

Strategic management changes: Evidence from Commercial Banks of Kosovo

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Abstract

We live in a time of change in every strategic field. Change is the more sustainable, widespread and powerful challenge, for managers in every type of organization and in all geographic areas. Change of strategic management focuses on the organization to ensure a successful implementation and transformation.

The involvement of the banks on the strategic management changes has a positive impact on the bank's success. According to the results of the analysis of all the factors of the change process are equally important for its successful implementation; some may be more important than others in certain contexts.

Managers during the planning process of change should pay attention to the improvement or creation of systems of remuneration that support the implementation of change. Connection of objectives to reward systems change would be a good choice for managers. This means the use of incentives or rewards to those who contribute to achieving the objectives of the change. The use of systems of remuneration related to the objectives of the change promotes the involvement of different groups.

Also, managers should pay greater attention to the participation in the drafting of the vision and strategy. If people become part of this process it is easier for them to accept change and to dedicate themselves to achieving the objectives of the change.

Keywords: Strategic management, changes, organization, effectiveness.

Introduction

Today, change is everywhere. Even more static organizations change. Looking at the speed at which this change is happening, strategic challenge remains the management of this change. Pressure for change will continue to grow. According to Kotter (1996) the change will occur faster in the business environment in the future and the pressure on organizations to transform will increase. However, a high percentage of efforts to change fail in achieving their goal. So naturally arise the question: what are the factors that lead to successful change?

The main goal of this paper is to show the factors that influence the success of the change in business organizations in Kosovo. In most models of the change process, different authors define the activities and factors in the form of recommendations for successful implementation of the change, but there are very few empirical studies that prove these links. The study aims to determine how related are these events / factors to successful change. However, following these patterns does not necessarily

guarantee the success of the change. Change agents need to consider other factors that are specific to the organization that changes. Organizations implement changes of various kinds and operate in different environments

In this paper will be analyzed various kinds of changes, which does not have the same impact on the organization, ranging from those which involve only minor changes within organization to those changes that transform the organization into a completely different structure. The main goal is to indicate the factors that influence the success of the change in business organizations in Kosovo.

Literature Review

The speed of change is so high that we begin to see the present when it is already disappearing. The definition of change refers to ongoing efforts to cope with an unacceptable current situation and to transform it into a state favorite (Beckhard & Dyer, 1983). Today organizations take advantage of the strategic change, so they should adapt themselves to the new situation if they want to gain profits. Organizations use vision as a permanent change to compete in an economy increasingly globalized and competitive. The study aims to determine how related are these events / factors to successful change. However, following these patterns does not necessarily guarantee the success of the change. Change agents need to consider other factors that are specific to the organization that changes. Organizations implement changes of various kinds and operate in different environments. The objectives of the paper are:

1. Review of the literature on change management to create the basis of the conceptual model of this paper. Review of the literature focuses on four main areas: the type of change, the process factors, the environment and the success of the change.

From a review of the literature on change management it showed that there is a very extensive literature on the subject, but few studies have been conducted to assess the simultaneous type of change, the environment, and the results of the change process. Likewise, the bulk of process models presented in the form of recommendations or suggestions, but there are few empirical studies on the link with the results of changing factors. The aim of this study is to show the relation between the variables of the type of change, the environment and the process of changing results. The methodology used in this paper combines primary data with secondary ones. Secondary data are the result of the review of a wide and contemporary literature on change management, types of change, environment, process model change and change results. This is provided by research literature in electronic libraries of several American and European universities, as well as a variety of other Internet sources. It has served to complement the theoretical part of the paper. Primary navigation is based on the analysis of data collected questionnaires distributed via private businesses.

Research Methodology

Research philosophy contains important assumptions about the way in which we see the world (Saunders & Lewis, and Thornhill, 2007). These assumptions will support

our research strategy and methods that have been chosen as part of that strategy. In part, the philosophy we have adopted will be influenced by practical considerations. However, the main impact is likely to be our view of the special relationship between knowledge and the process by which they develop (Saunders et al. 2007). Since we are interested in facts such as how strategic changes management affects organizational effectiveness, it will affect our strategy and research methods. In this context, our research will include quantitative and qualitative approach.

Knowledge about the impact that produces strategic change management to organizational effectiveness is based on what can be observed and understood from reality (the survey), being objective about it, without prejudice to the information and respondents. However, research results should be interpreted with caution because the survey measures the beliefs of managers and not necessarily their actions; Survey participants may not be representative of the population typical set of businesses; and the survey questions may be misunderstood by some participants (Graham and Harvey, 2001, p. 189). The study hypotheses are drawn from the current reality and include causal link between two variables such as the study of strategic changes management (independent variable) and increase organizational effectiveness (dependent variable).

Sampling and sampling procedures

In this paper are conducted data collected via self-administered questionnaires. The questionnaire was distributed to commercial banks operating in Kosovo's main cities. The main purpose was to collect data from these banks to understand how change is managed and the factors influencing its success. For the distribution of the questionnaire were used two ways: Distribution of questionnaires to banks through personal contacts and distribution via email. Through direct contacts around 40 questionnaires were distributed in all cities in Kosovo. Since commercial banks have developed network of branches in towns in Kosovo, distribution of questionnaires was completed with the use of electronic mail.

In any banking organization selected for the study were interviewed managers, leaders and officials of the simple; forms of their selection was random and stratified because the aim was to involve all sectors of banks selected as study population.

Data analysis

The purpose of this study was to reflect the factors that affect the success of strategic change management. In this context, is tested the relation between the type of strategic change, process factors, environmental factors and outcomes of change. As a result, disseminates questionnaires, the results of which are analyzed in this section of the paper. The results of questionnaires collected were thrown into SPSS version 20.0 for processing.

This part contents general information on the banks of the second level in the study, followed by statistical analysis and data logging interpretation. Then, are treated

multiple regression analysis and other methods (one-sided t test, statistical test F / ANOVA and regression simple) used for testing hypotheses and research questions. In this paper was used classification of transformational change. A good part of the study focus on the effects of transformative change on the performance of the organization. However, the results of these studies are different. So Wischnevsky & Damanpour (2006) showed that organizational transformation had no significant effect on the financial performance of investment banks (US) obtained in the study. These are empirical facts that have registered membership during the review of relevant literature.

Table 1.0 Tabular presentation of the type and frequency of activity of bank branches

Type of activity					
		Frequency	Percent	Valid Percent	Cumulative percentage
Valid	Lending to households	62	31.0	31.0	31.0
	Lending of business	98	49.0	49.0	80.0
	Combined Services	18	9.0	9.0	89.0
	Services at border crossings	6	3.0	3.0	92.0
	Lending students	16	8.0	8.0	100.0
	Total	200	100.0	100.0	

Table 2.0 Tabular presentation and frequency of the number of banks surveyed site for employees

Number of employees					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 9 workers	85	42.5	42.5	42.5
	10-49	89	44.5	44.5	87.0
	50-249	22	11.0	11.0	98.0
	250 and above	4	2.0	2.0	100.0
	Total	200	100.0	100.0	

Table 3.0. Tabular presentation and frequency in connection with changes applied in bank

CHANGE ON THE BANK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strategy and mision	61	30.3	30.5	30.5
	Leadership (change management)	46	22.9	23.0	53.5
	Culture (norms, values, principles)	18	9.0	9.0	62.5
	Structures of organizations	11	5.5	5.5	68.0
	Management practices	15	7.5	7.5	75.5
	Systems (reward, and control information)	49	24.4	24.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

During this research we managed to understand and identify factors of the process of strategic change which influence the progress and its membership organization in its environment. Changes are different types, and the success of the change depends on the ability of managers to take into account all the factors of change: process type, context and individual differences.

Based on the above arguments these are the testing hypotheses:

Hypothesis 1: Transformational changes have a huge impact on the success of the change in business organizations in the study.

Hypothesis 0: Transformational Changes sometimes do not have major impact on the success of the change in business organizations in the study.

Table 4.0. Testing between depending samples

		95% Confidence Interval of the Difference				
		Lower	Upper			
Pair 1	Change in the organization – Success after the organization change	.653	1.237	6.376	199	.000

By analyzing the value of significances, there is an amount of 0.05. Therefore rejected is the null hypothesis, while the hypothesis of time accepted or considered. Interpretation will be this: The involvement of the banks has a positive impact on changes in the bank's success.

Hypothesis 2: Factors of the change process (creation of a powerful group leader,

the level of commitment of management, design and communication of a vision, a strategy, participation in the drafting of the vision and strategy, providing training programs, communication continuing, reward systems, the creation of units of measurement) are positively associated with the success of the change, so that the higher levels of their implementation, the higher the likelihood of success.

Table 5.0 Statistics for One-Sample Test

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Different factors	13.301	199	.002	1.055	.90	1.21

Significant value is 0.002, so the amount implies a little more than 0.05. In this case, the null hypothesis is not taken into account, while accepted hypothesis H1.

Conclusions

This part of the paper presents conclusions about the factors that affect the success of the change in the banks in the study and provided some modest recommendations to managers about management changes. The purpose of this study was to show several factors that affect the success of the change in business organizations. Initially are treated some general conclusions of the paper, followed by specific conclusions on the results of the statistical analysis of data collected from questionnaires.

A well-structured strategy is the foundation for success with massive changes. Implementation of the strategy or change in strategic focus and organization has to do with how the changes should be structured or their implementation to ensure a successful implementation and transformation. The basic idea of strategic organizational changes is to ensure a clear focus and help cover the gaps in performance and areas of concern, and create opportunities for change. The success of strategic change organization will be measured by improving key variables strategic organizational such as market shares, the volume of sales, earnings per share, the stock price, cost reduction and satisfaction of stakeholders (suppliers, customers, public wide, etc.).

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