mean intuitively. However, the most difficult thing which we miss to do is to convey to others what really change management is.

Besides, change happens in each and, almost, every aspect of organizations which is, sometimes, not predictable and increasingly complex by its nature which brought challenges for the leadership of organizations (Michael, 2008). Thus, managers are not the one to be relied on by organization, rather leader's ability to convince others in relation to the organizations vision and mission to make the right change is much more needed (Marai, 2020).

In relation to managing change, organizations can succeed only if they are genuinely value led and adopt a holistic rather than a silo approach to social, economic and environmental issues. As noted by Drucker (2002), every single pressing social and global issue of our time is a business opportunity and it can be renowned that organizations which will succeed are those that successfully embrace the sustainability agenda and integrate into their daily operations.

Even if sustainability is becoming acknowledged as a business imperative, there is little cohesive guidance as to either how leaders can identify the best focus for sustainability practices in their businesses or how they can best embed them or indeed, how they can identify what is really means for them as unique organizations.

Sustainable development or sustainability is defined as a development that meets present needs without compromising the ability of future generations to meet their own needs (Brund & Land, 1987). As per Gray and Wiedemann (1999) sustainability suggests change and improvement that is compatible with environmental, social and other limits, both now and in the future.

Moreover, Neubaum et. al (2009) argue that sustainability in business management requires a firm's environmental and social responsibilities to be given the same weight as its economic concerns. This approach helps to reshape the rules of competition, leads to new business models, and redefines and restructures market sectors, creating at the same time, risks and opportunities.

Porter and Kramer (2011) clearly stipulated that organizations continue to view value creation narrowly, optimizing short-term financial performance in a bubble while missing the most important customer needs and ignoring the broader influences that determine their long-term success.

But as they make progress in embedding sustainability through their business, it is becoming increasingly apparent that organizations are constrained by market expectations, and are struggling to quality and capture the business value of sustainability. Because of the mentioned fact, in the process there are debates on the trade-offs between sustainability and competitiveness (Kleindor fer, Singhal, and Van Wassenhove, 2005).

In recent years many Banks in Ethiopia have been developing their strategies and most of them are concerned with change initiatives focusing on sustainability, which aims at making them more efficient, cost effective and accessible to the large uncovered market and society. Most of the Banks are now trying to address issues which will help them be sustainable and, even, the leaders mostly raise the word sustainability in their peer and formal discussions. The most important issues of same are mainly concerns on how the change management aspect being led and the perception which there are issues in relation to the proper management of the change which will lead the Banks towards sustainability.

Waing and Ahmed (2007) stated that it is commonly agreed among scholars from different disciplines that organizational success or failure depends upon the ability to cope with the environment. This shows that those organizations which do not adjust to the changes that occur in the environment and change quickly and efficiently, risks their competitiveness and survival.

As many argue that for organizations which are not built for adaptability and flexibility, change has become a difficult subject. Even in Ethiopia most organizations, including Banks, allows little room for flexibility and open thinking. Rather they have been developed to follow strict order of discipline and control.

As many scholars have stated organizational change is the attempt by the management to improve the overall performance of individuals, groups (teams) and the organization as a whole by altering the organizations structure, behavior and technology. Moran and Brightman (2001), articulated that change management is the process of continually renewing an organization's structure, direction and capabilities to serve the ever-changing needs of the internal and external customers.

Change management is even more important, nowadays, where rapid globalization, widespread economic crisis, and unprecedented change at the geo-political landscape coupled with the relentless advancements of technology have made the need for organizational change and inseparable part of organizational life and management practice (Lin and Liu, 2012).

Organizations operate in an environment that lacks equilibrium and change is becoming increasingly multifaceted, with no or very little hope, of being forecasted. In such chaotic conditions, organizations with long- standing hierarchical dynasties and cliques, old business models and rigid policies are all at risk of failure (Homel, 2013).

The most important need that has drawn the attention of researchers and scholars is the need to grow businesses to a sustainable level. This need has brought a clearer picture as change management is the most important challenges that face the leadership, which required crucial planning and providing resources to cope with both internal and external business environment and to find suitable solutions.

That is why Ghadi et. al. (2013) stated that transformational leadership involves four sub-dimensions. Firstly; idealized influence refers to leader's ability to increase level of loyalty, dedication and identification without focusing on the self-interest. Secondly, inspirational motivation refers to leaders ability creates a vision that impact subordinates to make them play a vital role within the organization. Thirdly, Intellectual simulation refers the ability of leaders to give employees indications to be innovative and being a risk taker. Finally, empowerment, Leaders here coordinate with subordinates or act as a top-down motivator for authority. This is accomplished by giving subordinates the authority to make decisions and deliver them.

Given the dramatic changes at the global geo-political scene coupled with the unprecedented crisis the world is facing here and there along with the rapid shift in the bargaining power of countries people have become captions in every aspect of life. There is a clear and present need for the Ethiopian Banking industry to change in order to attain their strategic fit in line with the changes experienced in both the external and internal organizational environments.

In Ethiopia the private banking sector has about 25 years of experience which was commenced after a government change and economic reform at the time which led the country from command economy to liberal economic system with an Agricultural Development Led Industrial Economy (ADLI) policy of the then government Ethiopian People Revolutionary Democratic Front (EPRDF) who took power from the military regime (Derg).

Accordingly, in Ethiopia the concept of transformation and sustainability seems to be new in practice and even organizations, including the Banks, are crafting the change management aspect in their structure so that those dedicated units try to manage the change and transformation aspects.

Of the 18 Banks operating in the country two of them are public, which are owned by the government and the rest are private. Yet the industry is expecting other Banks to join soon.

Accordingly, this study identifies the most appropriate ways to instigate change in order to transform them to achieve sustainability. The study will also focus on the measures to be taken to increase greater employee engagement in order to build successful transformational strategies, given that employees are the most important asset of the organization. The research will also seek to identify obstacles that hinder implementation to ensure that change is successful. And most importantly develop a strategic framework which helps the Ethiopian Private Banks to manage transformational change towards sustainability of their business.

1.2. Statement of the Problem

A successful organization is one that can adapt and integrate to the changing circumstances which at the same time keeping the focus on the business vision. An organization's vision has the full mandate of identifying the need for change or that which maintains the status quo (Jullivan and Harper, 1996). To characterize an organization as being successful, it must have several features in the ability of an entity to adopt to new processes (Mattessich et al, 2001).

Acknowledging that change management is a fundamental building block for an organization's success, this study will therefore explore change from diverse angles. To effectively achieve this, a series of objectives have been designed. As the Banks under study have devised their new strategies in recent years, the study will sort out ways which are appropriate to initiate change towards transforming them and make them able to achieve intended growth and profitability in a sustainable manner. Employees are the most valuable assets of an organization and as to the Banks under study, concerned the study will assess measures to be taken to enable them increase their engagement so that successful transformational strategies can be built.

Most change projects of different organizations usually fail very often. Marshall and Conner (1996) argue that significant change, however, is a disruption in the expectations of the future which is viewed as a loss of control. Doppler and Lautenbeg (2000) also argue that people are not likely to change the way they have been working, especially when it is not clear what the goal of the whole operation is and who will benefit from the changes. To this end, the study will also identify barriers that hinder implementation to ensure that change is successful.

In intent to manage transformational changes towards sustainability in Ethiopian Banking industry would it be important to have a framework? Does managing transformational change need strategic look? And it is in a bid to unravel this puzzle that a study of this nature becomes necessary.

1.3. Objectives of the Study

The general objective of this study is to develop and validate a strategic framework for managing transformational change towards sustainability in Ethiopian Banking industry.

In order to achieve the above mentioned aim the following objectives were identified.

- To investigate and document the perceptions of Ethiopian Banks on the concept of sustainability.
- To explore the key drivers for implementing change initiatives which lead towards sustainability in the Ethiopian Banking industry.
- To critically appraise the main challenges associated with implementing change initiatives which lead the Banks to be sustainable in Ethiopian Banks.
- To critically appraise the extent to which key change initiatives contributes towards sustainability and competitiveness.
- To develop and validate a strategic framework for managing transformational change towards sustainability.

1.4. Research Questions

The following research questions were passed for the current study:

a. What does sustainability mean to the Ethiopian Banks?
b. What are the key drivers that have fueled the need for implementing change initiatives which lead to sustainability in Ethiopian Banks?
c. What are the key sustainability initiatives currently being implemented in Ethiopian Banks needed to effect change?
d. What key challenges do Ethiopian Banks face in implementing change initiatives towards sustainability?
e. What impact does proper management of change initiatives have on sustainability and competitiveness in Ethiopian Banks?

1.5. Significance of the Study

The research will be of significant to employees, managers and leaders at all level and in every function of Banks in Ethiopia. The results of the study will:

- Improve understanding and awareness of the meaning of sustainability at a conceptual level in Ethiopian Banks.
- Increase understanding on the key drivers for implementing change initiatives towards sustainability. This could assist decision makers to develop and deploy sustainability strategy based on key drivers.
- Assist decision makers to identify and implement key change management initiatives to be sustainable Bank in the industry.

- Improve awareness of the key challenges Ethiopian Banks face in implementing the change initiatives intending the sustainability in the market.
- Provide evidence of the benefits of change management initiatives and managing change associated with sustainability.
- The developed framework provides broader guidance for other organization in the financial sector to implement change management initiatives in to day-to-day practices so that they can secure their ambition towards sustainability. The framework could also help decision makers to craft and deploy key change management and sustainability strategies to improve their respective competitiveness.

Moreover, it will contribute both to the industry as well as the academic community.

1.6. Scope of the Study

The scope of the study is limited to private Banks operating in Ethiopia, in general, and Awash Bank, Nib International Bank and Cooperative Bank of Oromia, in Particular.

The research reported is largely exploratory in nature. This is because of the inductive nature of the methodology adopted. The goal of this research is to answer the research questions rather than testing hypothesis. Additional research with more elaborated and articulated designs is called for, to further explore the complex relationships with implementing change initiatives for sustainability and improved competitiveness. And at last, a strategic framework for transformative change towards sustainability is developed.

1.7. Organization of the Study

The study is divided in to six chapters. The first chapters, chapter one, which is the introduction consists of background of the study, statement of the problem, research questions, objectives of the study, significance of the study and scope of the study.

The second chapter presents review of related literature which discusses concepts from literatures for this research purpose mainly about change and change management related issues. Most importantly organizational change is critically reviewed along with the types of changes in organizations. Moreover, it states about sustainability, how does sustainability be organizational, sustainable banking and related issues are discussed. Leadership and leadership theories are addressed. It deals with the leadership, and job satisfaction related facts which has been addressed by previous authors of the area. Moreover, how transformational leadership helps in relation to managing and leading change is covered. At last, the history of banking in Ethiopia is reviewed. As Ethiopian banks have longer history the development of banking will be presented in this part of the study.

Chapter three considers with research design and methodology which presents a description on how a research is conducted. Therefore, the chapter contains design of the research, source of data; data collection tools the procedures of data collection and method of data analysis. The modality of validation for the developed framework is also indicated.

Chapter four discusses the findings of the research that has been analyzed by the method that has been determined. The results of this study are discussed in depth that answers the problem statement.

Chapter five covers the development of strategic framework for managing transformational change towards sustainability. The findings of the research are well taken into consideration in the development of the framework.

Chapter six, the last chapter, provides conclusion obtained from the discussion that has been done before as well as recommendations to Ethiopian private Banks on issues they better improve.

CHAPTER TWO

2. Literature Review

2.1. Change Management

This chapter focuses on the review of relevant literature on change as a tool for enhancing organizational development. Theoretically, the chapter looks at organizational change, resistance to organizational change, critical success factors for managing organizational change and the types of change that occur in organizations, sustainability, sustainable banking, and key sustainability challenges. Moreover, this chapter will also look at other themes that are conceptually linked to the topic under study.

2.2. Definition of key concepts

Some of the key terms that are of importance to this research are presented below.

2.2.1. Organizational Change

In the current climate of economic pressure and evolving political priorities, organizational change within organizations is becoming an increasing priority (Barnard and Stoll, 2010). Some argue that in the past decades the change management related literature has become richer. But still the issue of change management is still a necessity. Research is repeating itself, not adding or developing frameworks, not giving any managerial advice with proof of success, not improving or deepening empirical studies (Kelman, 2005). It is of high importance that the people are managed well when an organization is changing. Because those well managed people can more efficiently manage the intended change (Buchanan & Huczynski, 2006).

According to Huber (1991), a new position or another position compared to how the organization functioned and how its members and leaders acted earlier is organizational change. A type of organizational development while the members of the organization change by the input of new strategies, which in turn leads to behavioral change is what is labeled as change. The change will develop the organization to better fit predicted future environments (Porras and Silvers, 1991).

Organizations are open systems meaning that they are characterized by continuously ongoing processes of input, transformation and output interacting with a surrounding environment. It is impossible to achieve complete control over an open system, while it is affected by external forces consisting of surrounding systems, like customer, supplier, society etc. (Katz and Kahn, 1987).

The organizational life is much more uncertain today compared with the situation a couple of years ago. The differences are that the pace of change is quicker and the future becomes more unpredictable. Furthermore, this development is predicted to continue and the organizational world will change at a fast rate. To have the ability to follow this fast rate of change, it is important that the organizational managers and decision makers understand and are aware of the factors that trigger the organizational change (Senior and Fleming, 2006).

Changes in organizations affects strategies, processes, culture, procedures and technologies in which the tools and resources for its implementation are being crafted in the organizational change management process. Organizational change management is activity-oriented and helps the change implementers to focus finding an approach to implement the change (Prosci Inc., 2019).

2.3. Types of Organizational Change

2.3.1. Planned Change

Planned changes are implemented by actors with knowledge about the change. Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change (Goodstein and Burke, 1997). According to Goodstein and Burke (1997), planned change also always tries to improve the situation and the desired goal is often communicated before the change management process starts. However, Teece (2012) criticize this approach that, nowadays, it is hard to assume that organizational environment is stable due to its dynamic nature.

2.3.2. Unplanned change

There are surprises for organizations sometimes where major changes occur suddenly. Due to its sudden occurrence, members of the organization respond in a highly reactive and disorganized manner. Theories of unplanned change mean that change is a force that cannot be always managed or controlled (Ohlson, 2007). That is why many refer it as a necessary action following unexpected events.

2.3.3. Episodic Change

Changes can be categorized according to which rhythm they have (Ohlson, 2007). Episodic change is infrequent, discontinuous and intentional while continuous change is ongoing, evolving and cumulative. Episodic change occurs when the organization is moving from its equilibrium condition. Episodic change uses a distinct period of time to be completed and normally involves some sort of shift, like technology change or change in key personnel with an intention to enhance efficiency or so of an organization.

2.3.4. Continuous Change

Change if a continuous process as it is defined by many scholars in the area which takes time. Organization also live in the time of continuous change. As per Zeffane (1996) continuous change is an expression that groups together ongoing, evolving and cumulative organizational changes. Normally, the change is described as situated and grounded in continuing updates of work processes.

The idea of continuous change is that small continuous adjustments, which are implemented simultaneously across departments, can cumulate and create substantial change. (Weick and Quinn, 1999).

2.3.5. Remedial Change

Change can be intended to remedy current situations (McNamara, 2013), for example, to improve the performance of a product or the entire organization, reduce burnout in the workplace, help the organization to become much more proactive and less reactive, or address large budget deficits. Remedials are projects often seem more focused and urgent because they are addressing a current, major problem.

Here it can be noted that remedial change is planned to remedy current situations for organizational efficiency purpose. Since it addresses current major problems remedial change is more focused, urgent and visible.

2.3.6. Developmental Change

Change can also be developmental. Thus, to make a successful situation even more successful (McNamara, 2013), for example, expand the number of customers served, or duplicate successful products or services. Developmental projects can seem more general and vaguer depending on how specific goals are and how important it is for members of the organization to achieve those goals. However, organizations may recognize current remedial issues and then establish a developmental vision to address the issues.

That is why developmental change is more general and intends to make an effective organization more successful.

2.3.7. Evolutionary Change

Evolution is change is a change that requires culture change, but over time (Johnson and Scholes, 2008). It occurs when managers anticipate the need for transformational change. They may then be in a position of planned evolutionary change, with time in which to achieve it. Another way in which evolution can be explained is in terms of the idea of the learning organization where an organization continually adjusts its strategy as the environment changes.

2.3.8. Revolutionary Change

Revolutionary change is a change that requires rapid and major strategic but also culture change. According to Johnson and Scholes (2008). This could be in circumstances where the strategy has been so bounded by the existing culture that, even when environmental or competitive pressures might require fundamental change, the organization has failed to respond.

Revolutionary change occurs when something shakes an organization, presenting a strong need for a major overhaul, which will change the philosophy because the enterprise will never be the same again.

2.3.9. Reconstruction Change

Reconstruction is change that may be rapid and involve a good deal of disorder in an organization, but which does not essentially change the culture. It could be a turnaround situation where there is need for major structural changes or a major cost cutting program to deal with a decline in financial performance or difficult or changing market conditions (Johnson and Scholes, 2008).

2.4. The Process of Change

Kurt Lewins (1958), in his model of change, described the change process of an organizational system as a series of transitions between three different states: unfreezing-transition-refreezing. And yet, this model is considered as one of the most accurate descriptions of how change occurs (Kelley and Conner, 1979; Kezar, 2001; Schein, 2002), the model describes change as a series of transitions between different states. No change will occur unless the system is unfrozen or relaxed, and no change will last unless the system is refrozen. Most theories of change tend to focus only on the middle state and therefore cannot explain the inability of change initiatives to produce change in the first place, or to maintain the changes that have been achieved.

The model signifies a practical model for understanding the process of change. The process of change entails creating the perception that a change is needed at first, then moving towards the new (which in the intended change), and at last solidifying the new behavior as a norm. Many scholars used it as the basis for modern change models.

2.4.1. Unfreezing state

Before you can cook the meal that has been frozen, you need to defrost or thaw it out. And it can be said for change.

The initial state of the system reflects a condition of relative stability. When a disruptive force affects the status quo, people are motivated to discontinue some aspect of their behavior. Their established frames of reference, accepted patterns of behavior and old methods of operation are invalidated (Mecca, 2004).

Unfreezing invalidates established frames of reference and accepted patterns of behavior. Old methods and behaviors become inoperative. This in turn generates tension, ambiguity, and confusion as to what is appropriate. People feel a high need for a new operating framework. The confusion that results from their inability to understand and control the environment produces stressful situations and a need to reduce the anxiety. People have a desire to seek out, process and utilize information to create as new state of stability. They are eager to do whatever is necessary to regain some sense of control. These unpleasant aspects of the unfreezing state make it possible for new learning to occur.

Unless this state is modified by a disruptive force, it will continue indefinitely. When the status quo is disrupted, it "unfreezes" the present state. This unfreezing from the present state to a state of transition occurs when people are motivated to discontinue some aspects of their behavior.

Because many people will naturally resist change, the goal during the unfreezing stage is to create an awareness of how the status quo, or current level of acceptability, is hindering the organization in some way. Old behaviors, ways of thinking, processes, people And organizational structures must all be carefully examined to show employees how necessary a change is in the organization to create or maintain competitive advantage in the market which it operates.

According to Mecca (2004), unfreezing, the most difficult and important stage in the change process, creates the motivation to change. This is accomplished by changing the forces acting on the system such that the present state is somehow disconfirmed, some anxiety or guilt is aroused because some goals will not be met or standard or ideals will not be maintained and enough "psychological safety" is provided to make it unnecessary for individuals or groups to psychologically defend themselves because the disconfirming information is too threatening or the anxiety or guilt is too high. How the unfreezing occurs will vary with the circumstances.

Systems can exist in a partially unfrozen state because they received disconfirming information at some earlier time in their history, but they will not have changed because there was not enough psychological safety to allow the individual or group to consciously accept the necessity of change at that time.

Organizations described as being “ready to change” often have had strong disconfirmation in the past, but have not felt secure enough to do something about their situation. What unfreezing does is to motivate the individuals or groups to look for new solutions that will bring things back into equilibrium and hat will once again produce confirming information that things are “okay”. Because they are uncomfortable, people are more likely to pay attention to information, ideas, suggestions, or even directives that were previously ignored. Once unfrozen, people become active problem solvers and motivated to change.

Communication is essentially important during the unfreezing stage so that employees can become informed about the imminent change, the logic behind it and how it will benefit each employee. The most important issues here is that the more the change is known and the more the concerned organs feel it is necessary and urgent, the more they will be motivated to accept change.

2.4.2. Transition state

The transition state represents a phase of the change process when people are no longer acting as they used to, but neither are they set in a new behavior pattern (Mecca, 2004).

It is a “fluid” state in that the motivation to change has disrupted the present equilibrium, but the desired state has not yet been formed. The motivation to change has disrupted the system's present equilibrium, but the desired state has not yet been formed. Confusion results from the inability of people to understand and control the environment producing stressful situations. Tension is generated because people have a need for a new operating framework of behavior. The need to reduce anxiety promotes a powerful desire for seeking out, processing and utilizing information to create a new state of stability or revert to the old state (Fullan, 2001).

Furthermore Fullan (2001) states that when people without a sense of equilibrium are uncomfortable, they are eager to do whatever is necessary to regain it. These unpleasant aspects of the transition state make it possible for new learning to occur if planned. The transition state embodies danger and opportunity for the person or organization involved. One of the consistent findings about the change process is that there is initially a decrease in an organization's performance during the transition as the change is implemented into the on-going activities of the organization.

Effective leaders recognize that change is a process, not an event, and show empathy towards individuals who display anxiety, confusion and uncertainty during the transition portion of the change process.

2.4.3. Refreezing state

At some point, the uncertainty of the transition state, in conjunction with the need for stability, begins a process of stabilizing and integrating the change. This process of learning new behavior patterns is called refreezing.

Once the person or group has achieved a new set of cognitions and attitudes, and has begun to express these in new daily behavior, there remains the state of refreezing. For the new behaviors to last, they must first fit into the personality of the individual and the culture of the organization that is being changed. Otherwise, the behavior will be only a temporary adaptation to the pressure of the change situation and will erode once the change agent has ceased to disconfirm the old behavior.

Refreezing at this level can be thought of as "personal integration." Even if such personal integration has taken place, new behaviors may not remain stable unless they also fit into the on-going relationships and the work context of the person or group that has changed. If the unfreezing and transition states are well planned and managed, the result of the refreezing process is the desired state (Fullan, 2001).

If the first states are, however, not handled appropriately, the people and the organization will refreeze, but not necessarily in the desired state. The changes made to organizational processes, goals, structure, offerings or people are accepted and refrozen as the new norm or status quo. Ensuring that people do not revert back to their old ways of thinking or doing prior to the implementation of change is the most important issue for the proper management of the change process to make things as it was intended.

2.5. The Human Element in Organizational Change

Most projects designed to change the organization are initiated with minimal attention given to the human aspects of change and to the resistance which generally occurs during the actual implementation. Managers display little understanding about the critical role that the human element plays in influencing the orderly transition phase of a change effort. Typically, they focused on the operational and technical aspects of accomplishing change within their institutions (Mecca, 2004).

Focusing on fulfilling traditional administrative functions, they use the common management approach of “tell and sell” to implementing change (Fossum, 1989). When confronted with the uncertainty caused by change, most people attempt to maintain a sense of control over their lives. This sense of control is created when people feel they understand their environment and can adapt to it as changes occur. This understanding derives from an individual’s frame of reference or perceptual schema of reality that allows one to interpret and understand what is occurring in the present and what to expect in the future. When change disturbs an individual’s pattern of expectations of the future, uncertainty increases and disrupts the individual’s sense of control. If the change is minor (one which does not significantly threaten expectations) the individual makes psychological adjustments to his or her expectations and adapts to the change. If the change is major (one which causes old expectations to become invalid) individuals react with feelings of uncertainty, disorientation, confusion, and loss of equilibrium (Chandan, 2007). These feelings result from inconsistencies between what was expected and what is perceived. Individuals no longer know what to expect from themselves or others.

Major change in an organization that results in a disruption of expectations of its members always causes a level of crisis in a disruption of expectations of its members always causes a level of crisis (Fullan, 2011).

Human beings, and consequently their organizations, exhibit certain limits to the amount of change that they can assimilate over a given period of time. Beyond theses limits, individuals can no longer effectively adapt to change within their organization. Healthy coping behaviors are replaced with dysfunctional behaviors that prevent the adoption of the new behaviors required by the change.

2.6. The Psychological Nature of Change

Human beings experience changes when they are faced with a situation that they perceive is beyond their current capabilities. To deal with the situations they normally encountered, human beings have to believe that they have the capability to deal with it (Fullan, 2001).

The capability of individuals to deal with change consists of not only having the ability to deal with the change, but also the willingness to apply that ability while understanding both the risk and opportunity the change poses. Most individuals develop the abilities and willingness to use them in solving the challenges as representing any significant change in their lives because they are usually able to accurately predict what the outcome of a situation will be. Their expectations of the outcome are upset, however, when they encounter a challenge that they perceive as beyond their capabilities. The resulting disruption in the balance between their perception of their capabilities and the demands of the challenge encountered represents the discomfort posed by change.

An individual's perception of a change situation determines whether resistance will occur or not. The same situation can be perceived as a positive change by one person and a negative change by another. The perception of whether individuals perceive a change as positive or negative depends not only on the difference in how people perceive the nature of eventual outcome to the change, but also the degree of influence and control people believe they have in determining the outcome (Fedor and Herold, 2004).

Persons are more comfortable with change when they not only possess the ability and willingness to change, but also from the degree they feel able to predict and control it. Individuals perceive change as negative when they are unable to anticipate it, dislike its implications and feel inadequately prepared for its effects. Where once they experienced emotional equilibrium because they had some control of the situation, they now experience the anxiety because they are unable to predict and feel they have no, or little, control over a situation they perceive as chaotic (Fullan, 2001).

Thus, it is not the magnitude of change, but the degree to which one's expectations are met and the ability to predict the outcome that determines peoples' perception and emotional response to change.

Change is considered minor when it does not significantly disrupt what people anticipate will happen. In such circumstances, they simply adapt to the change by making minor adjustment in their expectations and readily lose any feelings of minor stress that initially appear. When a change is major, however, peoples' expectations are no longer valid and they believe they have lost control over some important aspect of their lives (Fullan, 2001).

A feeling of being in their comfort zone disappears to be replaced by their experiencing confusion, anxiety, fear, anger and a loss of emotional equilibrium.

2.7. Drivers of organizational Change

The forces for change driving organizations of all types and sizes are ever present in and around today's dynamic work settings. Drivers of change are found in the organization – environment relationship, mergers, strategic alliances, and divestitures are among the examples of organizational attempts to redefine their relationships with challenging social and political environments (Chandan, 2017). They are found in the organizational life cycle, with changes in culture and structure among the examples of how organizations must adapt as they evolve from birth through growth and towards maturity. They are found in the political nature of organizations, with changes in internal control structures, including benefits and reward systems, that attempt to deal with shifting political currents.

Planned change based on any of these forces can be internally directed towards a wide variety of organizational components. These targets include organizational purpose, strategy, structure, people, as well as objectives, culture, tasks, and technology. These targets must be recognized that they are highly intertwined in the workplace. Changes in any one is likely to require or involve changes in others.

According to Goodstein and Burken (1997) factors which influence the organization can be sorted into four different groups; political, economic, technological and socio-cultural factors. These factors influence the organizations strategies, structures and means of operation.

Drivers for change can come from all these sorts of groups. For example, access to the bank via the internet is a result of a technology driver, identified as the enormous increase in the ability to communicate through the internet (Senior and Fleming, 2006).

Other examples of drivers are when a new competitor appears and takes a big share of the company's market, when an old customer is acquired by a giant conglomerate that changes the sales condition or when a new invention offers a possibility of changing the existing production technology. These are examples of external triggers, but there are also internal triggers for change. Examples of internal triggers are new Chief Executive Officer or other senior managers or a revision of administrative structures. This means that the organization must handle both external and internal forces for change (Goodstein and Burke, 1991).

Senior and Fleming (2006) assert that small-scale, incremental changes often originate from the internal environment, while changes with more wide-range impact on an organization normally arise from the external environment.

Change is generally motivated by events in an organization's environment, like a sudden problem or by way of a surprise, like a new customer demand or shift in technology. An unexpected problem can show that existing routines are insufficient and this realization in turn can trigger a change. Problems do not always induce change; neither in organization nor in everyday life and an ignorance of problems can many times lead to a real disaster for the organization. It can depend on the willingness to ignore disconfirming or discrepant information by individuals or that the organization adjusts the goal after the outcome, which makes it harder to identify and react to problems. Some argue that small failures are likely to be ignored (Staudenmayer et al., 2002).

To perform a change, someone in the organization needs to have the power and influence to change the behavior of other people in the organization. The meaning of power is that the person, who has this, can influence someone else's behavior. In actual terms everyone in an organization may not agree about which persons have power. Existence of power is to a large extent in the eye of the beholder. It does not need to the person with the most resources or knowledge who has the power, but the belief by others that he or she has that power, formal power and personal power. The power related to the persons position within the organization and the ability to have the right information and give rewards is formal power. The personal power derives from the individual's characteristics, such as skill, expertise and personality. (Robbins, 2005, Senior and Fleming, 2006).

2.8. Resistance to Organizational Change

Organizations change overtime due to external pressures by the volatile environment around them. Indeed, it is essential to sustain stability of organizations and give place to effectiveness. Hence, it is vital to contribute continuous improvement practices with changing conditions to achieve organizational effectiveness. In order to adjust these changes, organizations are necessary to be flexible; be able to propose organizational strategies while facing with change (Rosenblatt, 2004).

Resistance is a natural part of the change process and is to be expected (Coghlan, 1993; Steinburg, 1992; Zaltman and Duncan, 1977). Resistance occurs because change involves going from the known to the unknown (Coghlan, 1993; Steinburg, 1992; Myers and Robbins, 1991; Nadler, 1981). Typically, individuals seek a comfortable level of arousal and stimulation and try to maintain that state (Nadler, 1981; Zaltman and Duncan, 1977). Individuals differ in terms of their ability and Willingness to adapt to organizational change (Darling, 1993). This is because individuals experience changes in different ways (Camall, 1986). Some people tend to move through the change process rather quickly, while others may become stuck or experience multiple transitions (Scott and Daffe, 1988).

In some organizations, resistance to change which concerns thought of the implications about change appears to be any attitude or behavior indicating willingness to support or make a desired change (Mullins, 2005; Schermerhorn, Hunt and Osborn, 2005). In fact, resistance to change is a resistance to loss of something that is valuable or loss of the known by moving to the unknown. Sometimes, people resist the imposition of change that is accepted as a universal truth (Burke, 2008). Nonetheless, resistance can be passive resignation or deliberate sabotage (Kreitner and Kinicki, 2010).

Resistance is a phenomenon that affects the change process, delaying or slowing down its beginning, obstructing or hindering its implementation, and increasing its costs (Ansoff, 1990). On the other hand, resistance is any conduct that tries to keep the status quo, that is to say, resistance is equivalent to inertia, as the persistence to avoid change (Maurer, 1996; Rumelt, 1995; Zaltman and Duncan, 1977).

2.9. Types of resistance to change

In order to understand the logic behind resistance to change performed in organizations, it is necessary to understand the kind of resistance. According to Hambrick and Cannella (1989), specifically, resistance may be blind, political or ideological.

2.9.1. Blind resistance

According to Yilmaz and Kilicoglu (2013) a few people in an organization are afraid and intolerant of change regardless of what it may be with having knee-jerk reaction to change. In organizations, blind resistance occurs when members react defensively at first and not get used to the idea of change due to the fact that unknown is being discomforting.

2.9.2. Political resistance

Political resistance occurs when members of an organization think that they will lose something of value when the change is implemented (Yilmaz and Kilicoglu, 2013). For instance, loss of one's power base, position, and role in the organization, status, size of budget, even personal compensation (Yilmaz and Kilicoglu, 2013).

2.9.3. Ideological resistance

Intellectually honest people can disagree about organizational change (Yilimaz and Kilicoglu, 2013). Some may genuinely believe that the proposed change is ill-timed, will simply not work, and/or will cause more damage than improvement. That is to say, resistance to change results from intellectual differences in genuine beliefs, feelings or philosophies.

2.10. Sources of resistance to change

Change, no matter how beneficial, is generally resisted and is always difficult to implement (Chandan, 2007). The forces against change in organizations are presented below.

2.10.1. Sources of Resistance in the Formulation Stage

Resistance to change at the formulation stage is grouped into wrong perception, low motivation for change and lack of creative response.

The wrong perception change starts with the perception of its need, so a wrong initial perception is the first barrier to change. These resistances are known to be distorted perception, interpretation barriers and vague strategic priorities' (Barr et al, 1992). It includes: myopia, or inability of the organization to look into the future with clarity (Barr et al., 1992; Kruger, 1996; Rumelt, 1995), denial or refusal to accept any information that is not expected or desired (Barr et al., 1992; Rumelt, 1995; Staruck et al., 1978), perpetuation of ideas, meaning the tendency to go on with the present thoughts although the situation has changed (Barr et al., 1992; Kruger, 1996; Rumelt, 1995; Zeffane, 1996), implicit assumptions, which are not discussed due to its implicit character and therefore distort reality (Starbuck, Greve and Hedberg, 1978), communication barriers, that lead to information distortion or misinterpretations (Hutt et al., 1995), organizational silence, which limits the information flow with individuals who do not express their thoughts, meaning that decisions are made without all the necessary information (Morrison and Milliken, 2000; Nemeth, 1997).

The second main group of sources of resistance deals with a low motivation for change. Remelt (1995); Lorenzo (2000); and Waddell and Sohal (1998) has identified five fundamental sources: direct costs of change (Rumelt, 1995); cannibalization costs that is to say, change that brings success to a product but at the same time brings losses to others, so it requires some sort of sacrifice 9Rumelt, 1995); cross subsidy comforts, because the need for a change is compensated through the high rents obtained without change with another different factor, so that there is not real motivation for change (Rumelt, 1995); past failures, which leave a pessimistic image for future changes (Lorenzo, 2000); and different interests among employees and management, or lack of motivation of employees who value change results less than managers value them (Waddell and Sohal, 1998).

Lack of a creative response is the third set of sources of resistance. There are three main reasons that diminish the creativeness in the search for appropriate change strategies that are fast and complex environmental changes, which do not allow a proper situation analysis (Ansoff, 1990; Rumelt, 1995); reactive mind-set resignation, or tendency to believe that obstacles are inevitable (Rumelt, 1995); and inadequate strategic vision or lack of clear commitment of top management to changes (Rumelt, 1995; Waddell and Sohal, 1998).

2.10.2. Sources or Resistance in the implementation

Implementation is the critical step between the decision to change and the regular use of it at the organization (Klein and Sorra, 1996). In this stage, political and cultural deadlocks to change are prevalent (Rumelt, 1995). It consists of (a) implementation climate and relation between change values and organizational values, considering that a strong implementation climate when the values' relation is negative will result in resistance and opposition to change (Klein and Sorra, 1996; Schalk et al., 1998); (b) departmental politics or resistance from those departments that will suffer with the change implementation (Beer and Eisenstat, 1996; Beer et al., 1990; Rumelt, 1995); (c) incommensurable beliefs, or strong and definitive disagreement among groups about the nature of the problem and its consequent alternative solutions 9Klein and Sorra, 1996; Rumelt, 1995; Zeffane, 1996); (d) deep rooted values and emotional loyalty (kruger, 1996; nemeth, 1997; Strebel, 1994); and (e) forgetfulness of the social dimension of changes (Lawrence 1954; Schalk et al., 1998).

Also, according to Lawrence (1954); Schalk et al., (1998), the following attributes threatens the attempts of organizations to embark on change; (a) leadership inaction (Sometimes because Leaders are afraid of uncertainty, sometimes for fear of changing the status quo 9Beer and Eisenstat, 1996; Burdett, 1999; Hutt et al., 1995; Kanter, 1989; Kruger, 1996; Maurer, 1996; Rumelt, 1995)); (b) embedded routines; (c) collective action problems 9specially dealing with the difficulty to decide who is going to move first or how to deal with free-riders); (d) lack of the necessary capabilities to implement change capabilities gap and (e) cynicism (maurer, 1996; Reichers, Wanous and Austin, 1997).

2.11. Critical Success Factors for Managing Organizational Change

The definition of critical success factors is introduced by Rochart (1979) and he defined Critical Success Factors as "The limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few key areas where things must go right for the business to flourish. If results in these areas are not adequate, the organization's change efforts for the periods will be less than desired".

Boynton and Zmud (1984) discuss the critical success factor methodology, define success factors and review a range of uses of the critical success factor method in the first part of their article. They regard critical success factors as one of the few things that ensures success for an organization. Critical success factors are maintaining a high performance for an organization's currently operating activities and its future.

Moreover, Freund (1988) explained the critical success factors concept as the most important for overall organizational objectives, mission and strategies. There are a number of studies on Critical Success Factors contributing to change management.

For instance, Grabowski and Roberts (1999) identify four important factors as:

a) Organizational Structuring and Design
b) Communication
c) Organizational Culture
d) Trust

Galorath (2006) focuses on the importance of change management, the essence of change management and assesses the processes to implement change. He argues that change management requires five activities, which are as follows:

a. Top-level management support
b. An integral part of the entire program management structure and processes
c. The participation of everyone involved
d. Cultural imperative
e. A pattern of measurement

Hasanali's paper (2002) is related to management in an organization. This study maintains that the success of change management depends upon many factors. In the point of view of the authors, there are some interesting factors which should be adopted to change management. We need to identify and examine these factors for our study. Hasanali's critical success factors for managing change can be categorized into five categories:

a. Leadership
b. Culture
c. Structure, roles, responsibilities
d. Information technology infrastructure
e. Measurement

2.12. Definitions of Critical Success Factors

2.12.1. Commitment and support from top management

Lfinedo (2008) investigates the impact of contingency factors such as top management support, business vision, and external expertise. The results show that top management support influences the success level of the organizational system.

Zwikael (2008) argues that the high importance of top management support is considered to be among the critical success factors for change management. It is also important to emphasize effective top management support for different project scenarios. Critical top management support includes a broad range of activities in an organization, including developing change project procedures that include the initiation state, training programs, establishing a change management team and so on.

Young and Jordan (2008) suggest that "the essence of top management support related to effective decision-making to manage change and to authorize business process change is critical". A crucial part of a successful change project is top management support, the benefit of which is related to improving decision making in order to manage change. Top-Level management responds to business processes and management risks associated with change projects. Moreover, commitment and support from top management plays a key role in influencing the success in almost every stage of the change process (Hasanali, 2002). Top management formulates and decides objectives and strategies for organizational change management activities, mission and overall objectives (Henriksen and Uhlenfeldt, 2006)

2.12.2. Communication

Most organizations accept that good communication is extremely important. Internal communication support business strategy and improve business processes as well as performance (Quirke, 1996).

Communication is an important skill for leaders and top-level management. The effective leader or mangers who are good at communication can set clear mutual expectations, objectives and goals. Communication ensures that the team members understand and support not only where the organization is now but also what they want to be (Clutterbuck and Hirst, 2002).

Finniston (1975) said that the gathering, storage, delivery and communication of information in the broadest sense is a growing business. There is an ever-increasing need for communication professionals to ensure that employees are appraised of relevant happenings both inside and outside their organization. A good change agent must also be an effective communicator and training in communication must play a larger role in managerial training in the future.

Grabowski and Roberts (1999) claim that communication plays an important role in change management. It provides opportunities for clarification, for making sense of the organization's progress and for members to discuss how to improve the organization and the impact of the desired change. The communication process provides opportunities for members to understand their roles and responsibilities as the change process progresses.

2.12.3. Culture

Culture is one of the areas which is described in many ways. Hofstede (2001) defines culture as "the collective programming of mind that distinguishes the members of one group or category of people from another". According to Hofstede's definition, culture consists of patterns of values, ideas, thoughts and feelings and is transmitted by symbols as factors in shaping behavior. Consequences of beliefs, attitudes and skills affect thoughts, emotions and actions.

Mosadeghrad (2006) studies the impact of organizational culture on success in change management. Organizational culture has a significant effect upon change management success. A collaborative and corporate organizational culture is supported by long-term management, team working, collaboration, open communication, risk taking and so on. A strategic plan must be established as a guideline for alignment and integrated within a quality culture.

Grabowski and Roberts (1999) suggest that change management requires the combination of several cultures that make the system into a cohesive whole in which the deep assumptions and espoused values of each member in the organizations can be built around the need for melding a culture of reliability.

In particular situations, teamwork can develop some behavior by sharing individual beliefs, conducting meetings and seeking consensus for management to succeed. The importance of culture within change management is that knowledge transfer requires individuals to come together to interact, exchange ideas and share knowledge with one another. Moreover, culture creates individuals who are constantly encouraged to generate new ideas, knowledge and solutions.

2.12.4. Trust

Trust, according to Mayer, Davis and Schoolman (1995), is "the Willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform particular action important to the trust or, irrespective of the ability to monitor or control the other party. This definition of trust is applicable to a relationship with another identifiable party who is perceived to act and react with volition toward the trustor".

The authors study trust within an organization and develop a model of dyadic trust in an organizational context. Trust involves two parties: the trustor and the trustee. Change management needs cooperation and teamwork. Trust among an organization's members is an important prerequisite to changing those related to alliances, thus managing change, as organizations are unwilling to adopt alliance-like organizational structures that make them vulnerable to the fluctuation of the environment (McAllister, 1995).

Grabowski and Roberts (1999) suggest that trust permits an organization's members to focus on their mission, unfettered by doubts about other members' roles, responsibilities and resources, and that with trust, synergistic efforts in an inter organization's mission are possible. Change management engages in activities that encourage shared commitment. Thus, one of the means of driving efficient change management project is trust.

2.12.5. Leadership

Due to dynamism, organizations require equipped leaders with good communication and planning skills to supervise the interaction between strategy, people and systems (Zeffane, 1996). The required change cannot be achieved unless there is strong leadership (Beer, Eisenstat and Spector, 1990).

Zeffane (1996) notes that top managers can adopt change by exemplifying it in their own behavior and efficient leadership is required to blend system, employees and procedures. It should be noted that leadership is not same with management, but both are needed to realize the change.

According to Senior & Fleming (2006) managers tend to focus more on "strategy, structures and systems", whereas leaders give more attention to 'soft' issues such as people issues, shared purpose, communication and motivation. They define the role of leadership as: "leadership is about influencing others in pursuit of the achievement of organizational goals" (Senior & Fleming). In addition to this Zeffane (1999) states that managing or leading strategic change can only be carried out in the existence of competent leaders and in an environment where by there is trust and encouragement for organizational learning.

Managers can create a motivational environment by getting to know the employees within the organization and determining critical factors with motivation (Pugh, 2007).

Pugh further states that leading change requires some special skills such as communication, motivation, interpreting uncertainty and guiding decision behavior when there is uncertainty, as well as practical skills like the ability to achieve the desired status and to deal with anxiety about the performance and responsibilities.

2.12.6. Training

Training has high effect on successful implementation of a system and acceptance of change. Training can even augment commitment in short period of time (Beer, Eisenstat and Spector, 1990).

If organizational change comes from new system, to train the user is imperative in spite of its high costs, because if people do not know how to use the system they cannot benefit from it (Jarrar, Al-Mudimigh and Zairi, 2000). Moreover, Self and Schraeder (2009) comment that if managers were not successful at arranging effective training programs in the past, this can result in lack of self-confidence both for managers and users, and can create a barrier for success. Training leaders may be a solution to demolish the barriers.

Zeffane (1996) supports this view adding that some leadership skills can be accomplished by means of training. Another solution suggested by self and Schraeder (2009), is to assure people that adequate training will be given to support employees.

2.13. What is Sustainability?

The word sustainability is derived from two Latin words: ‘sus’ which means up and ‘tenere’ which means to hold. As the word is mainly being mentioned by those advocates of development, most importantly it is a concept born out of the desire to humanity to continue to exist on planet earth for a long time, perhaps the indefinite future. In this respect sustainability can be considered as meeting one's own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, we also need social and economic resources. Sustainability is not just environmental-ism. Embedded in most definitions of sustainability we also find concerns for social equity and economic development.

In recent times there has been an increase in the awareness and meaning to pursue sustainability. In spite of this the commitments are by few individuals, rather than a mass of individuals. Indeed, the underpinnings are not understood by a vast majority of individuals, which makes the concept of sustainability difficult to understand.

According to Aspinall et al. (2022) literature on sustainability bemoans the fact that the concept is broad and lacks a broad consensus; usually this is followed by individuals own preferred definitions, which add to the lack of consensus. There are three pillars of sustainable development: economic, environmental and social sustainability.

The concept of sustainable development is widely applied in different sectors worldwide (Morimoto, 2010). It is interesting to note, that there are various types of definitions for sustainable development depending on the perspective of the definers (Amasuomo et al. 2015).

In his report on Our Common Future (Brundtland, 1987) states the classic definition for sustainable development 'Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs'. From this it can be seen that sustainability means the capacity for an activity to be carried on indefinitely into the future. Given the amount and type of resource available. Development implies that society will change or grow in the same way. Indeed, sustainability suggests change and improvement that is compatible with environmental, social, economic and other limits, both now and in the long-term (Gray and Wiedemann, 1999).

The concept of sustainability can be traced back centuries and as early as in the ancient civilizations of Egyptian, Mesopotamians, Greek and Roman; in modern times it appeared at the beginning of the environmental, or the green movement in the 1960's (Du Pisani, 2006). The first time that the term 'sustainability' appeared in the literature was by Meadows et al (1972) in their book 'the Limits to Growth'. Over time, and as environmental issues were highlighted at that time by campaigners, consumers and media, pressure was mounted on traditional business models to change or cease to exist (Millar et al. 2012; Berkhout, 2012).

In times, environmental concerns have not only become a governmental responsibility but rather a call to the whole humanity. This is best summarized by Maak and Pless (200), who state that political, social, commercial, and environmental trends are producing demographic changes, globalization, shifts in the centers of economic power to include emerging markets, climate change and ecosystem degradation. Critically we see differentials in quality of life and resource scarcity. Therefore, it can now be stated that unintended social, economic, political and environmental consequences are creating great concerns for businesses. Organizations both public and private alike are pushed beyond their boundaries to change the way they conduct their business (D'Amato et al, 2009).

Therefore, sustainable development is a strategy that many organizations use to address this pressing need. But how do organizations go from their traditional operations to being sustainable? This is where change management and all of its related facets come to play (Millar et al. 2012).

Szulanski (2004), argue that due to various pressures from the wider environment, there has been drastic shifts in thinking and changes in priorities been made and ideas presented. However, there is still little or no guarantee, that organizations will take effective steps to integrate the new thinking within their organizations (Nidomolu et al, 2009). In other words, there is doubt to what extent organizational behavior will actually change. Actual change in terms of organizational behavior in itself will not be an easy task, and in a stark statement Chouinard et al (2011), say that collective progress is not yet evidenced and the negative impacts of business activity continue to grow. Millar et al (2012) concur and add that there is a relatively fewer amount of field studies carried out on how organizations can actually implement the academic findings in this particular area or within a business agenda.

2.14. Organizational Sustainability

Corporate, or organizational sustainability, is often referred to as managing the organization's corporate social responsibility, or triple bottom line (Yongtae, 2012; Brammer, 2012). However, this approach is only focusing on selected parts of sustainability such as environmental and social aspects and it does not capture the all-important wider strategic and operational issues (Waldman et al, 2006). Implementation and change management are crucial for organizations if sustainability is to be created and maintained (Berkhout, 2012).

To that end, leadership plays a crucial role to this as it is leadership that changes existing structures and highlights the need for employees and managers to implement new strategies (Goehrig, 2008).

To build a sustainable business, it is imperative that the organization has leaders that are responsible and responsive to both internal and external stakeholder needs. Leaders need to be aware of their social and environmental responsibilities as well as their financial ones (Hind et al, 2009).

Leaders should also be ready to deal with many moral complexities resulting from various stakeholders while maintaining relationships with them (Maak, 2007). Research identifies that change management and sustainable strategies may not always appeal to managers and decision makers in an organization in the same manner (Pitacastelo, 2012). Further, studies highlight that the concepts of sustainability are patchy and are not fully grasped even within committed organizations (Millar, et al, 2015).

In addition, research studies identify that when change management strategies are implemented, the change agent has a considerable role to play, but this element alone is not sufficient (Evans et al, 2004); Ansari et al, 2012). The barriers to completely implement change strategies seem to be a result of personal cognitive frameworks that are rooted in value systems of individuals (Sandhya and Markos, 2010). Therefore, these value systems should be addressed as well, if real change is to take place (Millar, et al, 2012).

In the notion of sustainability, from a corporate perspective, the most prominent view is the link that organizations use their capabilities to add value to their business model by using these capabilities in a proactive way and by demonstrating appropriate abilities or the ability to realize the benefits of a distinctive capability for the benefit of the firm and so achieve a sustainable competitive advantage (porter, 1985; Matthews and Shulman, 2005); pita-Castelo, 2012).

The concept of competitive advantage in the corporate literature is not new. A large proportion of the literature in strategic management is devoted to the concept of competitive advantage DeMarchi, 2012; Teese, 2012), where the basic idea is that a key task of strategy is to seek and attain an advantage over competition in order to ensure superior performance and positioning in the market and thus outperform rivals (Mohaman and Lawler, 2012; Ansari et al, 2012).

In fact, the notion has been a guiding principle in the area of strategy, since porter (1985) introduced the idea. According to Porter (1985), 'competitive advantage grows fundamentally out of a value a firm is able to create for its buyers that exceed the firm's cost for creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. He further states (1998) that competitive advantage sits in the more productive use of a firm's inputs which, however, (it) requires continuous organizational innovation. Ma (1999, p.711). concurs and adds that 'competitive advantage is the asymmetry or differentiated in any firm attribute, or dimension, that allows one firm to better serve customers than others and hence create better customer value.

Kay (1993) agrees but articulates that a competitive advantage is a relative concept and it is only meaningful if it is compared against other companies in a given market. Equally, Coyne (1986) states that any given firm may have numerous advantages over rivals, for example, superior production methods and lower costs but the most important are the ones where customers place some level of value on them (Killen et al, 2013).

Grant (2002) observes, if a resource that enables the creation of an advantage is widely available in the industry it will eventually become a prerequisite for competition rather than a potential source of competitive advantage for any single player. He adds that ultimately, there is no one single way of pursuing, achieving and sustaining a competitive advantage, and Ostroff (2012) and Davila (2012) are also in agreement.

The resource-based theory, reiterates that competitive advantage is gained by way of internal resources and capabilities, which in turn, are utilized to create superior performance (Barney, 1991; 1997; Barney and Hesterley, 1996; hunt, 2010; Gibbert, 2012). However, most often the idea of sustainable competitive advantage is rooted within the private sector that has profit-oriented organizations and very little emphasis is placed on the public sector organizations (Matthews and Shulman, 2005; Prajogo et al, 2012).

A research study by Kay (1995) on several public sector organizations suggests that though the resource-based view and triple bottom line approaches are central to the notion of competitive advantage in private firms, they only apply to public sector organizations were competition exists (Priem et al, 2012). This is mainly because public firms are funded by the government for public service and are frequently not in the need to compete with other organizations when offering a similar set of services to the public (Prajogo et al, 2012). However, the resource-based view is clear and states that limitations related to resources and capabilities, internal or external may be, are equally applicable to any type of an organization in the private or public sector. Consequently, all organizations need to be taking into consideration the notion of sustainability and sustainable competitive advantages (Priem et al, 2012).

Sustainability revolves not only around the problem finding, or solving such problems that have been identified, but rather it also focuses on the solution in itself and the ability to make the solution last in the long run (Brammer et al, 2012). Hence the notion of sustainability is much more important and more than just social corporate responsibility, due to its inherent value proposition for thriving in the future and not just for merely surviving the present (Bettey and Burnley, 2008; Chouinard e al, 2011). In the process, trade-offs between sustainability and economic competitiveness are debated 9Kleindorfer et al, 2005). However, a number of authors in the field have challenged this view and insist that trade-offs are inevitable (Parkinson, 1990; porter, 1991; Makeower, 1993; Porter and Kramer; 2011) in the process of pursuing and maintaining sustainable competitive advantages (Porter, 1998; Stevenson, 2010).

2.15. Sustainable Banking

The changing of the world of finance has found one expression in the world of sustainable banking. It is often referred to as Green Banking in the context of regular "housekeeping methods", meaning energy efficiency and reduction of materials consumption (e.g. paper, electronic equipment) in the name of sustainability gains. This is referred to as the direct impact of banking operations. Despite these apparent direct impacts, a bank can have, the indirect impacts are of truly significant importance for sustainable development; Loans are given out based on certain predefined criteria and investments are made to yield profit for the bank; through is interlinkage with the fates of private and commercial actors, the bank becomes a catalyst for development. In this role, a bank can actively guide the development of its commercial network into a sustainable direction, for example through the usage of specially-designed products such as green credits/loans and investments. (Jeucken & Bounma, 2001).

Credits and loans display some major conceptual differences: large loans are usually purpose bound (e.g. for a house, car) and secured by collateral (often the financed object itself), credits are often more flexible and instant (e.g. extension on a loan as a line of credit) and feature higher interest rates as they are not secured. Consequently, they are usually much less substantial than loans (Investopedia, 2014).

In the context of this thesis, both loans and credits will be featured in unison (unless the particular case calls for differentiation based on procedures and conditions) as their impact is of prime importance. At present, banks are facing a changing environment. In 2015, following already tightened boundaries for their business liberty in the wake of the financial crisis of 2008/09, the banking industry is facing heightened regulatory pressure. As William Dudley, president of the Federal Reserve Bank of New York states; " there is evidence of deep-seated cultural and ethical failures at many large financial institutions" (Deloitte, 2015).

The report by the financial service company Deloitte further depicts a growing need to invest in risk an capital adequacy governance, including bettered risk management systems, investment assessments, and the inclusion of ethics8. And although growth is still the major and universal priority, strategies to achieve it will vary much by bank size and business line (Deloitte, 2015).

In other words, the need to change is explicitly mentioned while implicitly the diversification of banking is bound to be an energetic development. Furthermore, there are structural factors important in this context. Behind the scenes, banks may face liquidity problems, for example to secure their reserve requirements. Interbank lending, which is the lending of cash between banks, is an important linkage that keeps the banking sector functional. The interest rates charged are often an indicator and reference for open market financial mechanisms, such as setting discount rates for corporate cash flow analysis, and thus play an indirect but far from insignificant role in the financial markets (Wikipedia, 2015).

(Investopedia, 2006) this interrelation becomes an issue when certain banks exclude others from cooperation due to their lacking environmental and/ or social performance. Then the market mechanisms are suddenly subject to ethical valuations it is important to define some terms at this point. As the term green banking delineates primarily the management of (environmental) direct impacts it would fall short of encompassing the extent of sustainable efforts researched. This thesis will employ the term sustainable banking for the phenomenon in question. To encompasses also the wider social and governance corollaries of banking activities; accordingly, the terms ESG integration or ESG factors are synonymous with sustainability-oriented integration or factors.

This research attempts to develop a strategic framework in managing transformational change towards sustainability in the case of Ethiopian Banks. To the researcher's knowledge there is no prior research in Ethiopian Banks. However few studies have been found on other countries' contexts separately regarding sustainability, change management and transformation leadership.

As a passage of time, literatures are being found on sustainability, as the world is also following on environmental issues and building green economy: In this regard sustainability is also becoming a new phenomenon which Ethiopian Banks are currently mentioning repeatedly.

In this regard, while explaining the necessity of sustainable financing, Weber and Feltmate (2016) states that to fight against climate change, hunger, unemployment, drought, lower living standards, and little to non- existing healthcare, sustainable finance can play a decisive role. To this end, Banks and other financial institutions like micro finances are the key players who can promote sustainable financing and meet societal needs by offering innovative financial products and services (Yadav & Pathak, 2014).

Actually, in its impact report on 2015 Boston Common Asset Management characterized Banks as an indirect but impactful player. It describes that even though Banks might not directly be contributing to climate change through massive industrial pollution and high rate of carbon emissions, they are backing up the industries that do cause this damage by financing their projects.

As Banks are tied to every market sector through their lending practices (Liu & Ryan, 1995), climate events, ranging from drought to increased weather variability to a warmer climate, will all adversely impact banks business models (Weber & Kholodova, 2017; Flood, 2017; French Treasury, " n.d.) This has the potential to harm the future share value of major Banks (Clark, 2017).

When it comes to integrating corporate sustainability in to banking operations, one question stands out: will this incorporation indeed benefit the lenders and minimize the risk factors? While seeking out the answer to this question, weber, Hoque and Islam (2015) found that some anawpes have reported that a covelation does exist between commercial becomes sustainability performance and credit risks. The results concluded that demonstrating sustainability influences the firm's credit worthiness as part of its financial performance. Therefore, implementing sustainability regulations into banking operation(s) and following them while providing imovative green products and services to the clients bears a win-win situation for everyone.

At present Ethiopian Banks are not disclosing their data on the many sustainability projects that they are leading and as a result renders the Banks les transparent and open to criticism by stakeholders. This opaque practice prevents more in-depth socio-environmental performance assessment whereas a higher level of transparency in public documents demonstrates a bank's trlel commitment towards sustainability and encourages society and industry to follow in its footsteps in promoting a sustainable economy for the country.

Hossain and Kalince (2014), using the ' Granger Causality Test' between six financial variables, demonstrated that pursuing green banking makes for more profit for banks. They suggest that turning that green banking practices into mainstream will be more profitable and will in-turn lead to sustainable growth in the long-run. If all the Banks were to start promoting green banking, the country's economy would soon see a rise in sustainable economic growth.

Sustainability reporting is an important tool to help the organization to set goals, measure progress, and mange sustainability within the organization (Khan, 2015). Hence, reporting o the organization’s sustainability performance promised stakeholders with a clear idea of what is happening inside the organization and their actions towards saving the environment (Burritt & Schaltegger, 2010).

Sustainable development says that we must use our environment on the way we do not obviate the consumption of the next generations (KÖZÖS JÖvÖnk, 1998). For that reason sustainable development means a type of development which in the same time is environmentally compatible, economically realistic and socially responsible. Environmental awareness requires from economic actors to pay stressed attention to the environmental dimension in their operation, and to analyze ethical and moral considerations too.

The twenty first century has brought greater business diversification to the banking industry. Such that most of the major banks in the industrialized world are now complex financial organizations offering a wide range of services to international markets, and strategically controlling billions of dollars in cash and assets. Making use of technological advances, banks have been working to identify new market opportunities, implement new strategies, and in crease their levels of current retention (Reis et al. 2013). As the globalization and diversification of the financial industry increase, such actions have become increasingly challenging; and as banks operate in more complex and rapidly changing environments, competition becomes more fierce, and the need to adapt ever more pressing (cole, 2011; Ferreira et al. 2012; Stankeviciene, Nikonorova, 2014; Jalali et al., 2016). It is anticipated that over the coming years the banking sector will become ever more convoluted, leading to local adaptations in the manner in which banks operate around the world.

The requirement for survival, then, is a posture of learning, whereby banks are able to adapt to the demands of the external environment with ever greater agility. At the same time, it becomes increasingly pressing to understand the effects of these ongoing changes in the global economy, as well as the role of banks- how they affect and affected by these changes – in particular. This is of particular relevance, given banks increasing importance in the business community (stephens, skinner 2013; Ferreira et al. 2014).

There are two important functions of banking sector by which they can influence the participants of the economy. The first is banks collect the savings from households and firms, and use these savings for further investments and leading activities. Therefore, the banking sector can be seen as a special market, where supply and demand can meet. In this process banks have an intermediary role. The second one is, Banks manage and diversity risks in connection with their operation. Major goal is to minimize the probability of risks. (Risk management represents an important driving force for the greening process).

The contribution of financial instruments in reaching sustainable development is enormous, because in the one hand they are intermediaries between people and organizations with shortages and surplus of capital; Research and Development activities; supply and demand of insurance ; and they manage the risks of their partners and their projects. On the other hand operation and activities of financial institutions have an important effect on the environment (gecters, 2003).

It is against this background of change that growing discussions about the integration of sustainability into the banking activity have been set. Recent analysis have shown that sustainable, values based banks, which try to base their decisions taking into account the triple bottom line, thus considering the needs of people and the environment in addition to profit, are often outperforming traditional mainstream banks in terms of financial indicators such as return on assets or growth in loans and deposits (for a fuller discussion, see. Rebai et al. 2012; Fatemi, Fooladi 2013; Stephens, Skinner 2013; Ferreira et al. 2015). Such results have put sustainability at the forefront of banks managerial concerns, and at the same time made researching sustainable banking an imperative.

Tim Jackson (2009), a top sustainability adviser to the UK government, made a compelling case for how people must be aware of the limitations of what they can get from the planet. In this book, he argues that human kind's ever-increasing consumption habits will impede on existing economies, unless the environmental impact of economic activities can be drastically dropped. This issue concerns not only what people can consume now, but also on their consumption rate in the next 50,100 years, and so on, provided that the planet and its resources will still be in balance and will be able to regenerate properly. This connects back to the very popular definition of sustainability (Brundtland et al., 1787) where it is defined as the ability to meet the present needs without compromising “the ability to meet needs for the future generations”. On the subject of meeting the needs of future generations, current world needs are not even being met adequately (Barnett and Morse, 2013). There is an ever widening gap of wealth in equality between people, races, and nations as well (Kochhar & Fry, 2014).

As a core functionality, banks typically invest depositors’ money on behalf of them (the depositors) on several projects and businesses (Werner, 2014), and by so doing, the depositors become co-responsible of what is happening to the economy with their money. Sustainable banking is a correspond of action between the depositor and the bank (De Clerck, 2009) where the bank communicates what is going to happen with the money that was entrusted with them. It is also a correspondence between the entrepreneur and the bank where the entrepreneur assures the bank that the money is going to be utilized in a sustainable manner. Transparency becomes the key (cornee kalmi, &Szafarz, 2016) here, and acts as a starting point to sustainable banking. However, sustainable banking is not only about communication and transparency; it also concerns what is done with the actual money and how it is done (De clerck, 2009).

The next significant phase in sustainability banking is to find out ways to add value to the correspondence between the stakeholders, in addition to making profits (stan kevicience & Nikonorova, 2014) with the objective of forming new relations between the relevant stakeholders. Hence, sustainable banking starts with transparency and correspondence and leads up to value-based business ethics, answering questions like: what sort of projects and business do depositors wan to support (Jagannathan, Ravikumar, & sammon, 2017), and what sort of future does the entrepreneur envision for the business (Holliday, schmidheiny, & Watts, 2002)?

In a study by Goddard, Molyneux, and Wilson (2001), the authors stated that the economy is growing but not necessarily creating any value. On the other hand, there is a lot of value creating activity going on which is not being expressed as growth they see economic growth as a constant driver to increasing productivity. This requires manufactures to steadily reduce input costs, eventually boiling down more jobs being cut. Also, due to the free market economic model, wealth gained from growth is taken from the poor and given to the rich (Maxton, 2015). Besides, factors like growth in living standards or quality of environment are not being measured as "actual growth" because they do not represent any fiscal value. However, a sustainable banking approach adds value by concerning itself with actions that lead to the betterment of the people and the planet. Actions like the "triple bottom line" (Slaper & Hall, 2011), "Shared value creation" (porter &) Kramer, 2011) "resilient banking system" (Malaysia, 2004), and "the business case for sustainability" (Shaltegger & Wagener, 2017) place banks in a better position to create value while contributing to economic growth.

Banks that adept a sustainable model usually go through three steps (Dragan, 2012). The very first step Involves utilizing all available resources to their fullest capacity while minimizing emissions rate and conserving more energy (Bartleft, 2011). The second step is to convert or integrate existing banking products (Bouma, Jeucken, and Klinkers, 2017) like londing, mutual funds, bonds, asset management, and project management in to green products (Caldecott & McDaniels, 2014). Then as a final step, sustainable banks start to develop “eco-friendly” policies and cultures that create a surge of awareness among the industry as well as among its stakeholders (Singh & Singh, 2012).

The integration of sustainability concerns in banking has essentially been taking two forms. The first is socially and environment tally responsible initiatives (e.g support for cultural events, charitable donations, recycling programs and support for improvements in energy efficiency); and the second one is the integration of environmental and social considerations into product design, mission and business strategies 9e.g. the integration of environmental criteria into lending and investment strategies) (Jeucken, Bouma 1999; Bouma et al. 2001). This second dimension highlights the potential impact of incorporating sustainability in to banks competitive strategies and decision making processes on a larger scale, since financing environmentally and socially responsible projects can ultimately lead to changes in the business landscape as whole, as sustainable and sound enterprises are helped to prosper (Stephons, Skinner, 2013).

Indeed, a major shift has already happened, as banks have come to realize that poor environmental and social performance on the part of their clients can represent a threat to their own profitability. There is an increasing concern among banks over clients’ environmental and social performance, which has been acting as an additional driver of sustainable banking, leading banks to develop mechanisms to assess their customers’ ethical and environmental risk exposure, in order to protect themselves from potential losses.

Despite the above arguments, integrating wider stakeholder concerns (including the environment) in to the banking activity is not as simple as it might appear. In fact, given the considerable number of decision makers involved, and the large variety of sustainability determinants to be considered, this integration often proves a very challenging undertaking. It becomes imperative, therefore, to understand these determinants of banking sustainability and how they interrelate with each other, to promote (or inhibit) the integration of sustainability in banks' strategic decisions. A fuller understanding of this hitherto largely underdeveloped topic is not only of academic interest, but can be of great utility to the decision makers involved. Indeed, a better understanding of the determinants of sustainability can help both bank managers and policy makers make more informed decisions about sustainable value creation. Ultimately, it can be expected to help support not only the development of more sustainable banking. But more sustainable business ventures in general.

2.16. Sustainability for Banks

The recent financial crisis has put the financial services sector under the spotlight. The activities of banks and other financial services institutions are more than ever under scrutiny, not only by the local and international regulators, but also by a wider public including clients, employees and investors.

Expectations of society are high and this does not just relate to a more sustainable management of financial risks. The financial sector is expected to play a role in supporting national and international development goals and to facilitate the transition to a green and low carbon economy. This is a fantastic opportunity for the sector to prove its added value to society.

A comprehensive approach towards sustainability is key to meet the expectations of the public, the client and the markets, this a multi-scale approach to coping with sustainable issues. The complexity of the topic however, requires a multidimensional approach to deal with ethical questions, environmental and climate issues, social responsibility considerations and financial risk management requirements.

The need for financial institutions to increasingly engage in higher social aims and to support national and international development goals means that their care business the provision of financial services- must be fit for a changing world.

The sustainability agenda presents both risks and opportunities to banks and other financial service institutions and there are strategic choices to be made around desired marketing positioning. Many players in the financial sector are willing to seize the opportunity behind the sustainability topic. They can't ignore the basics of risk and compliance management in doing that.

Sustainable finance is a term mainly used by banks, lobbying groups, industry associations and development agencies. In other words, financial capital and risk management products and services need to be provided in ways that promote or do not harm economic prosperity, the environment and social wellbeing.

Sustainability aspects even to be found and managed in many areas of financial service institutions. Care of any sustainability strategy is therefore the awareness of relevant impact areas and the definition of appropriate risk management concepts of your organization. In today's fierce and challenging markets and with an increased public oversight and sensitivity towards failures in financial institutions any kind of short coming can lead to significant financial, reputational and organizational risks.

In day-to-day activities of organizations corporate social responsibility and sustainability issues are becoming more and more prevalent. So, it can be noted well that companies are giving attention to such issues and elaborate reports in this regard. Organizations take in to account the most representative one, the Global Reporting Initiative (GRI, 2006). It contains indicators grouped in economic, environmental, performance, social (labor practice, human rights, society, and product responsibility) indicators (GRI, 2006).

The notion of sustainability is about ensuring the balanced scale related to the social, environmental and economic aspects (Figge and Han, 2004). An organization whose activity is considering aspects of sustainable development will act in this sense on long term. Sustainability was first mentioned by the World Commission on Environment and Development (1987).

Taking responsibility for its impacts on society means, first, that an organization accounts for its actions. Social accountability (Brennan and Solomon, 2008) is a concept that describes the communication of the social and the environmental effects of the actions of an organization by its stakeholders is an important element of social responsibility. Many companies publish externally audited annual reports covering sustainable development issues, reports which vary widely in format, style and methodology of evaluation, even within the same industry (Cheung, 2011, Lo and Sheu, 2007, Lo'pez et al., 2007).

This is a very fine line between corporate governance, corporate social responsibility and sustainability. All are extremely important for a company and should not be viewed separately. Responsibility for society is a strong differentiating factor for companies, with implications on sustainable development of society. Social responsibility actions, on short-term, includes costs for the organization, but on long term they bring a win-win relationship, if we try to look beyond the numbers. Social responsibility is not a necessity, is an important economically, ecologically, and socially obligation.

There are some relevant studies on corporate economic, social, environmental responsibility and sustainability issues. Some authors like Rantanajongkol et al. (2006), Cooke (1989), Deegan and Gordon (1996) highlights that these indicators are undisclosed. Proper management of human resources helps for organizations to bring about sustainable development, leading to the increase of the income through the increase of the productivity, which is focusing on lowering costs.

The notion of corporate sustainability performance measurement has been discussed among others, by Atkinson (2000), Beloff et al. (2004), Schwarz et al. (2002), Szekely and Knirsch (2005), Tanzil and Beloff (2006). The social or environmental issues can have an influence on economic performance and therefore should be a dialogue with stakeholders to be in constant interaction with the way they develop their activity. A number of publications have focused specifically on the balanced scorecard approach to performance measurement (Hubbard 2009, Schaltegger and Wagner 2006, Diad-Sardinha and Reijnders 2005; Figge et al. 2002).

As it is well noted Balance Scorecard (BSC) has four perspectives; Finance, Customer, Internal Process and Learning & Growth.

2.17. Understanding the current state of sustainability performance management

With sustainability fast becoming an imperative for companies around the world, it is only natural that many businesses are looking to understand measure and manage the true impact of sustainability initiatives on their company's success. Sustainability performance management processes and practices are essential to achieving this understanding and to generating insights into how sustainability can help drive:

- Smarter investment decisions
- Operational efficiencies and cost reductions
- Incremental revenue growth
- New or enhanced approaches to risk management

Driver of sustainability performance management: Drivers versus outcomes considered "extremely important"

- Actively improving sustainability performance
- Complying with relevant sustainability regulations in all jurisdictions where your company does business

- Responding to customer/client inquiries and requirements
- Providing information to investors
- Designing new products and services
- Incorporating sustainability factors into investment decisions
- Engaging actively with employees and encouraging sustainable work practices
- Driving cost reduction
- Reporting to other stakeholders

Outcomes of sustainability performance management considered "extremely important"

- Increased brand value/enhanced reputation
- Reduced risk associated with sustainability factors
- Increased competitive advantage
- Reduced operating costs
- Confirmation of regulatory compliance
- Increased customer satisfaction and retention
- Improved employee health and productivity
- Improved returns to shareholders
- Increased revenues

Many environmental and social challenges such as climate change and global warming, global poverty are top priorities currently. At the same time, many revolutionary changes take place in the business world, while the improvement of technology gives a boost to these changes. The general concept of sustainability has been a recurring issue in political debate, international organizations, governments and both local and global actors. As a result of this call, theoretical and empirical models have been developed in order to address these for the field of sustainable development. Sustainable development is defined on a macro level perspective of societies and there are a growing number of researches dealing with the issue.

There is a growing demand from policy makers through the legislative and regulatory framework which encourage the banking system to design their products and services, serving their customers, but simultaneously adopting a proactive behavior to address future economic, environmental and social developments (Azevedo, Godina, & Matias (2017), Ramnaraina & Pillay (2016)). During the period of financial crisis, the banking system functions either a stabilizing mechanism or as a destabilizing factor allowing for an active role in all the economic activity. The financial sector has no direct effect on environmental degradation and often its role in sustainable development is underestimated. In several cases, academic interest is shifting to industries and manufacturing companies due to energy, waste management, product life and supply chain. The banking sector has a corresponding share of responsibility for its practices that affect the economic, social and natural environment and owes this responsibility to be reflected in all its activities.

The three-dimensional relationship between the banking sector and sustainable development has already been studied in fields such as financial performance (Aras, Tezcan, & Furtuna (2018), Nakao, Amano, Matsumara, Genba, & Nakano (2007)) the relationship with the bank royalty and corporate image (Igbudu, Garanti & Popoola, 2018) the prosperity of many stakeholders (Rebaia, Azaieza & Saidaneb (2012), Rebaia, Azaieza & Saidaneb (2016)). Furthermore, the bank's new perception as a sustainable bank is of interest, which takes into account the expectations of all stakeholders and their participation in the performance evaluation process (Rebaia, Azaieza & Saidaneb, 2012).

The impact of the banking sector on the environment and the challenges faced on a corporate level have introduced specific environmental practices that make participating in sustainable development important. Risk management strategies and environmental risk assessment have created new environmental issues as opportunities to gain economic benefits or anticipate future financial risks that they should face and avoid. The relationship between the banking sector and the environment involves the development of new financial products that lead to new profit opportunities and make it more competitive. But this relationship also concerns the way which it manages, adapts and communicates its environmental strategies relating to its own environmental footprint, such as the management of and consumption of energy, material and water (Evangelinos, Skouloudis, Nikolaou, & Filho, 2009).

Although the banking sector is not considered as a polluting sector, the increase in turnover and thus the increase in all banking activities are burdened by its environmental footprint. This environmental and social responsibility of banks has also led to green banking through the adoption of corresponding technology, processes and products that can make the environment friendlier and enhance the sustainability

(Bhardwaj & Malhotra (2013), Singh & Singh, (2012)). The development of technology at the level of development, such as the use of e-banking, is factor influencing the responsible consumption and use of banking products (Angelakopoulos & Mihiotis, 2011).

In terms of sustainability development, sustainability criteria can be used to predict debtor's financial performance and improve the predictive validity of the credit rating process (Nakao, Amano, Matsumara, Genba, & Nakano, 2007). The integration of sustainability into strategies, processes, products and services can be achieved by integrating sustainability as a new banking strategy, sustainability as value driver, sustainability as a public mission and sustainability as a requirement of customers (Weber, 2005).

Annual sustainability reports are a tool for various methods of assessing the sustainability of banks and communicating them with stakeholders. There are various studies which focus on different countries. Roca & Searcy (2012) showed that traditionally in the financial sector, Canadian enterprises emphasize the economic dimension of sustainability (Khan, Islam, Fatima & Ahmed, 2010).

Bank sustainability reports in Bangladesh have shown that social practices are more widespread that environmental issues. Saxena & Kohli (2012) showed a weak link between corporate social responsibility and economic performance in the banking sector in India while the empirical research (Wu & Shen, 2013) in 22 countries showed the positive link between corporate social responsibility and economic performance with respect to return on assets, net interest income and non-interest income and negative with non-performing loans.

(Jizi, Salama, Dixon & Stratling, 2014) studies the relationship between corporate governance and corporate social responsibility as outlined in US bank sustainability reports. Ramnaraina & Pillay (2016) aimed to establish a corporate sustainability performance evaluation model and analyzed the sustainability strategies for the Turkish banking sector.

2.18. Leadership

As it is well noted by scholars, leadership has been an essential and widely investigated topic in organizations. And in this respect hundreds and thousands of empirical studies have been conducted during the past century on leadership (Bass, 2008). Northouse (2007) stated as it is a topic with universal appeal; in the popular press and academic research literature, much has been written about leadership. Kouzes and Posner (2007) indicated that leadership is a relationship between those who have the desire to lead and those who choose to follow.

Definitions of leadership vary, but they generally focus on leader capabilities, personality traits, influencing relationships, reasoning versus emotional orientation, group versus individual orientation, and an appeal to self-versus collective interests (Den Hartog & Koopman, 2011). Northouse (2010) defined leadership as "a process whereby an individual influences a group of individuals to achieve a common goal".

Leadership has also been defined in terms of how a leader changes the way follower think and act (Bass, 1960).

Of the different leadership styles transformational leadership is different because of its approach of providing a clear vision to staff and its commitment to building a strong relationship between leaders and followers. This kind of leadership plays an important role in follower satisfaction and in turn helps organizational leaders to achieve organizational goals. Such types of leaders create extraordinary encouragement and motivation within their followers by involving employees in innovative idea building and problem solving. Transformational leadership has received a lot of attention from both academia and industry researchers since the early 1980s (Northouse, 2010).

Those leaders who are passionate about leading to improve the performance of an organization are the transformational ones. Transformational leaders can cope with changes in organizations and can recreate the existing procedures as to fit to the changes which organizations are experiencing and build strong relationship with everyone around them (Horner, 1997).

Above all transformational leaders influence their followers by setting goals, clarifying desired outcomes, providing feedback, and exchanging rewards for accomplishments, whereas transactional leaders use the passive form of leadership, "after standards have not been met or problems have arisen" (Northouse, 2010).

2.18.1. Theories of Leadership

Theorists have developed two perspectives of leadership. The first perspective puts the leader in a decisive position at the center of group, where the leader holds a commanding role in representing the will of the group. The second perspective, the personality perspective, exhibits leadership as a combination of exclusive qualities and individual skills that both contribute and encourage each other to perform and achieve specific tasks and goals (Bass, 1990).

2.18.1.1. Trait Theory

One of the first organized efforts to study leadership resulted in a leadership theory popularly known as trait theory. According to Northouse (2007), "the trait approach has its roots in leadership theory that suggested that certain people were born with special traits that made them great leaders". The basis of leadership research is the claim that great leaders enjoy special qualities and characteristics that separate them from followers.

Trait theory concentrates on "capacity, achievement, responsibility, participation, and status" (Bass, 2008). Robbins and Judge (2013) asserted that trait theory focuses on personal qualities that differentiate leaders from non-leaders. Northouse (2007) indicated that individuals need to possess certain traits to become successful leaders, including "intelligence, self-confidence, determination, integrity, and sociability". Similarly, Kirkpatrick and Locke (1991) considered integrity, honesty, cognitive ability, and self-confidence as qualities all people have, both leaders and non-leaders, but believed that leaders possess higher significance of these qualities due to their important role in the decision-making process.

2.18.1.2. Behavioral Theory

Behavioral theory is a model that highlights the performance and behavior of leaders (Northouse, 2010) and is a description of their actions, including the way they conduct themselves, the manner in which they approach their jobs, and the magnitude in which their actions can affect their subordinates. A leader's behavior is significant not only because it predicts leadership influences, but also because it can be used to determine leader's success. There are two core behavior styles; task behavior and relationship behavior (Northouse, 2007). Task behavior is concerned with structure, providing clear guidelines for subordinates, and supporting the achievement of tasks taken by the group. Relationship behavior, meanwhile, assists members in building a suitable environment for their work. Using these two approaches leads to important results, such as enhancing subordinates' performance, increased satisfaction toward job, and increased satisfaction toward organization.

2.18.1.3. Path-goal Theory

Path-goal theory is another important theory in the field of leadership research. This theory demonstrates how leaders motivate followers to get tasks completed (Northouse, 2007). The path-goal theory's conviction is that this approach will ultimately fulfill the desired goals and objectives.

2.18.1.4. Situational Theory

According to Northouse (1997), the situational theory of leadership requires a leader to focus on situations. The situation theory needs a special kind of leadership skill that fits according to the situation. Therefore, leaders following situational theory must determine how they dynamically adapt to improve their approach to fit in a new situation. The basic principle of the situational theory is based on providing the most suitable kind of leadership styles under different situation demands (Northouse, 1997).

2.18.1.5. Skill Theory

Skill theory is a description of leadership skills that distinguishes leaders from followers. According to skills theory, followers lack some of the skills that make leaders effective and willing to help subordinates in any organization. Leadership skills, as defined by Northouse (2010) refer to "the ability to use one's knowledge and competencies to accomplish a set of goals or objectives".

2.18.2. Job Satisfaction

Job satisfaction is an integral part of the overall success of an effective organization. It reflects the employees' attitude toward their jobs and their organizations. According to Bernard (2012) "the term job satisfaction was first defined by Hoppock (1935) as a combination of psychological, physical and environmental circumstances that causes a person to say, I am satisfied with my job"

The concept of job satisfaction has since been defined in many different ways. From the psychological perspective of its relationship with leadership style, the notion of job satisfaction includes multidimensional responses to one's job (Judge & Klinger, 2003). Locke (1976) defined job satisfaction as "a pleasure or positive emotional state resulting from the appraisal of one's job or job experience". Job satisfaction is also defined as the general and optimistic feelings of employees towards their jobs (Smith, Kendall, & Hulin, 1969; Vroom, 1964).

From an organizational management perspective, job satisfaction research has real applications for enhancing individual lives and organizational efficiency. Therefore, job satisfaction has been used as technique to attract and maintain the best employees to stay with the organizations. Employers must create positive working environments and empower employees through trusted leadership, innovation, and productivity (Martins & Coetzee, 2007).

Different methods to measure job satisfaction are available in literature and practices. According to Mirsha (2013), a Likert-type scale is a popular technique for collecting data regarding job satisfaction. Mirsha also mentioned other less common techniques of collecting data regarding job satisfaction, such as yes/no questions, true/false questions, point systems, checklists, and forced choice answers.

2.18.2.1. Job Satisfaction Theories

It is important for employers to lead their employees in a way that helps them to be creative, productive, motivated and satisfied in the workplace. Vroom (1964) noted that motivation is an integral energy based on individuals' needs to inspire themselves to accomplish the desired objectives. Researchers have developed numerous theories of job satisfaction, but the factor of motivation is viewed as the key driver of job satisfaction. Some of the theories that viewed job satisfaction from this perspective are Maslow's (1943) hierarchy of needs, Adam's (1965) equity theory, Vroom's expectancy theory, reinforcement theories, and Hertzberg's (1966) two-factor theory. Maslow's hierarchy of needs theory and Hertzberg's two-factor theory will be discussed in the following section to clarify what makes people satisfied.

Both Maslow's (1943) hierarchy of needs theory and Hertzberg's (1966) two-factor theory can help to identify the reasons that motivate employees, foster their productivity, and help them enjoy higher job satisfaction levels. Bothe researchers agreed that for an organization to remain successful, leaders must take care of their employees and satisfy their needs. The following are in-depth descriptions of Hertzberg's two-factor theory and Maslow's hierarchy of need theory.

2.18.2.1.1. Herzberg's two-factor or motivator hygiene theory

Herzberg's two-factor theory is well known motivation theory and has been considered the most popular theory in variety of studies. Herzberg's two factor theory divides motivation and job satisfaction in to two categories of factors: motivation factors (intrinsic) and hygiene factors (extrinsic). Herzberg et al. (1959) and Herzberg (1966) itemized the motivating (intrinsic) factors as recognition, achievement, advancement, responsibility, growth, and the work itself. Although their absence will not necessarily be dissatisfying, they can increase the motivational level when present (Herzberg, 1966; Herzberg et al. 1959). The hygiene factors (extrinsic) of job satisfaction consists of supervision, pay, working conditions, coworkers, policies and procedures, job security, status and personal life (Herzberg, 1966; Herzberg et al., 1959). The absence of these factors could cause dissatisfaction.

2.18.2.1.2. Maslow's Hierarchy of needs theory

Maslow's hierarchy of needs theory is one of the most well-known motivational theories (Robbins and Judge, 2013) and is still considered important for business organizations and for every organization that seeks to acquire success and excellence (Jerome, 2013). According to Maslow (1954), the hierarchy of needs consists of five basic levels categorized into two groups; deficiency needs and growth needs. Maslow (1943) noted that people are motivated to satisfy specific needs. When one need is satisfied, a person seeks to fulfill the next, meaning the next one becomes the dominant need to satisfy, and so on.

According to Robbins and Judge (2013), Maslow separated the five levels of needs into higher and lower orders. The five levels are discussed below in hierarchical order.

2.18.2.1.2.1. Physiological needs

Physiological needs are the basic needs for survival, such as food, water and other biological needs. These physiological needs are considered the strongest needs that people work to satisfy.

2.18.2.1.2.2. Safety needs

After satisfying the physiological needs, individuals move up the hierarchy to satisfy their safety needs, such as security, stability, and protection from physical and emotional harm (Robbins and Judge, 2013). Maslow (1970) noted, "when the safety needs are gratified, the organism is released to seek for love, independence, respect, self-respect, etc).

2.18.2.1.2.3. Needs for love, affection and belongingness

After the needs for safety and for physiological well-being are gratifies, the focus moves to the next level of needs, which are social needs and involve a feeling of belongingness. These needs include acceptance, friendship, family, loving, and being loved. The absence of these elements may cause problems for individuals, as they feel lonely, develop social anxiety, and may become clinically depressed.

2.18.2.1.2.4. Needs for esteem

After satisfying the first three levels of needs, the needs for esteem become dominant. Maslow (1987) noted two versions of esteem needs: a lower one that includes the need for status, the need for respect from others, reputation recognition, prestige, and attention and a higher one that includes the need for self-respect, independence, strength, competence, self-confidence, mastery, and freedom. Fulfilling these needs will increase feelings of self-confidence and makes a person feel capable and able to do anything, whereas neglecting these needs will make a person feel inferior, weak, helpless, and worthless (Maslow, 1987).

2.18.2.1.2.5. Needs for Self Actualization

When all the preceding needs are satisfied, then the needs for self-actualization may be triggered. Self-actualization "refers to a man's desire for self-fulfillment and his tendency to become actualized in what he is potentially able" (Maslow, 1970). Some of the self-actualization needs include realizing personal potential, self-fulfillment, and seeking personal growth and peak experience (McLeod, 2007). Attaining this need may lead to transcendence, such as the experience of a strong relationship and others. Maslow (1971) contended that individuals who are satisfied meet all the elements of the hierarchy. Maslow (1971) also considered the level of self-actualization as the ultimate condition for gratification.

Maslow's (1943, 1954) needs theory expanded by three levels to become an eight-stage model. According to Maslow (1970), cognitive (knowledge ad meaning) and aesthetic (appreciation and search for beauty) needs were added to the hierarchy levels, and Maslow (1970) added another transcendence beyond self-actualization (helping others to achieve self-actualization; McLeod, 2007).

2.19. Transformational Leadership for Managing and Leading Change

Ford and Ford (1994) held that leaders create change by providing a vision that is attractive to followers. Transformational leaders create followers by framing a vision for the future that appears to be reachable, attractive, and engaging. A transformational leader would be successful in getting a change plan implemented by intellectually stimulating the followers (Bass, 1985), motivating them to rethink old ways of doing business. This idea- that the transformational leader creates a culture that embraces change is- consistent with the extant change literature (Brown & Eisenhardt, 1997). Literature on both change and transformational leadership suggests that it is critical that the leader should be a change champion who can assemble and motivate a group with enough power to lead the change effort (Kotter, 1995). The change literature also suggests that leaders' effective use of inducements and interventions that get people to change, works only if this change takes in to consideration the underlying needs and values of followers (Brown & Eisenhardt, 1997; Eisenhardt et al., 1999). These underlying needs and values can be addressed by understanding the follower's cultural background. Kanungo and Jaeger (1990) said that the term 'culture' means a system of shared meaning where members of the same culture have a common way of viewing events and objects, and therefore are likely to interpret and evaluate situations and management practices in a consistent fashion. Some studies have shown that dimensions of transformational leadership transcend cultures and some other studies have shown culture to have profound effects on transformational leadership.

Transformational leaders operate from a personal value system that transcends their agendas and loyalties. Their hallmark is their capacity to take a perspective on interpersonal relationships and to achieve a self-determined sense of identity. The relationship between transformational leadership and various ethical behaviors may not be straight forward but could be moderated by situational factors like nature of the industry (Banerji and Krishnan, 2000). Because transformational leaders hold independent self-authored values and can carry these out despite competing loyalties while evaluating their own performance, they often can convert followers to their way of thinking and can integrate their values into the work group (Kuhnert and Lewis, 1987). The end values (internal standards) of transformational leaders are adopted by their followers, thereby producing changes in the attitudes, beliefs, and goals of the latter. Krishnan (2002) found that transformational leadership was positively related to congruence in terminal value systems between leader and follower. The end values like integrity, honor, and justice potentially can transform followers (Bass, 1985). The commitment of followers to their leaders' values causes leadership influence to cascade through the organization.

External events have made most companies or divisions of firms change moderately at least once a year and face major changes every four or five years (Kotter and Schlesinger, 2008). However, the frequency and magnitude of change have been increasing (Burnes, 2009). As effectively managed change has provided opportunities for organizations (Gill, 2002) and failure to change due to poor planning and control.

2.20. History of Ethiopian Banking

As per the data gathered from National Bank of Ethiopia, it was 1905 where Ethiopian banking has got the chance to experience with Banking Business. The establishment of "Bank of Abyssinia" was held based on the agreement signed between the Ethiopian Government and the National Bank of Egypt, which was owned by the British with a capital of 1 million shillings at that time. Of which one-fifth was subscribed and the rest was to be obtained by selling shares in some important cities such as London, Paris and New York.

According to the agreement, the Bank was allowed to engage in commercial banking (selling shares, accepting deposits and effecting payments in cheques) and to issue currency notes. However, the agreement prevented the establishment of any other bank in Ethiopia, thus giving monopoly right to the Bank of Abyssinia for 50 years concession period.

Land was given to the Bank free of charges and permitted to build offices and warehouses. Government and public funds were to be deposited with the Bank and all payments to be made by checks.

The Bank, which started operation a year after its establishment agreement was signed, opened branches in Harar (in 1906), Dire Dawa (in 1908), Gore (in 1912) and Dessie & Djibouti (in 1920). Mac Gillivary, the then representative and negotiator of the Bank of Egypt, was appointed to be the governor of the new Bank and he was succeeded by H Goldie, Miles Backhouse, and CS Collier were in change from 1919 until the Bank's liquidation in 1931.

Apart from serving foreigners residing in Ethiopia, and holding government accounts, it could not attract deposits from Ethiopian nationals who were not familiar with banking services. It had also need to meet considerable cost of installation and the costly journeys by its administrative personnel. Thus, despite its monopolistic position, the Bank earned no profit until 1914. Profits were recorded in 1919, 1920 and from 1924 onwards. At this time the bank faced enormous pressure for being inefficient and purely profit motivated and reached an agreement to abandon its operation and be liquidated in order to disengage banking from foreign control and to make the institution responsible to Ethiopia's credit needs. Thus, it was 1931 when Bank of Abyssinia was legally replaced by Bank of Ethiopia shortly after Emperor Haile Silassie came to power.

During this period the government has paid compensation to the shareholders of the then Bank of Abyssinia and the newly established Bank of Ethiopia was fully owned by Ethiopians (predominantly the Emperor and the political elites of the time) and the capital was 750,000-pound Sterling. 1932 was when Bank of Ethiopia started its operation. The Bank was authorized to combine the role of central banking (issuing currency notes and coins) and commercial banking.

With the Italian occupation (1936-1941), the operation of the Bank of Ethiopia came to a halt, but Italian financial institutions were working in the country. These were Banco Di Roma, Banco Di Napoli and Banca Nazionale del Lavora. Moreover, Barclays Bank has opened a branch and operated in Ethiopia during 1942 -1943.

In 1946 Banque Del Indochine was opened and operated until 1963. In 1945 the agriculture bank was established but was replaced after some years by the Development Bank of Ethiopia in 1951 and changed in to Agricultural and Industrial Development Bank in 1970.

Actually in 1963, the Imperial Saving and Home Ownership Public Association (ISHOPA) and the Investment Bank of Ethiopia were founded. The later was renamed Ethiopian Development Corporation S.C. in 1965. In the same year, the Savings and Mortgage Company of Ethiopia S.C. was also founded.

After the departure of Italians and restoration of Emperor Haile Silassie's government, the State Bank of Ethiopia was established in 1943 by a charter published as General Notice No. 18/1993 (Ethiopian Calendar). As its predecessor, the Bank combined the functions of central banking with those of commercial banking with commercial banking and opened 21 branches including one in Khartoum (Sudan) and transit office in Djibouti.

In due course after passage of times in 1963, the State Bank of Ethiopia has split in to the National Bank of Ethiopia and Commercial Bank of Ethiopia S.C. with the purpose of segregation of functions of central banking from those of commercial banking.

After this all experience in banking, the first privately owned company in banking business was the Addis Ababa Bank S.C. which was established in 1964. Of the shareholder 51% are Ethiopians, 9% foreigners living in Ethiopia and 40% by the National and Grindlays Bank of London. During this times Banco Di Roma and Banco Di Napoli had continued their operations.

Following the 1974 revolution in Ethiopia, on January 1, 1975 all private banks were nationalized and along with state owned banks, placed under the coordination, supervision and control of the National Bank of Ethiopia.

Thus, from 1975 to 1994 there were four state owned banks, i.e. National Bank of Ethiopia (Central Bank), Commercial Bank of Ethiopia, Housing and Saving Bank, and Development Bank of Ethiopia.

Under the Ethiopian People Revolutionary Front (EPRDF), after the overthrow of the Dergue regime, the Transitional Government of Ethiopia was established and the New Economic Policy for the period of transition was issued. This new economic policy replaced centrally planned economic system with the market-oriented system and ushered in the private sector. Several Banks were established after that and at present there are 16 private Banks which operate in the Ethiopian Banking industry and there are additional private banks are under formation stages. Moreover, there are two government banks.

2.20.1. Banking Reform in Ethiopia

At the time where most African countries get their independence, banking was dominated by foreign-owned commercial banks and there was no central bank at the countries. However, after the independence, governments of the countries started to embark on financial sector reform with an intention to increase lending activities to Africans and African-owned business. This was exercised to rectify the bias of bank lending in the colonial period (Harvey, 1991).

After the fall of the imperial government, there was a major change of economic strategy in 1975. The then government aimed to create a socialist, centrally controlled economy on the Soviet model.

The consequences of post 1975 reforms were distinctive and the damage was limited which most notably made the single commercial bank remained sound. In this regard, it was able to respond to the opportunities created by economic liberalization in the 1990s as it didn't require lengthy and costly rehabilitation. Afterwards, competition was possible, small amount, due to the licensing of new private commercial banks. However, inadequate legislation and central bank supervisory was a major reason which endangered the success of the private commercial banks during that time.

As per Eshetu Chole (1994) during the socialist period, Commercial Bank of Ethiopia and other government banks were obliged to lend to public enterprises according to government instructions, central planning was a basis for it.

In due course there were instances where banks continuing to lend taking the government guarantees which clearly couldn't be honored, and which both parties knew could not be honored (White, 1993). However, Ethiopia does not appear to have been in this situation.

Moreover, the Commercial Bank of Ethiopia was audited by a government agency, the Audit Services Corporation. The audit standards were also given international approval some years ago as stipulated by World Bank (1982).

As per Brune (1994), Transitional Government of Ethiopia (1992) and Hansson (1995) financial sector reform wasn't appeared to be a priority of the Mengistu government, which started the economic liberalization before its fall, neither in the statements of the government succeeded Mengistu's government. Fantu Cheru (1994) stated that the market-based reform was began in 1987 which was preceded by a Soviet report calling for market-oriented pricing, marketing and distribution of goods and service as well.

Changing its name to Construction and Business Bank in October 1994, the former Housing and Saving Bank has converted into a commercial bank (EIU, 1995). At that time the management of Construction and Business Bank expected to compete with the Commercial Bank of Ethiopia, which rather contradicted the statement of the

Commercial Bank of Ethiopia that the two banks would complement than compete with each other.

Using indigenous resources only, there was a general preference in Ethiopia for developing new policy believing that long term development is enhanced by people learning from their own mistakes. This approach is taken as clearly better and appropriate than using foreign ideas and technology which is not based on an understanding of local conditions and has not involved locals in its preparation and implementation. The failure of expatriates and foreign investors working in the areas of technical assistance programmes has been powerfully criticized in the areas of knowledge and experience (Berg, 1993; Kanbur, 1995). Besides, International Monetary Fund (IMF) was consulted at an early stage of drafting the new banking Proclamation.

And even at present, there are different reforms being executed by the National Bank of Ethiopia due to the various change initiatives in the global financial market and the economic reform programmes which the current Federal Democratic Republic of Ethiopia's government is making.

CHAPTER THREE

3. Research Design and Methodology

The methods and techniques employed to conduct research is, a research method and the process of solving the research problem is, the methodology. In general terms research method studies the various steps used by a researcher in studying a research problem along with the result behind such steps or techniques. In addition, it is a process through which the method adopted brings the desired outcome. The context of methodology therefore is the tactics, plan of action, strategy or practice of a particular method using same to achieve desired outcome and objective. Primary and Secondary sources of data were utilized for generating data or information for this study.

This chapter discusses the research design and methodology. The chapter is organized in seven sections. The first section discusses the research design. Sampling and sampling techniques is presented in the second section. Source and instruments of data collection and procedures of data collection are presented in the third and fourth section respectively. In fifth section method of data analysis is presented. Lastly ethical considerations are presented.

3.1. Research Design

The overall purpose of the study is to get a higher degree of understanding of a strategic framework for managing transformational change towards sustainability in Ethiopian banking industry. Accordingly, this study employs mixed approach, by which both qualitative and quantitative methodology are used, which means that both numerical and non-numerical data gathered from the executive leadership, middle level managers or senior experts working in the selected private commercial Banks is used. By using quantitative method, it is easier to analyze the data and come up with the findings. On the other hand, since qualitative research is fundamentally interpretative, this approach is the most appropriate for serving the purpose of this research. Moreover, it is preferable to use a method that makes it possible to understand, describe, and discover meaning as at the same time as it is flexible and evolving method. (Creswell, 2003)

Moreover, by quoting Stake (1995), Creswell (2003) further stated that case study research explores in depth a program, and event, and activity, a process, or one or more individuals. Hence, this study explores in depth about the strategic framework for managing transformational change towards sustainability in Ethiopian banking industry using variety of data collection procedures as stated below.

3.2. Sample & Sampling Techniques

According to Alazar H. (2013) mentioned Marczyk, Dematteo & Festinger (2005) potential participants of a research can be selected in several ways and the way in which they are selected is determined in many factors including the research question being investigated, the research design being used, and the availability of appropriate number & types of study participants. As it has been indicated in the literature review part, data obtained from national Bank of Ethiopia, currently there are eighteen commercial Banks, of which sixteen are privately owned commercial banks in the country.

The researcher made an attempt to include private banks that entered to the industry at various periods. So that it would be more representative. Those banks that have joined the industry in the last five years are excluded because the researcher believed that these banks have less experience in the industry, they benchmark much from those banks which have stayed longer and it would take some time, even, to dwell on the experiences of strategic management and having experiences on transformational change.

The major reason the researcher has only included private banks is that, they operate under the same environment and have the same motive. From the sixteen private Banks three of them are selected purposively based on their entry to the industry and are those Banks who have crafted a strategic plan for their institutions. Moreover, there entry level has five years differences, Awash Bank being the first private Bank in Ethiopia. (AwashB-1994G.C; Nib International Bank-1999G.C; Cooperative Bank of Oromia-2004G.C;).

This was followed by selecting samples from each Banks, most importantly the senior executive leadership, middle-level management and senior experts in the area and other believed to have the information on the future intention of the issue as well.

In doing so we come to note that the three Banks have a total of 1087 branch offices, as of September 2020, which are being managed by respective branch managers, which are management staff of all banks. In addition to this there are top level managers, Chief Executive Officer and Deputy Chief Officers, Middle and lower level management staff at

Head Offices, Department Directors, Division Managers, and Executive Assistants and Chief Advisors.

Then a sample of 378 employees is included in the study which is determined using the formula taken from http://www.research-advisors.com/tools/SampleSize.htm, it is believed that this sample population represents the total population.

The formula used for the calculation is

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where:

n = sample size

X^2 = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

Then using each bank as a stratum the number of respondents from each bank was determined by the ratio of the number of management employees at each bank in the sample frame to the number of total sampling frame. The sample procedure was applied at Bank level. Awash, Cooperative Bank of Oromia, and Nib International Bank have 475, 421 and 318 branches, respectively. And according to the above formula from the total of 25,189 staff 378 samples were taken with a confidence level of 95%. Moreover, the percentage share according to the total number of staff is computed and 41.25% from Awash Bank, 34.01% from Cooperative Bank of Oromia and 24.74% from Nib International Bank are selected. For a clear picture of how the sample size was reach look at the table below.

Banks	Number of Staff as of September, 2020	Number of Sample Population
Awash Bank	10,398	156
Cooperative Bank of Oromia	8,566	129
Nib International Bank	6,225	93
Total	**25,189**	**378**

The questionnaire was distributed and gathered by the researcher himself. However, there were three individuals who were assigned from each banks respectively, that assisted the researcher to facilitate the questionnaire collection activity.

On the other hand, the 30 management staff are selected from all selected banks and interview was conducted by the researcher himself using recorder to minimize loss of data.

3.3. Source & Instruments of Data Collection

This research used both primary and secondary data. Primary data is gathered by interview and questionnaire. The interview and questionnaire are designed with close ended and open-ended questions. Because, it helps respondents to express themselves without limiting answers which they can respond. The data gathered through interview will be helpful in order to get in-depth data, at the same time; help in order to support those data gathered using questionnaire. The questionnaire, on its part, consists of questions which focus on the different areas related to the management of transformational change for sustainability in Ethiopian Commercial Banks in particular and the concept in general.

In addition, at the end of the questionnaire respondents are invited to give their opinion on the subject under study, a strategic framework to manage transformational change. This was believed to make comparison of the overall response to the questionnaire and the respondents' general feeling. Moreover, an interview was made with concerned officials of the selected banks.

The interview questions which are semi-structured are extracted from the literature review and are designed to address issues related to the implementation of change initiatives towards sustainability, challenges in line with implementation of the initiatives, and how it this will contribute to the enhancement of employee, in particular and organizations performance, in general, and presented on the questionnaire.

This is believed to help the researcher to develop a strategic framework to manage transformational change for sustainability and to make comparison of the questionnaire respondents and the opinion of interviewee. It is considered to be of importance that using different information gathering techniques or methods, since there is no single source of information that can provide a comprehensive and complete perspective on the study.

So in order to fill the purpose of this study, in addition to the primary sources that are gathered through the above stated methods, secondary sources are also used. The secondary data are collected from reputable journals, articles, research publications, books and from various documents including internet and company reports, as well as unpublished materials which the researcher believed important.

3.4. Procedures of Data Collection

Most of the data used in this study are collected through questionnaire and interview. The questionnaire was distributed to the staff of the selected Banks. The data collection also be made in person. For the research participants (respondents) who need clarification on the questionnaire face-to-face and telephone briefings were made as required. An interview is also conducted with staff of the selected Banks which are working at different level, and with officials of the selected Banks, middle-level managers, and senior experts.

3.5. Methods of Data Analysis

The collected data was analyzed by using descriptive statistics. The numerical data in the study is analyzed with the use of statistical software SPSS version 20. In line with it, percentages are computed; tabulation and graphical presentations are also used. Content analysis is also used to analyze the data collected through interview from all concerned.

3.6. Ethical Consideration

The ethical issues are considered in the study: informed consent and issues of confidentiality. The use of informed consent is considered in the study by informing the respondents regarding the background of the study, including the importance of the data to be gathered from them. The researcher also ensured the respondents that all of the information in this study is solely used for this dissertation.

In addition, the researcher also make sure that all of the responses from the sample are given merit, whether the researcher agree or not to their individual responses. The researcher does not and will not disclose any personal information of the respondents, all of which had been explained in the conduction of the questionnaire and interview directly to the respondents. The researcher also pledge about these ethical principles towards all selected Banks for this study.

3.7. The Development and Validation of the Strategic Framework

The empirical findings from the previous stages of the study and aspects from review of literature were taken into consideration in the development of the framework. In this study, during face-to-face interviews, interviewees were asked the need for a strategic framework for managing transformational change towards sustainability. All of the interviewees cited the need for a comprehensive framework for the integration of managing transformational change so that the banks can secure sustainability.

Therefore, a framework was developed. The developed framework uses environmental, social and economic dimensions of sustainability as its foundation. The framework was validated with 15 professionals. The professionals had over 20 years of work experience in the Banking Industry. The professionals had been informed about the objectives of the study and ultimate aim of the framework via face-to-face discussion. Due to COVID-19 protocols set by government the next two meetings were held via virtual platform, ZOOM.

In doing so, the developed framework was attached to the professionals through email two weeks prior to the virtual meetings in order to make them be able to make them review the developed framework critically. And finally at the discussion sessions, the experts were asked for their respective comments on the developed framework.

The semi structured interviews and distribution and collection of the questionnaires were held between September 2020 and November 2020. The interviews had took from one hour to two and half hours.

The interviews were conducted face-to-face with crucial care to COVID-19 protocols and recorded, when the interviewee allowed doing so.

CHAPTER FOUR

4. Data Analysis and Presentation

The analysis of data obtained from the questionnaire, interview and other relevant information collected from the Banks is presented in this part. The findings are reviewed by considering different topic areas covered in the literature review part of this study and the questions included in the questionnaire and interview one after the other.

4.1. Demography of Respondents

In this section the demography of respondents is presented. It includes gender, age, educational status, marital status, total work experience, and job category of respondents.

Table 1: Demographic Variables

No.	Variables	Type	Frequency	Percentage
1	Gender	Male	237	68
		Female	113	32
Total			**350**	**100**
2	Age	20-30	81	23
		31-40	104	30
		41-50	88	25
		51 and above	77	22
Total			**350**	**100**
3	Educational Status	Masters	180	51
		Bachelor	170	49
		College Diploma	-	-
		Other	-	-
Total			**350**	**100**
4	Marital Status	Single	160	46
		Married	190	54
		Divorce	-	-
Total			**350**	**100**
5	Work Experience	Less than 4 Years	5	1
		4-6 Years	78	22
		7-10 Years	89	25
		10 & above Years	178	52
Total			**350**	**100**
6	Job Category	Top Management	5	1
		Middle Management	51	15
		Lower Management	288	82
		Senior Experts[1]	6	2
Total			**350**	**100**

Source: Questionnaire Survey, 2020

As indicated in the above table, 68% of the respondents are male and the rest 32% are female. To this end it can be noted that the industry is more of male dominant. However, during the interview as compared to previous times of the banking industry respondents felt that the role of female is increasing from time to time. Along with the expansion of the banking branch offices, and the increasing number of new entrant

[1] This experts are working in the Banks with an equivalent position to the middle level managers or above.

banks, the industry is becoming somehow open for female employees, even at the senior management members.

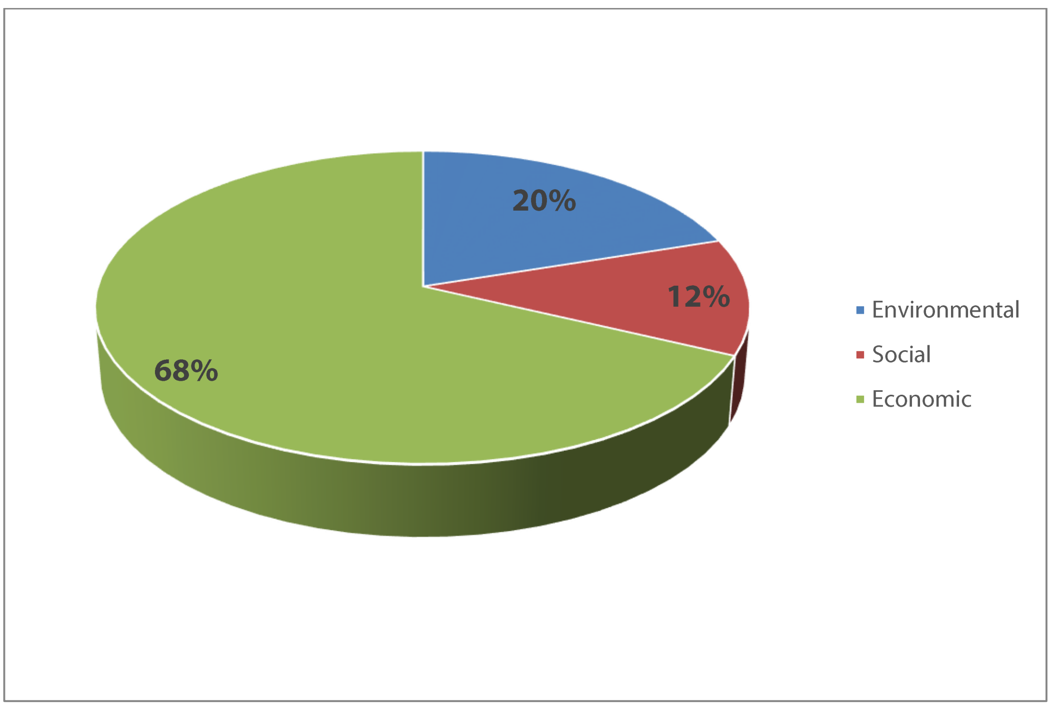
One interesting thing which can be seen from the above table is that most of the respondents are above 30 years of age, which counts about 77% of the total respondents, 350. The most important thing which was raised by interviewees was that in almost all banks the minimum criteria for being a branch manager is 5 years and above with a minimum of first degree in business fields. Actually there are banks which require 6 years. However, almost the industry is accepting five years as a minimum years of experience for being a Branch Manager and get in to the managerial category of the banks.

That is why all respondents are Bachelor and Master's Degree holders. One surprising thing here is that of the respondents 51% (180) holds Master's Degree and the rest are BA Degree holders. This signifies that the banking industry hires those who are graduated at least Bachelor and above. Even most of the banks grant their employees a benefit package for covering up their educational fee up to Bachelor Degree. Other allowances and benefit packages help employees to arrange on their graduate level studies by their own. As per the interviewees, the intention of the employees to hold Master's Degree is also attached to the recruitment process of Banks which they search for graduates with highest Cumulative Grade Point Average (CGPA) as a junior employee. Such employees mostly have a desire to upgrade their level and immediately join for colleges and universities to attend their masters programs.

54% of the respondents are married and 46% are single. And also 52% of the respondents have 10 years and above work experience. As it is mentioned above the minimum work experience criteria by most banks is 5 years of banking experiences. Besides, 82% of the respondents are working in the lower level management positions in the banks. And 16% are from middle and top management level. Extending the analysis, the more the respondents are experienced in the sector and are at managerial job category, the more the responses to be reliable in relation to the issue under study.

4.2. Understanding of Ethiopian Banks on Sustainability Dimensions

Chart 1: Understanding Sustainability Dimensions



Source: Questionnaire Survey, 2020

Of the respondents 68% replied as they feel sustainability is more aligned with economic dimension. Whereas the environmental dimension come second (20%) and the social dimension (12%) gets third and the list noted by respondents to be aligned with sustainability.

Even during interviewee, respondents have much more focused on the economic dimension than others. As to the respondents, the economic dimensions are related with deposit amount, foreign currency generation, profit amount gained, Return on Asset (ROA), Return on Equity (ROE), and market share. Such financial indicators are those which have got much emphasis and majority of the participants of this study are tempted to such responses.

During the interviewee respondents have raised that they are aware of sustainability and feels as the banks sustainability is aligned with meeting its purpose, which is maximization of shareholders interest (dividend which is mainly mentioned by the respondents).

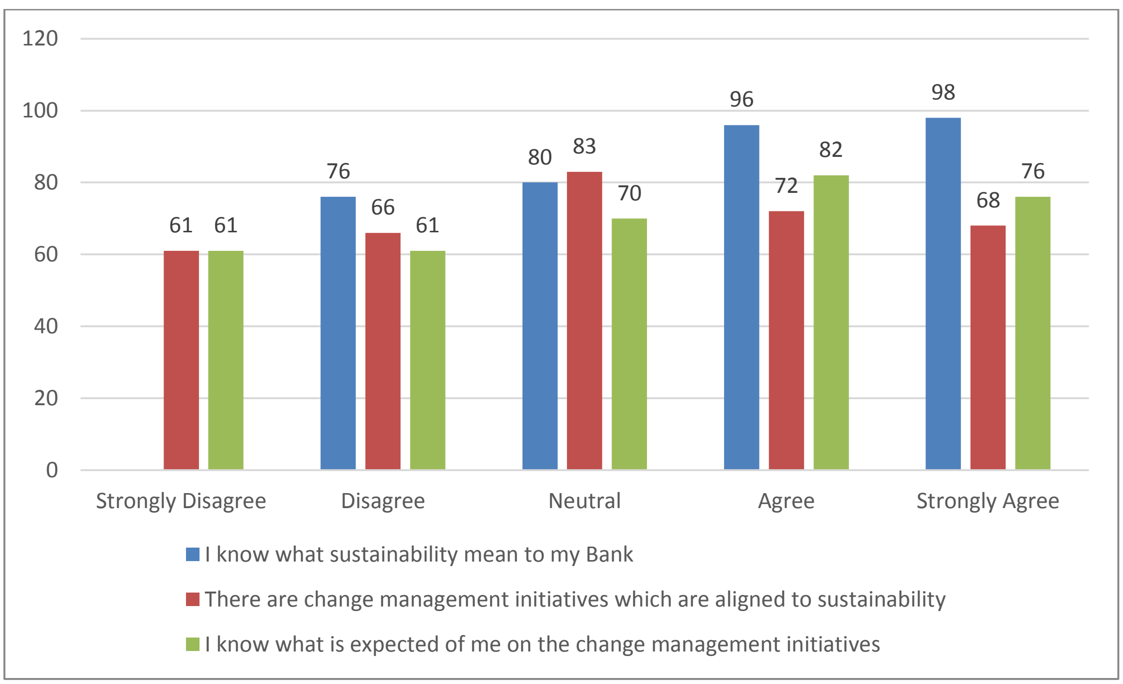
In relation to the social dimension interviewees mentioned as corporate image and reputation of the banks matters on the profitability of the banks. In addition to the image, the accessibility of banks through their branches or agents is the other thing which has an impact on the sustainability of banks. As they get more accessible to the population they will have the chance to have more number of customers.

The other thing which is raised is the employment opportunity which the banks have created. Especially in connection with the branch expansions which had been instructed by the National Bank of Ethiopia and the then revision of their strategies, the banks have created an employment opportunity to those citizens who fit for the post. This has contributed a lot to the reduction of unemployment rate of the nation, Ethiopia.

As to the environmental dimension, especially the interviewees have mentioned recent contribution of banks to the green initiative which is being launched by the Prime Minister of Ethiopia (Abiy Ahmed, PhD). As the case has got much emphasis, they have been engaging via planting seeds and other trees so that the banks can contribute to the future generations.

4.3. Sustainability and Change Initiatives

Chart 2: Sustainability & Change Initiatives



Source: Questionnaire Survey, 2020

As to the respondents feeling the shareholders remain in the business if they get dividend for their respective investments if not it will be a challenge even to continue in the market. In current times shareholders expect high rate of dividend than earlier times since the population size of the country is increasing and the public awareness, as a passage of time, is increasing. Moreover, the banks are expanding their physical branch outlets in the rural areas of the country as well. This and other initiatives are being changing the shareholders interest in an increased dividend.

Here it shall be noted that it is National Bank of Ethiopia (NBE) that have set the direction for the banks to expand in line with the Growth and Transformation Plan of Ethiopia. Actually NBE didn't issued directives in this regard, however, it was recommended for the banks to expand their branch outlets on average 30% and of which 2/3rd was recommended to be opened in the rural areas and 1/3rd only to be opened in city. This had been directed by the regulatory organ with an intention to reach the population with financial institutions and, besides, enhance the awareness of banking to the large majority of the citizens which are mainly agrarian.

55% of the respondents have responded as they know what sustainability mean to their respective banks, which counted about 194. Which is really admires is that about 21.7% of the respondents said they don't know about the sustainability's meaning to their bank. Moreover, 80 respondents are indifferent on the raised question, "I know what sustainability means to my Bank".

As it is well noted here that still 23.7% of the respondents are neutral if there are change management initiatives which are aligned to sustainability or not. On the other hand, 40% of the respondents agreed and strongly agreed on the existence of the change management initiatives which are aligned with sustainability. In contrary 36% of the respondents disagree and strongly disagree about the presence of the change management initiative. This can be further be seen with the responses which were given by the respondents.

During the interviewee session interviewees have raised an issues which is attached to sustainability is highly related with organizational system of the banks. The products and services which are being rendered by the banks are noted well and most of the tasks being performed are defined enough. In this regard, however, culture of the specific banks matters on how tasks are being worked and monitored towards sustainability. The most important thing, some staff, feel crucial is to clean up their table and do not remain with some tasks. This is good in an actual term, but all members of the bank needs to look up to the future stance of their bank as well.

4.4. Need for Change

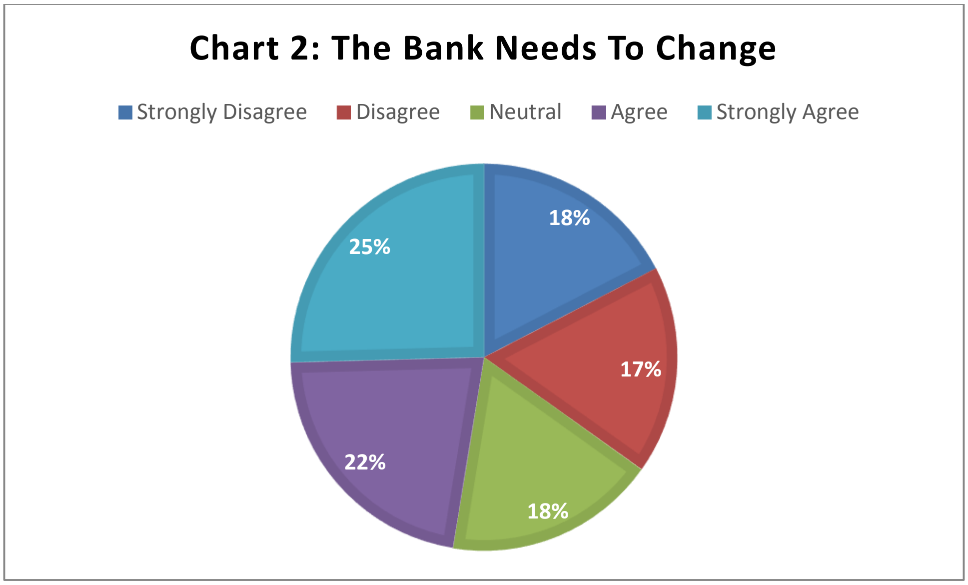
Table 2: Need for Change

Descriptions	Type of Data	SD[2]	D[3]	N[4]	A[5]	SA[6]
The Bank needs to change	Percentage	17%	17%	18%	22%	25%
	Frequency	61	61	62	77	89
I know what the vision for the change look like	Percentage	23%	-	25%	27%	26%
	Frequency	79	-	87	93	91
I am aware of the reasons why change is needed	Percentage	-	-	29%	36%	35%
	Frequency	-	-	101	126	123
There are number of rational reasons for change to be made	Percentage	-	-	-	50%	50%
	Frequency	-	-	-	174	176
The scope of the proposed change is appropriate and achievable	Percentage	17%	18%	21%	23%	20%
	Frequency	61	63	74	81	71

Source: Questionnaire Survey, 2020

In relation to the question if the Bank which the respondents are working needs change, about half of the respondents agreed as the Banks need to change.

[2] Strongly Disagree
[3] Disagree
[4] Neutral
[5] Agree
[6] Strongly Agree



Source: Questionnaire Survey, 2020

This shows that change is perceived to be appropriate to happen in most of the Banks. Moreover, the majority of the respondents feel that they know the vision of the change. However, 79 respondents, which are considerable number of respondents, don't know the vision of the change.

One interesting thing which all respondents agreed and strongly agreed about is that there are number of potential reasons for change to be made in the banks. Also in the interview conducted with the senior officials of the banks, they have raised lots of issues to justify that change is a must in the banks. Of the rationales they mentioned the increasing number of banks under formation and the new directives which have been issued by National Bank of Ethiopia (the Central Bank) to allow Micro Finance institutions to graduate and operate in the banking business is the critical one.

Moreover, the stiff competition in the industry and changes in customer experience has brought crucial challenges for the banks, so that the banks need to look up to their business and operating models with an agility principle. In addition scalability shall be in place to the banking business as new markets are being established and this will bring about opportunities to the banks. Moreover, the banks shall think of the threats which they may face in the future due to the fact that the external environment brings.

However, just as the banks needs to look at the external environment, the internal environment's strength and weakness shall be sorted out well. As the interviewees raised the staff engagement of the banks shall be seriously looked at and is the major concern in all banks under study.

Interviewees have risen as the accomplishments of some activities might have an immediate significant impact on other tasks which might wait for the tasks to be performed prior to the intended result. In this respect there are gaps which are being sensed and well identified. Such issues are attached to the quality and capability of the staff which will be determined as to the appropriateness of the change and its implementation. That is the reason why staff engagement matters in the implementation of change initiatives and achievement of intended results which in turn helps the banks to secure sustainable performance.

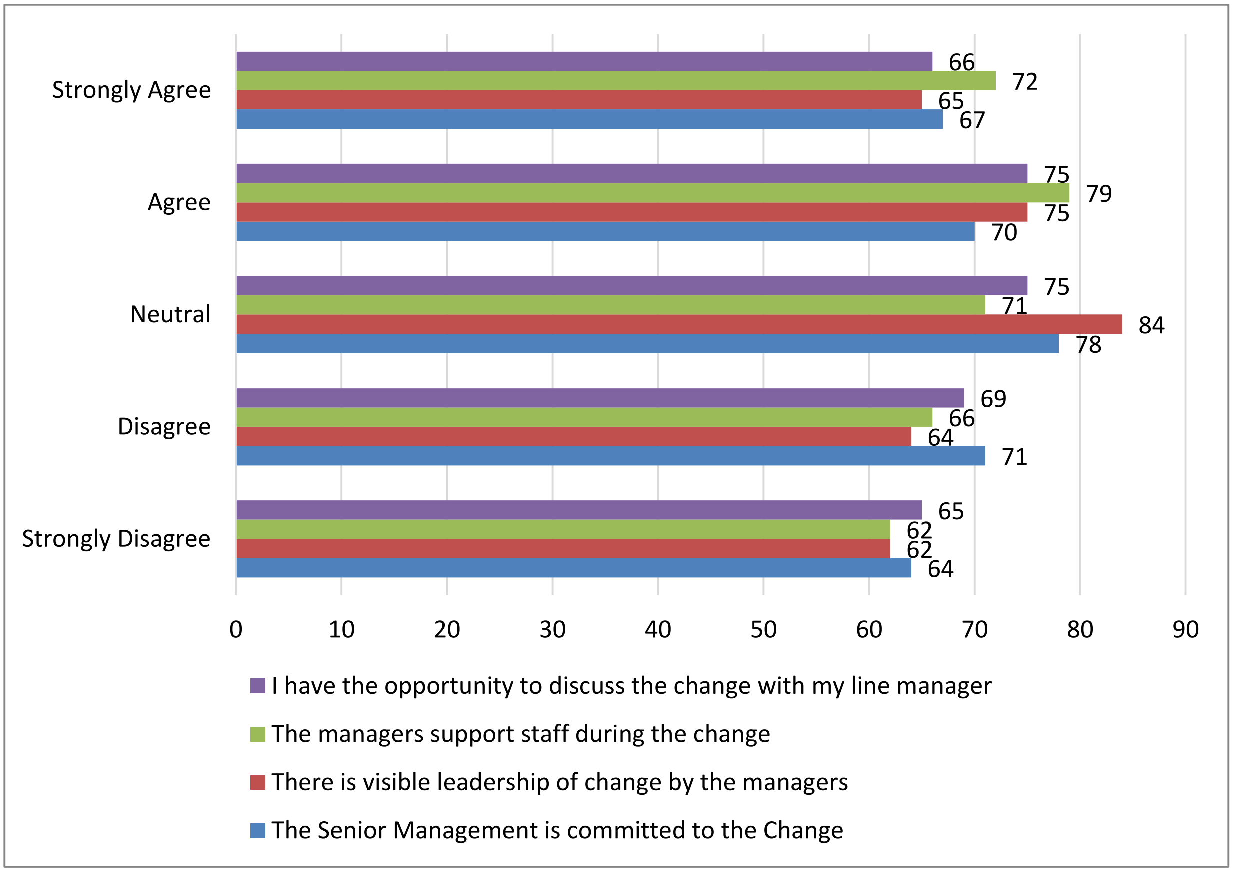
In relation to sustainability in banks, the chain of command is the other issue which is mainly raised by interviewees. This is mentioned as an area where the culture of the banks is set and a system is established. There are duties which might require to be performed in a team, but the chain of command needs to be intact as to setting the tasks for the designated organ and build the formal system in the banks. Mostly, interviewees of the face-to-face and virtual platform have raised that; the chain of command will get disrupted as the top management of the banks change. This seems to be the rule of the game in the industry.

Besides, in experiences of Ethiopian private banks is that when a Chief Executive Officer (CEO) or President has left a bank and joined for another bank, most of them shifts with their loyal staff (most of the time Senior Management members) at their earlier employment experience. By doing so, the systems which were functioning by the former Chiefs or Presidents were somehow challenged by the new entrants. The new entrants will come with their philosophy and try to change the set up to their learnt formats and some complications happened in most instances. To this end, few respondents argue that sustainability is highly reliant on the individual persons in some instances by mentioning some examples. And argue as such practices challenge the sustainability of the banks, in particular, and the industry, in general.

4.5. Leadership & Management

The respondents of the questionnaire were asked about their views about the leadership and management of their respective banks. The questions are related mainly with the senior management's commitment towards changes, the visibility of the change management aspect, the support of the management being delivered to employees and if the respondents have got an opportunity to discuss an issue of change with their line managers. In this respect most of the respondents fall on the neutral part. This shows that the leadership's role in such aspect is not visible to the bank's community. Moreover, as it is stipulated in the chart below significant portion of the response indicates that there is disagreement in relation to the mentioned issues.

Chart 4: Leadership & Management



Source: Questionnaire Survey, 2020

From the above table it can be noted that the leadership and management of the banks needs to be visible enough in managing the changes and enhance the credibility of change management initiatives. The discussion on the changes being implemented in the banks and also any intended changes shall be critically reviewed and communicated to employees of the bank so that they can contribute towards the achievement of the change initiatives. In such discussions ideas which were not considered by the bank might be raised by employees. As some of the interviewees raised such habits are not that much exercised in the banks. However, there are remote examples which are mentioned by the interviewees where some golden ideas were raised by employees during discussion times with them.

4.6. Attitude to Change and Communication

Most of the respondents of the questionnaires have agreed and strongly agreed as the change will be beneficial to them. However, even if there is not disagreement about 106 respondents are neutral to these questions. This is significant number since it is about 1/3rd of the total respondents. This shows that these portions of employees are not sure if a change is going to benefit them or not. This might have been related to their previous experience or any other reason can be taken to justify this issues.

However, in the interview session, interviewees have raised issues of such cases in relation to the staff's expectation which is much more exaggerated towards the benefit aspect whenever change happens in the banks. Unless and otherwise the benefits mostly through monetary terms, including promotion to a higher job grade, given, employees get to be somehow dissatisfied by the change happened.

This can also be supported by the number of respondents that believe the change will benefit the Bank. To this question, 104 respondents have responded as they are neutral to such question. This in turn has an implication that they are not sure if a change benefits the bank or not. This is almost the same number with the earlier question which is related to the benefits which they are going to get if change happens in the bank.

So, such indifferent views from the respondents shows that there needs to be a clear communication on the change aspects of the banks and clarifications shall be made on areas which may benefit the employees due to the change to happen.

In relation to the communication aspect, questions were set on the questionnaire designed for this study. As it is well stipulated in the following chart almost 1/3rd of the respondents are not in agreement with the communication aspects of the change initiatives in the Bank. This has a significant and considerable impact in bringing about sustainability in the banks.

Table 3: Communication

Description	Type of Data	SD[7]	D[8]	N[9]	A[10]	SA[11]
The communications I have received so far about the change have been useful	Percentage	18%	18%	22%	22%	20%
	Frequency	62	63	78	77	70
The communications I have received so far about the change have been well-timed	Percentage	18%	19%	24%	20%	19%
	Frequency	63	66	83	70	68
I understand how I can provide feedback on the change	Percentage	18%	20%	23%	20%	20%
	Frequency	63	69	79	69	70
I think there is enough consultation with staff on the change	Percentage	19%	21%	22%	18%	20%
	Frequency	66	75	76	62	71

Source: Questionnaire Survey, 2020

From the above table it can easily be noted that only less than half of the respondents are in agreement with the statement which says "the communication I have received so

[7] Strongly Disagree
[8] Disagree
[9] Neutral
[10] Agree
[11] Strongly Agree

far about the change have been useful”. If so, the majority of the respondents, about 58%, are either disagree or are neutral about the usefulness of communications which have been made by the banks. This signifies that there is a gap on the communication aspect of the banks. As it is well noted by many scholars of the area, communication is the major tool to manage resistance to change.

The term communication was mentioned repeatedly by interviewees also as an essential element for involving employees in the change process, building up trust among the banks community, enhance the change management and bringing about overall success in that regard.

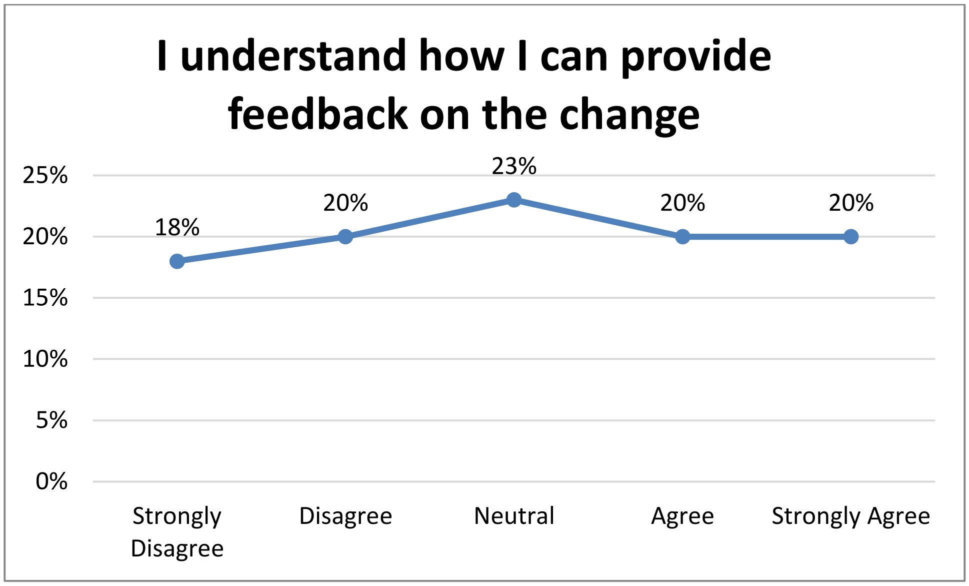
The time for communication on change is also another issue which interviewees also raised. As per interviewees change needs readiness in different platform, mentally, physically and even resource wise organizations shall think of their readiness. Most importantly employees who are working in the banks shall prepare themselves to cope with the change which happens in their respective banks. Hence, they recommended as the change communication shall be clear, understandable and logical which will at the same time connected to the employees and other concerned organs daily work.

Moreover, apart from being timely the communication on change is recommended by most of the interviewees to be constant. However, few of the interviewees were raised as the communication shall be made at the starting period only and once all is communicated, it is up him/her to be abided to pass by through the change management process. Basically, most of the respondents which have recommended to be consistent has raised that the timeliness of the change communication will be addressed and will benefit the banks if it is constant by its nature and in the meantime the feedbacks from different stakeholders can be incorporated in the change communication on time for any issues which needs communication to the stakeholders.

At this point, interestingly, participants of the study have mentioned about the openness, honesty and culture of transparency to smoothen the change communication related facts of the banks better positioned.

There are some interviewees who raised their worries on the level of openness as well. They further elaborated that the level of openness in the change communication shall be well monitored. All concerned organs of the bank shall get relevant information only to their end. Apart from that there may be a need for informal communications which will help to get ideas of employees which they might not be able to raise it in the formal channel of communication. Such inputs can be used as feedback on how should the change communication aspect is conducted.

Chart 4: Providing Feedback



Source: Questionnaire Survey, 2020

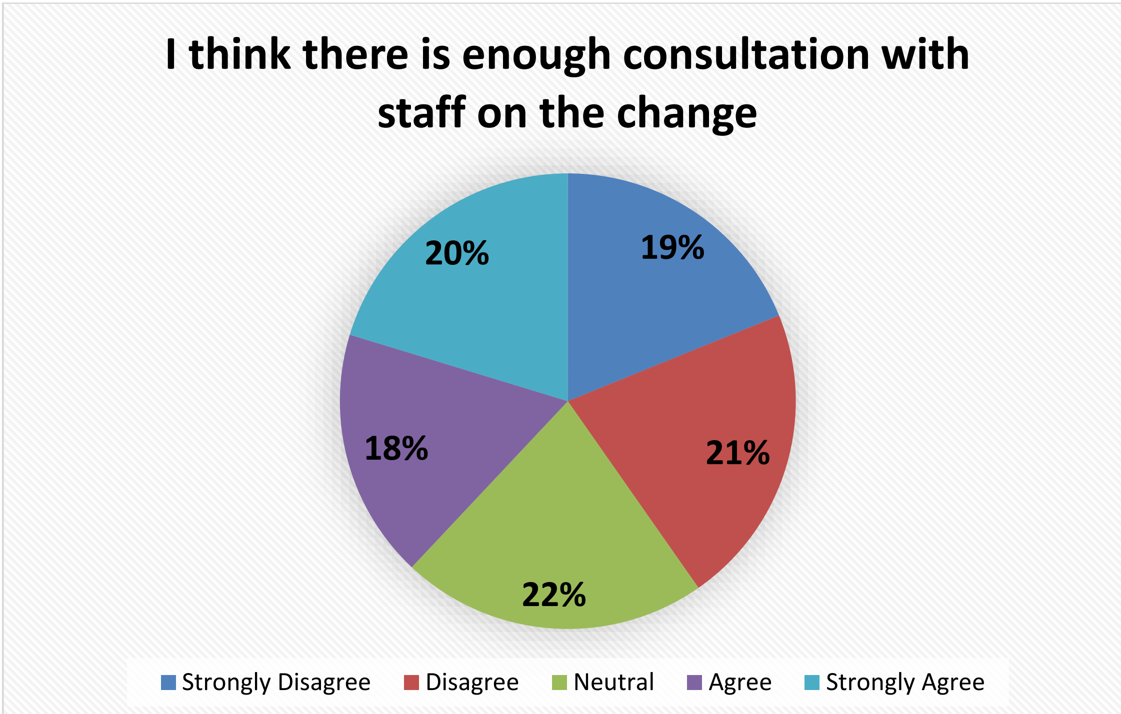
This will enable the banks to create an opportunity for staff and other stakeholders to know how they should send their feedback on the change. As it is described in the above table, only 40% of the questionnaire respondents understand how can they give their feedback on the change. This signifies that about 60%, which is the large majority, fails to understand or are indifferent about how they can provide feedback on change.

As it is well mentioned by interviewees, in the process of change people moves at different pace. There are people who will fix immediately to the changes and there are others which need some more time to adapt to the change that is being happening. At this critical point, interviewees recommends that feedback is an important method which helps the banks to monitor the progress of change and take everyone on journey of change to meet one common goal of the banks.

Feedback helps to get information on the feelings of employees and other stakeholders so that the change communication shall be adjusted to the way which different stakeholders can best suit to their needs. This is raised by interviewees as it will help the banks to increase the number of stakeholders who will understand the change and in turn speeds up the change management journey. However, one interviewee has mentioned with an emphasis that regardless of how compelling the change case is, people need time to get on board and any feedback which might be heard due to confusion shall be accepted as normal and the banks shall work on it to make things clear and understandable enough.

By listening to the feedbacks of employees and other stakeholders, the banks can drive the design of their change initiatives as well. Through the feedbacks, the banks can get the areas which they need to focus more on, how should the communication shall be made, and other areas which shall be addressed along with the existing initiatives might also be derived from employees.

Chart 5: Consultation with Staff on Change



Source: Questionnaire Survey, 2020

In relation to the participation of staff in the change process, only 38% of respondents feel that there is enough consultation on the change. Here also it can be seen that 62% of the respondents are not in agreement about the consultation of staff on change. In this regard, not only employees, but also other stakeholders like customers shall be part of communication, as per the responses of interviewees. Such communication can be conducted in a bigger circle, be it in a group or so, or a one-to-one conversation.

In relation to the COVID-19 issues interviewees has risen as they are also experiencing virtual platforms and things are getting easy to meet being at your office with many employees and other stakeholders as well. However, some of the interviewees never accept such platforms and change communications shall be made through face-to-face platform only. According to the interviewees it is the face-to-face modality of conversation which will lead the banks to better working relationships and pleasurable atmosphere.

In relation to the clarity of the communication, three interviewees has stated that the communication shall be made from the center and shall focus on the meaning of the change to the banks, the benefits of the change to all stakeholders and what impacts will the change brings to the banks, and no business secrets shall be communicated. In addition to this, the monitoring and evaluation of the change is raised as an important aspect of change, where feedbacks can be considered and remedial actions can be taken as and when necessary.

4.7. Preparation for Change

As it is mentioned by many interviewees preparation is an essential precondition for an overall organizational change. This is also raised as critical which many banks fails to plan beforehand.

Table 5: Preparation for Change

Descriptions	Number of Respondents				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I feel that I have the necessary skills and knowledge to make this change work	-	-	111	122	117
I think that change is usually well-planned in the Bank	64	70	74	71	71
The Bank usually provides appropriate training for those who need	67	78	73	67	65

The staff at the Bank generally have the skills required for this change and will be able to build on these	63	79	69	75	64

Source: Questionnaire Survey, 2020

As stipulated in the above table 239 (68.3%) respondents of the questionnaire have agreed as they have the necessary skill and knowledge to make the change works. At the same time, 111 respondents, which counts about 31.7%, and indifferent about their feelings if they have the necessary skills and knowledge which make the change work.

However, the next questions doesn't have the response rate like having the necessary skills and knowledge that makes the change work as stipulated in the table above. Rather, about 40.6% of the respondents think that the banks which they are working at usually apply the planned approach of change management. The rest are either in disagreement, or neutral to respond to the case.

In continuation to the data stipulated in the table above, 67 respondents (19%) strongly disagree on the questions "the Bank usually provides appropriate training for those who need". In addition 78 respondents (22%) disagrees the same question. In total about 145 (41%) respondents are in disagreement regarding the provision of appropriate training for those who needs it. Interestingly, still at this point, 73 respondents kept the neutral option, which is significant number of responses.

Interviewees also have raised the issues in relation to the trainings as there are some sorts of trials to train staff. However, it is not meant that the training which is being conducted by the banks are enough and to the expected level. Rather, some interviewees specifically mention that, in recent time training is being arranged and facilitated by the banks due to the direction given by National Bank of Ethiopia to invest an amount which costs about 2% of each bank's recurrent budget to training and development activities.

One interviewee specifically mentioned as some of the training topics are even being facilitated just to incur the cost which has been set by the regulatory organ, National Bank of Ethiopia. Because, as per the interviewee, the regulatory organ have instructed those banks which failed to spend the mentioned amount of money at the end of their budget year will be urged to return the unutilized amount to the National Bank of Ethiopia. Afterwards, the Ethiopian Bankers Association was instructed to consolidate the unutilized training budget from all banks and strengthen the human development and training activities of the banks by arranging training to staff of the member banks.

The other question is related with the respondents' perception about the skills of staff of the bank in general. The question reads as "the staff at the Bank generally have the skills required for this change and will be able to build on these". The response rate is surprising as compare to the earlier question which almost 68.3% of the respondents felt that they, themselves, have the necessary skills and knowledge to make this change work.

The response rates states as noted in the above table that only 39.7% of the respondents felt that the staff at the Banks generally has the skills required for this change and will be able to build on these. The rest 60.3% are either indifferent (19.7%) or disagree (22.6%) and strongly disagree (18%).

This tells that even if the staff of the banks feels that they (individually) have the necessary skills and knowledge, they are not confident enough by other staff of the banks if the required skills are learnt which in turn help the banks to implement the change initiatives and manage them towards securing sustainability. This can also be aligned with the readiness of change which is believed to be of everyone's task and all shall play its part.

In the real business environment organizational growth and development is affected by a number of factors. Of which the most important aspects of organizational development is change management. According to the interviewees, during the change management process and while implementing the change initiatives in the banks, employee training plays a vital role in smoothening the implementation of the change initiatives and enhancing the performance of the banks. This in turn leads to positioning the banks in better positions to face the stiff competition in the industry and be in the leading list.

4.8. Drivers of Managing Transformational Change towards Sustainability

There are different drivers which have forced the banks to manage the change towards sustainability which are mentioned by the respondents.

Of the drivers which most of the respondents have mentioned are the issues of accountability in leading the banks. Most of the leaders need to show their courage and good performance for their shareholders and the public at large so that they can best fit in the industry and perceived as better leaders so that they are shouldering their responsibilities to the expected level. This is going to be proved if the shareholders have got their dividend at the end of the period. Moreover, the employees of each bank expected to get better earning and bonuses at the end of the period.

The issues which mostly relates to economic benefits are attached to the efficiency of the banks. In this regard, cost reductions are the one which has risen. This can also be bring to the banks by identifying those areas which brings about extra expenses and moderate them to be optimal and also shall eliminate non-value adding processes in their internal business processes.

The other most important issue mentioned is the culture of the banks which is a driver for the management of the change. As it is well noted culture is the most important aspect of an organization and by virtue of their existence banks do have their culture which varies from one another. However, if the banks are not going to set a culture which best suit to their organizational set up, then the culture itself will be set by the bank's community. Hence, considering the importance of the mentioned concept, sustainability, culture is raised as an important driver.

the work force which is employed in the banks is another driver raised. Actually, this point has been attached to the size of the banks in the industry. As it is well noted by many scholars "manpower is the most valuable asset". This shows that employees are of the paramount important for an organization's success or failure. So the banks need work on enhance the capacity of their employees so that they can have efficient and effective processes. As to most of the interview participants has raised that the competitive advantage for Ethiopian banks is their human capital. Taking the current market in to consideration, most of the banks provide the same products and service. More or less they provide almost the same interest rate and charges for the service which they provide (even if there is somehow minimal difference in the pricing). Hence, the respondents argue that the banks manpower is a driver for the bank's sustainability.

The issue of manpower of the banks has many attached arguments raised by the respondents, like attraction and retention of the talented employees will enable the banks to get an increased competitive advantage which will lead it to be the most preferred one by its customers.

Sustainability is one of the issues which most recently all the banking people are using but more inclined to the economic aspect only. Even in this respect, communication is believed to be one of the important issues by the interview participants as it will reduce information asymmetry. If the communication is not managed well it might distort the intention of the banks and lead to resistance. Even if resistance cannot be avoided, it can fairly be managed. In managing such resistance communication plays an important role in clarifying what the change has for them and why does the change shall happen to the best interest of the bank and themselves.

Of the issues raised by the interview participants the competitive environment which Ethiopian banks are engaged in is also a driver to manage the changes. In this respective the regulatory organ's (National Bank of Ethiopia) directives and issued instructions are also one of the drivers for the management of change. Such issues are being managed in intent to make the banks sustainable and keep on going to the future state of their vision. By doing so, banks try to work on setting their plan in a way that will make them sustainable enough in the industry. In this regard, setting targets by assessing the internal and external factors is mainly being performed by the banks as respondents have stated during the interview sessions.

Profit, as repeatedly mentioned by the respondents, is the critical factor or driver for sustainability and to make the banking business run in a way that will make the shareholders comfortable and the regulatory organ's intent of having better competition in the financial sector.

4.9. Appraise Change Management Activities

It is well said by all respondents that change is something which they experience in their respective banks. As change is not about maintaining the status-quo and the sustainability requires being adoptive to what is happening in the banking business environment. As things change frequently in Ethiopian banking industry, tomorrow seems to be uncertain.

However, it is mentioned that most of the banks are not that much well to add up on what they have and rather they tend to check on the experiences of other banks in the industry and follow on. In this regard, the respondents have mentioned as most of the banks feel safest by doing things late to grasp the late comer advantage. Besides, at present some banks are bring about a leading mentality and this is inspiring other as well.

The management of change is felt by the respondents to be made consciously as it needs its own resources to be deployed on time. Time also matters in implementation change initiatives as the timely actions help banks to get best out of the change initiatives.

Most of the changes which are being implemented in Ethiopian banks is planned as most of the respondents have mentioned. This has somehow made the banks to be not respondent with immediate effect to unplanned changes unless and otherwise which are directives from the National Bank of Ethiopia, the regulatory organ.

4.10. Contribution of Change Initiatives towards Sustainability and Competitiveness

As the banks have developed their corporate strategies in recent years, they do have different change initiatives which are believed to bring about them towards sustainability and competitiveness.

In this regard, of the major pillars of the mentioned banks profitable growth and sustainability is one which has been mostly mentioned issues even by the Chief Executive Officers of the respective banks. To do so, manpower aspect of the banks needs to be motivated and engaged in a way that will fit for the intended mission and vision accomplishment.

Even if there are change initiatives, the banks mainly lack the implementation of change initiatives and bringing about the change implementations through change agents or change champions. And in the implementation of change initiatives most of the respondents raise the resistance they face from employees. The resistance is mainly raised as recurring.

CHAPTER FIVE

5. A Strategic Framework for Managing Transformational Change towards Sustainability

According to Dean and Clarke (2003), a framework acts as the underpinning of the general theory. Where there is an absence of theory, a framework is useful in organizing a particular subject, by identifying the connections between various component parts and recognizing areas where further development is required (Sprague, 1980).

Furthermore, a framework is useful for theory generation as they assist in organizing inquiry. However, Augenbroe et al. (1998) acknowledge that the framework ignores what they state as the 'real problem'. According to them this lies on the transition or boundaries between different system levels, actors and life cycle stages. They further stress the lack of support for integral comparison of different alternatives. When the effectiveness of implementing sustainability initiatives is considered, it is important to see how well the stakeholders involved in a particular process phase, interact to deliver sustainable requirements at different system boundaries.

Beer and Nohria (2000) noted that one of the key reasons for failure of any change initiatives is due to lack of integrated framework for understanding change. Therefore, it requires a framework that allows executives to identify emerging sustainability issues, assess the impact of the company's ties on all its key stakeholders, measure the business value of relevant sustainability initiatives implementation process brought to light the interconnected nature between the activities within the process phases and influence factors that affect the success of these activities. The lack of attention given to fulfilling all the activities within the phases and effectively managing the influence factor was observed to bring about poor or sub-par levels of achievements in terms of sustainability objectives.

In this study during the interview, interviewees were asked the need for a strategic framework for managing transformational change towards sustainability. All of the respondents and interviewees stated the need for holistic and comprehensive framework for addressing the issues relating to both the uptake and implementation of change management initiatives towards sustainability. Many interviewees noted that there are executives who are familiar with managing traditional financial values, whether in terms of economic value added or other measures driving share price performance. However, their executives are less knowledgeable about developing, deploying and managing and measuring social and environmental issues and values.

Considering the above discussions, it is clear that there exists a need for developing a holistic, comprehensive strategic framework for managing transformational change towards sustainability. Such a framework should be clear and easily understood by variety of stakeholders with diverse backgrounds, who are involved in the different phases of the implementation process. The framework should also have a means of aligning and integrating the organization level objectives and actions.

5.1. Proposed Framework for Managing Transformational Change towards Sustainability

The framework consists of three stages: inputs, process and outputs. The inputs of the framework include the key drivers for implementing sustainability initiatives. These inputs guide decisions of managers and the processes that the organization undertakes to improve its sustainability performance. After evaluating the inputs and likely effects on sustainability performance managers, can develop the appropriate processes to address sustainability initiatives.

The policy, structure, reward systems, training program, sustainability-related activities and performance reporting are key success factors for successful implementation of sustainability initiatives.

The effective implementation of sustainability initiatives can lead to improved environmental, social and economic value. Also included in the framework are continual feedback loops that decision makers can use to evaluate and improve organization sustainability strategy.

5.1.1. Inputs

Inputs are considered as drivers of implementing change management initiatives towards sustainability. The inputs of the framework include the external drivers (regulatory requirements) and internal drivers (commitment from leadership).

Understanding the drivers is helpful for leaders to identify the resulting sustainability related drivers in their organizations. The second is this could act as a much-needed catalyst for stimulating internal discussion and debate about sustainability issues threats and opportunities in the market and society. Thirdly, it should assist decision makers to develop sustainability strategy based on the drivers. Finally, this could expose the mechanisms that foster sustainable organizations, allowing managers and decision makers to determine the relative efficacy of actions, market measures and voluntary measures (Bansal and Roth, 2000; Grayson and Hodges, 2004).

This study revealed that different mix of forces drives banks to implement change management initiatives towards sustainability. The drivers are shareholders interest, regulatory requirements, cost efficiency, brand image and reputation, competition in the banking industry, change in customer preferences and experiences, and new entrant banks in the industry. In actual terms for some banks the key drivers may be all or some of the drivers.

5.1.2. Processes

The process stage, which is the second stage, consists of five sub-processes. They are: understanding the concept of sustainability in the banking sector, identifying and implementing key sustainability focus areas, change management initiatives for dealing with sustainability initiatives, implementation of the change management initiatives, embedding issues of sustainability in the change management functions and performance management in the banking sector.

Understanding the concept of sustainability in the banking sector: the concept of sustainability is somehow confusing as it is revealed in this study. Most of the issues which are being focused by the banks in relation to sustainability is geared towards economic dimensions. However, in one other ways the environmental dimensions are also raised somehow and the social dimensions are also being raised rarely.

In order to enhance performance in a sustainable manner, leaders of the banks shall recognize and better understand the concept of sustainability. To address the sustainability issues, three-layered bottom line concept offers business leaders a twenty-first century management framework.

Identifying and implementing key sustainability focus areas: after evaluating the key drivers and their likely effects on economic, environmental and social value, banks need to develop appropriate strategies, policies and procedures to implement change management initiatives. By doing so, there needs to be a leader for the change management aspect who will report to the top leader of the Bank as the change management initiatives need an appropriate attention from the senior management of the Banks. Hence, such tasks shall be backed by structure. Here is the point where banks shall identify the key focus areas for their sustainability. This helps them to define which issues need attention since mostly leaders use indications to place issues in perceptive categories. Besides such tags help the leaders interpret the issue because of their pre-assigned attributes, and shape organizational actions towards sustainability of the bank they lead.

In this study it is revealed that five critical sustainability related initiatives have been being implemented by the banks. They are establishment of strategic partnership with corporates, segmenting customers of the banks so that customized services can be availed along with values to be proposed to the respective customer segments, addressing constantly changing needs of customers, increasing efficiency, optimal resource management (including the human resources management).

Sustainability issues are complex, dynamic, and multidimensional. Hence, the banks need to continuously assess of their economic, environmental and social impacts to realize where critical pressure is most likely to come, how well and how quickly the banks shall respond to changing critical sustainability related drivers for growth.

It is critical to collect and analyze information on initiatives which will determine the sustainability of the banks for an improved resource mobilization, improved resource utilization, enhanced customer satisfaction, better process efficiency, and driven by motivated and engaged staff. Thus, while reporting on the performance of the mentioned facts will enable the banks to communicate their achievements in relation to sustainability of the banks to the broader stakeholders.

As it is well noted by different scholars of the area change management and issues related to sustainability must be backed by the commitment of the top leaders of the banks. Most of the activities being executed and instructed by the leaders shall convey the right message to the banks staff and other concerned organ so that their commitment can be well understood. And above all this will be considered as the top of the leadership and will increase the level of effort which the concerned organs of the banks will exert.

Besides, the banks change management strategies, which are believed to gear them towards sustainability, related policies and procedures, structures, reward systems, training program and performance management system are need to be developed to move the bank toward a full integration of the change management initiatives towards sustainability. Such a move must be perceived as a core value, central to the bank's operations, rather than as a reaction to current or pending regulatory directions.

While the banks work on the implementation of the change initiatives, first they shall assess their change readiness so that they can meet major challenges they may encounter in the implementation process which will intend to lead them towards sustainability; meeting today's needs without compromising the ability of future generations to meet their own needs. Moreover, the banks shall select and appoint change champions so that key stakeholders can be identified, a change communication plans will be developed and the communication be conducted, afterwards rolling out the change management initiatives will be handled, so that the banks will secure their respective sustainability.

The other process is to embed issues of sustainability in all change management initiatives. This process needs to have the leaders' commitment and a trust from the stakeholders on the leaders; transparency is also one of the critical issues which needs to be worked out, attitude and culture change is important to bring about efficiency so that meeting today's needs without compromising the ability of future generations to meet their own needs.

In this regard, evaluating the performance of the initiatives is also one of the processes of the framework. Via which assessment on the implementation shall be conducted. This evaluation enables the banks to scrutinize themselves if they are on-track or off-track. The main metrics which shows sustainability of the banks include, return on asset, return on equity, market share, profitability (amount of profit, customer satisfaction index, employee engagement score, governance, risk and compliance, and to benchmark on leading practices. This helps the banks to check on themselves against their change initiatives and if it is geared towards sustainability or not.

5.1.3. Outputs

The outputs, the final stage of the framework, are in the form of competitiveness variables. Change initiatives can improve competitiveness in several ways. For most banks, the ultimate focus of change management strategy with an intention to bring about sustainability must be long term performance. This study result shows the effective implementation of change management initiatives have positive impact for sustainability of the banks. Of which increase shareholders value, improved employee's and customer satisfaction, job creation, being accessible to customers, enhanced brand reputation and image, and compliance to regulatory requirements are the most important outputs which are crucial for the banks to be sustainable encompassing the three dimensions of sustainability.

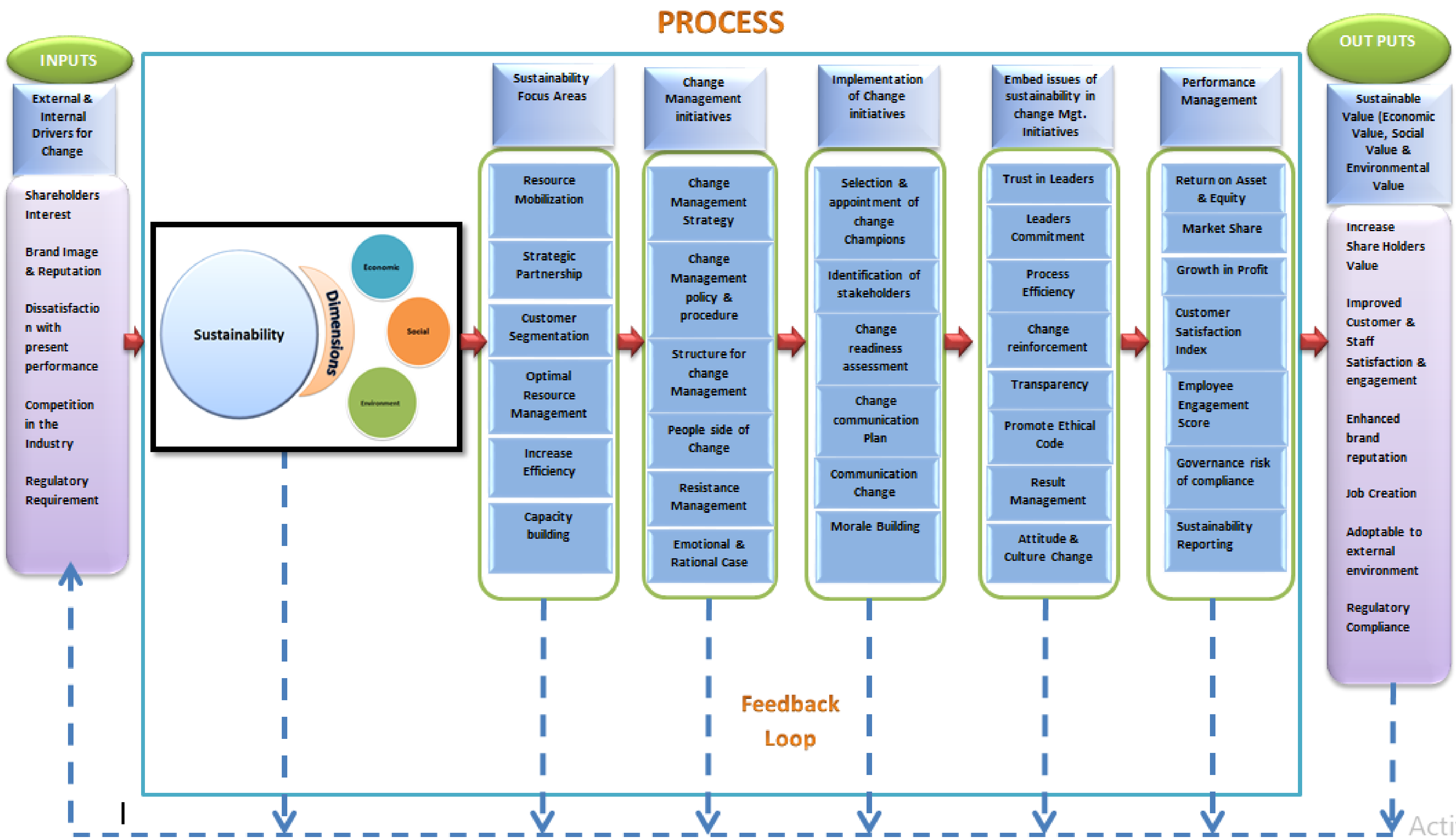


Figure 5.1. Strategic Framework to Manage Transformational Change towards Sustainability

5.1.4. Validation of the Framework

The proposed framework was validated using qualitative interviews and virtual discussions during the final stage of the research. Herein, the term validation is not used in the positivist sense (i.e. to refer to "nothing less than the truth' knows through 'language referring to a stable social reality' (Seale, 1999). Rather the term is used to encapsulate some of the criteria put forward by Corbin & Strauss (2008) to evaluate the quality of research findings derived using the principles of grounded theory. These criteria are;

- 'fit' (i.e. ensuring that the findings 'resonate' with the experience of the professionals for whom they are intended).
- 'applicability' (i.e. establishing the usefulness of findings)
- 'logic' (i.e. ensuring that there is a logical flow of ideas, making sure that there are no significant gaps in logic).
- 'depth' (i.e. ensuring that there is sufficient substance within the findings

As stated in chapter three in this study, the developed framework was validated with 15 senior professionals who had over 20 years of experiences in the organization.

In this study, during face-to-face interview and the virtual discussions, the interviewees were asked about the comprehensiveness of the developed framework. Most of the interviewees agreed that there is a very high level of coverage in terms of the constituent sections of the developed framework. There was further agreement amongst interviewees that there was a high level of coverage in terms of the contents provided within each section. The interviewees also felt that the flow and the logic of the framework were easy to understand and clear, indicating a high level of logic. Overall, the interviewees felt the framework presented a useful tool for implementing change initiatives which will lead to sustainability; providing greater understanding and awareness on sustainability issues and guiding actions for implementing sustainability practices.

Furthermore, the interviewees were asked if they recommend the framework for use of other organizations, and all interviewees have responded as it can be applicable. Conversely, most of the interviewees recommended that the developed framework can be further tested and revised by both academic and real business context.

CHAPTER SIX

6. Conclusions and Recommendations

The following recommendations are drawn from the data analysis made in the earlier chapter and following the conclusions, the recommendations will follow.

6.1. Conclusions

As it is well noted in the data analysis, even if issues related with sustainability have three dimensions, in the Ethiopian Banking industry more of it is been understood more aligned with economic dimensions. However, the social and environmental dimensions are also noted. Besides, the banks are concerned about sustainability in the markets, specifically in the current business environment.

In relation to implementing change management initiatives, it is noted that there are internal and external drivers for the change management initiatives. To this end, the shareholders interest, brand image and reputation, the performance level of each bank at the point in times, the competitive market environment and the regulatory requirement to be met in order to operate in the banking industry are of the major drivers of implementing change initiatives so that the intentions of sustainability can be achieved.

To this end, implementations of change management initiatives are not easy and there are challenges which are being faced by the Ethiopian Banks. In this respect, the banks top management commitment, the trust in the leadership by the community of the bank, the stakeholders' engagement, so that the communication on change is believed to be most important one to enable the change be accepted and understood by all concerned organs. If not, the implementation of change may face resistance.

In due course, adoptability and being flexible by the banks is one of the most important facts which will enable them to be agile and improve their areas of weakness so that the changes in this regard will be managed. The management of change in Ethiopian banks lacks its concern as expected it to be which will have an adverse impact towards sustainability of the banks.

That is why a strategic framework is needed to manage the change initiatives which will transform the banks towards sustainability. The framework is believed to be a guideline to make the banks be able to embed the concepts of sustainability in each and every aspects of change management. This will in turn lead the banks to be able to manage transformational change management initiatives in a better way so that sustainability can be achieved by the banks.

6.2. Recommendations

The following recommendations are drawn based on the findings of the study:

- The concept of sustainability shall be understood in a more holistic perspective having the three dimensions (Economic, Environmental and Social) in to consideration and this has to be noted and communication in this regard shall be continuously conducted to all concerned stakeholders of the banks.
- Apart from the sustainability development issues which has been repeatedly been heard at the government level, the green banking concept shall be well articulated as a policy and implemented by the regulatory organ (i.e. National Bank of Ethiopia). In this respect, even if the banks products and service do not directly pollute the environments, while funding different projects, the banks need to control and monitor for what kind of projects are the funds being utilized so that the banks can indirectly monitor the ecological impacts of their respective funds.
- The sustainability reporting principles shall be in place by the regulatory organ by considering the experiences of other countries. To make this happen a continuous readiness assessments and attached trainings shall be conducted and all concerned organs shall take part in the discussions to be held in this regard.

- Creation of the culture of change shall be considered well while implementing such issues. Because, the people side of change management is the most important and critical one for the proper implementation of the change initiatives.
- The knowledge management is another aspect which the banks shall focus on. For the reason that, in order to bring about sustainability the banks needs to have uninterrupted system in their business processes. So the culture of knowledge management is help full for the banks to make them able to have a stored knowledge which can be traced so that employees of the banks or any other concerned can learn for the knowledge management portals.
- Organizations are about their internal system which the work on and change in individual employees shouldn't have to bring about a shock to them. Hence, in relation to reduction of indispensability of individuals the organizations internal system shall be able to function without fail in relation to individuals and this helps the banks to be sustainably strong.
- In managing the banks towards sustainability, continuous trainings, leadership development program, coaching and mentoring activities shall be implemented.
- In this regard, such activities and implementation of the change management initiatives are believed to bring about competitive advantage to the banks. In this respect best practices shall be benchmarked and the lessons learnt from same shall be implemented. This in turn helps the Ethiopian banks to remain competitive enough and sustainable along with the change in the environment.

- Since the concept of sustainability and change initiatives are new for the Ethiopian banking, the knowledge in this regard is scarce and there needs to be a gut by the Ethiopian banks leaders (the National Bank of Ethiopia also) to arrange different sessions (training, focus group discussion, panel discussions, etc.) in relation to change management and sustainability. Such platforms will enable the Ethiopian banks to deliberate on the facts in relation to change management and transformation so that sustainability can be secured. Moreover, such sessions will help the banks to share lessons on the successes and failures on some initiatives.

6.3. Suggestion for Further Studies

This research work is centered on developing a strategic framework for managing transformational change towards sustainability in Ethiopian Banking Industry. Therefore, further research should be carried out in other industries or countries beyond. Hence, additional research to further explore the issues in relation to the management of change and sustainability are called for.

References

Accenture's survey report, 2009, https://www.criticaleye.com/inspiring/insights-servfile.cfm?id=2400 retrieved on December 11, 2020

Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.), Advances in experimental social psychology (Vol. 2, pp. 267-299). New York, NY: Academic Press.

Agriculture and Industrial Development Bank of Ethiopia (AIDB) Annual Report, various years

Amasuomo, E., Hasnain, S.A. and Osanyinlusi, A.Y. (2015) Sustainable Development in the Context of Major Infrastructure projects in United Kindgom, Journal of Geoscience and Environment protection, 3 pp. 44-55.

Angelakopoulos, A. and Mihiotis, A., "E-banking: Challenges and opportunities in the Greek banking sector," ECR Electron Commer Res, vol. 11, pp. 297-319, 2011.

Ansari S., Munir K. and Gregg T. (2012) Impact at the 'Bottom of the pyramid, The Role of Social Capital in Capability Development and Community Empowerment, Journal of Management Studies, 49 (4), 813-842.

Ansoff, H. I., & McDonnell, E. J. (1990). Implementing strategic management. London: Prentice Hall International.

Aras, G., Texcan, N., O. and Furtuna K., "multidimensional comprehensive corporate sustainability performance evaluation model: Evidence from an emerging market banking sector, " JCP J. Clean. Prod., vol. 185. Pp. 600-609, 2018.

Aspinall, S., Sertyesilisik, B., Sourani, A. and Tunstall, A. (2012) How Accurately Does Breeam Measure Sustainability? Scientific Research, 3 1-8.

Atkinson, H. (2006) Strategy implementation: A role for the balanced scorecard?, Management Decision, 44(10), 1441-1460.

Awash Bank Reports, Various years

Azevedo, S., Godina, R. and Matias, J. (2017) “proposal of a sustainable circular index for manufacturing companies, “ Resources, vol. 6,.

Banerji, P., & Krishnan, V. R. (2000). Ethical preferences of transformational leaders: An empirical investigation. Leadership and Organization Development Journal, 21 (8), 405-413.

Barnard, M. and Stoll, N., (2010). Organizational Change Management: A literature Review. Bristol Institute of Public Affairs University of Bristol, [online] Short Policy Report No 10/01. Available at: <http://www.cubec.org.uk> [Accessed 15 October 2020].

Barney J., and Hesterley W. (1996) organizational economics: understanding the relationship between organizations and economic analysis. In: Clegg SR, Hardy C, Nord WR, editors. Handbook of organizational studies. London: Sage, 115-47.

Barney, J. (1991) Firm Resources and Sustained Competitive Advantage, Journal of Management, 17(1), 99-120

Bass, B. M. (1960). Leadership, psychology, and organizational behavior. New York, NY: Harper.

Bass, B. M. (1985). Leadership and performance beyond expectations. New York, NY: Free Press.

Bass, B. M. (1990). Bass and Stogdill’s handbook of leadership: Theory, research, and applications (3rd ed.). New York, NY: Free Press.

Bass, B. M. (2008). The bass handbook of leadership: Theory, research, and managerial applications (4th ed.). New York, NY: Free Press.

Bass, B. M. (2008). The bass handbook of leadership: Theory, research, and managerial applications (4th ed.). New York, NY: Free Press.

Bass, B.M. (1985), Leadership and performance beyond expectations. New York: Free Press.

Beer M, Eisenstat R. A., and Spector B. (1990). Why change programs don't produce change. Harvard Business Review.;68:158–66.

Beer, M., & Eisenstat, R. A. (1996). The silent killers: Overcoming the hidden barriers to organizational fitness. Boston: Division of Research, Harvard Business School.

Belai Gidey (1987), Currency and Banking: Ethiopia (s.n., Addis Ababa)

Berg, Elliot J (1987), Rethinking Technical Cooperation-reforms for Capacity Building in Africa, (UNDP, New York)

Berkhout F. (2012) Adaptation To Climate Change By organizations, Journal of Management Studies, 391), 91-106.

Bernard, B. (2012). Factors that determine academic staff retention and commitment in private tertiary institutions in Botswana: Empirical review. Global Advanced Research Journal of Management and Business Studies, 1(9), 278-299. Retrieved from http://garj.org/garjmbs

Bettley A. and Burnley S. (2008) Towards Sustainable Operations Management Integrating Sustainability Management into Operations Management Strategies and Practices. In Book Chapter: Handbook of performance Engineering Misra B. Krishna (Ed), 875-904.

Bhardwaj, B. R. and Malhotra, A. "Green banking strategies: sustainability through corporate entrepreneurship" , GMI Greener Manag. Int., vol. 3, pp. 180 – 193, 2013.

Boynton , A . C ., and Zumd , R . W . (1984) An assessment of critical success factors . Sloan Management Review , 1984 , pp . 17 - 27 .

Brammer S., Jackson G. and Matten D. (2012) Corporate Social Responsibility and institutional theory: new perspectives on private governance, Socio economic Review, 10(1), 3-28.

Brown, S.L., and Eisenhardt, K.M. (1997), The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations. Administrative Science Quarterly, 42(1), 1-34.

Brune, Stefan (1994) Economic Policies Under Review, in Abebe Zegeye and S Pausewang (editors) Ethiopia in Change: Peasantry, Nationalism and Democracy, (British Academic Press, London)

Burke, P. (2017). What is cultural history?.

Burns, J. M. (1978). Leadership. New York: Harper & Row.

Burns, J.M. (1978), Leadership. New York: Harper & Row.

Chouinard Yvon, Ellison Jib and Ridgeway Rick (2011), the Big idea: the Sustainable Economy, The Magaxine, Harvard Business Review, January, 23-30.

Coghlan, D. (1993). Planned change in the Irish province of the Society of Jesus, 1965-1986: A case study in organisation development. Dublin: University College Dublin.

Collier, P. and J.W. Ginning (1995) War, Peace and Private Portfolios, World Development 23;2

Commercial Bank of Ethiopia (CBE), Annual Reports, various years

Cooperative Bank of Oromia Reports, Various years

Coyne K. P. (1986) Sustainable Competitive Advantage – What it is and What it isn't, Business Horizons, 29, 54-61.

D'amato A., hendersonS. And Florence S. (2009), Corporate Social Responsibility And Sustainable Business: A guide to Leadership, Tasks and Functions, Centre for Creative Leadership, Greensboro, North Carolina, CCL Press.

Darling, P. (1993). Training for profit: A guide to the integration of training in an organization's success. London: McGraw-Hill Book Co.

David J. Teece, 2012. "Dynamic Capabilities: Routines versus Entrepreneurial Action," Journal of Management Studies, Wiley Blackwell, vol. 49(8), pages 1395-1401, December

Davilla A., Ramirez M. E., jacobo and Zapata-Cantu Laura (2012), Understanding Organizations in Complex, Emergent and Uncertain Environments. Palgrave Macmillan.

Davis, B. A. (2017). Mastering organizational change management. Plantation, FL: J. Ross Publishing.

De March V., Di Maria E. and Micell S. (2012) Environmental Strategies, Upgrading and Competitive advantage in Global Value Chains, Business Strategy and the Environment, Volume 22, issue 1, pp. 62-72.

Den Hartog, D., & Koopman, P. (2011). Leadership in organizations. In N. Anderson, D. S. Ones, H. K. Sinangil, & C. Viswesvaran (Eds.), Handbook of industrial, work & organizational psychology (Vol. 2, pp. 166-187). New York, NY: Sage.

Don Kelley and Daryl R. Conner, "The Emotional Cycle of Change," in JE Jones and JW Pfeiffer, eds.. The 1979 Annual Handbook for Group Facilitators (San Diego, Calif.: University Associates, Inc., 1979).

Economic Intelegence Unit (EIU) (1995) Ethiopia: Country Report (London)

Eisenbach, R., Watson, K., and Pillai, P. (1999), Transformational leadership in the context of organizational change. Journal of Organizational Change Management, 12(2), 80-90.

Eshetu Chole (1994) “Reflections on Underdevelopment: Problems and Prospects” in Abebe Zegeye and S Pausewang (editors) “Ethiopia in Change: Peasantry, Nationalism and Democracy” (British Academic Press, London)

Evangelinos, K. I., Skouloudis. A., Nikolaou, I.E., and Leal Filho, W., “An analysis of corporate social responsibility (CSR) and sustainability reporting assessment in the Greek banking sector, “ In: professionals’ perspectives of corporate social responsibility, Springer, Berlin, Heidelberg, pp. 157-173, 2009.

Evans R, Gilfedder G, and Austin J (2004), application of the biophysical capacity to change (BC2C) model to the Little River (NSW), CSiRO Land and Water Technical Report 15/04, CSIRO, Canberra

Fantu Cheru (1994) “Deigning a Structural Adjustment Programme: Reconstruction, Rehabilitation and long term transformation” in Abebe Zegeye and S Pausewang (editors) “Ethiopia in Change: Peasantry, Nationalism and Democracy” (British Academic Press, London)

Feltmate, B. (2016). Climate Change and the Preparedness of Canadian Provinces and Yukon to Limit Potential Flood Damage. Place of publication not identified: Intact Centre on Climate Adaptation.

Finniston, M. (August 01, 1975). Information communication and management. Aslib Proceedings, 27, 8, 346-361.

Freund, Y.P. (1988), "Critical success factors", Planning Review, Vol. 16 No. 4, pp. 20-23. https://doi.org/10.1108/eb054225

Fullan, M. (2001). Leading in a culture of change. San Francisco: Jossey-Bass.

Gibbert M. (2012), Strategy Making in a Crisis, Edward Elgar Publishing.

Gill, R. (2002). Change management--or change leadership? Journal of Change Management, 3, 307 - 318.

Goehrig, R. (2008), "the role of leadership in building high performing, sustainable organizations", Government Finance Review, Vol. 24 no. 6, pp. 6-14.

Goodstein, L. D. , & Burke, W. W. (1991). Creating successful organizational change. Organizational Dynamics, 19(4), 5-17

Grabowski, M. and Roberts, K. (1999), "Risk mitigation in virtual organisations" Organisational Science. Vol. 10(6), pp. 704-722.

Grant R.M. (2002), Contemporary Strategy Analysis: Concepts, Techniques, Applications, Blackwell, 4th Ed.

Gray, P.C.R. and Wiedemann, P.M. (1999) Risk management and sustainable development: mutual lessons from approaches to the use of indicators. Journal of Risk Research, 2(3), pp. 201-218.

Hambrick, D. C., & Cannella, A. A. (November 01, 1989). Strategy Implementation as Substance and Selling. Academy of Management Executive, 3, 4, 278-285.

Hansson, Gote (1995) "Ethiopia 1994: Economic Achievements and Reform Problems" (Institute for Economic Research, Lund Univeristy, Macroeconomic Studies 61/95)

Harvey, Charles (1991) "On the Perverse Effects of Financial Sector Reforms in Anglophone Africa" South African Journal of Economics

Hasanali, F. (2002) "Critical Success Factors of Knowledge Management,". www.infotoday.com

Henriksen, P. and Uhlenfeldt, T. 2006. Perspectives on Strategic Risk Management. Denmark: Copenhagen Business School Press.

Herold, D. M., & Fedor, D. B. (2008). Change the way you lead change: Leadership strategies that really work. Stanford, Calif: Stanford Business Books.

Herzberg, F. (1966). Work and the nature of man. Cleveland, OH: World Publishing Company.

Herzberg, F., Mausner, B., & Snyderman, B. (1959). The motivation to work. New York, NY: Wiley.

Hind, P., Wilson, A. and Lenssen, G., (2009). Developing leaders for sustainable business", Corporate Governance, Vol. 9 No. 1, pp. 7-20.

Hirst, S., & Clutterbuck, D. (2002). Talking business: Making communication work. Oxford: Butterworth-Heinemann.

Hoppock, R. (1935). Job satisfaction. New York, NY: Harper & Row.

Horner, M. (1997). Leadership theory: Past, present and future. Team Performance Management, 3(4), 270-287.doi:10.1108/13527599710195402. https://www.investopedia.com/

http://www.research-advisors.com/tools/SampleSize.htm, retrieved on October 14, 2020

Huber, G. P. (1991) Organizational Learning: The Contributing Processes and the Literatures. Organization Science, 2, 88- 115.

Hunt, D.P. (2003) The concept of knowledge and how to measure it, Journal of Intellectual Capital, 4, 1, 100-113.

Ifinedo, P. (2008), "Impacts of business vision, top management support, and external expertise on ERP success", Business Process Management Journal, Vol. 14 No. 4, pp. 551-568. https://doi.org/10.1108/14637150810888073

Igbudu, N., Garanti, Z. and Popoola, T. "Enhancing bank loyalty through sustainable banking practices: the mediating effect of corporate image, " Sustainability, vol. 10, 450, 2018.

Ikhide, S I (1995) "Bank Offices and the Mobilization of Private Saving s in Selected Sub-Seharan African Countries" (forthcoming, Journal of Development Studies)

Integrated Annual Report, Deloitte, 2015

Jackson, G. T., & McNamara, D. S. (2013). Motivation and performance in a game-based intelligent tutoring system. Journal of Educational Psychology, 105(4), 1036–1049. https://doi.org/10.1037/a0032580

Jarrar, Y., Al-Mudimigh, A., & Zairi, M. (2000). ERP Implementation Critical Success Factors: The Role and Impact of Business Process Management. Proceedings of the 2000 IEEE International Conference on Management of Innovation and Technology, 12-15 November, Singapore.

Jensen, R., Szulanski, G., & SpringerLink (Online service). (2004). Stickiness and the adaptation of organizational practices in cross-border knowledge transfers. (Journal of international business studies.)

Jeucken, M. (2001). Sustainable finance and banking: The financial sector and the future of the planet. London: Earthscan Publications Ltd.

Jizi M. I., Salama, A., Dixon, R., and Stratling, R. "Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector, " JBE J. Bus. Ethics, vol. 125, pp. 601-615, 2014.

Johnson, G., Scholes, K. and Whittington, R. (2008) Exploring Corporate Strategy Text and Cases. 8th Edition, Prentice Hall, Harlow.

Kanungo, R.N., and Jaeger, A.M. (1990), Introduction: The need for indigenous management in developing counties. In A.M. Jaeger and R.N. Kanungo (Eds.), Management in Developing Countries (pp. 1-19). London: Routledge.

Katz, D, and Kahn, R.L, (1978), The social psychology of organisations (2nd ed,), New York, Wiley.

Kay, J. (2004) The truth about markets: Why some nations are rich but most remain poor, Penguin, London.

Kellen C.P., Jugdev K. and petits Y. (2013), International Journal of Project Management, Journal of Management Studies, Volume 30, Issue 5, July 2012, pp. 525-538.

Kelman, Steven 2005. Unleashing Change: A Study of Organizational Renewal in Government. Washington, D.C.: Brookings Institution Press.

Kezar, A. J. (2001). Understanding and facilitating organizational change in the 21st century: Recent research and conceptualizations. San Francisco: Jossey-Bass.

Khan, H. U. Z., Azizul Islam, M., Kayeser F. J., and Ahmed, K. "Corporate sustainability reporting of major commercial banks in line wiath GRI: Bangladesh evidence, "SRJ Soc. Responsib. J., vol. 7, pp . 347-362, 2010.

Kilicoglu, G., & Yilmaz, D. (October 08, 2013). Ilköğretim okulu öğretmenlerinin örgütsel sosyalleşmeleri üzerine yordamsal bir analiz (A procedural analysis of the organizational socialization of primary school teachers). Elementary Education Online, 12, 4, 1041-1055.

Kirkpatrick, S., & Locke, E. (1991). Leadership: Do traits matter? Academy of Management Executive, 5(2), 48-60. doi:10.5465/ame.1991.4274679

Klein, K.J., Sorra, J.S., 1996. The challenge of innovation implementation. Academy of Management Review 21 (4), 1055–1080.

Kleindorfer R. P, Singhai K. and Van Wassenhove N. L., (2005), Sustainable operations Maanagement, production and Operations Management, Vol. 14, issue 4, pp. 482-492.

Kotter, J. P., & Schlesinger, L. A. (July 01, 2008). Choosing Strategies for Change. Harvard Business Review, 86, 130.

Kotter, J. P., Rathgeber, H., & Mueller, P. (2017). Our iceberg is melting: Changing and succeeding under any conditions.

Kouzes, J. M., & Posner, B. Z. (2007). The leadership challenge. San Francisco, CA: JosseyBass.

KPMG. The road ahead" , KPMG's Survey of Corporate Responsibility Reporting, New Zealand, 2017.

Kreitner, R., & Kinicki, A. (2010). Organizational behavior. Boston: McGraw-Hill/Irwin.

Krishnan, V. R. (2002). Transformational leadership and value system congruence. International Journal of ValueBased Management, 15 (1), 19-33.

Kuhnert, K. W., & Lewis, P. (1987). Transactional and transformational leadership: A constructive/developmental analysis. Academy of Management Review, 12(4), 648-657.

L. C. Roca, and C. Searcy, "an analysis of indicators disclosed in corporate sustainability reports." JCP J. Clean. Prod., vol. 20, pp. 103-18, 2012.

Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), Handbook of industrial and organizational psychology (pp. 1297-1349). Chicago, IL: Rand McNally.

Ma Hao (1999), Anatomy of Competitive Advantage: A SELECT Framework, Management Decision, Vol 37, issue 9, pp. 709-718.

Maak, T. (2007), Responsible Leadership, Stakeholder Engagement, and the Emergence of Social capital. Jounal of Business Ethics, pp. 329-343.

Maak, T. and pless, N.M. (2009), "business Leaders as citizens of the world. Advancing humanism on a global scale", Journal of Business Ethics, Vol. 88 No. 3, pp. 537-50.

Markos, S. and Sandhya Sridevi, M. (2010) Employee Engagement: The Key to Improving Performance. International Journal of Business and Management, 5, 89-96.

Martha Grabowski & Karlene H. Roberts, 1999. "Risk Mitigation in Virtual Organizations," Organization Science, INFORMS, vol. 10(6), pages 704-721, December.

Martins, N., & Coetzee, M. (2007). Organizational culture, employee satisfaction, perceived leader emotional competency and personality type: An exploratory study in a South African engineering company. South African Journal of Human Resource Management, 5(2), 20-32. Retrieved from http://www.sajhrm.co.za/index.php/sajhrm

Maslow, A. H. (1943). A theory of human motivation. Psychological Review, 50, 370-396. doi:10.1037/h0054346

Maslow, A. H. (1954). Motivation and personality. New York, NY: Harper.

Maslow, A. H. (1970). Motivation and personality (2nd ed.). New York, NY: Harper & Row.

Maslow, A. H. (1971). The farther reaches of human nature. New York, NY: Viking.

Maslow, A. H. (1987). Motivation and personality (3rd ed.). Reading, MA: Addison Wesley. doi:10.1037/h0054346

Matthews, J. and Shulman, A. D. (2005), Competitive advantage in public-sector organizations: explaining the public good/ sustainable competitive advantage paradox. Journal of Business Research, pp. 232-240.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995), "An integrative model of organizational Trust", Academy of Management Review. Vol. 20(3), pp. 709-734

McAllister, D.J. (1995), "Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations." Academy of Management Journal, Vol. 38 (1), pp. 24-59.

McLeod, S. A. (2007). Maslow's hierarchy of needs. Retrieved from http://www.simplypsychology.org/maslow.html

Meadows H.D., meadows L. D., Randers J. and Behrens III W. (1972), the Limits To Growth: A Report For The Club Of Rome's project On The predicament Of Mankind, Universe Books.

Mecca, Thomas V. (2004). Basic Concept of Organizational Change for Administrative Leaders; (This paper was adapted by the author from a series of papers developed for presentations at both the 1999 Conference of the South Carolina Technical Education Association and the 2003 National Science Foundation's Principal Investigators Annual Conference.)

Millar, C., Hind, P. and Magala, S. (2012), Sustainability and the need for change: organizational change and transformational vision Journal of Organizational Change Management, 25(4).

Mishra, P. (2013). Job satisfaction. Journal of Humanities and Social Science, 14(5), 45-54. doi:10.9790/1959-1454554

Mohrman S. and Lawler E. (2012), Generating Knowledge That Drives Change, Academy of Management perspectives, vol. 26, no. 1, pp. 41-51.

Morimoto, R. (2010) Estimating the benefits of effectively and proactively maintaining infrastructure with the innovative smart infrastructure sensor system. Socio-Economic Planning Sciences, 44, pp. 247-257.

Morrison, E.W. and Milliken, F.J. (2000) Organizational Silence: A Barrier to Change and Development in a Pluralistic World. Academy of Management Review, 25, 706-725.

Mosadeghrad, A.M. (2006), "The impact of organizational culture on the successful implementation of total quality management", The TQM Magazine, Vol. 18(6), pp. 606-625.

Mullins, T. (2005). The leadership game: Winning principles from eight national champions. Nashville, Tenn: Thomas Nelson.

National Bank of Ethiopia Web Site

Nib International Bank Reports, Various years

Northouse, P. G. (1997). Leadership: Theory and practice. Thousand Oaks, CA: Sage.

Northouse, P. G. (2007). Leadership: Theory and practice (4th ed). Thousand Oaks, CA: Sage

Northouse, P. G. (2010). Leadership: Theory and practice. Thousand Oaks, CA: Sage.

Ohlson, M. (2007). How to Introduce and Manage Organizational Changes. Retrieved on December 30, 2020 from https://www.semanticscholar.org/author/Matilda-Ohlson/96657343

Ostroff Cheri (2012), perspectives on Organizational Fit, psychology press.

Pardo, . V. M., & Martínez, F. C. (March 01, 2003). Resistance to change: a literature review and empirical study. Management Decision, 41, 2, 148-155.

Porter E. Michael E. and Kramer R. Mark (2011), Creating Shared Value: How to reinvent capitalism-and unleash a wave of innovation and growth, Harvard Business Review, January-February,pp.2-17.

Porter M.E. (1998), Clusters and the New Economics of Competition, HBR, November-December, pp.77-90.

Porter, M.E. (1991) Towards a dynamic theory of strategy, Strategic Management Journal, 12,95-117.

Porter, M.E., (1985), Competitive advantage, Free press, new York, 1985.

Porter, M.E., (1991), America's green strategy, Scientific American, 264(4), 168.

Prajogo D., Tang A. and Lai K. H. (2012), Do firms get what they want from ISO 14001 adoption?: an Australian perspective, Journal of Cleaner production, Volume 33, September 2012, pp. 117-126.

Price, G. (2015). Drivers: A Story of Transformational Change. New York, United States: Grosvenor House Publishing.

Priem R., Li S. and carr J. (2012), Insights and New Directions from Demand –Side Approaches to Technology Innovation, Entrepreneurship, and Strategic Management Research, Journal of Management, vol. 38, No. 1, pp. 346-374.

Pugh, L. (2016). Change management in information services. London: Routledge.

Quirke, B. (1997). Communicating corporate change: A practical guide to communication and corporate strategy. London: MacGraw-Hill.

R. Nidumolu, C.K. Prahalad, M.R. RangaswamiWhy sustainability is now the key driver of innovation Harv. Bus. Rev., 87 (2009), pp. 56-64

Rebaia, S. M. N. azaieza, D. Saidaneb, (2012) "Sustainable performance evaluation of banks using a multi-attribute utility model: an application to French banks, "PEF procedia Econ. Financ., vol. 2, pp. 363-372,.

Rebaia, S., Azaiexa, M. N., Saidaneb, D. (2016) "A multi-attribute utility model for generating a sustainability index in the banking sector, " JCP J. Clean. Prod., vol. 113, pp. 835-849.

Robbins, S., & Judge, T. (2013). Organizational behavior (15th ed.). Harlow, England: Pearson Education.

Rosenblatt, R. (2004). Anything can happen: Notes on my inadequate life and yours. Orlando: Harcourt.

Rumelt, R. P. (1995). Fundamental issues in strategy: A research agenda. Boston, Mass: Harvard Business School Press.

Sadangi, C. K., & Mohapatra, S. (2017). Change Management for Organizations: Lessons from Political Upheaval in India. Emerald Publishing Limited.

Schein, E. H. (2002). Organizational Culture and Leadership. John Wiley & Sons

Schermerhorn, J. R., Hunt, J. G., & Osborn, R. N. (2008). Organizational behavior. Hoboken, NJ: Wiley.

Self, DR & Schraeder, M (2009), 'Enhancing the success of organizational change Matching readiness strategies with sources of resistance', Leadership & Organization development journal,vol 30, no. 2, pp. 167-182.

Senior, B., & Fleming, J. (2006). Organizational Change. London: Prentice Hall.

Singh, H., and Singh, B. P., "An effective and resourceful contribution of green banking towards sustainability, " IJaSEAT International Journal of Advances in Engineering Science and Technology, vol. I, pp. 41-4, 2012.

Smith, P. C., Kendall, L. M., & Hulin, C. L. (1969). The measurement of satisfaction in working and retirement. Chicago, IL: Rand McNally.

Staudenmayer, N., & Tyre, M. (January 01, 2002). Time to change: Temporal shifts as enablers of organizational change. Organization Science, 13, 5, 2002.

Steinburg, C. (March 01, 1992). Making Choices about Change. Training and Development Journal, 46, 3, 24.

Stevenson A. (2010), new Oxford American Dictionary, Third Edition, USA.

T. D. Ramnaraina and M. T. pillay, " Designing sustainable banking services: the case of Mauritian banks, "PSBS procedia Soc. Behav. Sci., vol. 224, pp. 483-490, 2016.

Teece D. J. (2012), Dynamic Capabilities: Routines versus Entrepreneurial Action, Journal of Management Studies, Volume 49, Issue 8, pages 1395-1401, December 2012.

Transitional Government of Ethiopia (1991) "Ethiopia's Economic Policy During Transition" (Addis Ababa, November)

Vroom, V. (1964). Work and motivation. New York, NY: Wiley.

Waddell, D., Sohal, A., & Monash University (1998). Manufacturing manager's perceptions of resistance to change: An empirical study. Caulfield East, Vic: Faculty of Business and Economics, Monash University.

Weber O., (2005) “Sustainability benchmarking of European banks and financial service organizations, “ CSREM Corp Soc. Responsib. Environ. Mgmt., vol. 12, pp. 73-87, .

Weick, K. E., & Quinn, R. E. (1999). Organizational change and development. Annual Review of Psychology, 50, 361–386. https://doi.org/10.1146/annurev.psych.50.1.361

White, Lawrence H (1993) “African Finance: Research and Reform” (ICS Press, San Francisco)

World Bank (1982) “Appraisal of a Credit to Agricultural and Industrial Development Bank (AIDB) (Washington DC)

Y. Nakao, A. amano, k. Matsumara, K. genba, and M. Nakano, (2007) “Relationship between environmental performance and financial performance: an empirical analysis of Japanese corporations, “BSE Bus. Strat. Env., vol. 16 pp. 106-118.

Yongtae K., Myung S. P., and Benson W. (2012) Is Earnings Quality Associated with Corporate Social Responsibility?. The Accounting Review, 87(3), 761-796.

Young, R., & Jordan, E. (October 01, 2008). Top management support: Mantra or necessity?. International Journal of Project Management, 26, 7, 713-725.

Zaltman, G., & Duncan, R. (1977). Strategies for planned change. New York: Wiley.

Zeffane, R. (1996). Dynamics of Strategic Change: Critical Issues in Fostering Positive Organizational Change. Retrieved http://search.proquest.com/docview/226917782?accountid=42604 October 15, 2020

Zwikael, O. (September 12, 2008). Top management involvement in project management. International Journal of Managing Projects in Business, 1, 4, 498-511.