UNIVERSITY OF FORT HARE

DEPARTMENT OF INDUSTRIAL PSYCHOLOGY

CHANGE MANAGEMENT
IPS 605

NOVEMBER EXAMINATION

Time: 3 HOURS
Subject: IPS 605 (CHANGE MANAGEMENT)
Marks: 100

This paper consists of 22 pages including the cover page

Internal Examiner: Prof. W.T. Chinyamurindi
External Examiner: Prof B. Mahembe

INSTRUCTIONS

1. Answer ALL questions in Section A and Section B

2. Number the questions correctly.

3. Write your student number and name on your answer books.

4. Write legibly.
**SECTION A**

**Question 1:**
The concept of change is one that *multi-dimensional*, *context specific* and *ubiquitous*. Explore further this statement by providing at least three working definitions of change making links to how change is *multi-dimensional, context specific* and *ubiquitous*. [15 Marks]

**Question 2:**
A number of theories exist within the field of Industrial and Organisational Psychology (IOP). These theories have aided in our understanding of concepts such as Change Management. Make a link between the following three theories used within IOP as a research field with Change Management.

a) Contingency Theory of Leadership by Fiedler [5 Marks]
b) ERG Needs Theory [5 Marks]
c) Maslow’s Hierarchy of Needs [5 Marks] [15 Marks]

**Question 3:**
Many change management tools/techniques exist. Compare and contrast the contributions of a) Kurt Lewin and b) John Kotter as change management tools/techniques that can be applied in the understanding of change and change management. [10 Marks]

**Question 4:**
Identify macro factors that could affect organisational happenings and subsequently impede or aid change efforts in organisations. [10 Marks]

**TOTAL SECTION A = 50 MARKS**
SECTION B – CASE STUDY

Standard Bank surges after results
Standard Bank shares responded positively to its half-year results on the JSE yesterday, gaining more than 7 percent in early trade to R151.06 per share, boosted by higher interest rates in South Africa and a fees increase in the rest of the continent. The bank reported a 5 percent rise in headline earnings to R10.86 billion for the six months to June, from R10.37bn. As a result the group managed to declare an interim dividend of 340c per share, 12 percent higher than the same reporting period last year. Net interest income rose 18.8 percent to R27.8bn, from R23.4bn last year.

Joint chief executive Sim Tshabalala said: “We continue to monitor developments in the banking sector and financial markets to ensure that we remain appropriately equipped to deliver on our vision to be the leading financial services organisation in, for and across Africa.

“We are committed to delivering through-the-cycle earnings growth and a return on earnings within our target range of 15 percent to 18 percent over the medium term.”

The rest of Africa contributed 31 percent to the group’s total income, relative to 29 percent in the prior period and 25 percent to the group’s headline earnings, and this was consistent with the prior period. The bank’s unit of Personal and Business Banking reported headline earnings up 14 percent to R5.50bn, while Corporate and Investment Banking’s headline earnings grew 13 percent to R4.99bn.

However, Liberty’s black economic empowerment normalised headline earnings decreased by 9 percent to R1.82bn of which the International Financial Reporting Standards heading earnings attributable to the group was R886 million. Cannon Asset Managers’ chief investment officer, Andrew Dittberner, described the results as ahead of moderated market expectations as a result of the economic situation.

Dittberner said: “What was very pleasing from our perspective was the 12 percent increase in dividends paid out. The rising interest rate environment helped boost net interest income by 18 percent, but the flip side to this is that the credit loss ratio ticked up marginally. “The return on equity of 14.4 percent was a little disappointing and it would be welcomed to see this number get closer to 16 percent in the near term.”

Mergence Investment manager’s Brad Preston said the results were broadly in line but slightly ahead of market expectations. Preston said the banking operations in the country and the rest of Africa helped to push the results. Standard Bank shares rose 7.28 percent on the JSE yesterday to close at R153.


Standard Bank’s African wager boosts profit
Standard Bank says its growth into Africa is paying off as its net profit gained in the six months to June. In a statement released on Thursday, the listed big four bank said headline earnings
gained 5 percent to R10.8 billion and it declared a 340c dividend, an increase of 12 percent on the first half of last year.

This is as income gained 15 percent to R49.86 billion. Standard Bank says it “continued to reap the benefits of ongoing growth in its businesses both in South Africa and its rest of Africa franchise”.

Its business outside SA contributed 31 percent to the group’s total income, compared with 29 percent in the prior period, and 25 percent to the group’s headline earnings, which it says is The big four bank ad the slow speed of China's economic re-balancing, sustained low commodity prices and overall weak global demand have resulted in increased volatility and uncertainty. Britain’s vote to leave the European Union and the associated lack of clarity exacerbated this.

Across sub-Saharan Africa, oil and commodity export-reliant countries continue to feel the impact of lower prices on the back of excess supply and subdued demand from China, it says. The pace of structural reform, which is required to promote diversification and much needed economic growth, has been slow. In addition, the prolonged and widespread drought brought by El Nino has affected a number of countries.

“In South Africa, the mining and agriculture sector headwinds associated with low commodity prices and the persistent drought continued to place pressure on the economy into 2016. “For most of the period under review, the country operated under the threat of a downgrade of the sovereign by ratings agencies to sub-investment grade.”

The bank adds higher rates and above target inflation throughout the period placed additional strain on consumers, manifesting in lower confidence levels and a contraction of consumer credit. “The overall macro deterioration, although marked and prolonged, has been more gradual than that experienced in the 2008/9 crisis, enabling businesses to better prepare and adjust.”

CEO Sim Tshabalala says the bank will continue to monitor developments in the banking sector and financial markets to ensure that it remains appropriately equipped to deliver on our vision to be the leading financial services organisation in, for and across Africa. He adds the bank will have a “heightened focus on optimising resource allocations across the group, coupled with tighter management of capital supply, and a diligent focus on costs”.


Why Standard Bank is expanding to francophone West Africa

South Africa’s Standard Bank – also trading as Stanbic Bank – has recently acquired a full banking licence in Côte d’Ivoire. The pan-African lender plans to use the market as a gateway to expand across the francophone West Africa region. The bank first set up a representative office in Côte d’Ivoire’s economic capital Abidjan over two years ago to become more familiar with the market.
According to Hervé Boyer, Stanbic Bank’s CEO for Côte d’Ivoire, the decision was based on a growing interest from existing clients – particularly South African – to tap into this region. Standard Bank will initially concentrate on corporate and investment banking. “Our strategy is to first [focus] on the bank’s existing clients who are already in the region, or who are planning to operate in the region,” Boyer told *How we made it in Africa*.

“And also we are going to try to bring more South African entities to Côte d’Ivoire.”

While South African companies have grown their African footprint across a number of English-speaking markets, they have typically been slower to expand to French-speaking countries – a result of challenges posed by the language barrier. However, key markets such as Côte d’Ivoire are increasingly catching the attention of firms due to high-growth potential and improving investment environment. Earlier this year a Nielsen Africa report indicated that Côte d’Ivoire had overtaken Nigeria in terms of the overall outlook for opportunities for existing and potential investors.

Boyer said the eight French-speaking countries that make up the West African Economic and Monetary Union offer substantial business advantages due to their economic and monetary integration and stability. For example, the eight member states share the West African CFA franc, which is pegged to the euro.

“So we don’t face the problems that other countries like Nigeria and Ghana in West Africa face – with a very serious devaluation of their currency. We are a euro-based economy and we have a very low inflation,” he added. “[Secondly], we have one central bank – which covers the eight countries... and is also very powerful. We have one stock exchange, and we have one legal framework – and it is a harmonised legal framework between the eight countries.”

The Standard Bank group, now in 20 African markets, aims to open its first branch in Abidjan by the end of the first quarter of 2017. According to Boyer, around 50% of the market share is held by five banks and there is potential for Standard Bank to introduce retail banking operations. However, he added the strategy is to grow slowly.

“We are starting from scratch... and building a personal banking operation is very costly. So let’s start with our existing clients, go really slowly and learn from our [experience in the market]. After that we can move on into the personal and business banking sector.”

Standard Bank’s Company Wallet becomes your bank account

Boosting revenue and reducing operating costs are one of the lifelines that drive good business. This is the momentum with which Standard Bank’s digital Company Wallet service offers benefits to registered companies. The Company Wallet is included in the recently launched Standard Bank BlueWallet (an online pre-paid account available to anyone with a valid mobile number). It enables registered businesses to effortlessly make bulk payments to their employees. Furthermore, casual/temporary workers will not need to open a bank account, as their cellphone becomes their bank account.

“The Standard Bank Company Wallet is a simple and easy payment solution allowing businesses the opportunity to eliminate the risk of dealing with cash. In addition our two stage security processes which recognize duplicate payments and incorrect customer details also make the Company Wallet very secure,” says Standard Bank’s Head of Digital Channels Bradwyn Beukes. This service is available to all registered Namibian businesses. “These businesses can just send a mail to BlueWallet@standardbank.com.na and we will complete the registration for them. Once registration has been completed and you’ve deposited funds into your Company Wallet, you’re set to go. Bulk payments are effected by using a .csv file for uploads and can pay any number of people at any time (template will be provided),” adds Beukes

The latest innovative business product comes as a result of Standard Bank’s vision: “To be Namibia’s agile provider of innovative financial solutions.” The bank plans to attain this vision through exceptional customer service, continuous innovation, an engaged and empowered employee force, operational efficiency and local relevance. This journey started with the implementation of a new core banking system for the bank, Finacle, a new state-of-the-art system designed to enable innovation, agility and advanced functionalities for the benefit of customers.

“Following the implementation of this new state-of-the-art system our immediate attention was to bring about stability to our systems to enable our customers and clients to enjoy banking services at their convenience. “Following the implementation of a number of initiatives in the last two years, we believe that our ongoing systems and IT environment stability journey has enabled us to come up with innovative products during the course of 2016. We have
commenced the next phase of our journey, the innovation phase, which will be an exciting time for our customers and all Namibians to look forward to," adds Beukes.

One of the many exciting innovative products for Standard Bank corporate companies is the enhanced features included in the BlueWallet product, Company Wallet, whereby registered businesses can make easy bulk payments to their employees. This also includes Tiers that allow for amounts in excess of N$2 000 to be transacted if you are KYCed, Wicode which allow for transacting cash-less or card-less at large merchants and the ability not to withdraw all your funds from your Wallet.


What Standard Bank CEO Sim Tshabalala told his staff?
Last year ended with great tumult in our political economy and that tumult continues to affect the markets. Standard Bank will continue to play its part in addressing all the issues in our political economy that reduce South Africa's competitiveness and slow inclusive growth. This year, however, has begun with intense controversy around racism, redress and free speech. While touching on some political economy issues, this letter focuses on the racism controversy:

"It is my hope that all these events have jolted us all onto a new and better path. Let us walk that path together. I am writing this to you as a black South African. This is an unashamedly personal message with all the history and emotion that comes with that. But I am also writing it as a citizen of the world and as your Chief Executive - as someone who has the honour to lead Standard Bank, a good corporate citizen of South Africa that has become a major multinational corporation.

The events of the past few days have reminded us that South Africa is still a deeply wounded country. South Africa has made great progress since 1994, but the damage caused by centuries of colonialism and decades of apartheid has not been eradicated in twenty-two years. Most black South Africans — and most Africans in particular — remain severely disadvantaged compared to white South Africans. 4% of adult Africans have a tertiary qualification; 25% of white South Africans do. Throughout the South African economy, 70% of top managers and
59% of senior managers are white. The unemployment rate among Africans is 28.8%; among white people it is 5.9%. 61% of white South Africans live in households that spend more than R10,000 a month; only 8% of Africans can spend that much. 16% of Africans live in extreme poverty and regularly suffer hunger; 99.9% of white South Africans are better off than that.

Even those of us who have become prosperous and successful still bear the painful scars of apartheid in our memories. And we still see its enduring damage every day in the lives of our families and our friends. As I wrote in The Standard in June 2015, all Standard Bankers — indeed, all South Africans — have a legal and moral duty to work hard to promote the transformation of South Africa.

Transformation is not a choice. We are committed to transformation by the aspirations and values expressed in our Constitution; by the legal force of its equality clause; and in terms of precisely detailed legislation including the Broad-based Black Economic Empowerment Act, the Employment Equity Act and the Labour Relations Act. We are further committed to transformation by our own group Purpose and Values. We cannot honestly claim that 'Africa is our home, we drive her growth' unless we are committed to transformation in South Africa. A South Africa crippled by unfairness and inequality cannot take its rightful place in the African family of nations.

Furthermore, transformation is a commercial imperative for the Group. South Africa's extremely high level of inequality creates grave risks to the quality of our politics, to the strength of our institutions and to the stability of our society. These worsen South Africa's business environment and our country risk ratings which, in turn, damage our prospects for faster and more inclusive growth in South Africa and throughout the continent.

Therefore, all of us at Standard Bank — and, indeed, all South Africans — must continue to work hard to transform our economy and our society. Our Constitution binds us to do this; our South African patriotism and our commitment to Africa demand it; and our interest in the profitability of our group and in the well-being of our fellow South Africans, our friends and families compels it. Transformation absolutely does not mean that there is no place for white staff or that white South Africans cannot expect to enjoy the rewards due to hard work and skill. What it means is that all of us — black and white — must do everything we can to create
a demographically normal society in which everyone has a fair opportunity to succeed. To build this better world for future generations of South Africans, a little patience and a degree of sacrifice is required from all of us. This is not an extraordinary burden. Mature and responsible people understand that careful future planning and self-restraint are required everywhere and at all times.

At Standard Bank, we are the inheritors of a proud record of patient stewardship and investment: that has substantially promoted economic development and transformation. We are privileged to have the will and the capacity to continue to use the immense power of finance to make South Africa and our continent a better place. Transformation, then, is about creating a much fairer and more sustainable distribution of resources and opportunities. But, as we have just been painfully reminded, it is also about the eradication of racism from our society — both because racism is a practical barrier to transformation and because racism is deeply wrong in itself.

Racism is the denial of full humanity and of human dignity to any person or group of people on the grounds of their physical appearance or ethnicity. It is often expressed in false, thoughtless and belittling generalisations: 'All blacks are...' or 'Every white thinks that....' However, it can also be more subtle, working through glances and hints and unspoken assumptions.

As our history teaches us, racism can lead directly to systematic cruelty and appalling violence. Open or subtle, racism hurts its victims terribly, weakens the fabric of society, poisons politics and erodes the trust and the optimism on which economic growth depends. Anyone of any ethnicity — African, Chinese, Coloured, Indian, White, etc. — can be a victim of racism. Let me be clear: Racism against anyone is always totally unacceptable and inexcusable. The same is true of sexism and of prejudice and discrimination on grounds such as religion, sexual orientation or disability.

However, given South Africa’s history, it is inevitable that black South Africans are particularly vulnerable to the cruel thoughtlessness of racism. And given our history, we are also particularly sensitive to it. Frankly, we have every right to be very sensitive to racism. And we have an even stronger right not to be subjected to it. So again, by way of example, the cumulative effect of slights, of exclusions and of growing up in a squalid township — all these
well up with inexorable force in response to present-day instances of racism, no matter how seemingly trivial. Many 'jokes' are not jokes to me — beneath their surface lurks what Justice Oliver Wendell Holmes called an inarticulate major premise: a premise of black inferiority.

Standard Bank does not tolerate racism in any form, no matter how 'casual' or 'trivial.' As expressed in Standard Bank's Value of Respecting Each Other: 'We have the highest regard for the dignity of all people. We respect each other and what Standard Bank stands for.' Racism does not operate in a vacuum. Racist opinions are usually weapons in a struggle for resources. Some white people, for instance, appear — despite the provisions of our Constitution and our laws — to be tempted to argue that poor black people are not entitled to various goods because they are 'dirty' or because they have a 'victim mentality.' Some black people seem to think — despite the values and principles stated in our Constitution — that white people are not entitled to be full citizens because they are 'all racists.' As can be seen from these examples, 'entitled' is often a key word in racist thinking. The ordinary dictionary definition of 'entitled' includes the idea that someone has a legitimate expectation - for instance, an expectation of access to a decent education or to redress for past wrongs. Of course, 'entitled' can also be used in a pejorative sense: meaning that someone falsely thinks they're entitled to privileges they haven't earned or don't deserve.

But as the Aristotelian principles of rectificatory and distributive justice proclaim, and as our Constitution and our laws make crystal-clear, Black South Africans are in fact fully entitled to a decent quality of life and to redress for apartheid. To suggest that this means that they are 'entitled' in the negative sense is simply wrong and often amounts to racism. What the last few days have taught us, I believe, is that we now need a new phase of open and serious dialogue about race and racism in South Africa. Over the weeks to come, I will be working together with Exco, Manco and all of you, my colleagues here at Standard Bank, and in conversations in organised business, to ensure that business people enter this dialogue with the utmost thoughtfulness and willingness to listen. What I have said about inequality applies equally to racism. This new dialogue is a moral imperative, but it is also a commercial one.

Both our immediate and our long-term economic performance depend on how fully we respect and live by our Constitution, on the strength of our institutions, on our level of country risk, on our international competitiveness, and on the quality of our business environment. We have
great strengths — immense resources, world-class companies and great infrastructure (some of which is in urgent need of further development) and highly productive and skilled workers. However, each of these sources of competitive advantage is badly eroded by incomplete transformation and by racism. Speaking as a banker, therefore, we need this dialogue because a large part of our business is risk management and because country risk directly affects the cost of capital. We need this dialogue so that we can get on with the business of making South Africa, of serving South Africa’s financial needs and supporting its growth and development. I expect all of us in the Standard Bank Group to grapple with these issues in a respectful and dignified way so as to make Standard Bank and South Africa better places for all of us, regardless of our race, our gender, our culture or our identity.

These events also require us to review our transformation journey and some of the Group’s policies, formal procedures and informal ways of doing things — especially those that promote or hinder transformation, such as hiring and procurement policies, lending practices, and how we help to normalise and modernise the South African marketplace.

This need for re-examination has arisen at a good time, as we are currently communicating the refreshed strategy and thinking through the changes necessary to implement it. Executives will be providing more detail as appropriate in due course. Two things are already very clear: All of us have the responsibility to guard and strengthen the Group’s reputation; and all of us must be guided by our Values and Principles as we do so. A word on free speech: Citizens of South Africa have the right to ‘freedom of expression, but this right is not absolute. Under our Constitution, advocacy of racial hatred is not protected speech; and freedom of speech is not more important than the right to dignity. The wise framers of our Constitution have given us complete freedom of civilised political dialogue and of artistic expression. But we cannot say anything we like to hurt or belittle others and not expect consequences. I admonish all of us not to infringe on the linguistic, religious and cultural rights of others. When we differ — which we will — we must always remain respectful.

Finally, I urge all of us at Standard Bank to remain inspired by and committed to the noble and prayerful words of the Preamble to our Constitution: ‘We, the people of South Africa, recognise the injustices of our past; honour those who have suffered for justice and freedom in our land; Respect those who have worked to build and develop our country; and Believe that South
Africa belongs to all who live in it, united in our diversity. We therefore... adopt this Constitution... to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.¹ I believe, more than ever, that our individual futures depend on our collective future. Let this be a moment for South Africans to find each other again and to re-dedicate ourselves to building a non-racial and democratic South Africa which is globally competitive, and in which all citizens can enjoy prosperity in a normal society.²


Standard Bank surges after results

Standard Bank shares responded positively to its half-year results on the JSE yesterday, gaining more than 7 percent in early trade to R151.06 per share, boosted by higher interest rates in South Africa and a fees increase in the rest of the continent. The bank reported a 5 percent rise in headline earnings to R10.86 billion for the six months to June, from R10.37bn. As a result the group managed to declare an interim dividend of 340c per share, 12 percent higher than the same reporting period last year. Net interest income rose 18.8 percent to R27.8bn, from R23.4bn last year.

Joint chief executive Sim Tshabalala said: “We continue to monitor developments in the banking sector and financial markets to ensure that we remain appropriately equipped to deliver on our vision to be the leading financial services organisation in, for and across Africa.

“We are committed to delivering through-the-cycle earnings growth and a return on earnings within our target range of 15 percent to 18 percent over the medium term.”

The rest of Africa contributed 31 percent to the group’s total income, relative to 29 percent in the prior period and 25 percent to the group’s headline earnings, and this was consistent with the prior period. The bank’s unit of Personal and Business Banking reported headline earnings up 14 percent to R5.50bn, while Corporate and Investment Banking’s headline earnings grew 13 percent to R4.99bn.

However, Liberty’s black economic empowerment normalised headline earnings decreased by 9 percent to R1.82bn of which the International Financial Reporting Standards heading earnings attributable to the group was R886 million. Cannon Asset Managers’ chief investment officer, Andrew Dittberner, described the results as ahead of moderated market expectations as a result of the economic situation.

Dittberner said: “What was very pleasing from our perspective was the 12 percent increase in dividends paid out. The rising interest rate environment helped boost net interest income by 18 percent, but the flip side to this is that the credit loss ratio ticked up marginally. “The return
on equity of 14.4 percent: was a little disappointing and it would be welcomed to see this number get closer to 16 percent in the near term.”

Mergence Investment manager’s Brad Preston said the results were broadly in line but slightly ahead of market expectations. Preston said the banking operations in the country and the rest of Africa helped to push the results. Standard Bank shares rose 7.28 percent on the JSE yesterday to close at R152.


Standard Bank’s African wager boosts profit
Standard Bank says its growth into Africa is paying off as its net profit gained in the six months to June. In a statement released on Thursday, the listed big four bank said headline earnings gained 5 percent to R10.8 billion and it declared a 340c dividend, an increase of 12 percent on the first half of last year.

This is as income gained 15 percent to R49.86 billion. Standard Bank says it “continued to reap the benefits of ongoing growth in its businesses both in South Africa and its rest of Africa franchise”.

Its business outside SA contributed 31 percent to the group’s total income, compared with 29 percent in the prior period, and 25 percent to the group’s headline earnings, which it says is The big four bank adds the slow speed of China’s economic re-balancing, sustained low commodity prices and overall weak global demand have resulted in increased volatility and uncertainty. Britain’s vote to leave the European Union and the associated lack of clarity exacerbated this.

Across sub-Saharan Africa, oil and commodity export-reliant countries continue to feel the impact of lower prices on the back of excess supply and subdued demand from China, it says. The pace of structural reform, which is required to promote diversification and much needed economic growth, has been slow. In addition, the prolonged and widespread drought brought by El Nino has affected a number of countries.

“In South Africa, the mining and agriculture sector headwinds associated with low commodity prices and the persistent drought continued to place pressure on the economy into 2016. “For most of the period under review, the country operated under the threat of a downgrade of the sovereign by ratings agencies to sub-investment grade.”

The bank adds higher rates and above target inflation throughout the period placed additional strain on consumers, manifesting in lower confidence levels and a contraction of consumer credit. “The overall macro deterioration, although marked and prolonged, has been more gradual than that experienced in the 2008/9 crisis, enabling businesses to better prepare and adjust.”

CEO Sim Tshabalala says the bank will continue to monitor developments in the banking sector and financial markets to ensure that it remains appropriately equipped to deliver on our vision to be the leading financial services organisation in, for and across Africa. He adds the bank will
have a “heightened focus on optimising resource allocations across the group, coupled with tighter management of capital supply, and a diligent focus on costs”.


Why Standard Bank is expanding to francophone West Africa

South Africa’s Standard Bank – also trading as Stanbic Bank – has recently acquired a full banking licence in Côte d’Ivoire. The pan-African lender plans to use the market as a gateway to expand across the francophone West Africa region. The bank first set up a representative office in Côte d’Ivoire’s economic capital Abidjan over two years ago to become more familiar with the market.

According to Hervé Boyer, Stanbic Bank’s CEO for Côte d’Ivoire, the decision was based on a growing interest from existing clients – particularly South African – to tap into this region. Standard Bank will initially concentrate on corporate and investment banking. “Our strategy is to first [focus] on the bank’s existing clients who are already in the region, or who are planning to operate in the region.” Boyer told How we made it in Africa.

“And also we are going to try to bring more South African entities to Côte d’Ivoire.”

While South African companies have grown their African footprint across a number of English-speaking markets, they have typically been slower to expand to French-speaking countries – a result of challenges posed by the language barrier. However, key markets such as Côte d’Ivoire are increasingly catching the attention of firms due to high-growth potential and improving investment environments. Earlier this year a Nielsen Africa report indicated that Côte d’Ivoire had overtaken Nigeria in terms of the overall outlook for opportunities for existing and potential investors.

Boyer said the eight French-speaking countries that make up the West African Economic and Monetary Union offer substantial business advantages due to their economic and monetary integration and stability. For example, the eight member states share the West African CFA franc, which is pegged to the euro.

“So we don’t face the problems that other countries like Nigeria and Ghana in West Africa face – with a very serious devaluation of their currency. We are a euro-based economy and we have a very low inflation,” he added. “[Secondly], we have one central bank – which covers the eight countries... and is also very powerful. We have one stock exchange, and we have one legal framework – and it is a harmonised legal framework between the eight countries.”
The Standard Bank group, now in 20 African markets, aims to open its first branch in Abidjan by the end of the first quarter of 2017. According to Boyer, around 60% of the market share is held by five banks and there is potential for Standard Bank to introduce retail banking operations. However, he added the strategy is to grow slowly.

“We are starting from scratch... and building a personal banking operation is very costly. So let’s start with our existing clients, go really slowly and learn from our [experience in the market]. After that we can move on into the personal and business banking sector.”


Standard Bank’s Company Wallet becomes your bank account

Boosting revenue and reducing operating costs are one of the lifelines that drive good business. This is the momentum with which Standard Bank’s digital Company Wallet service offers benefits to registered companies. The Company Wallet is included in the recently launched Standard Bank BlueWallet (an online pre-paid account available to anyone with a valid mobile number). It enables registered businesses to effortlessly make bulk payments to their employees. Furthermore, casual/temporary workers will not need to open a bank account, as their cellphone becomes their bank account.

“The Standard Bank Company Wallet is a simple and easy payment solution allowing businesses the opportunity to eliminate the risk of dealing with cash. In addition our two stage security processes which recognize duplicate payments and incorrect customer details also make the Company Wallet very secure,” says Standard Bank’s Head of Digital Channels Bradwyn Beukes. This service is available to all registered Namibian businesses. “These businesses can just send a mail to BlueWallet@standardbank.com.na and we will complete the registration for them. Once registration has been completed and you’ve deposited funds into your Company Wallet, you’re set to go. Bulk payments are effected by using a .csv file for uploads and can pay any number of people at any time (template will be provided),” adds Beukes

The latest innovative business product comes as a result of Standard Bank’s vision: “To be Namibia’s agile provider of innovative financial solutions.” The bank plans to attain this vision through exceptional customer service, continuous innovation, an engaged and empowered
employee force, operational efficiency and local relevance. This journey started with the implementation of a new core banking system for the bank, Finacle, a new state-of-the-art system designed to enable innovation, agility and advanced functionalities for the benefit of customers.

“Following the implementation of this new state-of-the-art system our immediate attention was to bring about stability to our systems to enable our customers and clients to enjoy banking services at their convenience. ‘Following the implementation of a number of initiatives in the last two years, we believe that our ongoing systems and IT environment stability journey has enabled us to come up with innovative products during the course of 2016. We have commenced the next phase of our journey, the innovation phase, which will be an exciting time for our customers and all Namibians to look forward to,” adds Beukes.

One of the many exciting innovative products for Standard Bank corporate companies is the enhanced features included in the BlueWallet product, Company Wallet, whereby registered businesses can make easy bulk payments to their employees. This also includes Tiers that allow for amounts in excess of N$2 000 to be transacted if you are KYCed, Wicode which allow for transacting cash-less or card-less at large merchants and the ability not to withdraw all your funds from your Wallet.


What Standard Bank CEO Sim Tshabalala told his staff?
Last year ended with great tumult in our political economy and that tumult continues to affect the markets. Standard Bank will continue to play its part in addressing all the issues in our political economy that reduce South Africa’s competitiveness and slow inclusive growth. This year, however, has begun with intense controversy around racism, redress and free speech. While touching on some political economy issues, this letter focuses on the racism controversy:

“It is my hope that all these events have jolted us all onto a new and better path. Let us walk that path together. I am writing this to you as a black South African. This is an unashamedly personal message with all the history and emotion that comes with that. But I am also writing
It as a citizen of the world and as your Chief Executive - as someone who has the honour to lead Standard Bank, a good corporate citizen of South Africa that has become a major multinational corporation.

The events of the past few days have reminded us that South Africa is still a deeply wounded country. South Africa has made great progress since 1994, but the damage caused by centuries of colonialism and decades of apartheid has not been eradicated in twenty-two years. Most black South Africans — and most Africans in particular — remain severely disadvantaged compared to white South Africans. 4% of adult Africans have a tertiary qualification; 25% of white South Africans do. Throughout the South African economy, 70% of top managers and 59% of senior managers are white. The unemployment rate among Africans is 28.8%; among white people it is 5.9%. 61% of white South Africans live in households that spend more than R10 000 a month; only 8% of Africans can spend that much. 16% of Africans live in extreme poverty and regularly suffer hunger; 99.9% of white South Africans are better off than that.

Even those of us who have become prosperous and successful still bear the painful scars of apartheid in our memories. And we still see its enduring damage every day in the lives of our families and our friends. As I wrote in The Standard in June 2015, all Standard Bankers — indeed, all South Africans — have a legal and moral duty to work hard to promote the transformation of South Africa.

Transformation is not a choice. We are committed to transformation by the aspirations and values expressed in our Constitution; by the legal force of its equality clause; and in terms of precisely detailed legislation including the Broad-based Black Economic Empowerment Act, the Employment Equity Act and the Labour Relations Act. We are further committed to transformation by our own group Purpose and Values. We cannot honestly claim that 'Africa is our home, we drive her growth' unless we are committed to transformation in South Africa. A South Africa crippled by unfairness and inequality cannot take its rightful place in the African family of nations.

Furthermore, transformation is a commercial imperative for the Group. South Africa’s extremely high level of inequality creates grave risks to the quality of our politics, to the strength of our institutions and to the stability of our society. These worsen South Africa’s
business environment and our country risk ratings which, in turn, damage our prospects for faster and more inclusive growth in South Africa and throughout the continent.

Therefore, all of us at Standard Bank — and, indeed, all South Africans — must continue to work hard to transform our economy and our society. Our Constitution binds us to do this; our South African patriotism and our commitment to Africa demand it; and our interest in the profitability of our group and in the well-being of our fellow South Africans, our friends and families compels it. Transformation absolutely does not mean that there is no place for white staff or that white South Africans cannot expect to enjoy the rewards due to hard work and to skill. What it means is that all of us — black and white — must do everything we can to create a demographically normal society in which everyone has a fair opportunity to succeed. To build this better world for future generations of South Africans, a little patience and a degree of sacrifice is required from all of us. This is not an extraordinary burden. Mature and responsible people understand that careful future planning and self-restraint are required everywhere and at all times.

At Standard Bank, we are the inheritors of a proud record of patient stewardship and investment that has substantially promoted economic development and transformation. We are privileged to have the will and the capacity to continue to use the immense power of finance to make South Africa and our continent a better place. Transformation, then, is about creating a much fairer and more sustainable distribution of resources and opportunities. But, as we have just been painfully reminded, it is also about the eradication of racism from our society — both because racism is a practical barrier to transformation and because racism is deeply wrong in itself.

Racism is the denial of full humanity and of human dignity to any person or group of people on the grounds of their physical appearance or ethnicity. It is often expressed in false, thoughtless and belittling generalisations: 'All blacks are....' or 'Every white thinks that....' However, it can also be more subtle, working through glances and hints and unspoken assumptions.

As our history teaches us, racism can lead directly to systematic cruelty and appalling violence. Open or subtlety, racism hurts its victims terribly, weakens the fabric of society, poisons politics and erodes the trust and the optimism on which economic growth depends. Anyone of any
ethnicity — African, Chinese, Coloured, Indian, White, etc. — can be a victim of racism. Let me be clear: Racism against anyone is always totally unacceptable and inexcusable. The same is true of sexism and of prejudice and discrimination on grounds such as religion, sexual orientation or disability.

However, given South Africa’s history, it is inevitable that black South Africans are particularly vulnerable to the cruel thoughtlessness of racism. And given our history, we are also particularly sensitive to it. Frankly, we have every right to be very sensitive to racism. And we have an even stronger right not to be subjected to it. So again, by way of example, the cumulative effect of slights, of exclusions and of growing up in a squalid township — all these well up with inexorable force in response to present-day instances of racism, no matter how seemingly trivial. Many ‘jokes’ are not jokes to me — beneath their surface lurks what Justice Oliver Wendell Holmes called an inarticulate major premise: a premise of black inferiority.

Standard Bank does not tolerate racism in any form, no matter how ‘casual’ or ‘trivial.’ As expressed in Standard Bank’s Value of Respecting Each Other: ‘We have the highest regard for the dignity of all people. We respect each other and what Standard Bank stands for.’ Racism does not operate in a vacuum. Racist opinions are usually weapons in a struggle for resources. Some white people, for instance, appear — despite the provisions of our Constitution and our laws — to be tempted to argue that poor black people are not entitled to various goods because they are ‘dirty’ or because they have a ‘victim mentality.’ Some black people seem to think — despite the values and principles stated in our Constitution — that white people are not entitled to be full citizens because they are ‘all racists’. As can be seen from these examples, ‘entitled’ is often a key word in racist thinking. The ordinary dictionary definition of ‘entitled’ includes the idea that someone has a legitimate expectation - for instance, an expectation of access to a decent education or to redress for past wrongs. Of course, ‘entitled’ can also be used in a pejorative sense meaning that someone falsely thinks they’re entitled to privileges they haven’t earned or don’t deserve.

But as the Aristotelian principles of rectificatory and distributive justice proclaim, and as our Constitution and our laws make crystal-clear, Black South Africans are in fact fully entitled to a decent quality of life and to redress for apartheid. To suggest that this means that they are ‘entitled’ in the negative sense is simply wrong and often amounts to racism. What the last few
days have taught us, I believe, is that we now need a new phase of open and serious dialogue about race and racism in South Africa. Over the weeks to come, I will be working together with Exco, Manco and all of you, my colleagues here at Standard Bank, and in conversations in organised business, to ensure that business people enter this dialogue with the utmost thoughtfulness and willingness to listen. What I have said about inequality applies equally to racism. This new dialogue is a moral imperative, but it is also a commercial one.

Both our immediate and our long-term economic performance depend on how fully we respect and live by our Constitution, on the strength of our institutions, on our level of country risk, on our international competitiveness, and on the quality of our business environment. We have great strengths — immense resources, world-class companies and great infrastructure (some of which is in urgent need of further development) and highly productive and skilled workers. However, each of these sources of competitive advantage is badly eroded by incomplete transformation and by racism. Speaking as a banker, therefore, we need this dialogue because a large part of our business is risk management and because country risk directly affects the cost of capital. We need this dialogue so that we can get on with the business of making South Africa, of serving South Africa’s financial needs and supporting its growth and development. I expect all of us in the Standard Bank Group to grapple with these issues in a respectful and dignified way so as to make Standard Bank and South Africa better places for all of us, regardless of our race, our gender, our culture or our identity.

These events also require us to review our transformation journey and some of the Group’s policies, formal procedures and informal ways of doing things — especially those that promote or hinder transformation, such as hiring and procurement policies, lending practices, and how we help to normalise and modernise the South African marketplace.

This need for re-examination has arisen at a good time, as we are currently communicating the refreshed strategy and thinking through the changes necessary to implement it. Executives will be providing more detail as appropriate in due course. Two things are already very clear: All of us have the responsibility to guard and strengthen the Group’s reputation; and all of us must be guided by our Values and Principles as we do so. A word on free speech: Citizens of South Africa have the right to freedom of expression, but this right is not absolute. Under our Constitution, advocacy of racial hatred is not protected speech; and freedom of speech is not
more important than the right to dignity. The wise framers of our Constitution have given us complete freedom of civilised political dialogue and of artistic expression. But we cannot say anything we like to hurt or belittle others and not expect consequences. I admonish all of us not to infringe on the linguistic, religious and cultural rights of others. When we differ — which we will — we must always remain respectful.

Finally, I urge all of us at Standard Bank to remain inspired by and committed to the noble and prayerful words of the Preamble to our Constitution: ‘We, the people of South Africa, recognise the injustices of our past: Honour those who have suffered for justice and freedom in our land; Respect those who have worked to build and develop our country; and Believe that South Africa belongs to all who live in it, united in our diversity. We therefore... adopt this Constitution... to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.’ I believe, more than ever, that our individual futures depend on our collective future. Let this be a moment for South Africans to find each other again and to re-dedicate ourselves to building a non-racial and democratic South Africa which is globally competitive, and in which all citizens can enjoy prosperity in a normal society.”


**Question 1:**

You have been hired as a consultant to try and address the labour impasse. Prepare a report that addresses the following:

a) The main issues at stake as covered in the case-study.
b) Conduct a SWOT analysis in exploring how companies like Standard Bank are affected by quests for expansion and change as presented in the case.
c) Propose how Standard Bank and its CEO can be competitive at the same assist its employees as they deal with change.

[30 Marks]
Question 2:

Propose a change/change management research study based on the material covered within the case study. Your answer should present the following:

a) A working title.
b) A clear statement of the problem.
c) A research question.
d) An outline of the methodology and research design to be used.

[20 Marks]

TOTAL SECTION B = 50 MARKS