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Manager's Resistance to Organizational Change: Lesson from Ethiopian Commercial Banking Sector

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ABSTRACT:
The thinking and the practice of managing resistance to change is usually associated with change recipient's psychological set up. In most cases, employees are either implicitly or explicitly considered as the prime source of resistance. Exploring the initiation and implementation of organizational change in Ethiopian commercial banks, this research found out that resistance to change does not have a single source – employees. Multiple cases of strategic organizational change initiatives in Ethiopian banks revealed relatively uncommon notion of "manager's resistance" to organizational changes and different manifestations of it. In addition to resistant managers, there were also situations where organizational owners do not support change initiatives that are believed to improve organizational performance; not because they are in doubt about the need for such changes, but they simply do not care. This explorative work intends to bring the idea of reconsidering the normatively assumed source of resistance to the attention of scholars. Adding this notion to the repertoire of attributes of resistance to change in the existing body of knowledge could initiate debate on the validity of this new perspective and on the possibility of realizing less resisted changes in organizations.

Keywords: *Manager's resistance, Resistance to change, Source of initiative, Source of resistance*

INTRODUCTION

Resistance to change is a familiar topic among scholars of change management. The common meaning associated to it usually refers to the behavior of change recipients (i.e., employees). In the literature, the tendency to associate change resistance to employees is inherent. However, the possibility of resistance from sources other than employees is not well recorded. Could the nature of resistance from less commonly discussed sources be different from the default source (i.e., employees or change recipients), the possibility of enhancing the historically low success rate of change initiatives (as resistance is generally the common factor behind low success rate) through including new sources of resistance did not gain sufficient attention in the extant literature. One of such possibilities could be the inclusion of manager's resistance (a new perspective) in the present body of knowledge in organizational change.

Extending on Schwarz and Stensaker's (2014) call for phenomenon-driven approach in change management researches, this article tries to serve this purpose based on new perspectives that emerged from empirical data. AS such, it

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intends to bring the idea of reconsidering the normatively assumed source of resistance to the attention of scholars so as to start discussions on the possibility realizing less resisted changes in organizations. Adding the notion of "manager's resistance" to the repertoire of attributes of resistance to change in the existing body of knowledge could initiate debate on the validity of this new perspective.

Manager refers to individuals or groups which were in charge of managing participant banks of this study during the studied change initiatives. Managers' group includes bank presidents, other top level managers, middle level managers and operational managers. The behavior of this group (i.e., manager) in connection with intention to divert the direction or to halt the progress of change initiative within the bank the group is in charge is what is referred to in this article as manager's resistance.

In connection with source of resistance and specifically manager's resistance, several concepts were explored based on empirical data gathered using a series of in-depth interviews with theoretical samples of employees and managers who participated during strategic change initiatives in Ethiopian commercial banks. The article sought to answer "what explanations do we have regarding resistance to change in situations where managers instead of employees are resistant to organizational changes?" These explanations are made building on scarcely represented attempts to consider managers as possible sources of resistance to organizational change.

In the upcoming sections; a brief review of the literature in resistance to change in connection with who is assumed to be change resistant, the research method, explanation of resistant manger in the context of Ethiopian commercial banking, discussions and conclusion are presented.

Resistance to Change in the Extant Literature

The Meaning of Resistance

Resistance which is also sometimes referred to as inertia or continuity is considered as the common challenge that faces change-leaders during organizational change initiatives. Change and resistance are treated as paradoxes in organizational change literature (Nasim & Sushil, 2011). Bouckenooghe (2010) reviewed articles published between 1993 and 2007 and discussed about the attitudes towards organizational change. In his work, "readiness for change, resistance to change, cynicism about organizational change, commitment to change, openness to change, acceptance of change, coping with change, adjustment to change" are identified as overlapping concepts in connection with attitudes towards change (p. 501). Oreg (2006, p. 74) describes resistance in terms of three components as follows:

[A]tridimensional (negative) attitude towards change, which includes affective, behavioral, and cognitive components. The affective component regards how one feels about the change (e.g., angry, anxious); the cognitive component involves what one thinks about the change (e.g., Is it necessary? Will it be beneficial?); and the behavioral component involves actions or intention to act in response to the change (e.g., complaining about the change, trying to convince others that the change is bad).

Depending on whether one chooses either a positive or a negative tone of communication, any of these terms can be used to express about how people perceive and react towards organizational change. Resistance goes to the negative side. Its manifestations would be negative affectivity, negative perception and counteractions. All contribute negatively to success.

Bareil (2013) proposes viewing the meanings given to resistance to change by combining two paradigms: the traditional and the modern. In the traditional paradigm, resistance is often considered as an intention to stop change. However, in the modern perspective, resistance to change is viewed as "feedback of discomfort about the change initiative" (p. 62). On the basis of these meanings, she recommended a sequence that starts with the modern approach to entertain the concerns of the majority and finally dealing with the few serious resistors as per the traditional approach instead of a "this or that" approach.

The question of interest in this article is "who is being assumed as the source of resistance?" In the next section, how this question is addressed in the literature is discussed.

Who is Resistant to Change

According to Burnes's (2015) explanation, the literature in resistance to change has foundations on the works of Kurt Lewin (1947) and Coch and French (1948). As reported by their article "Overcoming resistance to change", Coch and French's (1948) concern was to search for a solution for employee resistance to change triggered by the problem at Harwood. Subsequent discussions which were built on these seminal works also discussed on resistance to change while the default of assuming employees as primary source of resistance remained unquestioned.

When we discuss about how to manage resistance, the common assumption is that employees are generally expected to be in the resistant group while management is considered to be the one who strives to manage (overcome) resistance (Lawrence, 1969). Implicitly, Bouckenooghe's (2010) discussion on resistance and related attitudes towards change also refers to employee's resistance.

As can be inferred from Dent's (1999, p. 25) explanation, the notion of resistance to change was introduced in the literature as "the idea that there is resistance to change and that managers must overcome it." This means, managers are not among resistant ones.

According to Bareil's (2013) summary about the traditional and modern paradigms; the resisting group is usually the employee or the end user while different stakeholders can be expected to have concerns such as uncertainty. To a certain extent, Bareil's (2013) work gave recognition for the possibility of resistance to change from a manager's side. The scenario of change implementation while expecting a resistance from management is assumed to be continuous improvements and flexibilities and adaptations. The issue is not well addressed in the context of significant organizational changes such as business process reengineering, however.

According to Burnes (2015), in the vast majority of literature on resistance to change, the focus has been the individual employee instead of the organizational context as suggested by the seminal works of Kurt Lewin (1949) and Coch and French (1948). Maintaining the assertion in his 2004's work, Burnes (2015) explained this shift in the attention in connection with the lost interest in organizational development (OD) following the death of Kurt Lewin in 1947. In conclusion, despite the reduced recognition of OD which led to a declined momentum of growth in the literature of resistance to change, the Lewin's and Coch and French's seminal contribution is still serving as a foundation. McKay, Kuntz and Naswall (2013), Meier, Ben and Schuppan (2013), and Chung, Su and Su (2012) also viewed resistance to change from the side of employees reaffirming the fact that resistance to change is commonly associated with employees. This is why employees are generally assumed as the prime sources of resistance.

Widening the Frontier

In the literature, there are attempts to add new insights to the repertoire of knowledge about resistance to change. Some authors could be cited for their exceptional effort to widen the frontier of resistance to change. Their contribution ranges from recognizing the possibility of bottom-up driven (employee initiated) changes to the possibility of resistance from management. However, none of them tried to explain why and how managers resist organizational change.

Dent's (1999: 26) view that "people do not resist change, per se[;] people may resist loss of status, loss of pay, or loss of comfort, but these are not the same as resisting change." The management of such resistances obviously requires understanding the underpinning reasons which cannot be achieved without knowing the source of resistance. This signaled the emergence of challenges to the extant wisdom about resistance to change.

Piderit (2000) recognized the possibility for a non-managerial especially employee initiative (proposal) for change following status differences between management and employees of the flatter modern organizations. Piderit's (2000) call for rethinking our conceptualization of resistance to change was targeted towards employees' resistance to change. Because of this, the discovery of bottom-up driven change initiative possibilities did not lead to the recognition of source of initiatives as indicators of source of resistance. However, the tradition to consider the source of change as top-down driven (Bouckenooghe, 2010) indirectly implies resistance to be bottom-up driven.

An exact touch of a non-employee resistance to change has been attempted by Washington and Hacker (2005, p. 401) who tried to address resistance in their study in a developing nation's context in Botswana as they chose it to be "a suitable context to study our question of the link between knowledge about change programs and resistance to the change." While the reasons that made the setting unique are explained and the research found out that there is a link between manager's knowledge about the change (what it is) and manager's resistance to change, they left the question of "why managers may resist change" to be further researched (P.409).

Ford, Ford and D'amelio (2008) also came with a new perspective critiquing the previous change agent centric view of resistance to change. They noted the possibility for resistance to arise due to change agents' mismanagement and incompetence too. Besides, resistance to change may also be described as per how change agents interpret it. As such, change agents can even contribute to resistance. These authors pushed the frontier in the resistance to change body of knowledge "by expanding it to include the contributory role of change agents and, thus, of the agent-recipient relationship" (p.370). Both the source (i.e., the change agent) and the relationships are quite imperative here.

Umble and Umble (2014) described resistance in terms of various layers drawing on theory of constraints (TOC). Their intention was to be able to have sufficient buy-in with respect to owning and implementing the initiated change. According to their explanation, those who played initiating role are more likely to psychologically own the change. Therefore, to gain the support of the critical mass, it is advisable to make sure every player "gains some psychological ownership of the project" (p. 18). This requires getting into an agreement with players through a process that is like peeling the layers of an onion.

The fact that the first players who will be entering the psychological contract at the earliest stage are those who initiated the change makes the initial stage to suffer short of sufficient buy-in. "[T]he initiator must encourage the other key players to participate in discovering the true nature of the problem, [in] developing the actual solution and [in] fleshing out the details of the implementation plan" (Umble and Umble, 2014, p. 19).

In connection with this, it is possible to rethink about the source of change resistance as a function of source of initiatives and initiator-recipient relations (Ford et al., 2008; Bouckenooghe, 2010). The notion of manager's resistance is therefore best served in situations where changes are initiated by non-managers.

RESEARCH METHOD

This article is an extract from a research conducted on multiple cases of strategic changes in Ethiopian commercial banks. An inductive thematic analysis (Braun, 2006) supported by Atlas.ti software augmented with Yin's (2003) and Eisenhardt's (1989) case study method was applied to extract themes. As Eiesenhardt (1989) describes, building theory from case studies employs some features of grounded theory too. Transcriptions of tape-recorded audios of in-depth interviews, field notes and company documents served as primary documents to the Atlas.ti software. Bacharach's (1989), Wacker's (1998) and Weick's (1999) proposed approaches for theory development were also applied to extract theoretical propositions.

Preliminary themes and relationships were extracted from the bulk of data with the help of data familiarization throughout the processes of in-depth interviews, coding, and network analyses and with the support of Atlas.ti's groundedness and density measures. Relationships among the selected concepts were examined and tested for consistency with the data. Further refinement and shaping of concepts and relationships had been done in accordance with Bacharach's (1989) and Wacker's (1998) proposal.

While taking note of Schwarz and Stensaker's (2014) recommendation to take off what they called theoretical straightjacket and adhering to the procedures of data driven inductive thematic analysis to reach to the findings; the reporting is oriented by the extant literature (e.g., Burnes, 2015; Bouckenooghe, 2010; Bareil, 2013; Piderit, 2000). This helped to see the linkage emerged themes have with the extant literature (Eisenhardt, 1989).

Brief Introduction to the Studied Change Initiatives

The study was targeted on multiple cases of change initiatives in Ethiopian commercial banks. Theoretical samples of cases were taken from both state owned and private banks. In the state owned bank case, government took the initiative to introduce strategic change in its banks. In the private bank, experts took the lead and tried to convince bank mangers to bring about organization-wide changes. In both cases, the intention of the initiatives was to redesign the banks' business processes. Government banks referred to their initiatives as business process reengineering (BPR) while the studied private bank didn't choose to use the name BPR. The private bank intentionally avoided the name business process reengineering to reduce possible resistance from change recipients taking lessons from the previously initiated similar change in the government owned banks. Prior to the introduction of the change initiative in the private bank, BPR was known as a political tool rather than an approach to bring about organizational change. This was due to government's excessive advocacy about BPR initiatives.

In both cases, the process redesigning effort had been carried out by broadly classifying bank operations into two as core and support business processes. The relative success of change in support operations was lower compared to core operations. The anticipated changes were not fully implemented in support processes. In both private and government banks, support processes regressed back to the status quo after a brief period of changed operations whereas the automated core processes were irreversibly changed in both cases.

Core processes were relatively better in the publicly owned and private banks. However, the entire success of the initiative was better in the public context. Of course, the initiative in the private context was newer. As evidenced in the data, the studied private bank tried to take lessons from government-owned banks. However, the private sector's benchmarking attempt included the government bank's approach that is unanimously considered by the government bank itself as a failed initiative (or first phase). This could be one of the reasons for the private bank's low performance in implementing the change initiative.

In the government banks, the approach applied to bring about the change was explicitly mentioned as business process reengineering (BPR) as mentioned earlier. The initiative had passed through two phases. The first one was reported by the bank as a failed initiative. This failure led to the reinitiating of the process reengineering by taking lessons from the experienced failure. This is what they refer to as second phase.

This story of failure as a result of trying to implement BPR following the aforementioned approach (first phase) is publicly recorded to have happened in other governmental organizations too (e.g. see Debela, 2009). As this agenda is beyond the scope of this article, an interested reader can refer to Debela's article to see the stories of the two phases of business process reengineering (BPR) initiatives which are referred to as the function-based and the process-based approaches.

In the private bank's context, the initiative came in a form of an expert's proposal. The expert had to convince bank managers and get their approval. The proposal emerged in connection with government's directive to implement core banking system across all banks. The expert's proposal tried to use government's directive as an opportunity to convince the bank's management to commit resources towards fundamental organizational change.

Apart from several other factors, managers' resistance to organizational changes initiated in their respective banks is assumed to have significant impact on the initiative's success level. Manager's resistance has different manifestations. As observed in the commercial banks, managers in the government bank resisted the change initiative especially the second phase in a form of: (1) waste of time at the initial stage, (2) showing reluctance towards the change, (3) allocating unreasonably small time to finish assignments, (4) implementing the new approaches in a disordered manner (implementation disorder), (5) using the initiative as a mechanism of serving self interests at the expense of banks' long term objectives (e.g., employee selection and placement), (6) implementing a totally different thing from the designed change (i.e, deviant implementation), and (7) gradual regression.

Manager's Resistance to Change

In public sector bank's context, as briefly explained above, government authorities took the initiative to change the bank. The initiative was not targeted to banks; it was part of government's overall program to transform the civil service. As such, the approach of initiation and implementation of the change was more or less similar to what was applied to civil service organizations too.

The initiative went through two phases; the second of which gained greater attention, and hence considered as the last phase. In the first phase, the initiative came as an instruction from government authorities. Bank managers then took actions based on what they understood from the instruction. Later on, the first phase was declared unsuccessful and led to the second phase. In the second phase, government's instructions were channeled directly to a technical team established for that purpose. Members of the technical team were not from the management group. This situation created uncertainty in the side of managers as most managers were in charge of the first initiative. As a result, they had to defend the first phase. On the other side, technical team members had to advocate in favor of the second phase. This was the starting point for the politics between the two groups – one promoting the other resisting the initiated change.

In the private bank's context, owners' reluctance about the way the bank operates as far as they are making money in an industry that is dominated by few players and protected by entry barriers gave the confidence for the management group not to be committed for the change that was originated by experts. At the initial stage, either the management or the board of directors which represents owners did not reject the idea of changing the bank. However; when it came to the point the change demands actual commitment, they simply kept the agenda aside. After several efforts exerted, business as usual continued with new department names and new job positions bank managers being principal orchestrators of the regression.

Private bank owners do not care about the profitability of their bank; it is nearly certainly achievable. The society is still under-banked. Access to credit is still very difficult; demand for credit is much greater than what the banks are supplying. The local businessmen do have their own informal associations called "Idir" to get substitute services such as saving and credit. This option is not as convenient as bank services, however. Because of this, investors on private banks do have an interest to control bank's management and get their financing and other needs served by loyal bank managers. To ensure this, they also have active involvements and influence on the board of directors. These interests of private bank owners are generally referred in this article as "non-profit motive".

For private bank owners, getting their non-profit motives served is more appealing than getting dividends. What they demand from managers of their bank is loyalty much more than bank performance. On the other side, managers make sure that they are satisfying these owners who are in close control of the bank's board of directors – which assigns to and fires from top managerial positions. Reciprocal to their loyalty, managers also maintain being influential and important over anything else. For these managers, an outsmarting bottom-up attempt to improve bank operations through change initiatives is a threat for their position as this may reduce their importance and result in replacement.

In both government and private banks, the need to protect their position from rivals who emerge as change initiators or change agents is a common factor that led bank managers to resistance. Besides, acknowledging the importance of the initiated change and taking responsibility for the implementation is a risky decision which is not convenient to play a blame game in the end. Rather, avoiding any such initiative requires less effort and results in no threat for los of position and the inevitable profitability even being inefficient. Therefore, bank managers had to carefully resist the change and maintain their importance in the bank.

In the government bank context, chairman of the board of directors used to directly contact technical teams and encourage them. This gradually overwhelmed bank managers' resistance. In the end, the suspected threat happened; most of the technical team members took highest managerial positions in the newly designed bank. This was a great lesson to the managers of the private sector bank. They made sure that the change is not successful and the experts who took part in the initiative gained no attention from the board of directors (owners). On the other hand, this intervention also indicates how to overcome manager's resistance to change – through owner's commitment to the change.

DISCUSSION

From the above narrations, we can extract several important ideas in connection with manager's resistance. Such resistance has strong link to the source and approach of initiating in addition to the nature of the market. As observed in the commercial banks in Ethiopia, the source of initiative or the origin of the idea to change the bank played an important role in the subsequent interactions among key players whose collaborative effort could have otherwise brought about successful organizational change. Due to reasons such as perception about previous initiatives, level of common understanding about the change, self-interest, and lack of trust, the initiative can face resistance from non-initiating groups. Especially when management is among the non-initiating groups, (i.e., when changes are initiated by non-managers and owners do not see a compelling reason to commit themselves into the initiated change), the organizational environment will be engulfed by office politics sponsored by managers. This is the condition which leads managers to different ways of resistance to the initiated changes.

In the upcoming paragraphs, the general condition in which managers resist organizational change is discussed. This condition has two major contributing factors – source of initiative and the level of competition pressure in the market in which the organization is operating.

Source of the Change Initiative

The act of introducing a specific type of planned organizational change is what is being referred to as initiating. Depending on who initiates the idea of the change and other moderating and mediating factors such as how it is communicated, why it is initiated, how it is perceived by non-initiating groups, etc…; initiation has a potential to affect a change's effectiveness either positively or negatively. The health of resultant interaction among relevant parties during the change depends on these factors. How smooth the interaction among owners, management and the employees (henceforth key actors) was during organizational change determines the success of organizational change.

The foundation for the smoothness of interaction and for making the change a common interest (agenda) to key actors who play significant roles for the success of implementation must be laid right at the initiation stage. Those who took the initiative should consider how the non-initiating actor could perceive the initiated change and start their task by taking care of the interaction among the key actors. Failure to do so would result in resistance.

Source of initiation should be examined carefully in terms of possible perceptions of the non-initiating group to propose mechanisms of managing resistance. There is no management of resistance per se, the analysis of "who resists" determines the mechanism of managing resistance. Based on the rich empirical data gathered on the context of commercial banks in Ethiopia, managers were resistant to the change they did not initiate. Therefore, the source of initiative helps in the identification of the source of resistance which in turn helps in find a mechanism of managing resistance. This leads to the following proposition.

Proposition 1. Source of initiation predicts who will be potentially resistant to organizational changes.

This is a departure from the usual association of resistance with employees. If managers are among the non-initiating groups as observed in the studied banks, they would probably resist the change. Owners could also be among the resisting group despite the fact that the initiated change could improve bank's operation.

The sources of initiative and the sources of resistance are expected to be different. An examination of a source of initiative-source of resistance interplay could result in better understanding of the nature of resistance and mechanisms of its management. This same logic also results in the next proposition.

Proposition 2. A non-manager's initiating of organizational change could result in a manager's resistance to organizational change.

This proposition implies the possibility of resistance by other major actor. While employee resistance is well documented in the literature, the resistance of managers and owners (stockholders) is not common. The possibility for manger's resistance is a threat for implementation success. Top management's support is a key success factor for organizational change. On the contrary, if top management is among the resisting group, the initiative will nearly certainly end up unsuccessful. If the origin is distant from the top management, formal introduction of the change initiative should be preceded by making the top management convinced and committed to it.

Analyzing the source among the key actors is important in understanding and proposing the right approach to deal with resistance. For example, if change is externally driven (by the government in our case) it could not be successful unless there is an effort to make it a shared interest or there is an effective reinforcement mechanism. If the initiative emerged bottom up, it will not be successful unless the people at the top (board of directors and top management) accepted it and made it their own agenda.

The degree of manager's resistance to organizational change depends on whether the change is initiated bottom-up or top-down (source of initiative). Bottom-up driven change is expected to face greater resistance from managers compared to Top-down driven change initiatives. As stated by the next proposition, the level of manager's resistance is directly linked to the capacity of the management group in curving the initiative towards their interest which is the function of the source of initiative.

Proposition 3. The source of initiative determines the degree of manager's resistance to organizational change.

As explained by the above proposition, whether the change is initiated bottom-up or top-down determines the extent and likelihood of resistance it faces from the management. The greater success in the public sector bank compared to the private sector bank is attributed to the source of initiative. In the government bank, the initiative came from the government and government officials through the board of directors were in support of the initiative. This made the situation very difficult for managers to resist the initiative and resulted in gradual reduction of their resistance to the change. In the private bank's context, the initiative came bottom-up and faced gradual ignorance from both the owners' and the managers' group because owners (or their board of directors) were not committed.

So, the impact of source of initiative on the degree of manager's resistance is mediated by several conditions. The behavior of management members is derived by the way the change they perceive affects their interest. If the other key actors (owners) do not get convinced or see a compelling reason to commit themselves to the change, and management group have negative perception about the change or considers the change as threat for their interest, the initiated change will face fierce resistance from managers. Moreover, owners may care more for their non-profit motive than for bank's operations. As a result they passively resist the change or in a form of giving protection for the bank managers who are loyal to them. In both cases, conflicting self interest changes the condition under which managers resist initiated changes.

Proposition 4. The impact of source of initiative on degree of manager's resistance to change is mediated by the supremacy of conflicting self-interest among key actors.

The superiority of personal benefits of owners, managers or employees at the expense of organizational interest can not only jeopardize an initiated change but also threaten the survival of the organization. The issue of governance, which is beyond the scope of this article, needs further investigation by an interested researcher.

Managers, owners (directly or through the board of directors) and employees may originate the idea of the change. For the initiated change to be effectively implemented, commitment is required of all the three. Therefore, the initiator should manage to make the initiative a common agenda to all the key actors. What the change is meant for them matters. To reduce resistance, the purpose of the change must be carefully communicated. This results in smooth interaction among key actors. This is the other mediating factor as described by proposition 5.

Proposition 5. The impact of source of initiative on degree of manager's resistance to change is mediated by the smoothness of interaction among key actors.

The above propositions imply not only managers' but also employees' and owners' resistance to change could be minimized or even turned into support through shared understanding of the reasons that necessitated the initiated change. Therefore, in addition to the source, reason of initiation could also help to explain who will be the potential resistant to organizational changes.

Reason for Initiating Organizational Change

If the reason behind the initiation is not compelling to one or more of the key actors, the change will face either overt or covert resistance from any one or more of them. Checking the following could help to prevent, reduce or tackle possible resistance from a manger or other unconvinced actor.

- ✓ If there is a nonprofit motive that is strong to the extent it controls the organizational power, it is not time to initiate change.
- ✓ If business performance related pressure triggering the change is not significantly perceived because of shortsightedness (present profitability), formal initiation should be preceded by creating awareness and aligning the initiative with that pressure.
- ✓ If there is no competitive pressure to trigger the change, it is not time to initiate a change unless the span of competition is widened and owners or their representatives accepted organizational change as their agenda.
- ✓ If the reason for initiating the change is not aligned to the interest of any of the three key actors, implementing the change will suffer from lack of commitment if not resistance from the unconvinced party.

The central idea behind the above explanations is how aligned the change initiative is to the interest of the bank's owners, management and the workforce. The supremacy of competing self interest detracts the level of commitment to the initiated change. Therefore, the strength of self interest these three parties could serve at the expense of organizational interest should be examined using the above indicating conditions (measures).

In connection with the above explanations of reason for initiating the change, the level of market competition and the pressure it exerts. The next explanations of manager's resistance are made by nature of market competition and other mediating factors.

Nature of Market Competition

Competitive pressure from the market is assumed to have played significant role behind the nature and reasons of manager's resistance to change. The impact of market competitive pressure on manager's resistance to change is mediated by owner's commitment and related behaviors. The fundamental measures of pressure from competitors in the market can be whether or not bank's profitability is threaten by competitors' performance, whether or not competition is a central agenda in bank's strategies and operations, and whether or not winning customers is a problem.

Ethiopian banking sector is protected by the government from entry of foreign banks. The number of commercial banks (i.e. 19) is too small for a population of around 100 million people. Ethiopians do not get sufficient banking services because of this. Therefore, the issue of success in banking business in the country could be equivalent to enduring entry barriers. Rather, owners are interested more in serving their non-profit motives as explained earlier. Nonprofit motives of owners serving their private interest under the umbrella of a commercial banking business lead to lesser support and commitment towards an initiated strategic organizational change which may at times even grow to resistance.

Especially in the private sector's context where bank managers are affiliated (or associated) to owners who serve their non-profit motive at the expense of bank's long term organizational interest, managers resist or ignore bottom-up initiated organizational changes. This type of managerial resistance to organizational change is backed by owners' or their representative board's reluctance to support the change and keenness to serve their short term interests. These managers stay in power in return to their services to such owners and could even speculate higher positions through this way. In such situation, an initiative to organizational change may be considered disturbing for these mangers and face fierce resistance from them.

Proposition 6. Level of market competition (competitive pressure) determines the degree of manager's resistance to organizational change.

The existence of competitive pressure posed by other banks in the market is the other factor that affects the degree of alignment of bank owners' interest to the performance of the bank. The absence of this pressure obviously tempts owners to focus on short term benefits (dividends) instead of strategic moves which may necessitate strategic change. Therefore, the following proposition is made based on facts on the ground.

Proposition 7. The extent to which market competitiveness affects profitability determines the degree of acceptance of initiated organizational changes.

Moreover, it was noted from the data that mere interest or acceptance from owners does not guarantee reduced resistance from managers. This indicates, potential active or passive managerial resistance to organizational change can be reduced by owners' real commitment in terms of resource allocation, greater attention, and reinforcement. This leads to the following proposition.

Proposition 8. The impact of market competitive pressure on manager's resistance to change is mediated by owners' level of commitment to the initiated change.

Also note that owners' commitment is determined by conflict of interest which in turn affects smoothness of interaction. Therefore, conflicting self-interest, owner's commitment and smoothness of interaction are commonly mediating factors between source of initiative and manager's resistance and between market competition and manager's resistance.

Smoothness of interaction is a function of supremacy of conflicting self-interest and owner's commitment. These relations intervene in the relationships among source of initiative, market competition, and manager's resistance to change. Figure 1 depicts the proposed relationships among the factors that explain manager's resistance to organizational change.

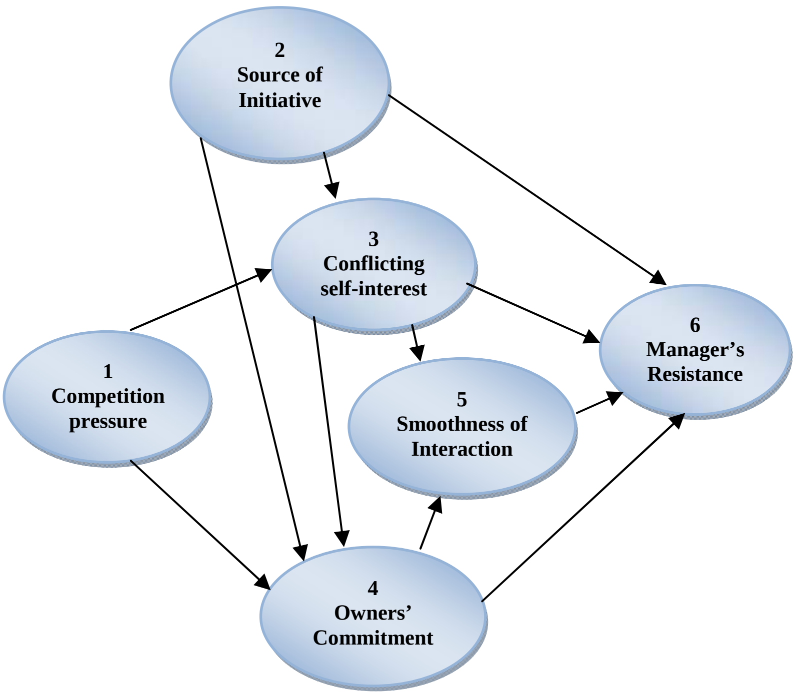

Figure 1: Factors explaining manager's resistance to change

CONCLUSION

In this article, the notion of source of initiative-source of resistance interplay underpins the proposition for considering less commonly discussed sources of resistance to organizational change. If organizational change is not initiated by management group, it is possible for the management group to be in the resistant group and vice versa. Therefore, management of resistance to change could be more effective by breaking the normative assumption of employees as a prime source for every resistance to organizational change and embracing a wider group of major actors in the possible sources of resistance.

Irrespective of who initiated the change, manager's leadership role is an indispensable success factor. This indicates how significant the contribution of manager's resistance could be for the failure of change initiatives. However, manager's conspiracy behind an organizational change and its impact on the success of change is not sufficiently represented in the literature of organizational change management.

The smoothness of interactions among and the actions taken by major actors (i.e., owners, managers, and employees), the supremacy of conflicting interest during transition, commitment of owners to the initiative, and source of the initiative were emerged as factors that directly affect the level of manager's resistance to change. In addition, competitive pressure from the market indirectly determines the degree of manager's resistance to change as it is mediated by owners' commitment and owner's conflicting interest that is stimulated by what is referred to as non-profit motive.

For the resistant manager, bottom-up initiated organizational changes are simpler for manipulation if owners do not show interest to or have no reinforcement mechanism towards the initiated change. On the other hand, owners backed by markets characterized by weak competition opt to exercise non-profit motives covered by the banking business. These two factors (i.e., source of initiative and competition pressure from the market) determine the level of manager's resistance to change. The impacts of these two factors on manager's resistance are mediated by three other factors namely conflict of self-interest from both owners and managers, commitment of owners to the initiated change and the smoothness of interaction among the major actors. As depicted by figure 1, there are also relations amongst the mediating factors.

In conclusion, the concept of manager's resistance needs further study by scholars in the field. The relations led to the propositions made earlier are all subject to refinement through further studies and tests. This article attempted to showcase the possibility of resistance to change from sources other than employees. It is imperative to develop explanations for these sources of resistance to change. Manager's resistance, amongst the three key actors, in the case of Ethiopian commercial banks deserves attention and treatment for a successful change initiation and implementation.

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