

UNIVERSITY OF KWAZULU-NATAL

Driving simplified multiple values of banking to varied stakeholders using digital technologies in a South African bank

by

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.

ABSTRACT

South African banks face significant challenges in implementing digitalisation as a core strategy for delivering banking products and services to diverse stakeholders in a digital environment. This study adopted Strauss and Corbin's (1990) version of grounded theory to develop a substantive grounded theory on the implementation of digitalisation as a strategy in a selected South African bank, based on the lived experiences of senior managers. Twenty-five senior managers with direct experience of the bank's transition from traditional to digital banking were selected using purposive and theoretical sampling. Data were collected through 32 in-depth semi-structured interviews that captured critical incidents explaining the factors and processes of the transition, and were analysed using open, axial, and selective coding. The study developed a five-stage substantive grounded theory labelled "the digital wave of driving multiple values of banking services to varied stakeholders using digital technologies in a South African bank." This theory illustrates an ambidextrous "digical" approach as the bank adopted a sensitive digital-first strategy for engagement while deliberately maintaining strong face-to-face client centricity. This ensured clients with unique difficulties or those unwilling to transact digitally were not left behind. In the first stage, the bank focused on identifying digital-enabling opportunities. In the second stage, employees and managers enacted internal and external value by enhancing performance through digital technologies, realigning HR activities, and empowering employees with improved integrated processes. The third stage involved managing a complex mix of positive and negative digital consequences for clients, employees, and banking and non-banking partners. The fourth stage addressed transforming key challenges, such as employee and client resistance, streamlining organisational architecture for efficiency, and realigning supplier strategies with emerging digital needs. The overall consequence in the final stage was simplified yet had multiple values for varied stakeholders. Overall, the bank reaped the benefits of the "digital" approach, combining digital customer engagement with personal, consultative branch support, particularly for lower-end mass-market customers. The new substantive grounded theory of "digical banking" advocates this ambidextrous, integrative model. The theory provides practical guidance for bank leadership, managers, employees, and HR practitioners in navigating digital transformation and building ambidextrous leadership and digital capabilities.

Keywords: Banking, Digitalisation, Strategy, Digital change management, Digital business model innovation

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LIST OF ACRONYMS

AI	Artificial Intelligence
APP	Application
ATM	Automated Teller Machine
BBC	Bank Better Champion
BM	Branch Manager
COVID-19	The Coronavirus Pandemic in 2019
BBC	Bank Better Champion
DNR	Dual Note Recycler
EFT	Electronic Funds Transfer
FICA	Financial Intelligence Centre Act
FinTech	Financial Technology
GT	Grounded Theory
GTM	Grounded Theory Methodology
GRP	Guarantee Remuneration Package
IT	Information Technology
LSM	Living Standard Measure
KPI	Key Performance Indicator
MNO	Mobile Network Operators
NGO	Non-governmental organisation
OM	Operations Manager
PIN	Personal Identification Number
POPIA	Protection of Personal Information Act
POS	Point of Sale
QMS	Queue Management System
RM	Regional Manager
RSA	South Africa
SMS	Short Message Service
SPC	Service Profit Chain
SARB	South African Reserve Bank
SASSA	South Africa Security

SC	Service Consultant
SST	Self-Service Terminal
SIM	Subscriber Identity Module
TA	Team Awards
VUCA	Volatile, Uncertain, Complex, and Ambiguous

CHAPTER ONE
CONTEXT OF THE STUDY

1.1 INTRODUCTION

Digitalisation is one of the megatrends affecting an organisation's internal and external value-creation activities in many sectors, including banking in South Africa (RSA). As companies are spending large sums of money year after year on digital technologies, it is imperative to respond to the most significant question asked by Mithas & Lucas (2010), which dwells on how organisations can use digitalisation as a strategic asset to enable new competencies or maintain a competitive advantage. Specifically, Speculand (2020) states that banks must invest in technology as digitalisation is no longer an option but necessary to meet customers' needs. Clients expect their banks to respond positively with digital solutions in the digital era (Larsson & Viitaoja, 2017).

Swacha-leh (2017) foresees a future bank that consists of a new generation of clients with new and different expectations. In response to digitalisation, banks need to capitalize on modern technology to offer excellent service to clients, take advantage of digitalisation, and exploit technology faster than their competitors (Ajibade, 2020). Mohelska and Sokolova (2016) elaborate that banks must develop new products and improve their internal operating processes and service delivery methods to external stakeholders. While digitalisation presents an opportunity, there are still contradictory opinions about the readiness of African countries to move to digitalisation. Manning, Kannothra & Wissman-Weber (2017, p.126) posit that there is still skepticism about "the ability of African businesses to ‘catch up’ with global competition by upgrading and innovation."

Given the above issues, it is interesting for strategy scholars to explore how banks in Africa have successfully or failed to implement digitalisation as a strategy to create products, transform processes to add value and deliver services to internal and external stakeholders in a competitive market. In addition to the focus on external customers, it is equally key to understand how operating a digitalisation strategy by the South African bank affected employees as internal clients. This chapter provides an overview of the banking sector in South Africa, detailing the various types of banks and their roles, as well as initiatives beyond traditional banking and the role of user experience as a competitive differentiator. It then unpacks how digitalisation influences value chain activities and actors. Subsequently, the chapter explores the evolution of digitalisation, outlines the research problems, the research questions and objectives, and discusses the significance of the study. Finally, it addresses the thesis's delimitations and structure.

1.2 OVERVIEW OF THE BANKING SECTOR IN SOUTH AFRICA

The bank acts as a custodian of deposits from the public and allows clients to withdraw their money when needed. The public can save or invest their surplus money with financial institutions, trusting that it will be stored safely and earn interest. The bank has five functions stipulated in the Banks Act 94 of 1990: first, " the acceptance of deposits from the public as a regular feature of the business in question; second, the soliciting of or advertising for deposits; third is the utilization of money or interest or other income earned on money, accepted by way of deposit; fourth, obtaining, as a regular feature of the business in question of money through the sale of an asset to any person other than a bank, subject to an agreement in terms of which the seller undertakes to purchase from the buyer at a future date the asset sold or any other asset, and fifth, any other activity which the registrar has, after consultation with the Governor of the Reserve Bank, by notice in the Gazette declared to the business of a bank." Banks Act (1990, p.14).

1.2.1 Types of banks and roles in South Africa

The South African banking system is divided into four tiers: commercial banks, mutual banks, cooperative banks, and foreign banks with local branches. Each tier has its responsibilities and functions and is guided by the Act. Table 1.1 below displays the types of banks in South Africa.

Table 1.1 Types of Banks in South Africa

Commercial banks	Local branches	Co-operative banks	Mutual banks
Absa Bank Limited	Bank of China	Ditsobotla	Bank Zero
Access Bank	Bank of Taiwan	KSK	Finbond
African Bank Limited	Bank of Communications Co.	OSK	GBS
Albaraka Bank	China Construction Bank Corporation	Ziphakamise	
Bidvest Bank Limited	Citibank N.A.	GIG	
Capitec Bank Limited	Deutsche Bank		
Discovery Bank Limited	Goldman Sachs		
FirstRand Bank Limited	HSBC		
Grindrod Bank Limited	ICICI Bank		
HBZ	JP Morgan Chase Bank		
Investec Bank Limited	Standard Chartered Bank		
Nedbank Limited	State Bank of India		
Sasfin Bank Limited			
Standard Bank			
TymeBank Limited			
Ubank Limited			

Source: South African Reserve Bank (2024)

South African banks are supervised and regulated by the South African Reserve Bank (SARB). The SARB was established in 1921 under the Act of Parliament, the Currency and Banking Act 31 of 1920. (Moudud-Ul-Huq, Zheng, Gupta, Hossain & Biswas, 2023). The first tier of the banking system, as presented in Table 1.1, lists sixteen registered commercial or retail banks in South Africa. A commercial

bank is "a public company owned by its shareholders who are not necessarily depositors or customers of the bank, or a state-owned company" (SARB:2024). The commercial banks are registered under the Banks Act 94 of 1990 (Hamman,2021). Banks under the tier one category need to be registered as a public company under the Companies Act 61 of 1973 (Act no 61 of 1973). The role of commercial banks includes accepting deposits from the public, making cash payments and settlements and issuing loans (Sadilloyevna, 2024). The current study focuses on a bank that is part of the first tier as it engages in commercial or retail banking and is guided by the Banks Act 94 of 1990. The Banks Act only allows public companies incorporated and registered under Companies Act 71 of 2008 (Companies Act) or a state-owned company to conduct a bank's business in the Republic of South Africa (SARB:2024). The Banks Act, 1990 “provides regulation and supervision of public companies taking deposits from the public; and provide for matters connected therewith." (Banks Act, 1990:2). In terms of market leadership, the South African market has four traditional international banks known as the "big four" which include ABSA, Standard Bank, First National Bank, and Nedbank. Over the years, new market entrants in the South African banking market including Capitec Bank and Tymebank enabled the previously unbanked to access credit, insurance, and other financial services using technology which disrupted the market (Mkele, 2024).

The second tier consists of mutual banks. A mutual bank "is a juristic person and is, in essence, owned by its depositors, who qualify as members by virtue of them being shareholders in that juristic persons are entitled to participate in the exercise of control in a general meeting of that mutual bank" (SARB, 2024). Mutual funds are investment vehicles regulated by government authorities, but they are not insured against investment losses. Unlike bank accounts or credit union deposits, which are protected by the Federal Deposit Insurance Corporation (FDIC) up to certain limits, mutual funds do not have such insurance coverage (Shah, 2017). The mutual banks are registered under The Mutual Banks Act 124 of 1993 (Hamman,2021). The Mutual Banks Act 124 of 1993 (Mutual Banks Act) role is “to provide for the regulation and supervision of the activities of juristic persons doing business as mutual banks, and to provide for matters connected therewith." (Mutual Banks Act 1993). Banks in this category provide limited services compared to banks listed in tier one, such as opening savings accounts and offering credit to the public (Hamman, 2021). Shah (2017) states that mutual funds are generally considered highly liquid investments, meaning they can be quickly converted into cash. Mutual funds are classified as open-end funds, meaning they can issue and redeem shares continuously. There are three mutual banks in South Africa listed as Bank Zero, GBS, and FinBond (Moudud-Ul-Huq, Zheng, Gupta, Hossain & Biswas, 2020).

The third tier consists of co-operative banks, with five co-operative banks in South Africa. A cooperative bank is "an autonomous association of persons united voluntarily to meet their common economic and social needs and aspirations through a jointly owned and democratically controlled enterprise organized

and operated on co-operative principles" (SARB, 2024). Cooperatives are licensed by the prudential authority under the Banks Act 40 of 2007. They are owned and managed by members, who can be a group of people with a common interest. Fiordelisi, Grimaldi, Lopez, Mazzilis & Ricci, (2023) mentioned that cooperative banks tend to be smaller in scale and have fewer customers, which may lead to less developed managerial capabilities, particularly in areas like risk management and compliance. As a result, these institutions often face challenges in diversifying their operations compared to larger commercial banks. Mishi, Mushonga, Anakpo & Mutyavaviri (2025) added that cooperatives not only help their members improve their financial situation but also serve as a tool to promote social cohesiveness in countries experiencing poverty and inequality.

The last group of banks refers to the banks that are foreign owned but have branches locally. According to Aldasoro, Caparusso, & Chen (2022). Foreign-owned banks that have local branches are banks that have established and maintained their international presence by creating networks of branches or subsidiaries across other countries. Further, international banks establish and sustain their customer networks by setting up local offices in various countries, taking the form of subsidiaries or branches. This approach allows them to offer services tailored to local markets while leveraging their global operations. There are 12 foreign owned banks that have branches in South Africa. The following section explores beyond banking initiatives and user experience differentiators.

1.2.2 Beyond banking initiatives and user experience as a differentiator

The evolving nature of customer behavior in the South African banking industry drove the banks beyond traditional banking. The strategic focus of South African banks is to move clients to digital platforms to grow 'digitally active' clients transacting using digital channels. New market entrants like FinTech disrupt traditional banking, driving banks to digital channels. Sirakova-Yordanova (2024, p.391) expressed that "certain banks are gradually going beyond traditional banking, engaging in services related to everyday lifestyle activities, mobility, entertainment, dining, and e-commerce, stepping on the opportunities provided by digitalisation and in collaboration with third parties." Murinde, Rizopoulos & Zachariadis (2022) mention that the banking sector has undergone technological and regulatory changes to have a competitive advantage, as Fintech is not as heavily regulated as banks, as a result traditional banking faces competition from nonbanking institutions offering financial services. In the same vein, banks are offering nonbanking services. The growing adoption of application programming interfaces driven by technology creates a broader, one-stop-shop offering, enabling banks to partner with companies such as insurance, energy, financial planning, telecommunication, take-a-lot, and other consumer services (Calvery, Villars & Romangny, 2024). This new banking tendency requires South African banks to diversify their product offerings to create value for their clients and open new revenue streams. Banks create convenience for clients by ensuring they get banking and nonbanking services under one umbrella. These latest trends have violated traditional banking by offering other

services regarded as nonbanking services as a result of the bank partnering with other service providers. Sirakova-Yordanova (2024, p.392) believes banks are "partnering with other service providers to enhance customer interaction and loyalty further." Banks must not underutilise digital technology but use it to create customer value. The organisation can have the best technology, but it will not serve its purpose when users do not know the benefits.

User experience refers to how a user interacts with the product or service. When an organisation introduces new technologies, they need to be user-friendly and easily accessible to benefit the customers and improve user experience (Mlekus, Bentler, Paruzel, Kato-Beiderwieden & Maier, 2020). User experience means how customers think or the user's perspective about the service. According to Lazenby (2022, p.188 -189), Michael Porter, a renowned authority in competitive strategy, defines a differentiator or differentiation strategy as “when an organisation focuses on producing products and services that customers perceive as unique.” Further, this uniqueness leads to a competitive advantage; however, it requires brand loyalty as it may lead to higher prices. Tripes, Komarkol, Pirozek & Dcorakji, (2014) state that organisations can distinguish their products and services by focusing on superior quality, fostering innovation, leveraging unique resources and enhancing customer responsiveness. These strategies enable businesses to create value that competitors find difficult to replicate, leading to competitive advantage and achieving sustainable success in the marketplace. Competitive advantage is a fundamental driver of customer satisfaction and business growth (Olubiyi, 2024). According to Agustian, Rosadi & Zen (2024), product differentiation is a strategic approach that focuses on distinguishing companies' offerings from those of competitors, aiming to make them more attractive to target customers, which can be achieved through various methods, such as introducing innovative features, enhancing quality, incorporating unique characteristics, or products distinctive designs. The goal is to create a unique value proposition that resonates with customers and sets the product apart in the marketplace.

As customers have become tech-savvy, they expect their banks to offer simplified, personalized service and user-friendly experiences. Simultaneously, fintech companies are introducing innovative, flexible, and adaptable financial solutions that are transforming the banking landscape. While these fintech firms may pose a competitive threat to traditional banks, they also drive competition that encourages banks to adopt digital channels (Balkan,2021). In South Africa, banks are focusing on serving clients while leveraging their technology investments and customer experience strategies (Natsas, Murray, Prinsloo & Roopnarain, 2024). Research indicates that implementing differentiation capabilities within a firm can strengthen its competitive position and positively impact customer experience (Olubiyi, 2024). Therefore, adapting technology is essential to reduce production costs and establish a sustainable competitive advantage. Agustian, Rosadi, & Zen (2024) state that advancements in digital technology have created new avenues for personalizing and enhancing customer experiences. Riegger, Klein,

Merfeld, & Henkel (2021) mention that by using data analytics and artificial intelligence, businesses can gain deeper insights into customer preferences and behaviors, enabling them to offer tailored products and services not only to improve customer services but to foster loyalty and drive business growth.

1.2.3 Market structure, market share, and bank failures in South Africa

According to the Prudential Authority, there are currently thirty-six banking entities in South Africa, consisting of sixteen commercial banks, thirteen local branches of foreign banks, four co-operatives, and three mutual banks (SARB, 2024). The South African banking industry is the largest on the African continent; the top four South African banks (Standard Bank, First Rand Bank, Absa & Nedbank) are among the top ten largest African banks in terms of assets (Statista, 2024). Table 1.2 below presents the top six biggest banks in South Africa.

Table 1.1 Types of Banks in South Africa 2023

#	Bank	2022 T1C	2023 T1C	Change
155	Standard Bank	11 727	11 690	-0.3%
171	FirstRand	10 464	10 087	-3.6%
203	Absa	8 238	8 041	-2.4%
255	Nedbank	5 887	5 925	+0.6%
469	Investec	3 282	2 528	-23.0%
562	Capitec	2 027	1 900	-6.3%

Source: Business Tech (2023, p.1)

The South African banking industry is highly concentrated; however, this does not indicate a lack of competition. Table 1.2 shows that the five biggest banks in the country are Standard Bank, FirstRand (FNB), Absa Bank, Nedbank, and Investec; as of 2023, these big five banks account for over 90% of total banking assets in the country, valued at approximately R38.8 trillion. While Standard Bank is leading in terms of asset value, it is also leading in terms of brand value, the most significant number of branches, and advanced market share. Capitec Bank is the sixth-largest bank in South Africa, leading in the number of ATMs (Business Tech, 2024). While the big five banks are regarded as leading in the market, the new market entrants, Discovery Bank and Tyme Bank, have disrupted the traditional banking market. Bank Zero and other progressive digital players are focusing on securing a market

share in the underserved market, particularly in the SMME space; with the same token, one of the financial companies in the country, "Old Mutual", is gearing up to launch its bank in 2024 (Business Tech, 2024).

While the South African banking industry could be considered "a digital laggard in comparison to its international counterparts, digitalisation is a strategic focus area for the sector" (Jenkin & Naude, 2019:13). Transitioning of the banking industry from traditional banking to digital banking has reshaped the strategic direction of many banks in a sector which is heavily regulated. Regulators are noticing that these regulations are becoming a restricting factor to banks' innovation. (Tesic & Krstic, 2016). Table 1.3 below indicates the South African banking market share in terms of customer base to give a broad picture of the banking market structure in South Africa.

Table 1.3 SA banking market share

Bank	Employees (Group)	Employees (SA)	Customers (total SA)
Capitec	15,747	15,747	**22.2 million**
Standard Bank	54,176	30,697	11.4 million
FirstRand (FNB)	49,250	39,157	9.87 million*
Absa	37,107	27,085	9.84 million
Nedbank	25,477	**~23,500	7.3 million

Source: Business Tech (2024, p.1)

According to Business Tech (2024), Capitec has expanded its customer base to an impressive 22 million; while operating with just 15,747 employees, the lowest staff count among major banks. In contrast, Standard Bank, which serves nearly half the number of Capitec's customers, employs almost twice as many people. Prior to Capitec's entry into the market, the traditional dominance of the "big four" banks, Standard Bank, FNB, ABSA, and Nedbank remained largely unchallenged. However, Capitec has since disrupted this landscape by surpassing its competitors in terms of active customer numbers, establishing itself as a market leader in the South African banking sector in terms of the number of active customers.

The South African banking industry is increasingly moving towards a marketplace without boundaries, influenced by new market entrants such as Financial Technology companies (FinTech) Maritz, Ntsas, Grosskopf & Camarate (2017). According to Singh (2004), digitalisation in the South African banking sector started in 1996, focusing on Internet banking. Over the years, it grew as customers could perform

almost all bank services on their phones. Banks violate geographical restrictions through technology, as clients can access bank products and services globally anytime. Developing a competitive edge in digital banking South African banks have invested heavily in advancing their digital capabilities, which has paid off. In 2022, South Africa ranked first in the average digital maturity score in the Oliver Wyman Digital Banking Index compared to eight nations, including Spain and the UK (Kellum, Schiavone & de Vries, 2021). Although there has been a consistent improvement in South Africa's digital maturity, there are still opportunities to differentiate. Progress in digital capabilities, "particularly in platforms, financial coaching, robo-advisory, and integrated digital onboarding processes, will all provide an opportunity to develop a competitive edge in the South African market, attracting new customers through added value." (Calvey, Villars & Romagny, 2024, p.1)

Improvements in technology architecture are crucial support to the rapid increase in the amount of data that the organisation needs to collect and process (Imran, Shahzad, Butt & Kantola, 2021). The bank must invest in technology infrastructure to handle volumes and prevent unnecessary system failures. Digitalisation assists the organisation in transforming into a data culture and making decisions based on real-time data and data visualization (Speculand, 2020). Staff can have quality conversations with clients as the system suggests possible client needs. Kuhn, Joppen, and Dumitrescu (2020:174) highlight that "one major obstacle to a company's growth is the lack of digital strategies, which are overarching to coordinate the digitalisation initiatives in line with long-term direction" and the evolving digital ecosystem.

Mbama, Ezepue, Alboul & Beer (2018) predicted that digitalisation is the strategy for the bank of the future primarily because of its potential to increase productivity, reduce costs, and add value through digital capabilities and mechanisms. Organisations must rethink their digital strategy and discover new ways of operating and delivering services to internal and external customers (Schmidt, Drews & Schirmer, 2017). Gebayew et al. (2018) concur that organisations need to modify their strategy for digitalisation of internal operations and create digital innovation that exploits the full power of digital technologies to add value for everyone involved with the bank.

Although South Africa's banking industry is considered the largest in Africa, it is not without notable failures arising from bad management and leadership, corruption, non-compliance with requirements, and liquidity problems. The leadership of banks is critical to ensuring the sustainability and performance of banks in a dynamic environment. Seven banks were liquated in the past 20 years in South Africa, listed as Regal Treasury Bank, New Republic Bank, Saambou Bank, VBS Mutual Bank, Ubank, Habib Overseas Bank, and African Bank; however, the South African Reserve Bank (SARB) rescued African Bank, Government Employee Pension Fund (GEPF), and a consortium of other South Africa's commercial banks (Balcilar, Gupta, Lee, Lasihinde, & Ozili, 2018). African Bank entered curatorship

in 2014 due to liquidity problems related to unsecured lending. Following its collapse, it was split into bad and good banks. Shareholders and subordinated creditors took the bad bank, consisting of the worst loans. The aim was to rescue the bank as a good one; it continued operating and is expected to be listed on the Johannesburg Stock Exchange in 2025 (Business Tech, 2024). VBS Mutual Bank is another bank that collapsed in South Africa, and it is unclear whether it will be rescued. The bank entered a curatorship in 2018 due to bad management and liquidity problems. The bank is in liquidation and under investigation as the former VBS Mutual Bank chairman pleaded guilty to 33 counts of corruption and over R2 billion of investor deposits stolen (Business Tech,2024).

Ubank, a retail lender focusing on mineworkers, entered a curatorship in 2022 as the bank fell to a 3% capital adequacy ratio below the minimum of 10%. Africanbank acquired Ubank. Recently, Pakistan based Habib Overseas Bank, which has branches in South Africa, was placed under curatorship in 2023 due to non-compliance with regulations, including exchange control regulations (Business Tech, 2024). Kidina, Vernikov, Haralayy & Aithal (2021) underscore that the frequent banking crises in African countries in the last few years have brought the fragility of African banking to the front and exposed the history of commercial banks' failure. Table 1.4 depicts the various banks that went into curatorship and their reasons and outcomes based on information from the SARB, the Competition Commission, and a report from the University of Pretoria.

Table 1.4 Banks that have collapsed in South Africa.

Bank	**Year of Curatorship**	**Reason**	**Outcome**
Alpha Bank	1990	Fraud	R150 million injected into the bank
Cape Investment Bank	1991	Fraud	SARB gave R5 million to depositors
Pretoria Bank	1991	Bad management and a dubious merger with Masterbond	SARB repaid all deposits
Alpha Bank	1993	The R150 million injection could not save the bank	Liquidated
Sechold Bank	1994	Liquidity problems due to a loss of depositor and investor confidence	Investec acquired managerial control
Prima Bank	1994	Liquidity problems due to non-performing loans	Recapitalization, where the government guaranteed nonperforming loans
African Bank	1995	Bad Management and Liquidity Problems	Recapitalization, where the government guaranteed nonperforming loans

Community Mutual Bank	1996	Liquidity problems due to a very high expense-to-income ratio	Acquired by Unibank for R50 million
Islamic Bank	1997	Bad management and improper accounting, particularly around unsecured lending. Liquidated	Liquidated + SARB covered depositors up to R50,000.
FBC Fidelity Bank	1999	Bad management and liquidity problems	Partly transferred to FBC Fidelity Bank
Regal Treasury Bank	2002	Auditors rescinded their approval of the bank's controlling company's financial statements, which caused a run-on.	Investec Acquired Debtors Book + Liquidated
New Republic Bank	2002	Bad management and liquidity problems	Merged with FBC Fidelity Bank Limited
Saambou Bank	2002	Bad management and liquidity problems	Liquidated + R7 billion dividend to shareholders
African Bank	2014	Bad management and liquidity problems, especially around unsecured lending	SARB took 50% ownership + set for JSE listing
VBS	2018	Bad management and liquidity problems	Liquidated + under investigation
Ubank	2022	Failure to meet the minimum capital adequacy ratio	Acquired by Africanbank
Habib Overseas Bank	2023	Non-compliance with regulations, including exchange control regulations.	Liquidated (ongoing) + SARB pays depositors up to R100,000

Source: BusinessTech (2024, p.1)

1.3 DIGITALISATION AFFECTING VALUE CHAIN ACTIVITIES AND ACTORS

The processes and activities that create value and competitive differentiation are vital in strategy in many organisations, including banks. In the digital era, managers must grapple with the question of how digitalisation affects value chain or value system activities and various actors. Broadly, it is helpful to consider digitalisation as a global megatrend that is changing companies' internal and external valuecreation activities and enhancing or disrupting the work of some actors in the value chain or value system. Tagscherer & Carbon (2023) are explicit that introducing digital technologies requires organisations to adapt their internal operations and external product and service offerings to remain competitive. They (2023, p.1) added that "leaders must be visionary and customer-centric while embracing change to guide their organisation successfully through digitalisation. Flat hierarchies, employee empowerment, digital savviness skills, partnership, and ecosystem engagement can simplify the leader's digitalisation journey". There are four critical and interesting issues for any manager to initially understand digitalisation, especially in relation to how it shapes or re-shapes value-creation activities and actors in the business environment.

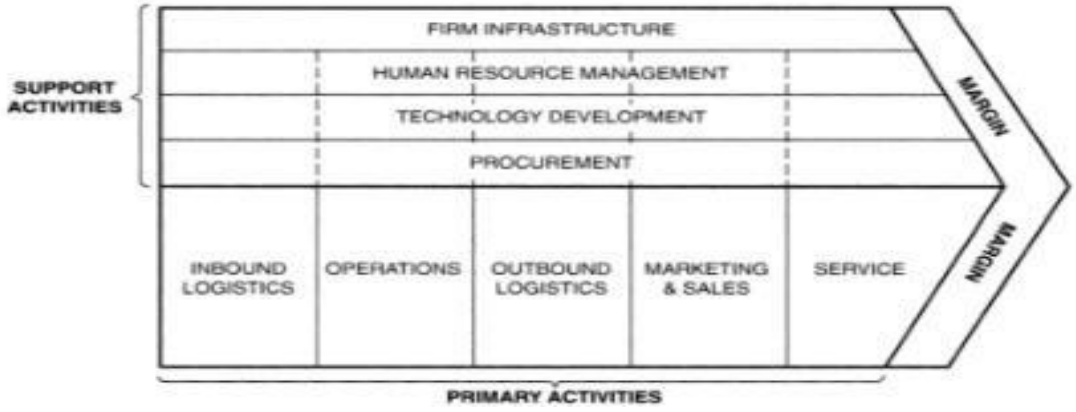
1.3.1 Digitalisation of value chain activities: How and where?

First, the scope of digital technologies often affects various divisions of an organisation, which form part of the production of products and services (Tagscherer & Carbon, 2023). In researching digitalisation in a bank, clarity of the type and scope of digital technologies adopted in various internal and external value-creation activities and the impact on various actors in the value chain is key. While digital technologies transform internal operations and innovate manufacturing processes and internal value chains, they also reshape the external dimensions, such as customer value propositions and newly created products and services (Tagscherer & Carbon, 2023). Although digitalisation is not a new phenomenon, most companies are still in preparation to tackle challenges like fast-paced innovation, restructuring of business processes, and organisational structures brought about by digitalisation. Employees must be well equipped to tackle the digital technology introduced in the organisation and maximize the opportunities brought by digital technology.

To understand the domain and scope of digitalisation in the organisation, it is helpful to initially think of a value chain framework, which describes a chain of activities common to all businesses, divided into primary and secondary activities (Porter, 2001). Digitalisation requires a vision for the primary and secondary company activities it wants to transform. Organisations in various industries (e.g., banking, travel, health, education) are experimenting with and benefiting from digitalisation. Notably, whether it is in how individuals work and collaborate, how business processes are executed within and across organisational boundaries, or how an organisation understands and serves customers, digital technology provides a wealth of opportunity. As the value chain is broad, it is important to focus efforts on digitalisation as no organisation may transform all areas of value chain activities at the same time. Nonetheless, successful organisations are constantly identifying new ways to redefine their work in the digital era by using digital technologies.

Scholars of digitalisation as a process must understand digitalisation capabilities, processes, and actors in each category of the various value chain activities within an organisation that creates a product or service. According to Porter (1985), five different value chain activities categorized as primary include (1) inbound logistics relating to processes of receiving, storing, and distributing inputs internally; (2) operations related to the activities of transforming inputs into outputs that are sold; (3) outbound logistics relates to activities which deliver product or service to the customer; (4) marketing and sales activities involves the processes to persuade clients to purchase the products or service from organisation instead of competitors, and (5) service in the form of the activities related to maintaining the value of the product or service to the customers, once it is purchased. Figure 1.1 depicts a chain of activities in creating value in an organisation that may be positively or negatively affected by adopting digital technologies.

Figure 1.1 Porter's Value Chain Framework



Source: Porter (2001, p.52)

It is equally insightful for scholars of digitalisation to examine and understand how digital technologies are shaping or re-shaping secondary activities and their interrelationship with primary activities in an organisation. Porter (2001, p.50) states that competitive advantage cannot be understood by looking at a firm as a whole, but it stems from many activities a firm performs in designing, producing, marketing, delivering, and supporting its product. According to the value chain, the variety of four value activities that support the primary functions include (1) procurement (purchasing) which gets the resources needed to operate; (2) human resource management (e.g., recruiting, hiring, training, performance management, rewards, and employee retention); (3) technological development (e.g. managing and processing information, protecting a company's knowledge base, and maintaining technical excellence and minimizing information technology costs), and (4) infrastructure in terms of the organisation's support systems, and the functions that maintain daily operations (e.g. Accounting, legal, administrative, and general management). As presented in Figure 1.1, the weakness of Porter's value chain model is that it was initially designed for manufacturing industries and does not fully capture the complexities of industries such as service-oriented businesses where value creation is more customer-active. In an effort to understand the nature and process of digitalisation, the value chain perspective helps break an organisation's activities down into strategically relevant pieces to see a fuller picture of the cost drivers and sources of differentiation and then make appropriate changes. If one is talking about digitalisation, the key questions seek to uncover where the organisation applied digital technologies in the various activities in the value chain for value creation and how digital technologies create or erode value and competitive differentiation or create cost drivers. Despite the many advantages that digitalisation brings, there are also critical voices to be heard that should be taken seriously (Tagscherer & Carbon, 2023). For example, a platform economy where online digital structures are created that enable human activities to take place may threaten many professions. Industries such as banks are worried about risks

such as cybersecurity. External enemy attacks in the form of ransomware or other kinds of malware can affect or even destroy the business of entire companies participating in the digital ecosystem.

1.3.2 Scope of technology trends and tools that may impact value chain and actors

Second, a variety of technological trends are emerging due to digitalisation, which reveals various useful tools. Technology trends describe the evolving direction and progress of technological innovations, including both emerging tools and changes in existing technologies. These trends can greatly influence industries and society by introducing new opportunities and challenges across hardware, software, networks, and IT practices (Kuznetsova & Larina (2024). For example, scholars talk about the Internet of Things (IoT), Artificial Intelligence (AI), data analytics by means of Big Data, and Augmented Reality (AR), which have a considerable impact on society's working environment but also on business operations in the industry (Oberzaucher, 2019). For example, the ever-progressing linking of equipment to the internet opens up many new opportunities for companies, organisations, and individuals.

Each device contains sensors that collect data, interact with the environment, and communicate via a network. IoT is a network of connected devices that generates data used to collect, analyse, and provide information to make informed decisions and develop targeted measures (Tagscherer & Carbon, 2023). For example, machines are learning to anticipate situations and take control of themselves, creating significant changes in the interaction between human beings and machines in the workplace. Big Data is crucial when companies want to make informed decisions about products, services, and strategies. A key benefit of digitalisation is the ability to harness the data collected to provide more personalized customer experience. Utilizing data beyond traditional transactional data enables the business to mine insights to give a broader view of the client and their journey. Companies can use machine learning or advanced algorithms to profile customers accurately. These advanced analytical techniques have started to put the concept of "a segment of one" into action capabilities of modern technologies. One does not have to apply a blanket approach to solving customers' problems. A segment of one is the idea that each customer is unique and that, given the capabilities of modern technologies, one does not have to apply a blanket approach to solving customers' problems. As a result, one of the digital trends for the next decade will deal with tools that can actually analyse, evaluate, and use data (Oberzaucher, 2019). This digital trend is expected to increase and will be essential for autonomous operations and virtual applications to enhance business success.

Technology tools refer to a broad array of digital solutions that support and improve different areas such as communication, productivity, and education. These tools include software, digital platforms, hardware devices, and online resources aimed at simplifying tasks, boosting efficiency, and promoting collaboration and learning. In the banking sector, digital includes tools such as biometrics, cloud technology, mobile banking, big data, and data analysis (Evdokimova, Egorova, & Shinkareva, 2021).

Digital technologies have significantly transformed organisational value chains by enhancing efficiency, transparency, and collaboration among various actors, including suppliers, manufacturers, and customers.

Given the above view of value chain activities, technology trends, and tools, it is critical for researchers of digitalisation as a bank strategy to understand the scope of internal and external dimensions of digitalisation and the variety of digital technology trends related to value system activities evident in a bank. Critics of the value chain as a way of understanding how value addition and competitive differentiation occur argue that it is too inward-focused. A broader view is necessary as introducing digital technologies requires organisations to adapt their internal operations and external product and service offerings to remain competitive. More importantly, asserting that most organisations, such as banks, are part of a wider value system, and set of inter-organisational links and relationships necessary to provide services or products is key. It is more insightful to view Porter's Value Chain as focusing on the part of systems and how inputs are changed into the outputs purchased by consumers. In this way, Porter's value chain framework may help the organisation align internal activities with an overall business strategy, ensuring that resources are allocated effectively to support organisational goals and respond to external environmental changes (e.g., threats and opportunities). Alternatively, it is also more important to understand how digitalisation affects value-creating activities from the chain and system perspectives. A bank as an organisation comprises various subsystems that are not necessarily related to one another and yet work together to form the whole. Naimi-Sadigh, Asgari & Rabiei (2022, p.1218) argued that "value innovation only occurs when banks align the component of innovation with the price, desirability and cost status." Systems theory allows for an understanding of the connections between various parts of the organisation and how they interact with one another.

1.3.3 Technology as a megatrend

Third, it is important to underscore that digitalisation is a megatrend with long-term, large-scale forces shaping the world (Oberzaucher, 2019). American author John Naisbittin popularized the term 'mega trend' in 1982 in his book 'Megatrends: Ten New Directions Transforming Our Lives' (Naughtin et al., 2024). Technology is one of the megatrends adopted and applied by many organisations and individuals looking to anticipate better changes, shaping and reshaping the local, regional, and global strategic landscape (Oberzaucher, 2019). Technology as a megatrend allows companies to build a proactive, long-term strategy, rather than a reactive one, making sense of where they stand today and ensuring they have a plan to remain relevant moving forward (Oberzaucher, 2019; Naughtin et al., 2024).

In terms of intensity of impact and complexity, a mega trend entails a long-term shift in behaviour or attitude that has a global impact across multiple industries. While it is evident in terms of magnitude, domain, and nature of change (e.g., large, social, economic, political, environmental, or technological

changes), it is also interesting to note that megatrends are slow to form, in terms of breadth and scale of impact. However, once in place, megatrends can influence a wide range of activities, processes, and perceptions, possibly for decades. Naughtin, Schleiger, Bratanova, Terhost & Haikowicz (2024, p.2) focus on the time aspect to concur that megatrend "can be gradual yet explosive trajectories of change" that, once evident, can "throw companies, individuals and societies into freefall." It is common for definitions of megatrends to refer to the duration, reach, and intensity of the impact of a megatrend, but they also underscore its forward-focused nature in responding to future dynamics and developments. As such, it is prudent to acknowledge that megatrends differ from trends, which tend to be shorterlasting and less impactful on society.

The assumption that digitalisation efforts and digital capabilities add value to an organisation's specific areas (e.g., customer experience, operating processes, digitally modified business models, and operations) is linked to transformative technologies (Tagscherer & Carbon, 2023). Organisations can differentiate from their competition and grow significantly by redefining the value they create for their customers and society by using technology's full power (Tagscherer Carbon, 2023). With technological innovation on the rise, organisations' focus is expanding rapidly from technologies aimed at improving the efficiency of back-office processes to sector-specific applications that have the potential to revolutionize many organisations. Technology is dramatically enhancing the capacity of individuals and organisations but also creating a loss of privacy due to difficulty for people to protect their digital identities and massive disruption of work, requiring many to upskill to maintain employability (Tagscherer & Carbon, 2023; Oberzaucher, 2019**).**

1.3.4 Organisational and multi-level scope in digitalisation

Lastly, digitalisation is a complex process requiring various scales and forms of change at organisational and multiple levels. In most previous studies of the digitalisation process, there has been an extensive focus on aspects of technology (e.g., implementation of digital technology) without a focus on organisational change. Digitalisation can deliver not only significant incremental value but also transformational impact. There is a need for support at several organisational layers, including organisational, cultural, and administrative changes, for digitalisation to succeed. Digitalisation as a process involves change in various steps and on several organisational levels, supported by new and comprehensive systems thinking that reinforces the interplay between various levels of the organisation. However, few studies have conceptualized the digitalisation process via an organisational and multilevel perspective on change and transformation. Naimi-Sadigh, Asgari & Rabiel (2022) from Iran, define the digitalisation process as the use of technology to redesign and streamline business operations, aiming to create added value for customers, employees, and the organisation as a whole. It is a core element of digital transformation, which focuses on leveraging technology, business models, and processes to drive innovation, efficiency, and competitiveness, often essential for survival in today’s evolving industries.

Desky & Maulina (2022) from Indonesia mention that the digitalisation process enhances financial inclusion and supports goals like competitiveness, efficiency, and customer satisfaction through technologies such as digital wallets and biometric authentication. However, Islamic banking in Indonesia faces challenges like limited infrastructure and skilled personnel. The research explores both the benefits and risks, offering recommendations for advancing Islamic banking, especially in Aceh and across the country.

Digitalisation should be considered an organisational task, including various levels and competencies acting within the organisation. Mindful of change and levels in the organisation, digitalisation can be conceptualized as a gradual process emerging through smaller steps, which can be analysed, even though they might not end up with a complete transformation of an organisation. It is also equally possible and insightful to conceptualize digitalisation as implementing new digital tools supporting previous business and organisational-related practices without changes in the practices themselves. In a different vein, digitalisation may be viewed as implementing new digital tools and developing new value-creating and organisational practices. In a slightly different vein, there is the aspect of digital innovation. Creating new market offerings, products, or business processes from technologies can be described as digital innovations (Nambisan et al, 2017). Novel products or processes are established using new combinations of digital and physical components, creating additional or new value. It is crucial not to be naïve and uphold the common view that technological changes and the adoption of digital technologies at the various stages of the value chain always add and do not erode value at the individual, organisation, and societal levels. A broader perspective on the concept of digitalisation in relation to change and the multi-level nature of organisations is very crucial to view digitalisation as a process involving different types, pace, and scopes of change in different stages and several levels of an organisation. With clarity of how digitalisation may affect various value chain activities and actors and the nature and scope of change arising from digitalisation in an organisation, it is prudent to shift and dwell on how digitalisation has evolved.

1.4 UNPACKING THE EVOLUTION OF DIGITALISATION

Heavin & Power (2018) pointed out that digitalisation has not been new since the vacuum of tube computers from 1943 to 1958. It led to transforming certain business areas such as accounting, decision support, etc. Federico & Roitter (2019) state that the origin of digitalisation is traced back to 1965. When “Gordon Moore, co-founder of the multinational technology corporation Intel, predicted that the number of components per integrated circuit would double every year until 1975. In 1975, that forecast far exceeded the predicted number, and Moore’s law was established; it is still valid even today (Yoo, 2015, p.59). Lundstrom (2003) states that the number of transistors which is a key indicator of an electronic system's performance, now surpasses several hundred million in logic chips and is even higher in memory chips. The semiconductor industry has adhered to Moore's Law by continuously

reducing transistor size, but there is a physical limit beyond which transistors cannot be shrunk indefinitely.

Singh (2004, p.190) states that internet banking started in 1996 in South Africa. Absa was the first bank to offer online banking to its customers, and other banks followed, respectively. Internet banking was new; however, most customers were attracted to it as it was convenient, safe, and affordable. Furthermore, Absa's online banking had the highest awareness, which increased its market share. Absa led by 27% in market share in 2002, Standard Bank followed at 23%, Nedcor at 20%, and First National Bank at 19%. Banks have introduced online banking to simplify banking, retain existing customers, and acquire new ones. Digitalisation created convenience as clients could transact online banking without visiting the branch. Absa is one of South Africa's 'big four' commercial banks. It was known as "Amalgamated Banks of South Africa and formed through the merger of Allied Building Society, Volksas, Trust Bank, and United Building (Chitamba, Mutambara & Lourens, 2024, p.247)." The bank is a wholly owned subsidiary of the Absa Group (Absa, 2024). Absa is the third largest commercial bank in South Africa, with a market share of 19.5% (Business Tech, 2021). Absa Bank offers a range of retail, business, wealth management, corporate, and investment solutions to individuals and companies across South Africa (Absa, 2024).

The adverse effects of digitalisation in the banking industry in RSA were noted in 2019 when banks were cutting jobs, trying to find better ways to reduce costs, and competing with branchless digital entrants in the market (Business Tech, 2021). According to Business Tech (2020), Standard Bank's CEO stated that the group had to digitize its business to meet the customers' expectations and remain competitive; however, this led to branch closures and job losses. Standard Bank, the largest bank, holding about 24% of the market share, provides banking, insurance, and asset management services to individual businesses, institutions, and corporations in Africa and abroad (Standard Bank, 2024). Standard Bank has been serving clients for 161 years, with over 15 million active clients and R1.4 trillion assets under its management globally (Standard Bank, 2024). Pressure to deliver on shareholders' expectations, competition from branchless digital banks, and clients who wanted to transact through digital channels drove the group to shut down 91 branches and retrench about 1200 staff (Sovtech, 2019). The reason for the shift is that the bank had to downscale its physical presence to become a digital company as technology shifted clients' expectations and became tech-savvy. The competition created by digitally only banks also drove traditional banks to move swiftly to digitalisation. Before these changes, the bank was experiencing system downtime and technical glitches; as a result, the bank had to find a solution to deal with these challenges as it inconvenienced clients. Digitalisation enabled the bank to restore system stability. The strategy of cutting, reducing the number of ATMs, and closing branches positively impacted the group's financial performance (Business Tech, 2020).

According to Sovtech (2019) FNB had to close 40 branches, switching to digital banking. FNB is the oldest bank in South Africa, formed in 1938 in Grahamstown, Eastern Cape Province in South Africa. FNB trades as a division of First Rand Group, one of Africa's largest banks by market capitalization. FNB CEO Jacques Celliers on the IT Web stated that digital investment is an ongoing process; the bank is also investing in "capabilities" and maintenance of old infrastructure. The bank's growth focus is to scale up its digitalisation programs as more customers opt for digital transactions. FNB CEO highlighted that the bank is reaping the result of digital investment, as this is evident in its overall performance, which resulted in the bank reporting a 32% increase in 2021 (IT Web, 2021). Access to technology is key to bringing more people into the world of financial services, and the bank's focus was to make it easier for customers to participate in economic activity. The bank made its app a one-stop shop for millions of customers. Accessibility to mobile banking is free to help customers save on bank costs.

FNB is leading in digital platforms in areas such as user experience of its digital interfaces, information, and fraud prevention, among others. These areas are key to setting a benchmark for safety and earning customers' trust". FNB won the World's Best Consumer Digital Bank in Africa Award and South Africa's Digital Bank and Best Mobile Banking in Africa in 2022 (BusinessTech, 2022). The FNB CEO added that digital platforms are essential for improving access to services and economic activities (Business Tech, 2024). Table 1.5 below shows the number of staff the four biggest banks have lost between 2018 and 2019 as banks were dealing with industry competition and slow economic growth.

Table 1.5 Number of employees big four banks have shed

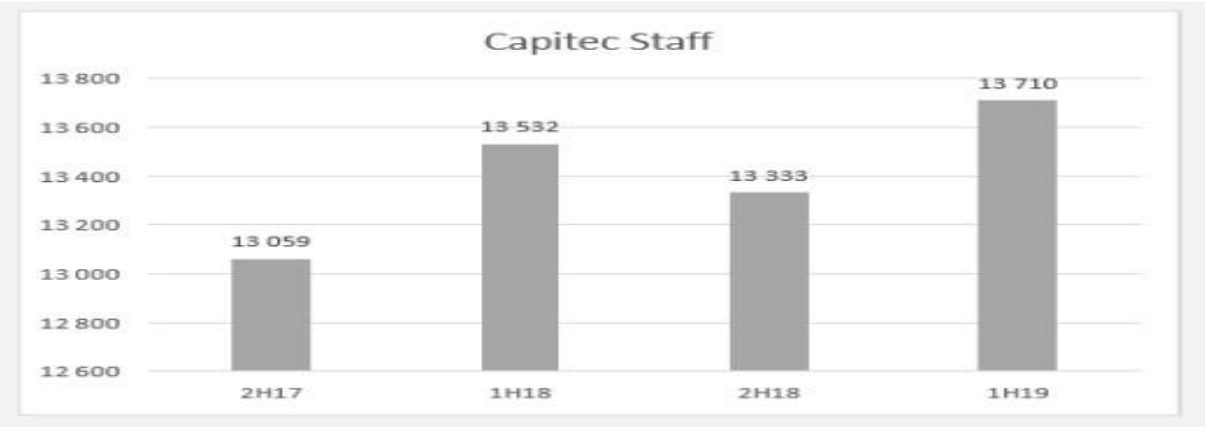
Bank	2017	1H 2018	2H 2018	1H 2019	Retrenched/Hired (%)
First Rand	45 026	46 284	47 334	48 780	+3 754 (+8.3%)
Nedbank	31 531	31 272	30 877	30 335	-1 196 (-3.8%)
Absa	41 703	41 250	40 856	39 763	-1 940 (-4.7%)
Standard Bank	48 322	48 265	47 419	46 168	-2 154 (-4.5%)
Combined	166 582	167 071	166 486	165 046	-1 536 (-0.9%)

Source: Business Tech (2019, p.1)

Table 1.5 shows that Nedbank, Absa, and Standard Bank reduced the number of employees, while First Rand reported an 8,3 % increase in staff hired. The number below includes employees who lost their jobs due to "retrenchments, resignations, dismissals, and death." Capitec is not included in Table 1.5 but is presented in Table 1.6 below. While other banks were retrenching staff, Capitec continued hiring new staff. According to BusinessTech (2019), Capitec Bank's CEO Gerrie Fourie stated that the implementation of technology in the business did not pose a threat to jobs; instead, it helped the bank improve its processes, enabling staff to have time to serve clients better. He further mentioned that the

bank was not planning to retrench its staff but to recruit 600 new employees. While other banks were closing down branches, Capitec was converting its branches and replacing the cashier terminal with full self-help functionality to create convenience for clients. It enabled the bank to add additional workstations for further capacity. Capitec is the sixth-largest bank in South Africa. It was established on 1 March 2001 and listed on the Johannesburg Stock Exchange on 18 February 2002. Currently, the bank has about twenty million active clients and 860 branches. The bank's product offers include transactions, savings, insurance, and credit to individuals and businesses (Capitec, 2024). Table 1.6 below presents the number of Capitec bank employees, which was not part of Table 1.5.

Table 1.6 Number of employees



Source: Business Tech (2019, p.1)

David Pfaff, chief financial officer at Tymebank, highlighted three key banking trends to emerge in South Africa: "(a) An increase of online banking usage reduces the need for physical bank branches, (b) buy now pay later has become popular among online shoppers and (c) expecting multi-banking to grow in South Africa as most clients who are joining these new banks already have an existing bank account" (Business Tech, 2021). Tymebank is the first digital-only bank to launch in South Africa; the bank opened its doors in 1999. African Rainbow Capital owns it. Tymebank has partnered with Boxer Stores and Pick n Pay for those clients who need to be in contact with the bank. The bank offers basic banking services (BusinessTech, 2021). The following section focuses on key features to understand digitalisation, specifically in the banking context.

1.4.1 Digitalisation and change in banking

Digitalisation has influenced internal and external perspectives concerning strategic direction, competitiveness, business models, decision-making, innovation, business performance, and customer relations in the banking sector. When thinking about digitalisation in banking, it is profound to think that accepting the technology itself is a prerequisite to implementing a digital strategy and digitalisation. Thus, it is essential to analyse bank employees and managers' understanding of the impact of digital

and disruptive technology changes on their daily routines, processes, and practices. Change is complex and viewed in different ways, such as large or small, incremental or transformational, process change, system change, people and culture change, structural change, organisational or individual-level change.

Change in banking refers to a significant transformation due to digitalisation, which is redefining how banks operate, engage with customers, and compete in the market (PwC, 2017). Furthermore, the rise of digital platforms, niche banking services, and the reshaping of traditional universal banks are central trends driving this change. Creative responses and innovations are shaping new strategic directions within organisations (Ellis, Correia, Turvey, Childs, Andon, Harrison, Jones, & Hayati, 2023). Perényi & Trąpczyński (2020) further argue that organisational change is a continuous, never-ending process. Perényi & Trąpczyński (2020) mention that organisational change can be categorized into two forms: evolutionary and revolutionary. Evolutionary change involves gradual growth without major disruptions to existing practices, while revolutionary change occurs during periods of significant upheaval and transformation within the organisation. These transitions between change stages reflect shifts in intensity and organisational adaptation over time.

Incremental and radical changes represent two distinct approaches to organisational transformation. Incremental change, as noted by Newman (1998), is convergent in nature, aiming to gradually refine and improve the alignment between an organisation and its external environment. This type of change tends to be continuous and manageable, often implemented in stages to support steady progress. Harris & Foskett-Tharby (2022, p.377) emphasize that success in reform depends more on how change is implemented than on the specific content, advocating for an incremental, phased approach to increase effectiveness. In contrast, radical change is divergent and typically arises in response to major shifts in the competitive landscape, new leadership, or a decline in performance (Newman, 1998). It seeks to fundamentally transform the organisation's systems, structures, strategies, and capabilities. Perényi & Trąpczyński (2020) describe radical change as disruptive, involving significant reconfiguration of existing processes. According to Ringim & Bello (2013, p.310), successful radical transformation requires clear communication, active employee participation, motivational systems, and cultural adaptation to minimize resistance. Broader societal and technological forces can also drive radical change. For instance, the digital revolution has reshaped both business operations and daily life (Cappa et al., 2022). Additionally, Stern, Stiglitz & Taylor (2022) argue that systemic transformations require radical, wide-ranging efforts involving extensive coordination beyond typical policy measures. Although incremental change enhances existing frameworks, radical change redefines them entirely, and both approaches serve different strategic purposes depending on the organisational context.

Deliberate change refers to planned and strategic efforts initiated by organisations to adapt to emerging trends, improve operations, and capture new opportunities. In today's digital era, businesses are intentionally modernizing internal structures and transforming customer offerings, particularly in the banking sector, where traditional face-to-face interactions are shifting toward technology-based engagement (Cappa, Collevecchio, Oriani, & Peruffo, 2022). Digitalisation, as described by (Diener & Špaček, 2021), facilitates this change by enhancing existing business models, generating new revenue streams, and creating added value through digital technologies. It is also seen as a process of organisational renewal through the application of advanced information and communication technologies, enabling banks to narrow operational boundaries while simultaneously broadening their market reach (Diener & Špaček, 2021).

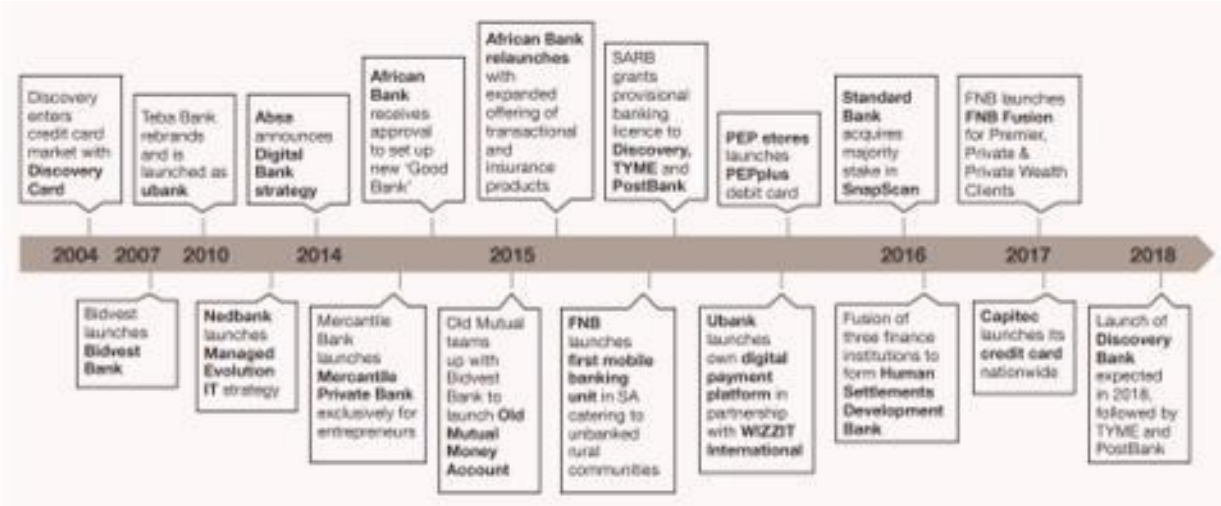
On the other hand, crisis-driven change arises in response to urgent threats or disruptive forces that demand immediate action. The rapid pace of digitalisation and IT advancements has created a radically different business environment, especially in banking, where institutions are compelled to adapt quickly. To survive and remain competitive, many banks have turned to mergers and acquisitions with fintech firms, leveraging these firms' technological strengths and public adoption of digital tools (Gomber, Kauffman, Parker, & Weber, 2018; Cappa et al., 2022). This form of reactive transformation is also evident in the widespread push for upskilling and knowledge renewal among traditional banks and financial institutions (Iman, 2019). Furthermore, the rapid growth of fintech has shifted everyday transactions, pushing even cash-centric societies toward digital, cashless economies. This change forces clients to adjust their norms and behaviours to align with evolving digital practices (Kumari & Devi, 2022). It is important to note that while long-term strategic goals and innovation drive deliberate change, crisis-driven change is reactive, often triggered by technological disruption or external pressure, both of which are shaping the transformation of the banking industry in the digital age.

Digitalisation has influenced internal and external perspectives concerning strategic direction, competitiveness, business models, decision-making, innovation, business performance, and customer relations in the banking sector. When thinking about digitalisation in banking, it is profound to think that accepting the technology itself is a prerequisite to implementing a digital strategy and digitalisation. Thus, it is essential to analyse bank employees` and managers' understanding of the impact of digital and disruptive technology changes on their daily routines, processes, and practices. Change is complex and viewed in different ways, such as large or small, incremental or transformational, process change, system change, people and culture change, structural change, organisational or individual-level change.

Banks, employees, customers, and external providers must adapt even faster to their environment by rethinking and, if necessary, reforming their traditional principles as a result of digital technologies. Poor collaboration in digital transformation teams may delay adaptation, which often stems from

differing values, expectations, and personalities and usually leads to conflicts among employees, departments, or managers (Mehra & Sharma, 2018). Rodrigues, Oliveira & Rodrigues (2023), citing Liu et al. (2015), mention that these conflicts, ranging from minor disagreements to serious interpersonal issues, can disrupt progress and negatively affect change in the organisation. FinTechs are new technology-based businesses that aim to compete with traditional financial market participants. They are also seen as pure technology seeking to improve and automate the delivery of financial services. Overall, the adjustments of existing structures arising from digitalisation affect internal processes and systems and, above all, interaction with customers and service providers in a bank. According to (PwC, 2017), the growth of non-traditional players exploring new opportunities in the financial services industry has created new competition within the industry, a 'marketplace without boundaries. Figure 1.2 below shows a quick overview of the key developments in the South African banking sector between 2004 and 2018, as the banking sector evolved into a marketplace without borders and the entry of non-traditional competition enabled by digital technologies.

Figure1.2 Recent developments in the South African banking market



Source: Strategy and analysis (PwC, 2018, p.6)

Non-traditional players such as insurance companies (e.g., Old Mutual) are increasingly exploring new opportunities, enabling them to challenge incumbents and continually change the state of financial services in South Africa. In addition to insurers, companies in the lending and wealth businesses are diversifying their product offering or entering the banking market. In this regard, African Bank is an example of a bank that was always known to specialise in microlending but now has a strategy to become a retail bank, offering a fully digitally enabled bank account, which is competitively priced and provides a great product with additional value-added features. One can also get an overview of key changes in the banking sector in South Africa by understanding how digital technology is enabling new

entrants to disrupt the dominance of traditional banks and opening opportunities for offerings that service customers' needs end-to-end.

The banking and financial sector is highly competitive, compelling institutions to continuously evolve to avoid falling behind their rivals (Kumari & Devi, 2022). While digital transformation offers substantial advantages, banks encounter major hurdles along the way. One of the primary challenges is the presence of legacy systems, outdated infrastructure, and disjointed data architectures, which significantly limit flexibility and system integration (Bueno et al., 2024).

In addition to technical issues, banks must also navigate a complex regulatory landscape. This includes stringent data protection rules and compliance with anti-money laundering (AML) laws, which introduce further complications to digitalisation efforts (Rodrigues, Ferreira, Teixeira & Zopounidis, 2022; Bueno et al., 2024). Addressing these multifaceted challenges demands a comprehensive strategy that considers technological limitations, regulatory obligations, and organisational culture while emphasizing the role of effective leadership and interdepartmental coordination (Bueno et al., 2024). Furthermore, the digital transformation journey is often marked by disruptive innovations that challenge traditional banking models and require extensive restructuring of internal processes and workflows (Diener & Špaček, 2021). This ongoing digital shift is widely regarded as one of the most significant and persistent challenges currently confronting the banking industry.

1.4.2 The emergence of new digital-first competition

Digital-first competition refers to the strategic prioritization of digital technologies and platforms across all business operations, from customer engagement to product delivery and competitive positioning. Digital-first competition is redefining the financial landscape through innovations such as neobanks and embedded finance, challenging traditional players to adapt quickly or risk falling behind in an increasingly tech-driven economy. One prominent example of digital-first evolution is embedded finance, where non-financial companies integrate financial services like lending, payments, or insurance directly into their core offerings. For embedded finance to succeed, businesses must go beyond simply offering financial products; they need to create meaningful value for customers through intuitive design, effective partnerships, and cross-functional collaboration (Finken & Hensen, 2024, p.305). As digital expectations grow, financial solutions must provide seamless, frictionless experiences (Hensen, 2024, p.305), making embedded finance a powerful growth engine in the digital-first economy.

Additionally, rapid technological advances have given rise to neobanks, digital-only financial institutions that bypass traditional brick-and-mortar structures. These banks have disrupted conventional models by offering highly customer-focused services through mobile platforms and intuitive apps, often at lower costs (Janamolla, 2024). Their agility and digital native infrastructure

position them well in increasingly smartphone-dominated markets (Hensen, 2024, p.305). In emerging markets, the digital-first engagement and solution shift is even more transformative. Countries are witnessing technological change, where mobile-first and branchless banking systems are replacing legacy infrastructure, enabling broad financial access and rapid customer growth (Jamol, 2025). This leap is not only reshaping financial ecosystems but also accelerating financial inclusion and competition on a global scale.

While some firms still choose to compete based on factors like pricing or distribution, a digital-first approach puts technology at the core of how value is created and delivered (Dwyer, 2015, p.37). In this model, competitiveness relies heavily on digital infrastructure, workflows, and business models. South Africa's traditional financial services groups focus on digital transformation, but new digital-first competition in the form of Discovery Bank, Tyme Bank, and Bank Zero has entered the market. For example, Tyme Bank is a South African-based lender providing customers with digital systems to access funds through mobile phones. TymeDigital plans to disrupt the South African banking industry and help boost lending to the majority of the black population and businesses that have been previously excluded. The trends are fundamentally transforming the South African banking landscape from an industry dominated by four incumbents with segment-specific challengers to an industry with a variety of competitors capturing a significant share of the value pool across retail and corporate. The evolution of these trends will undoubtedly result in the incumbents' market share being squeezed by innovative new entrants unless the incumbents implement strategies to remain relevant in the future banking market landscape.

Digital adoption has picked up across the board, with notable innovative moves from both incumbents and new entrants. Prompted by emerging technology, greater competition, and increased customer expectations, customers can now enjoy benefits such as opening a bank account in minutes, executing simple transactions using WhatsApp, or conveniently completing cash-handling services through their local grocery stores. Digitalisation has also improved financial inclusion by lowering barriers to access through the emergence of low/zero-cost banking, with new neo-banks operating on lean cost models supported by superior next-generation technology. Digitalisation provides an opportunity for financial services organisations to improve operational efficiencies. Streamlined services on digital platforms have significantly reduced the turnaround time for menial tasks and improved customer experience, whether at a branch, on the app, or online. Beyond traditional financial services, South Africa has seen new non-financial services players tap into the market, such as MTN's mobile money operations, MoMo, which aims to build on the success that mobile money has had in the rest of Africa, particularly in East Africa, with the likes of M-Pesa.

Digitalisation is a customer-oriented phenomenon (Zeranski & Sancak, 2020). Banks can design the best products, but they will be of no value if no clients are willing to utilize them. Banks need to meet the expectations of tech-savvy customers and keep up with the pace of new technology trends (Ismail, Khather & Zaki, 2017). According to PWC (2017), the four universal banks, (Absa, Standard Bank, FNB, Nedbank) are under pressure to progressively find new ways to enable them to stay relevant in the market and adequately compete with new entrants. PwC (2017) is explicit that banks in South Africa are responding to the increase in new competition and innovation through large-scale transformation programmes focused on customer experience, digital transformation, new ways of working, and enterprise-wide cost reduction.

The Bank's main challenge is meeting the expectations of employees who want to work for a digitally transformed bank (Ismail et al., 2017). Cortellazzo, Bruni & Zampieri (2019, p.4) state that digitalisation is "perceived as a global job destroyer and creator at the same time." There is a concern for experienced bankers' jobs, particularly in a country such as South Africa, where the unemployment rate is high. Digitalisation impacts internal service quality as well as employees' satisfaction, loyalty, and productivity (Hogreve, Iseke & Derfus, 2021). Furthermore, they emphasized the importance of employees' well-being as it plays a vital role in the firm's performance and success. In addition, employee satisfaction influences productivity. South African banks need to have a genuine interest in employees to promote the quality of service.

Digitalisation has redefined the personal and work life of employees as they are expected to be available around the clock (Chopra & Sharma, 2020). Notably, digitalisation combines the employees' personal and work lives. In the digital era, to be at work is defined as completing the task rather than being geographically at a place designated as the office (Fedorova, Koropets & Gatti, 2019). Shayb & Musetescu (2020) pointed out that the COVID-19 (the coronavirus disease in 2019) pandemic has forced employers to move even quicker to digitalisation; as a result, some bank employees had to convert part of their homes to office space. Digital signatures were common and acceptable for use on many forms in organisations. Without techniques such as an open-door policy, managers and leaders in banks had to change and learn new ways to lead their teams in a digitalized or hybrid world of work.
Leaders need to understand the power of digitalisation in their relations with stakeholders; if not, they will be seriously left behind (Heilig. Lalla-Ruiz, & Voß, 2017). Leaders need to capture the actual value of digitalisation by managing and retaining talent and engaging with employees (Zampieri, 2019). These changes show the need to incorporate new developments into the Service Profit Chain (SPC). SPC serves as a link between internal and external environments for service companies' long-term financial performance. The internal environment includes internal service quality, employee satisfaction, loyalty, and productivity.

Furthermore, Hogreve, Iseke & Derfus (2021) highlighted that service employees who are more loyal to their firm might strive to benefit their firm, which may impact the customer-employee relationship. The role played by senior managers of a South African bank during the process of implementing digitalisation is critical not only for the success but also for the failure of the strategy from the viewpoint of internal and external stakeholders. With this clarity of stakeholders and their impact on digitalisation, it is important to unpack digitalisation as a strategy that organisations such as banks adopt to gain a competitive advantage in the market while enabling employees to deliver value.

In an attempt to understand digitalisation as a process, it is insightful to initially unpack the two categories of banking products, namely banking products for individuals and legal entities (e.g., business, commercial). Digitalisation seeks to deliver various bank products grouped under the following categories: Transact, Invest, Borrow, Foreign Banking, Insure, and Access Services. This portfolio depicts the products and services of the South African bank being studied. Banks design their products or accounts under each category according to what they want to provide to clients. Traditional banking demanded that clients visit the branch whenever they wished to access bank products and services. In the digital era, banks are experiencing pressure to pursue operational trends, including implementing emerging technologies to evolve or replace legacy systems, a strong focus on cyber and IT resilience, and digitizing front and back-office operations while prioritizing fulfillment of customer expectations through electronic channels.

The other challenge is that although regulatory support has played a key role in the emergence of neobanks, these digital-only institutions continue to grapple with significant regulatory hurdles. They must comply with an increasingly complex and evolving framework covering areas such as data privacy, cybersecurity, anti-money laundering (AML), and consumer protection (Arner, Barberis, & Buckley, 2015). A significant concern for neobanks is ensuring the security and confidentiality of customer data, as their fully online nature makes them particularly susceptible to cyber threats and breaches. Strict adherence to data protection laws like the GDPR is essential to uphold customer trust (Zetzsche, Buckley, Arner, & Barberis, 2017). Furthermore, navigating AML regulations presents another critical challenge. Because neobanks prioritize speed and accessibility, they must implement strong controls to detect and prevent fraudulent financial activities. Failing to comply with such regulations not only exposes neobanks to substantial financial penalties but also risks damaging their reputation (Janamolla, 2024).

1.4.3 Emergence of an all-in-one ecosystem

All-in-one ecosystems emerge through strategic partnerships and collaborations that combine diverse offerings into a unified, value-rich solution that delivers more than what traditional financial institutions could achieve independently. Unlike general banking platforms, ecosystems are typically centred

around a specific industry and involve deeply integrated partners that each bring unique strengths and contribute meaningfully to the shared value proposition (Diener & Špaček, 2021). These digital business ecosystems represent a shift from traditional models, influencing how organisations make strategic decisions regarding both internal operations and external partnerships. In developed regions, this shift has involved a gradual digital evolution of legacy banking systems. At the same time, in emerging economies, it has led to a rapid technological leap, bypassing older infrastructure in favour of mobile-first, branchless models (Jamol, 2025). As traditional banking models continue to erode, financial institutions are increasingly adopting ecosystem-driven business strategies to strengthen customer engagement and long-term loyalty (Maiya, 2022). Banks now recognize that future competitiveness depends on embracing multiple digital models, testing and refining them to find scalable, customer-focused solutions. These ecosystems, often supported by partnerships with FinTech's, BigTech firms, and telecommunications providers, allow banks to launch new offerings rapidly, reach new markets, and meet evolving consumer demands.

While the view of how digitalisation affects the various value chain activities is informative, it is more inward-focused. It seems to promote the linear view rather than the value creation system. The value chain looks at the entire organisation and how everything is organized. It is a linear model, while the value system considers how the organisation fits into a bigger picture, including relationships with suppliers, retailers, and customers. It is a more complex model. In the banking sector, customers increasingly expect and demand greater end-to-end product offerings and services. Customer expectations are changing, and they are beginning to want all their needs serviced on-demand and in one place. This allows organisations to orchestrate ecosystem approaches in broad areas of their customers' lives and build an offering that services end-to-end needs. This is considered a digital ecosystem and brings increasing customer value onto the financial service provider's platform. Digitalisation allows customers' "on-demand" expectations to be delivered through effective interfacing of relevant products and services, improving the customer experience in the process. For the ecosystem orchestrator, value is derived from additional revenue streams, and the ecosystem appeals to potential customers by offering a holistic service. Digitalisation made it easy for clients to access their products and services at leisure (Singh, 2004). In the digital arena, banking services include using mobile banking applications to open accounts, print bank statements, make money transfers, pay beneficiaries, and buy prepaid airtime. Clients can access banking services via online banking. Online banking "uses telecommunication networks and the internet to provide clients with an extensive array of financial services and products through a website or a system operated by financial institutions" (Wadesango & Magaya, 2020).

Adopting digital business models allows the organisation to develop new ways of capturing value (Horlach et al., 2017). Companies are at different stages of digital transformation, and their approach to

digitalisation is different. Stoyanova (2022, p.44) proposes "two different approaches to digitalisation. First, a top-down approach is when digitalisation involves changing the business model driven by strategic innovators when changes are needed throughout the value chain. Second, digital experts lead the bottom-up approach when digitalisation involves multiple small or medium scale organisational initiatives. Whether it is a top-down or bottom-up approach, there must be a smooth transition from traditional to digital methods to ensure internal and external stakeholders, such as employees, customers, and suppliers, do not find using the new digital methods challenging. Digitalisation demands changes in business models to increase profitability (Parida, Sjödin & Rein, 2019).

It is important to highlight that Skaleet (2022) believes that the rise of all-in-one ecosystems poses challenges for customer acquisition, as traditional marketing strategies are becoming less effective in capturing valuable customer data. In response, financial institutions are turning to "beyond banking" approaches, aiming to attract users through non-banking services. While this allows banks to diversify their offerings and explore new markets, it also reflects the growing difficulty of reaching customers through conventional channels.

1.5 RESEARCH PROBLEM

Digitalisation has forced South African banks to change how they conduct business and seek to meet current and future priorities of the bank and various stakeholders such as customers, employees, partners, and suppliers (Louw & Nieuwenhuizen, 2020b). While we know about banking, strategy, and competition brought by FinTech in the banking industry, we do not know much about the actual process of adopting digitalisation as a strategy that results in new banking services and operations in RSA from the lived experiences of senior bank managers in a traditional bank.

Different scholars have focused on the competition in banking arising from the market entry of fintech banks. For example, Burgelman et al. (2017) in the USA analysed competition brought by FinTech to the banking industry and explored new avenues to provide value-added products and services to customers. As a disruptor, Fintech has the potential to wipe out traditional banks. Fintech faces scrutiny in terms of compliance with financial regulations. Louw & Nieuwenhuizen (2020b, p.7) investigated "the difference between traditional and digital-only banks' business models." The findings reveal that mobile-optimized services are regarded as a key business strategy, and digital-only banks are putting pressure on traditional banks to move to digitalisation.

Luburic (2016) in Montenegro stated that when the organisation changes its strategy, it impacts all stakeholders in the bank supply chain, including internal clients who form part of the implementation phase and external clients who are on the receiving end. Louw & Nieuwenhuizen (2020b) believe that digitalisation is a new phenomenon and that there is still much work that scholars need to do in RSA.

Without clarity on digitalisation, there is a growing risk that an organisation will easily mistake the information technology (IT) strategy with digitalisation as the overall strategy of an organisation.

Researchers need to uphold the view that digitalisation is not exclusively a matter of information technology strategy but rather an overarching business strategy that is key to internal organisational architecture and external dimensions in terms of products and services on the market for a South African bank. In a different vein, Lipsmeier et al. (2020, p.178) state that "one major obstacle for the digital transformation of companies is the lack of digital strategies, which coordinates the digitalisation initiatives in line with a common strategic direction." The current grounded theory study seeks to explore the digitalisation process and develop a data-driven substantive theory depicting the nature of constitutive activities to implement digitalisation as a strategy, factors that influenced the process of identifying opportunities for digitalisation and also illuminate how operating a digitalisation strategy by the South African bank affected internal and external stakeholders of a selected bank according to the perspectives of senior managers.

1.6 RESEARCH OBJECTIVES AND QUESTIONS

The main research objective of the study is to build a substantive grounded theory elaborating on how the South African bank implemented digitalisation as a strategy for banking services and products according to the lived experience of senior managers. The grounded theory study focuses on activities by different actors over time as they translate digitalisation strategy into day-to-day activities in the bank to survive in the market.

1.6.1 Research Objectives

The main research objective of this grounded theory study has the following sub-research objectives:

1. To investigate the *activities* engaged by a South African bank to implement digitalisation as a strategy for banking services and products, according to experienced senior bank managers.
2. To understand the factors that *influenced the process* of identifying opportunities for digitalisation as a strategy for banking services, according to experienced senior managers of a bank in South Africa.
3. To examine how *operating* a digitalisation strategy by the South African bank affected internal and external stakeholders

1.6.2 Research Questions

In this grounded theory, the main research question is: How did a South African bank implement digitalisation as a strategy for banking services and products according to the lived experience of senior managers?

Sub-questions

1. What were the *activities* engaged by a South African bank to implement digitalisation as a strategy for banking services and products, according to experienced senior bank managers?
2. What *factors influenced the process* of identifying opportunities for digitalisation as a strategy for banking services, according to experienced senior managers of a bank in South Africa?
3. How did *operating a digitalisation strategy impact* the internal and external stakeholders?

1.7 SIGNIFICANCE OF THE STUDY

First, this study is significant for strategy practitioners in the banking services sector as it will elaborate on the digitalisation process in a South African bank, not from the viewpoint of IT experts but rather from senior bankers involved in service provision. This study sensitises strategy practitioners on the scope and complexity of digitalisation as a strategy and the need for ongoing strategic planning and renewal, mindful of the variety of intended and unintended consequences in the different functions of the bank.

Second, the study is significant to strategy researchers as it explores digitalisation not as an outcome but rather as the means of competing and seeking to gain sustainable competitive advantage in a "volatile, uncertain, complex, and ambiguous" (VUCA) business environment. The developed theory may form a basis for further scholarly work to create a formal grounded theory with more relevance and explanation across different types of banks in South Africa and other countries.

Digitalisation has disrupted the banking industry, leading to banks transitioning from traditional banking to digitalisation (Son, Kwon, Tayi, & Oh, 2020). Different banks are approaching digitalisation in different ways. While we know the outcome of digitalisation, little is known about the digitalisation process and how it unfolds in a banking environment, hence the value of a process-oriented study on digitalisation. Digitalizing the banking business involves identifying opportunities and operating digitalisation as a strategy for the bank's services and products to be competitive in the market. There is a need to conduct such a study as it intends to present the actual process of digitalisation as it unfolded in a South African bank.

1.8 DELIMITATIONS OF THE STUDY

The study is restricted to building a substantive grounded theory on digitalisation as a strategy for banking services and products following the guidance of Strauss & Corbin (1990). The study generated a substantive grounded theory that elaborates on the process followed by a South African bank to identify opportunities and operate a digitalisation strategy to make their services and products competitive in the market. Different industries, including banks, are transitioning to digitalisation to

increase productivity. The study is limited to the banking sector. The reason for choosing banking is that it is one of the industries highly impacted by digitalisation. Digitalisation created convenience for clients as they can bank anywhere at any time. The banking industry had maintained the status quo over the years as there was minimal competition.

The research was conducted in South Africa, aiming to understand digitalisation as a strategy for banking services and products from a South African perspective. It provided the answers to research questions. The clients need a bank that meets their digital needs. South African clients are no longer willing to spend their time in long queues waiting to be serviced by bank staff. The bank responded to the client's needs and moved products and services to the digital platform. The study seeks to understand the digitalisation implementation process from a senior manager's perspective in a selected bank in South Africa. The findings were limited to senior managers. In this study, Senior Managers refer to Regional Managers. Business Managers and Operational Managers. The chosen managers must meet specific criteria to be considered key informants who can reflect on activities the bank engaged in implementing its strategy. The study focused more on the process over time. Senior managers who gained experience outside South Africa and were not part of the execution of digitalisation were excluded from the study as they lack lived experiences grounded in South Africa.

1.9 STRUCTURE OF THESIS

This study has nine chapters, and the aim was to develop a substantiative theory by exploring how a South African bank implemented digitalisation as a strategy for bank products and services. Chapter One provides a foundational overview of the study, starting with an introduction to the chapter and followed by a description of the South African banking sector. It explores types of banks operating within the country, their respective roles, and the emergence of beyond-banking initiatives, with an emphasis on user experience as a competitive differentiator. The chapter also discusses the market structure, market structure, market share, and past bank failures, providing context to the sector's evolution. The chapter then delves into the impact of digitalisation on banking, specifically its influence on value chain activities and stakeholders. This includes a breakdown of where and how digitalisation occurs, the technological tools and trends involved, and the organisational implications across various levels. Digitalisation is further explored and discussed as a megatrend, emphasizing and discussing the multi-level scope of digitalisation. Additionally, the chapter unpacks the evolution of digitalisation in banking, including the shift in banking practices, the emergence of digital-first competitors, and the rise of an all-in-one digital ecosystem. The introductory chapter concludes by outlining the research problem, objectives, and research questions, followed by the significance of the study, its delimitation, and the structure of the thesis.

Chapters Two and Three focus on literature review. Chapter Two focuses on strategy and strategy implementation. It starts by exploring the origin of strategy and how it has evolved. It also presents the definition and complexity of strategy and types of strategy. The chapter also explores strategy as a practice, strategy enabled and impeded by technology, and technology change as a strategy. Chapter Two investigates strategy in a service-oriented sector, as well as the levels and models of strategy. It also discusses an integrative framework of actions, conditions, and dynamic capabilities for strategy implementation in service industries. Lastly, it explores previous research on strategy implementation conducted inside and outside South Africa. Chapter Three focuses on digitalisation. The chapter discusses the characteristics of digitalisation, explores the distinction and similarities between digitalisation, digital transformation, and business model, and further unpacks different concepts of business model, digitalisation, and its influence on business model innovation. The study focuses on digitalisation as a process that transitions over time.

Chapter Four outlines the research methodology adopted for the study, beginning with an overview of the research paradigms and philosophies underpinning this study. The study adopted a qualitative research approach, specifically the grounded theory. This chapter discusses the justification for using the Straussian grounded theory method. It elaborates on challenges and judging criteria for grounded theory. The chapter traces the origin, evolution, and principles of grounded theory, with a focus on the (Strauss & Corbin, 1990) model, and discusses the challenges associated with this method. It details the critical incident technique, the interview guide, and the sampling strategy. The data collection involved structured questioning, while data analysis followed a three-step coding process: open, axial, and selective coding. Finally, the chapter addresses key ethical considerations ensuring the integrity and credibility of the research.

Chapter Five outlines the key activities undertaken by a selected South African bank to implement digitalisation as a core strategy for enhancing banking services and products. It begins by detailing how top executives formulated the digitalisation strategy with the goal of delivering greater value to customers. The chapter then explores how branch managers facilitated the rollout of new technologies, such as online banking and modern payment methods within branches to improve service delivery.
Human Resources played a crucial role in equipping staff with the skills needed to perform effectively in a digital environment, while senior leaders ensured strategic alignment through consistent internal communication. Additionally, branch staff were actively involved in educating clients to confidently use digital platforms independently. The chapter also highlights the collaborative efforts of operations and risk management teams, who worked closely with regional and branch managers to monitor progress and ensure the safe use of digital banking tools. These collective efforts reflect a comprehensive and inclusive approach to driving digital transformation across multiple levels of the organisation.

Chapter Six present results on factors that influenced how the bank identified opportunities for digitalisation for banking products and services, and also how digitalisation impacted stakeholders of the South African bank. It begins by discussing organisational restructuring aimed at improving efficiency and supporting remote operations, such as integrating departments and reducing physical queues at branches through digital alternatives. The chapter then examines how both employees and customers contributed to shaping digital change, identifying insights that guided system transformations. Attention is also given to operational changes, including the shift towards cashless and more secure service models and the strategic alignment of human resources with digital goals. The chapter further outlines how the bank used digital transformation as an opportunity to reassess the strategic relevance of suppliers. The second part of this chapter focuses on the results regarding the objective of operating the digitalisation strategy and its impact on different stakeholders, including staff, customers, and external partners, highlighting both challenges and benefits that emerged from the process.

Chapter Seven introduces and explains the developed grounded theory titled *"Digital Wave of Driving Simplified Multiple Values of Banking Services to varied Stakeholders in a South African bank."* This theory emerged from insights shared by senior managers of a selected South African bank, focusing on how the bank implemented digitalisation as a strategy to deliver inclusive, value-driven banking services. The chapter outlines a five-stage process that highlights how various actors in the bank identified digital opportunities, translated these opportunities into stakeholder value, navigated the complexities of a volatile environment, and transformed challenges into new values. It also explores how internal and external stakeholders engaged through change readiness, communication, and alignment. The chapter closes by discussing the broader consequences of digitalisation as a strategic direction in the bank.

Chapter Eight presents a comprehensive discussion of the key findings and theoretical insights from the developed grounded theory labelled "*Digital Wave of Driving Simplified Multiple Values of Banking Services to varied Stakeholders in a South African bank."* The chapter begins by connecting the generated theory with existing literature by critically discussing the substantive grounded theory in relation with the notion of business model innovation, digitalisation and the concept of value before focusing on multi-stakeholder perspectives in leveraging digital opportunities, emphasizing how value is created and distributed among various actors in the ecosystem. Lastly, the theory generated is critically discussed in relation to the literature on change management, illustrating how managing change in the digital era requires an understanding of stakeholder dynamics and collaboration. The chapter ties together stakeholder theory, digital transformation, and value creation, underpinned by practical change management models.

Chapter Nine brings the study to a close by summarizing its key theoretical and practical contributions. It outlines how the research has added to existing academic knowledge, particularly in the areas of digitalisation, value creation, and multi-stakeholder engagement within business model innovation. It also highlights practical insights that can inform policy, strategic planning, and decision-making for organisations undergoing digital transformation. The chapter reflects on the limitations of the study, acknowledging areas where scope or context may have influenced the findings. It then offers recommendations for future research, encouraging further exploration into emerging digital ecosystems, stakeholder dynamics, and the long-term impact of digital change. Finally, the conclusion ties together the study's core themes and emphasizes the importance of aligning value, innovation, and change management in navigating the digital era. The following chapter focuses on strategy and strategy implementation literature review.

CHAPTER TWO

STRATEGY AND STRATEGY IMPLEMENTATION

2.1 INTRODUCTION

The objective of this chapter is to critically discuss the nature and complexity of strategy and models of strategy implementation. It is essential to highlight that Chapters Two and Three explore the literature on strategy implementation, digitalisation, and business models together. The study aims to generate a theory from data in this grounded theory study.

Literature review in grounded theory methodology remains a conundrum and has sparked debates among grounded theorists. There are two key positions on the use of literature review in grounded theory methodology. First, Glaser & Strauss (1967), as the originators of grounded theory, argue that the literature search should not be conducted before conducting the study. In this regard, a grounded theory researcher is encouraged to avoid biases which may arise from the existing body of knowledge in the substantive area before going into the research field. The notion that researchers focus on the literature review once they are done with the analysis is mainly to ensure that findings of the study are not contaminated by theoretical preconceptions but rather emerge from data without any inhibition. The most important issue in grounded theory methodology is that what is important in the research area will show itself repeatedly as the researcher is required to be a neutral researcher and not be influenced by literature that is reviewed before going into the field. Glaser & Strauss (1967), in their seminal work on grounded theory, adopted the objectivist philosophy where academic researchers were required to be free of any inhibiting or preconceived views drawn from existing literature. In the view of Glaser, relevant literature should be reviewed only after the theory is induced from data to shed more light on the generated theory (Glaser & Strauss, 1967).

Second, Strauss & Corbin (1998) subsequently highlight the importance of early literature review before data collection, primarily to locate the research within the body of knowledge and to lay the foundation for what is to be done in the subsequent study. Other renowned grounded theory researchers, such as Charmaz (2006) concurs that a grounded theory researcher needs to undertake a preliminary or early review of existing literature.

In light of this, it is pivotal to state that the literature review in this grounded theory study follows the guidance of Strauss & Corbin (1990). Strauss & Corbin (1990) state that literature plays a vital role in grounded theory as it enables the researcher to explore previously under-researched areas and locate gaps that need more work. They assert that literature can stimulate questions. This study used an initial literature review to identify what to look for when collecting data, asking the right questions to answer

the research questions, exploring what others have discussed about strategy, and identifying what aspects of their work are relevant to this study. According to Strauss & Corbin (1990), the researcher can use a literature review before data collection to formulate questions or ask questions that are related to the topic. In this respect, the early literature review before going into the field is preliminary and does not attempt to critically assess all the literature beforehand, as the researcher is unable to judge in advance what categories will emerge from research data.

Third, one common issue among grounded theory researchers is that it is necessary to subsequently conduct a thorough research literature analysis that is aligned with the findings once the theory is generated from data (Charmaz & Thornberg, 2021). The aim of a literature examination at that period is to some extent enhance intellectual thinking in the analyses, but also to broaden the validity of the study by locating the findings in the existing body of knowledge. The study also used literature to explore studies conducted in and outside South Africa to understand what was done for a strategy to be a success or failure without forcing any theoretical preconceptions on the emerging theory.

The current chapter is divided into three broad areas to enhance our understanding of strategy and strategy implementation. The first part of the chapter begins by unpacking the origin and evolution of strategy, types of strategy, strategy as practice, and strategy enabled by technology. The chapter also discusses strategic alignment in relation to digitalisation. After that, the chapter discusses models of strategy implementation and organisational architecture before focusing on the challenges of implementing strategy, especially in the service sector, mindful that the current study context is a bank. Lastly, the chapter discusses previous studies on strategy and strategy implementation conducted inside and outside South Africa before presenting a chapter summary.

2.2 EXPLORING THE ORIGIN AND EVOLUTION OF STRATEGY

First and foremost, it is critical to underline that the word ‘strategy’ originates from the Greek word *strategos,* which derives from the ancient Athenian position of *strategos. "Strategos* was a compound of *Stratos* which meant an encamped army spread over ground and *agrein* to lead" (Cumming,1993, p.133). Strategy is not a new concept. However, there has yet to be an accepted definition of strategy. Cherp, Watt & Vinincheko (2007) trace the origin of strategy back to 400 B.C. to the military, which operated to distinguish the art of conducting war from the task of directing individual battles. At first, strategy was regarded as a tool to describe the art of leadership used by ten generals on the war council. These ten generals developed principles of effective leadership and ways to tackle war and keep soldiers motivated (Mckeown, 2019). After that, many scholars and thinkers theoretically refined the concept of strategy over the years to the extent that it encompasses nonmilitary operations. In addition, the first book on strategy, "Art of War," is believed to be written by Sun Tzu about 400 BC. In his book, Sun Tzu lists different principles leaders may follow to win and achieve their goals (Al-Ensour &

Alhmeidiyeen, 2018). The idea of strategy was developed in the corporate sector after World War II, where most of the strategy formation research and publication was produced. Over the years, strategy has been defined in various ways in non-military contexts and has become complex.

2.3 UNDERSTANDING THE COMPLEXITY OF STRATEGY

The strategy phenomenon is complex and elusive to define in an organisational context. Strategy is one of the most studied concepts but one of the least understood, as scholars have yet to reach a consensus (Ronda-Pepo & Guerra-Martin, 2011). There are many definitions of strategy, and providing an overarching concept description is challenging. The section explores different meanings by different scholars, types of strategies, strategy as a practice, strategy in a service-oriented sector, understanding enabled and impeded by technology, and technology change as a strategy.

2.3.1 Definition of Strategy

Understanding the definition of a strategy concept is essential. Scholars have not yet reached a consensus on defining strategy in a corporate environment. Janes & Sutton (2017, p. 5) define strategy as "the management's action plan to run the business and conduct operations." Management actions include all activities that management considers necessary for the business. It consists of activities like ensuring that the company hires people with the right skills and experience. Investing in technology and infrastructure as a plan to run operations smoothly. On a different note, WenJun (2019. p. 30) believes that strategy is a" solution to how a company can move from its current location to its future position before it conducts its business activities." The similarity between these definitions is that strategy is an action plan that elaborates on how the business will run its operation from its current position. The strategy serves as a tool that navigates the business to the desired goal. Strategy directs an organisation's future by describing how a company can achieve its goals using available business resources. In terms of scope and competitive stance, the strategy consists of "the overarching direction set by managers plus the competitive moves and business approaches that they are employing to compete successfully, improve performance, and grow the business" (Thompson, Janes, Peteraf, Sutton & Gamble, 2013, p.6). The statement is supported by El-Ensour & Alhmeidiyeen (2018), who state that strategy is a set of activities managers use to increase a firm's performance. When an organisation changes, a strategy must change to maintain or improve the firm's performance. Chen, Kou, Wang & Wu (2018) define strategy as a response created by the business for survival and to gain a competitive advantage in the market.

Johnson, Whittington, Regnér, Angwin, & Scholes (2020), scholars of strategy, have unpacked the scope of strategy in a more concise but comprehensive manner in their most recent definition of strategy, which hinges on three elements. Johnson et al. (2020, p.55) define strategy as "the long-term direction of an organisation." Notably, long-term, direction, and organisation are core elements of strategy. An organisation's long-term direction can include deliberate, logical strategy and more incremental, emergent strategy patterns. It is essential to realise that long-term direction can consist of strategies

emphasizing difference and competition and strategies that recognize the roles of cooperation and even imitation. Given the mentioned issues related to the scope of the strategy, Thompson, Janes, Peteraf & Gamble (2013, p.39). Organisations involve complex internal and external relationships (Johnson *et al.,* 2020). This resonates with the view that an organisation has many internal and external stakeholders who are vital to the organisation's survival and thriving. In a nutshell, an organisation depends on people and groups that rely on the organisation and upon which it depends. Internally, organisations are filled with people, typically diverse, competing, and more or less reasonable views of what should be done (Johnson et al., 2020).

2.3.1.1 Six common characteristics of strategic decision

The process of digitalisation in a bank may entail managers at different levels of the organisation making decisions. Process-oriented digitalisation researchers are interested not only in the nature of the decisions that enable or impede digitalisation but also in the interactions of different decisions at different levels and how the results mutually reinforce each other or create conflict for people. Strategic decision-making is linked to strategy as it encourages forward-thinking and future-oriented initiatives. These decisions are about how the organisation can position itself for long-term success and align with its mission, vision, and strategic objectives. In the book "Exploring Strategy", Johnson, Whittington, Scholes, Angwin & Regner (2017) indicate that six common elements characterize a strategic decision. First, a strategic decision relates to long-term direction and *complex* decisions dealing with a *VUCA Environment.* Strategy is strategic decision-making, especially in rapidly changing markets. The cornerstone of effective strategy is the ability to make fast, widely supported, and high-quality strategic decisions on a frequent basis. Second, *strategic decisions depict linkages* between internal and external environments while considering both the vision or bigger picture in the future and current contextual reality. Strategic decisions are about gaining a competitive advantage by building on resources and capability. Strategic decisions ensure that the organisation's abilities match the opportunities and challenges around them. Third, strategic decisions require major resources and relate to significant organisational change. Fourth, strategic decisions affect the whole organisation, are broad in scope, and have an impact over time. These decisions also involve considerable changes. Fifth, strategic decisions are shaped by the values and expectations of many stakeholders (internal and external, e.g., regulators, consumers, society, pressure groups) and social responsibility. Lastly, it is common that strategic decisions focus on important issues with the greatest impact on how value is created and delivered to stakeholders (strategic relevance; the 80-20 rule). It is sound to underline that a bank's digitalisation process may entail strategic decisions made by the top management team and others who make tactical and operational decisions. As such, it is prudent to elaborate on the differences between these dimensions of decisions as a potential basis for understanding the variety of decisions and their respective impacts on the process, factors, stakeholders, and consequences of digitalisation in a bank.

Table 2.1 depicts the nature of strategic, tactical, and operational decisions that may change or have to be made because of the adoption of digital technologies.

Table 2.1 The nature of Strategic, Tactical, and Operational decisions

Dimension	**Strategic Decision**	**Tactical Decision**	**Operational Decision**
Definition	The decisions are made to give long-term direction and a clear road map to organisations. It is farsighted.	The decision is about the implementation of the company's overall strategy. Focus is on short-term goals without considering long-term consequences.	The decision is about choices made regarding the method of carrying out shortterm procedures. Concentrates on the efficient execution of tasks to achieve strategic goals.
Perspective	These are made with the long-term perspective considered. Issues in strategic decision-making can affect the whole organisation negatively. Strategic decisions focus on the "what" and address long-term goals and direction.	The decision is made based on medium-term impact and can be corrected as and when necessary. Tactical decisions deal with the "how" to achieve strategic goals. Break down the strategic goals into smaller, actionable step.	The decision is made with a focus on medium to long-term objectives. Changes can be made in these decisions as found relevant and suitable. Operational decisions involve "action" and are short-term, repeatable, and structured to support tactical plans.
Decision-maker	The top management or leadership teams in a company make these decisions.	Tactical decisions are made by intermediate and top-level management.	Front-line managers and employees responsible for daily operations make operational decisions.
Scope	Affects the whole organisation for a long time.	Very specific and narrower in nature, addressing specific areas or departments.	Immediate effect on day-to-day activities and processes that keep the organisation running.
Magnitude of impact	Decisions have a significant impact on the organisation.	Decisions are more immediate and focus on the efficient execution of plans.	Immediate impact on the efficiency and effectiveness of daily tasks.

Source: Researcher's construction

After discussing the definitions and common characteristics of strategy, it is equally valuable to understand the complexity of strategy by focusing on strategic questions, which helps to think strategically before shifting to the 5 Ps strategy framework by Mintzberg (1987).

2.3.1.2 Strategic Questions

Some scholars assert that thinking strategically entails asking and finding answers to strategic questions. For example, Mckeown (2019, p. 2) adopted four questions to define strategy: " (a) What are you doing at the moment? (b) How does that compare to your competitors? (c) What do you want to achieve or do? (d) How can you create something people want?" The first two questions are about the current position of the organisation and benchmarking the strengths and weaknesses against competitors. The remaining two questions are about the future and deciding the way forward based on company goals and customer needs. The difference between McKeown's (2019) four questions and other definitions, is that McKeown's (2019) are more specific on what the plan will cover than the other definitions. In a slightly different vein, Janes & Sutton (2017) define strategy by the following three questions instead of four: The first question is "What is our present situation?" This question relates to the position regarding resources, dynamic capability, products and services, needs and expectations of customers and stakeholders, and the current performance of an organisation. Clarity on this question reveals the strategic position of an organisation. (ii) The second question is, where do we want to go from here? This question focuses on purpose, strategic intent, and overall direction management believes the organisation should adopt. Third, how are we going to get there? It seeks clarity on how strategy is formulated at the different organisational levels. It also relates to customer needs, stakeholder expectations, ethical perspectives, leadership, organisational culture, and architecture, which are key for strategy implementation. The strategy definition adopted for this study was developed by Janes & Sutton, who used three questions to define strategy as a process. It starts by identifying the company's current situation until the end, as it draws a roadmap, providing details from the beginning until the desired goals are reached. Arguably, Janes & Sutton (2017) did not include the strategic question of how we will know that we have achieved our strategic goals and vision.

A qualitative study conducted among top managers in hotels in Hong Kong to investigate the critical success factors for strategy formulation and implementation found that macro-environmental analysis and competition analysis are prioritized during strategy formulation. Internal factors such as employee involvement and strategic consensus are given prominence during the strategy implementation stage, which increases performance (Köseoglu, Altin, Chan & Aladag, 2020). Further, senior managers need to define strategy clearly to ensure that participants understand all roles well, especially in the changing environment. Leaders must anticipate, recognize, and deal with change in the internal and external environment for the business to grow.

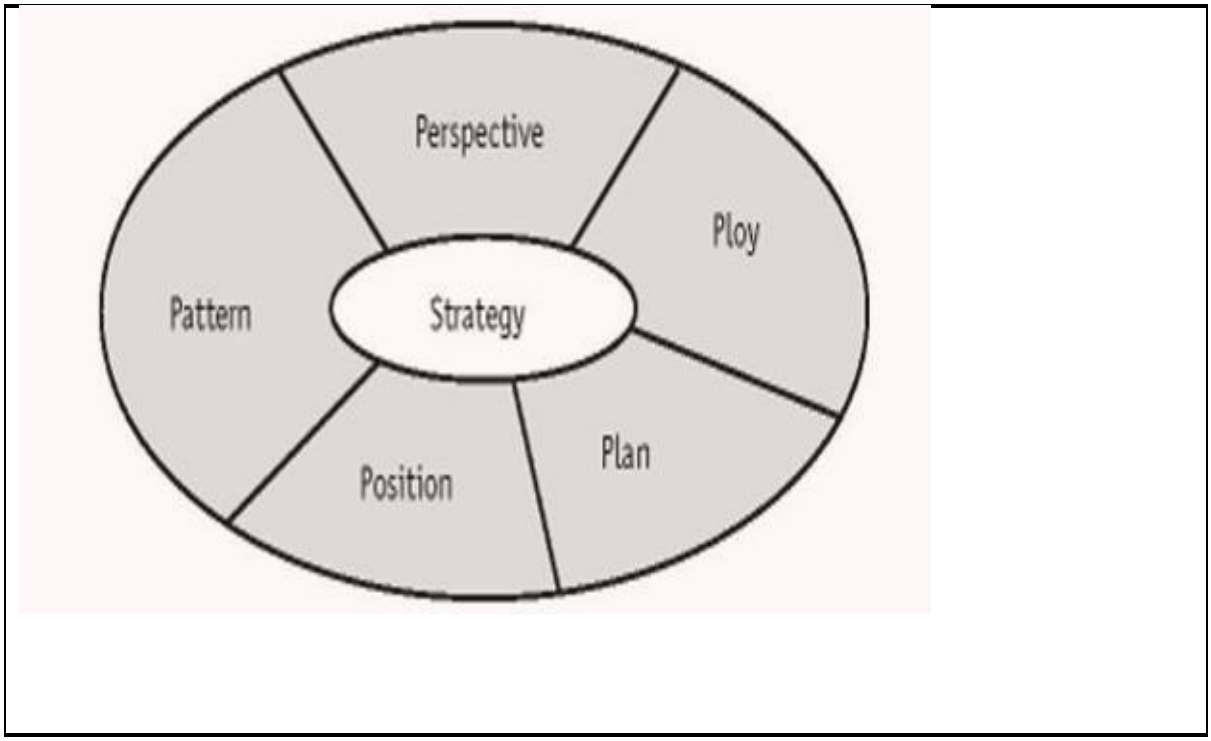
The common theme highlighted in these definitions is that a company's strategy is about the competitive moves and business approaches that managers employ to grow businesses, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organisational performance. The strategy sets corporate objectives and dictates the precise direction of

all organisational activities, and effective strategy creates a sustainable competitive advantage (Nandakumar, Ghobadian & O'Regan, 2000; Thomson & Strickland, 1996; Janes & Sutton, 2017). Mintzberg views strategy as a combination of definitions of variables and proposes the 5Ps to define strategy.

2.3.1.3 5PS Framework by Mintzberg

The complexity of strategy is also evident in the 5Ps framework of strategy by Henry Mintzberg, a Canadian professor at McGill University. In a nutshell, Mintzberg (1987) proposed the 5Ps (plan, pattern, position, perspective, and ploy) framework to show five different meanings of strategy. Figure 2.1 below shows the 5Ps by Mintzberg.

Figure 2.1. 5Ps of Strategy by Mintzberg (1988)



Source: Adapted from Louw & Venter (2010, p. 16)

The five Ps are linked to Mintzberg's ten schools of strategy theories (Mintzberg & Quinn, 1991). The five Ps define strategy as follows: "(a) Plan – a consciously intended course of action, a set of rules to deal with the situation, (b) Ploy – a scheme intended to outperform opponents and strengthen beneficial alliances, (c) Pattern – is a stream of actions, consistency in behavior (whether or not intended); here strategies result from actions, not designs, (d) Position – refers to locating an organisation in its environment, it is ecological niche or military terms; literally, a position on a battlefield and (e) Perspective refers to an ingrained way of perceiving the world" (Cherp, Watt, & Vinchecko, 2007, p. 625). This section takes cognizance of the different Ps of strategy according to Mintzberg, mindful that they are all relevant in organisational contexts.

(a) First, “P” refers to the plan - a strategic plan is a blueprint displaying how to achieve the business goals. For example (Savitri, 2020) conducted a study at Ali Murah Shop in Saudi Arabia after COVID19 and adopted Mintzberg’s (1987) 5Ps. Murah Shop’s management planned to utilize available resources, maintain good communication with all customers, and set infrastructure that will promote the utilization of technology. A strategic plan shows a set of activities management intends to implement to accomplish the company’s objectives. WenJun (2019, p. 30) states that the plan provides “the development direction and access to the enterprise, which is the conceptual guidance before the enterprise’s action, and is the result of the actions taken at each stage of the company’s future development.” A strategic plan must have characteristics to qualify as a strategic plan (Naeem,2016). The strategic plan should narrate steps to be taken when the business is doing well and when there is a crisis (Pedersen & Ritter, 2020). (b) Ploy refers to a scheme intended to outperform competitors and strengthen valuable alliances; usually, it is a short-term tactic. For example, Tulungagung Market Centre, a business in Indonesia, offered its clients a relatively lower price than its opponents while maintaining good product quality (Akmalia, Pratikto & Utomo, 2021). Offering low prices was their strategy to attract more clients and outperform competitors. (c) Pattern is “a stream of actions and consistent behaviors” (Mintzberg & Waters, 1985, p. 257). The word ‘pattern’ allows scholars to understand that strategies do not always follow a deliberately chosen and logical plan but can emerge more ad hoc. More importantly, some strategies reflect a series of incremental decisions that only cohere into a recognizable pattern or ‘strategy’ only after hindsight. Managers apply these behaviors consistently to ensure the business achieves its intended goals (WenJun, 2019). (d) Position refers to the organisation's role in its environment. The position answers these two questions, “Who are you in your market? What role do you play in your ecosystem” (Pedersen & Ritter, 2020, p. 64). Knowing the organisation’s position in the industry will assist management in making intelligent strategic decisions. (e) Perspective is content that consists of a chosen position and an ingrained perception of the world (Bylok, Slocinska & Cichoblazinski, 2018). It is a “point of view of businesspeople looking at strategy and about what they can do well” (Akmalia, Pratikto & Utomo,2021, p.142). On the other hand, Pedersen & Ritter (2020) define perspective as how an organisation perceives its surroundings and itself. In the current study, the 5 Ps of strategy are very helpful in understanding how these different aspects were evident or missing in the process of digitalisation in the selected bank in South Africa.

Aroon (2020, pp.28-29) criticized Mintzberg (1987), who said that the framework was expected to give step-by-step instructions for implementing strategies to ensure the implementers get it right. However, the 5 Ps of strategy brings to the fore that there are different ways of understanding and analyzing strategy in an organisation and strategy research. Pedersen & Ritter (2020) wrote an article entitled *Preparing your Business for a Post-Pandemic World”:* the article used Henry Mintzberg’s 5Ps to propose their 5Ps framework. The first 3 Ps (plan, position, and perspective) are the same as Mintzberg's

but replaced ploy and pattern with project and preparedness. According to Pedersen & Ritter (2020, p. 3), "the 5Ps framework consists of Position, Plan, Perspective, Projects, and Preparedness". These 5Ps are framed as questions; for example, projects refer to "What new projects do you need to launch, run, and coordinate? The answer to the above question should clarify a set of projects that will be implemented to tackle the organisation's challenge. The P- for project may help scholars understand the nature and variety of projects taken to implement digitalisation, which resonates with the idea that digitalisation is implemented through projects in an organisation. Prepare meant enquiring how prepared the organisation is to execute plans and projects. The answer to this question should detail the organisation's readiness to accomplish the planned tasks. The following section explores different types of strategies according to the views of various management scholars.

2.3.2 Types of Strategies

Different scholars such as Ansoff (1965), Hofer and Schendel (1978), Michael Porter (1985) and Mintzberg (1994, p.6) have come up with different ways of understanding and categorizing strategy to enrich conceptual understanding and complexity of strategy. The strategy remains essential in creating a competitive advantage and is fundamental for gaining a more significant market share (Pereira, Durão & Santos, 2021). Competitive advantage is "reflected as a catalyst for the growth and sustainability of an organisation" (Mubarak & Yousoff, 2019, p. 32). For example, Ansoff (1965) develops a matrix that helps businesses identify growth opportunities and strategies in the market to gain a competitive advantage over competitors as presented in Figure 2.2 below.

Figure 2.2. Ansoff Matrix

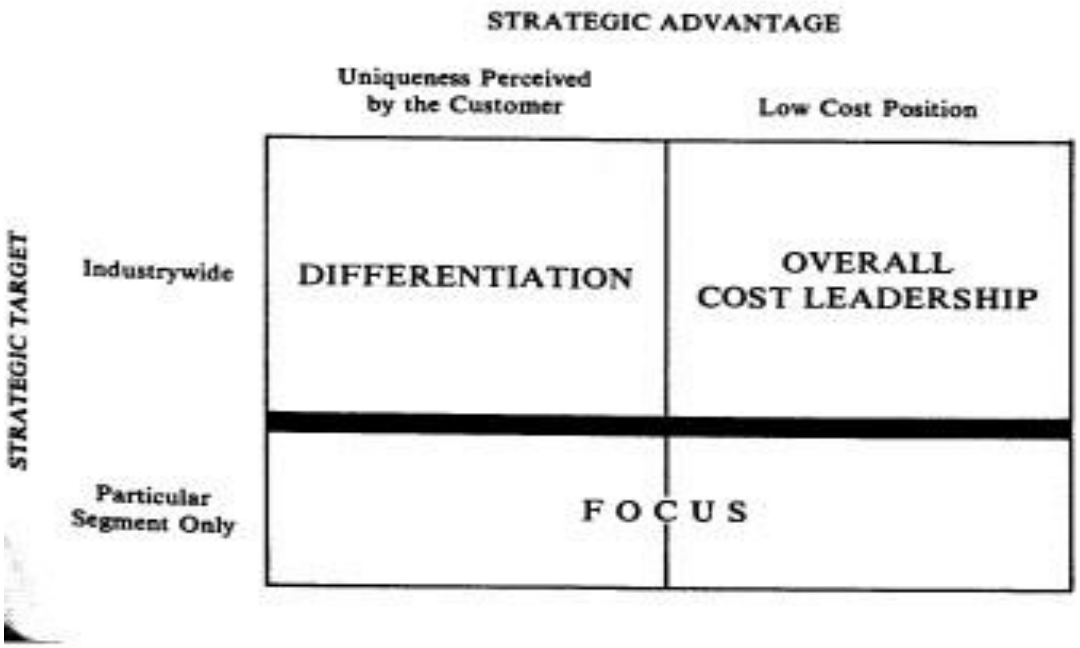


Source: Loredana (2017, p.144)

These growth strategies focus more on growing existing or developing new products or markets. The growth strategies include market penetration, product development, market development, and

diversification strategies (Summer & Bayraktar, 2012). It is important to examine how digitalisation has affected growth strategies in organisations such as banks, bearing in mind the Ansoff matrix. On the other hand, Hofer & Schendel (1978) develop strategies that suit different business stages in the industry. For example, when the firm needs to realign resources to focus on smaller segments, the firm can adopt a market concentration and asset reduction strategy. (ii) Turnaround strategy focuses on operational efficiency. Nyatsumba & Pooe (2023, p.76), describes a turnaround situation "as an abnormal period in any company's history which requires unique management approaches that are vastly different from those used during a normal period." (iii) Liquidation can be adopted when the firm needs to generate cash while withdrawing from the market. (iv) Share increasing strategy is more appropriate when an organisation primarily focuses on increasing market share. (vi) Lastly, a growth strategy is designed to maintain a firm's position in rapidly expanding markets by investing equally in the industry" (Summer & Bayraktar, 2012, p. 105).

Figure 2.3 Three Generic Strategies



Source: Porter (1980, p.39)

Michael Porter (1980) developed three essential strategies, and these generic strategies include cost leadership, differentiation, and focus strategy; however, he distinguished between focused differentiation strategy and focused cost leadership strategy (Razzouki et al., 2024). The organisation can employ any of these strategies to gain a competitive advantage over competitors (Olubiyi, 2024).

Cost leadership strategy is about seeking to achieve a lower price than competitors while trying to maintain similar perceived product or service benefits. Porter's cost leadership strategy enables firms to

achieve a competitive advantage by becoming the lowest-cost producer in their industry, often through economies of scale, efficient operations, and cost control. This approach allows companies to offer standardized products at competitive prices, appealing to price-sensitive customers while maintaining profitability (Jibreal & Özcan, 2025). This strategy, as outlined by Porter (1980), involves minimizing costs across various functions, including research and development, service, and advertising, to offer standardized products at competitive prices. By doing so, companies can appeal to price-sensitive customers while maintaining profitability and defending against competitive forces. Cost leadership is more prevalent when a firm wants to establish a competitive edge through aggressive construction of efficient-scale facilities, rigorous cost control, and economies of scale.

There is also a differentiation strategy that focuses on providing products or services that offer unique benefits (Fajri, Rosiawan, & Bait, 2025). Porter's differentiation strategy involves selecting attributes valued by a significant segment of buyers and positioning the firm to uniquely fulfill those needs, thereby commanding premium prices (Jibreal & Özcan, 2025). Differentiation strategy achieves uniqueness through elements like design, brand, technology, features, service, or dealer networks. When effectively applied, it shields firms from competitive forces and enhances profitability by reducing price sensitivity and substitution threats (Porter, 1980). Despite the benefits of a differentiation strategy, in the long run, a company may struggle to sustain its perceived uniqueness over time. Excessive differentiation can result in overly high prices, and the benefits of being a first mover are often shortlived. As overall product and service quality improves across the industry, customer brand loyalty tends to weaken (Lazenby, 2022).

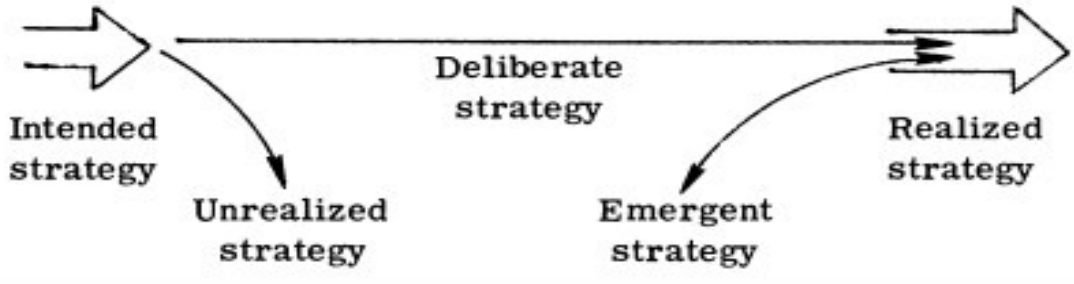
Focus strategy offers highly perceived products or service benefits justifying a substantial price premium, usually to a selected market niche (Lazenby, 2022). Differentiation focuses strategy offers “products or services that have unique benefits focusing on a specific market segment” (Johnson, Scholes & Whittington, 2010, p. 243). Porter's focus strategy emphasizes targeting a specific market segment such as a distinct buyer group, product line, or geographic region to serve it more efficiently than competitors with a broader scope. By doing so, firms can customize their products or services to meet the segment's particular needs, gaining a competitive edge through cost leadership or differentiation within that niche (Porter,1980). Jibreal & Özcan (2025), citing Johnson (2011), critique the focus strategy by arguing that it is ineffective because it concentrates on a niche that cost leadership cannot effectively serve, leading companies to adapt their offerings solely to that subset while neglecting the needs of other segments.

It is clear that Porter offers a way of viewing strategy that is different from the Ansoff matrix. There are several criticisms leveled against Porter`s generic strategies. This way of understanding strategy is

criticized for advising managers and businesses to utilize only one of the four strategies he identified to avoid a "stuck in the middle" scenario. The assumption was that these strategies could not be combined. Research indicates that differentiation and cost leadership can co-exist, but Porter insists that each generic strategy requires a different culture and a totally different philosophy. There are market conditions that would require hybrid strategies. Furthermore, critics assert that Porter's generic strategies are too broad and can be too limiting due to their lack of specificity.

Allen, Helms, Takeda & White (2007) argue that Japanese organisations followed only two Porter's strategies compared to America and Europe. The most commonly used strategy in Japan is cost leadership, compared to the differentiation strategy. Japan did not use a focus strategy. Supply chain focus and focus training-based strategies were the most used compared to other strategies. David & David (2015, p. 136) categorize alternative strategies "into 11 actions: forward integration, backward integration, horizontal integration, market penetration, market development, product development, related diversification, unrelated diversification, retrenchment, divestiture, and liquidation". Not all strategies need billions in investment, but the formulated strategy needs support from all stakeholders rather than the person who came up with the idea. The endorsement of senior management and the support from various people can make strategy work (Mckeown, 2019). People's expertise is critical to the success of strategies but can also be an obstacle to adopting new strategies Johnson, Scholes, and Whittington (2005). Managers must motivate and ensure employees are committed to the organisation's strategy. It is also important to understand that Henry Mintzberg (1994, p.6) clearly understood that strategy should also be examined as an intended or emergent strategy. There are two kinds of intended strategy; the strategy that gets realised is called a deliberate strategy, and when it is not realised, it is named unrealised strategy, as shown in Figure 2.4 below.

Figure 2.4 Forms of strategy



Source: Mintzberg (1979, p.80)

The realised strategy is a strategy that the organisation implements, and it can be deliberate or emergent.

An emergent strategy is a realised strategy that was never intended; this strategy emerges due to different reasons or when the intended strategy is not realised (Mintzberg,1979). It is the second type of realised strategy. Intended strategy originates from an intentional, strategic, and planning process. In other words, intended or deliberate strategy arises from conscious, thoughtful, and organized action by an organisation and its leadership. It is insightful to understand digitalisation as a strategy in a banking environment. Bratianu & Bejinaru (2021) state that an intended strategy is guided by the capabilities of an organisation to deliver specific long-term goals and practical ways of creating value.

On the other hand, an emergent strategy is unplanned and occurs after a crisis or when a deliberate strategy fails. In most cases, when employees and the organisation accept that the intended strategy will not be realised, they opt for an emergent strategy (Bratianu & Bejinaru, 2021). Foss, McCaffrey, & Dorobat (2022, p. 135) criticized Mintzberg that emergent strategy lacks a clear and comprehensive theoretical underpinning, especially regarding how to guide emergent strategy in dynamic environments and leverage it to exploit value creation". An unplanned strategy arises due to various opportunities and threats, and it normally occurs at business-level strategies. When the unthinkable became a reality, leadership realised that the best way to tackle the organisation's strategic knowledge gap was to navigate the complex process to create an emergent knowledge strategy (Bratianu & Bejinaru, 2021). Emergent strategies are decisions that emerge due to a particular occurrence, such as a solution to a challenge or how they adapt to changing circumstances.

Many would believe that deliberate strategy realization is the best. Mintzberg (1979) argues that deliberate strategies are not necessarily good, nor are emergent strategies bad, as all realised strategies have emergent and deliberate qualities. Kaufmann, Kock, & Gemünden (2020, p. 430) support the idea that "the final realised strategy contains to a certain degree both deliberate and emergent strategy as some part of the intentions is lost during strategy development". Hauser, Eggers & Güldenberg (2020) state that the decision-making process depends on the managers' awareness of future events. The future is unpredictable; when a disaster or crisis strikes, managers need to apply problem-solving or crisis management plans to continue operating.

A deliberate strategy works effectively when all stakeholders clearly understand what the organisation aims to achieve. It is also necessary that the bank managers rethink implementation plans more substantially in case there are uncertainties in adopting plans. This will assist to have some degree of flexibility while driving the implementation of the intended strategy. Kaufmann, Kock & Gemünden (2020, p. 430) mention that the recognition of emerging strategy refers to the proactive identification of emerging strategic initiatives and the implementation in the process. It is also crucial to understand the distinction between realised and unrealised strategy. Mintzberg argues that not all intended strategies are realised.

After discussing the types of strategy, it is essential to mention that a well-organized road map responsive to changing reality is required to achieve strategic goals. It calls for a better understanding of how strategy emerges in an organisation as internal and external circumstances change. The intended strategy is the planned strategy that the organisation hopes to implement. In this study, it is crucial to understand these various aspects of digitalisation as a strategy in a bank in South Africa. It would be unfair not to mention strategy as a practice, as there are professional strategists who play a crucial role in strategizing.

2.3.3 Strategy as Practice

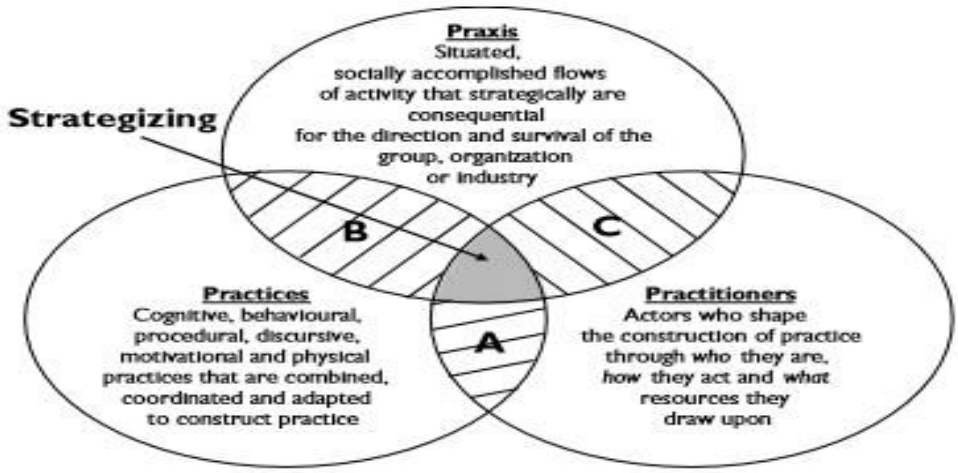
There are views that strategy is what strategy actors engage in, translating the plan into day-to-day actions and consequences. Whittington (1996) observed scientists scrutinizing the work of other practices and concluded that treating strategy as practice implies a new direction in strategy. According to Al-Mansour (2021), strategy as a practice is a social, symbolic, and material tool for strategy. Strategy as a practice gives clarity and an understanding of the actors involved in performing strategy, their responsibilities, how they do it, what exactly they use, and what consequences this has on strategy (Al-Mansour, 2021). The origin of strategy as a practice is traced back to Richard Whittington's 1996 article entitled "Range Planning." The field has grown as most scholars developed an interest (Kohtamäki, Whittington, Vaara & Rabetino, 2018; Golsorkhi, Rouleau, Seidi & Vaara, 2015; Vaara & Whittington, 2012).

A challenge facing the strategy-as-practice field is represented by different ideas of practice, such as studies that treat practice as a simple phenomenon, some as a theoretical perspective, and others as a fundamental ontological building block. This has led to strategy-as-practice researchers struggling to enlarge the scope of empirical research (Seidi & Whittington, 2014). Strategy as practice research focuses on "how an institutionalized practice succeeds in "achieving widespread diffusion and adoption through its practice in use" (Chia & Nair, 2021, p. 1343). Jarzabkowski, Kavas & Krull (2021, p. 1) pointed out that this field has progressed; however, the focus is still more on "articulated strategies which have implications for what is seen as strategic."

The diagram below shows that strategy as practice is "concerned with studying strategy through the lenses of strategy praxis, practitioners, and practices" (Jarzabkowski & Whittington, 2008, p. 2). This framework (3P) explains the key challenges underlying the strategy as a practice agenda and how they may be examined empirically. The intersection of the 3P framework helps reveal the micro-level aspects of strategizing. Firstly, praxis refers to the work that comprises strategy, the flow of activities such as meeting, talking, calculating forms, filling, and presenting, in which strategy is constituted (Jarzabkowski & Whittington, 2008). Practitioners are those who do strategic work. Practising is

concerned with strategizing, including meetings, talking, and number crunching, which is a strategy that Jarzabkowski, Balogun, & Seidl (2007) have formulated. Figure 2.5 presents a conceptual framework for analyzing strategy as practice.

Figure 2.5 A conceptual framework for analyzing strategy as practice



Source: Jarzabkowski, Balogun, Seidl (2007, p. 11)

The focus of strategy as a practice is on strategists and strategizing; professional strategists are not involved in executive responsibilities, instead focusing on the organisation's future (Mubarak & Yousoff, 2019; Whittington, Cailluet, & Douglas, 2011). Strategists "apply distinct bodies of expertise to problems involving risk and uncertainty" (Kohtamäki, Whittington, Vaara & Rabetino, 2018, p. 210). Unforeseen events cause uncertainty as they disrupt the regular operation of an organisation and test its adaptability to unusual circumstances; strategists are expected to make fast decisions and solutions (Netz, Svensson, & Brundin, 2020). The strategy has migrated mainly to a concern with what organisations have and their performance rather than what managers do. Strategy as practice reverses this trend by analyzing what people do concerning strategy development and strategizing in organisations (Johnson, Langley, Melin & Whittington, 2004).

Strategy practitioners are those responsible for strategy work. A "competent strategy practitioner is a person who can mobilize strategy as practices effectively in the strategy praxis" (Jarzabkowski & Whittington, 2008, p. 2). Strategy traditionally used to be the responsibility of the Chief Executive Officer (CEO); as a result, the strategy discipline focused on CEOs. Strategy as a practice directs how practitioners act and interact in the strategy-making sequence, primarily focusing on how managers do strategy. Practitioners must understand local routines and the different rules involved in strategy making (Whittington,1996). Strategy practitioners perform different roles. The roles of corporate executives, subsidiary general managers, planning staff, and strategy consultants are different (Whittington, 1996).

A study conducted in large Croatian enterprises with a sample of seventy-eight enterprises and with respondents occupying different management positions found that lack of competencies among managers to lead in an evolving environment is a problem (Ivančić, Mencer, Jelenc & Dulčić, 2017).

Jarzabkowski et al. (2022) mention that strategy-as-practice studies how people do strategy work. Strategy as practice" mapped out the actors within the strategy field, including those an organisation employs. Jarzabkowski, Kavas & Krull (2021, p. 2) argue that "those who, while not directly financially dependent upon organisations, are nonetheless influential in their strategy." Strategy as practice research has become a cornerstone for expanding how strategy emerges from the interaction of individuals in organisations (Rouleau & Cloutier, 2022).

The practice approach "draws on many of the insights of the process school, but returns to the managerial level, concerned with how strategists strategize" (Whittington, 1996, p. 1). Practical competence requires the capability to work within existing structures and routines rather than knowledge of some textbook ideal (Jarzabkowski, Balogun & Seidl, 2007). These practices include "those theoretically and practically derived tools that have become part of the everyday lexicon and activity of strategy, such as Porter's five forces, decision modeling, and budget system, as well as material artifacts and technologies, such as PowerPoint, flipcharts, and spreadsheets" (Jarzabkowski & Whittington, 2008, p. 2). The thrust of the practice approach is to take the work and talk of practitioners themselves seriously (Whittington, 1996).

Strategizing focuses on the "who, how, where, and when" of strategic actions (Jarzabkowski & Whittington, 2008, p. 2). As evident in Figure 2.3, strategizing occurs where practitioners, praxis, and practices intersect. Strategizing refers to the strategy work encompassing all the continuous practices and processes through which strategy is conceived, renewed, and executed (Vaara & Whittington, 2012). Parouts, Heracleous & Angwin (2016, p. 1) expand on (Jarzabkowski & Whittington, 2008), that strategizing is about what, when, where, how, and why of making and executing strategy and demonstrates the way strategies unfold over time. With this in mind, scholars of digitalisation who may adopt the view of strategy as practice are expected to unravel strategizing and how it unfolds in an organisation, who is involved, when, where, and the why of making and executing digitalisation in an organisation.

Strategy as a practice was known to a small circle of strategy scholars interested in developing an alternative to the prevailing microeconomics-based strategy research. However, the field has still grown over the years (Jarzabkowski et al., 2022). Strategy as practice aims "to unfetter strategy scholarship from its economics-dominated obsession with performance and also to move beyond the typical strategic planning and strategic change of strategy process studies" Jarzabkowski, Kavas, and Krull

(2021, p. 2). Kohtamäki, Whittington, Vaara & Rabetino (2018) conducted a systematic literature review examining 340 articles written between 1996 and August 2020. The articles were classified using author co-citation analysis into six clusters categorized under the following themes: (1) praxis, (2) sensemaking, (3) discursive, (4) socio-materiality, (5) institutional, and (6) process theory. Jarzabkowski et al. (2022, p. 13) argued that "papers inside these clusters are strongly integrated into drawing upon each other but less integrated across communities, indicating the formation of subcommunities within the strategy as a practice field. Furthermore, authors present danger due to their dispersion as they propose the potential for cross-pollination between micro and macro; socio-material and discourse; critical and mainstream, and practice and process perspectives to further develop the strategy as practice field".

The study conducted by Jarzabkowski, Kavas & Krull (2021, p. 2) starts by quoting a particular scholar who said, "It is practice, it is not a strategy," that triggered the question, "Was there something about the people they are studying or the nature of their practices that made it a practice but not a strategy?" As a result, Jarzabkowski et al. (2021) decided to unpack the strategy. They discovered that strategy as a practice is constructed in the actions and interactions of multiple actors and the practices they draw upon. From these facts, they concluded that strategy as a practice is a "revolutionary movement, setting out to broaden understanding of what can be considered as a strategy through a practice theory lens on the "what," "who," and "how" of strategy practice. Jarzabkowski et al. (2021) study prompted Rouleau & Cloutier (2022) to open a crucial debate about the strategy as a practice community progressing in Jarzabkowski et al. (2021) work titled "It is a practice but is it strategy" Rouleau & Cloutier (2022) argued that reinvigorating the field is very important. However, it also needs to be revitalized as well. Grounding research in a social practice view enhances the distinctiveness of this field by bringing back the radical theoretical project of strategy as practice research.

Whittington (2019) advocates that strategy is a professional field as it does not differ from other traditional professions such as medicine, law, project management, and engineering. Strategists consist of those who serve employers as clients, and strategy is central to their professional work, including consultants, managers, and strategy academics. This belief stems from the nature of strategists' work; like other professionals, strategists deal with problems associated with risk and uncertainty, including unknown futures (Whittington, 2019). Some exceptions make strategy differ from traditional professions, characterized by well-organized professional bodies, qualifications, and legitimate practices. These requirements strengthen control to ensure that only qualified individuals operate in the field, and some practices are licensed to ensure accountability (Whittington & Anderson, 2019).

Strategy is similar to other established professions except that strategy professional bodies need to improve. There are no formal regulations or minimum requirements for new entrants (Whittington et

al., 2011). The leading professional society in the United States went bankrupt in 1998. Strategic planning in the United Kingdom no longer exists; the strategic management society has disappeared into the hands of scholars. When ambitious young strategists take strategy practice seriously, they can still shape this profession to be respected like any other traditional profession (Whittington, 2019; Whittington, Cailluet & Yakis-Douglas, 2011, p.533). Lastly, strategy as a practice has reached a time where it needs to find grounds to continue to grow as it is already in the transitioning phase; however, it cannot be predicted which way it will take (Jarzabkowski et al., 2022). Having discussed the complex nature of strategy and strategy as a practice, it is timely to explore how technology-enabled and impeded strategy.

2.3.4 Understanding strategy-enabled and impeded by technology

Understanding strategy-enabled and impeded by technology is divided into two sections. The first section focuses on strategy enabled by technology, which discusses how technology has supported organisations, and the second explores how technology has prevented the strategy in an organisation.

2.3.4.1 Strategy-enabled by technology

Technology is capable of positively or negatively affecting strategy in various ways. Technology change is increasingly becoming a strategy adopted by organisations, with different types of impacts at different organisational levels. First and foremost, technology is an enabler of various key activities regarding strategy formulation, implementation, and review. Enterprises are moving fast to meet the rapidly changing demands of customers and maintain their competitive advantage. The competition between "corporations has intensified in this area of technological innovations and consumer awareness" (Mubarak & Yousoff, 2019, p. 32). Alignment of business strategy with IT has become a critical resource for enterprises to meet demands and successfully overcome many complex issues costeffectively and efficiently. Technology capability enables organisations to design innovative ways to improve performance and productivity and achieve the desired results. Organisations must invest in technology to compete in the digital world and achieve the required results (Al-Mamary, Abdulrab, Alwaheeb, Shamsuddin & Jazim, 2022). Technological capability "rests on the foundation of a knowledge-based view of strategy, which argues that the knowledge component of organisation software is harder to imitate than the hardware component and leads to long-term competitive advantage" (Sony et al., 2023, p. 926).

When an organisation intends to adopt technology, it requires planning and investing in infrastructure and people who will be using the system; it is a long and ongoing process that needs to be planned carefully to achieve the desired results. According to Al-Mamary et al. (2022), transitioning to technology enables the organisation to deliver to client expectations and enables firms to create firm value as it gives a firm a distinctive competency compared to its competitors. An organisation requires strategic flexibility to effectively recognize significant shifts in its external environment, swiftly allocate

resources, and adapt its actions accordingly (Sony, Antony & Dermott, 2023 citing Shimiu & Hitt, 2004). Technology can "help the organisation detect changes in the business landscape quickly and efficiently" (Talapatra & Uddin, 2019, p.927).

2.3.4.2 Strategy impeded by technology

Ali, Wood-Haper & Ramolgan (2020) believe that it is still a challenge facing organisations to source the appropriate IT solution that aligns with their business strategy and objectives. Changes in strategy are associated with employee resistance to change. "It is a natural reaction, reflecting a specific mental state of employees, expressing the fear of the unknown" (Noga, 2017, p. 234). When the business sources the IT solution that meets the client's needs, managers and employees need to know how to optimize its potential. Successful adoption and use of digital technologies depend on human and technical factors (Ritala et al., 2021). The organisation consistently deals with new technologies arriving in the market and harnesses those when setting its strategic goals (Ritala et al., 2021). Organisations embrace technology as digital aspects incorporated into their strategy. The organisation uses technological changes to create and capture value to survive in a changing environment. Given the above issues related to the scope of the strategy, digitalisation may be considered the long-term direction that embraces deliberate, logical, incremental, emergent patterns in an organisation such as a bank. Strategic alignment of strategy and digital technologies in an organisation is key to executing digitalisation as a strategy. In introducing and using digital technologies, it is important that leaders enhance strategic alignment rather than inadvertently promote strategic misalignment in an organisation such as a bank.

It is arguable that the effective use of technology can enable the organisation to realise its deliberate strategy. The company can have people with the best skills, but ignoring the technological capabilities can hinder the organisation's growth. Technology capabilities are crucial because they define what an organisation can actually deliver through the use of technology. However, simply possessing the most advanced infrastructure and technology is insufficient; the organisation must also be able to deploy and leverage that technology effectively to create superior value for customers relative to competitors (Bharadwaj, 2000).

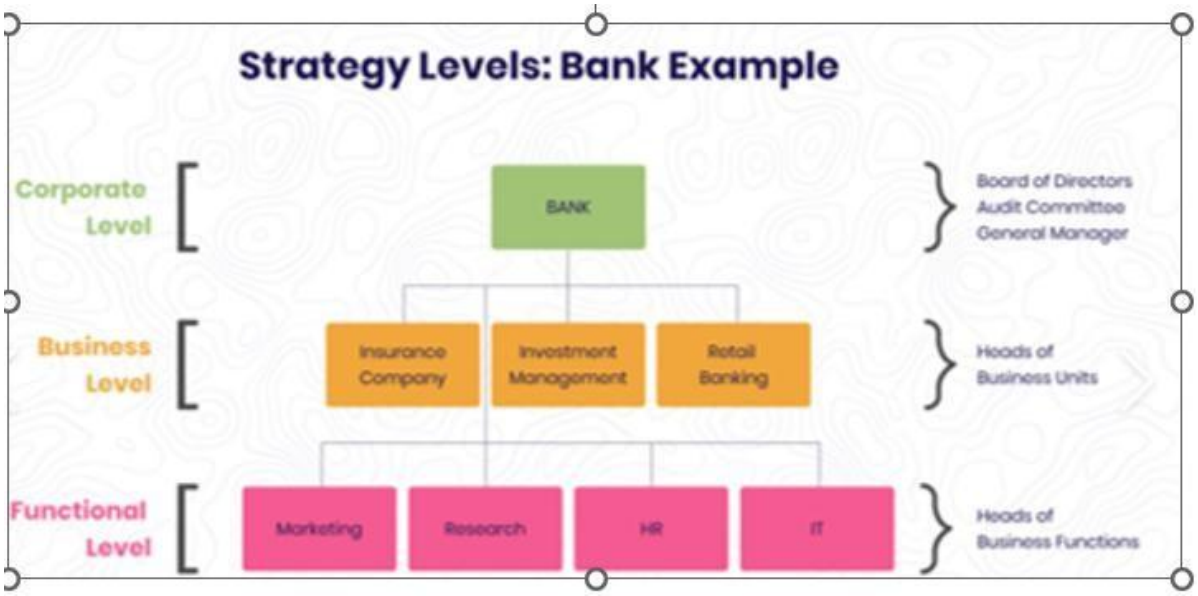
2.3.5 Linking levels of strategy and digitalisation

Every business leader should be familiar with not only the nature of digitalisation but also the different levels of strategy and how they interact in an organisation. The number of levels of strategy depends on the size of the organisation. Big organisations have four levels: corporate level, business level, functional level, and operational level. Corporate strategy is a level of strategy that deals with the overall purpose, direction, and scope of an organisation. Decisions at this level are typically complex and have

a significant impact on the entire organisation. Business strategy focuses on how each strategic business unit operates within the organisation. Operational strategy pertains to the organisation's daily activities, specifically how it produces and delivers goods and services to the market. Functional strategies relate to the specific activities within various departments, such as marketing, finance, and production, ensuring these functions support the achievement of the organisation's overall strategic objectives (Lazenby, 2022). The smaller organisation consists of corporate, functional, and operational levels. Digitalisation creates value and competitive advantage; it may affect the corporate, business, and functional levels of an organisation.

Understanding the different levels of strategy is critical for any business that wants to succeed. By creating a comprehensive strategy that addresses each level, companies can ensure that they are heading in the right direction and using their resources effectively. Figure 2.6 below depicts the level of strategy and the actors in a bank.

Figure 2.6 Levels of strategy and strategy actors in a bank



Source: Cascade (2024, p.1)

Next is a discussion of the various levels of strategy and how they may be enabled or impeded by technology.

(i) Corporate-level Strategy

Corporate level strategy is about a selection of industries or sectors in which an organisation should operate to enhance its long-term profitability, and it serves as a strategic blueprint, guiding the organisation's decisions and positioning for sustained future success. (Lazenby, 2022). It is a top-level

strategy. Corporate Strategy started getting much attention in the 1960s when Igor Ansoff, a manager and mathematician, published a book on Corporate Strategy as the father of strategic management. In his book "Corporate Strategy," Ansoff (1965) provided a conceptual and methodological framework for formulating strategies, not only considering how to gain a competitive advantage in each of the lines of business the firm is operating in, but also in which businesses they should be in the first place. It is about selecting an optimal set of businesses and determining how they should be integrated into a corporate whole (El-Ensour & Alhmeidiyeen, 2018). According to McKeown (2019), corporate strategy is the big picture strategy that defines the overall direction of the whole company. This strategy is usually created by CEOs and top executives in an organisation. It is the top-level strategy that involves making decisions about which businesses should be in and how it should allocate resources to each business unit. The corporate strategy is achieved by making high-level decisions that affect all business units (Orwa, Onyango & Bii, 2022, p. 255). The first level of strategy is corporate strategy. A corporate strategy is generally broader than the other strategy levels. Strategies at this level are more conceptual and futuristic than the other levels. The strategic application of technology may result in technological capability and strategic flexibility that are valuable, rare, and difficult for other organisations to imitate.

(ii) Business Strategy

The business level strategy is the second tier in the strategy hierarchy. According to Johnson et al. (2005, p. 11), the business strategy focuses "on the firm's choices about its positioning in the market, reflecting the set of goals, actions, and underlying assumptions about the choices that deliver the firm's product market." Dyer, Jensen, Godfrey & Bryce (2017, p. 1) define business strategy as "a company's dynamic plan to gain and sustain competitive advantage in the marketplace." The Business-level strategy is about the question, "How do we compete?" "How do we gain a competitive advantage over rivals?" To answer these questions, it is important to first have a good understanding of a business and its external environment. The objectives and strategic initiatives within each business unit's strategy focused on gaining a competitive advantage in the particular market in which the business unit operates. Burgelman (1983) states that the business-level unit heads, including other middle managers within each business unit, develop and implement business strategies to grow the business. The common similarity between business strategy definitions is that they ensure business objectives are achieved. When the corporate strategy has been clearly defined, management needs to design a strategy more relevant to the different functions of the business. This is also evident in the definition by Chen, Kuo, Wang & Wu (2018, p. 130) that business strategy is a "comprehensive, consistent, and planned integration allowing a company to combine the advantages with environmental challenges to ensure the basic objective of the business being achieved through proper execution of the organisation." Business strategy is the pattern of purposes or objectives, as well as the significant policies and plans to achieve goals, for explaining

current or future situations of the business and the current or future pattern of the company (Cahen et al., 2017).

(iii) Functional Strategy

Functional-level strategy is concerned with the question, "How do we support the business-level strategy within functional departments, such as Marketing, Human Resources, Production, and Research & Development?" These strategies are often aimed at improving the effectiveness of a company's operations within departments. A functional-level strategy clarifies a business unit's corporate and business strategies, serving as the strategy that contributes to implementing the business strategy (Muhoro, 2019). The goal is to align these strategies as much as possible with the greater business strategy. Functional strategies are more specific details relevant to managing the functions of the business (Altuntas, Semercioz, Mert & Pehlivan, 2014; Ciucescu, Ceocea, Turcu, Prepeliță & Ceocea, 2022). The primary objective of functional strategy is to align the activities and efforts of these individual departments with the broader goals and strategic objectives set at higher levels, such as corporate and business strategy. Functional strategies have a narrow focus. They are designed to address the unique challenges and opportunities within each functional area. Functional strategies are for a short period equal to or less than a year (Nanes, 2000). Managers break down business activities into reachable objectives at the functional strategy level.

Orwa, Akuku, Kimutai, & Onyango (2022) conducted a study using a questionnaire to assess the effect of functional strategies on the competitiveness of the sugar industry in Western Kenya. The findings show that functional strategies significantly influence the competitiveness of the sugar industry. Similar results were found in another quantitative research conducted by Orwa, Onyango & Bii (2022, p. 255) in Western Kenya to assess the effect of functional strategies on the competitiveness of the sugar industry as moderated by government interventions. The conclusion reflects that government intervention significantly influences the relationship between functional strategies in line with government interventions to enhance their competitiveness effectively. Functional strategies are closely linked to the changing competitive environment (Ciucescu et al., 2022; Altuntas et al., 2014). The Information Technology (IT) system "enables an organisation to retrieve, process, store, protect and send information about the strategy within and outside the company" (Noga, 2017, p. 234). Information technology is crucial to corporate and business strategy success as it creates more accessible, faster ways to create value and earn profit. It has become fundamental to a firm's business-level strategy and points to value-creation opportunities that a firm may pursue to outperform competitors. Information Technology enables the firm to move from traditional business methods to new dynamic capabilities Drnevich & Croson (2013).

Second, firms have faced the disruption caused by the emergence of new technological innovations (Gomber, Kauffman, Parker & Weber, 2018). Rapidly changing opportunities brought by IT have impacted the long existence of dominant firms that need help figuring out how to match Fintech companies that threaten their survival (Maritz, Ntsas, Grosskopf & Camarate, 2017). Organisations are faced with the fact that they need to invest in technology to compete in the market (Gans, Kearney, Scott & Stern, 2020). New technological opportunities pressure companies to reconsider their current strategy (Bouwman, Nikou & de Reuver, 2019). On the other hand, the COVID-19 crisis has "significantly accelerated organisations to move to digitalisation, and this development has brought into light the inherent challenges of digitalisation" (Ritala, Baiyere, Hughes & Kraus, 2021, p. 1).

Third, technology has also triggered employees' resistance, especially where embracing technology can be an impediment and a source of strategic misalignment. Smooth acceptance of changes brought by information technology is crucial to keeping employees updated about progress and any problems that arise throughout the performance of specific tasks (Noga, 2017, p. 234). The lack of senior management motivation to invest in IT is the absence of knowledge, as the complexity of strategy is also evident. In the digital era, formulating a strategy requires synchronizing it with digital technologies and Information Technology infrastructure (Feichtinger, 2018; Plekhanov & Netland, 2019). "Digital technology contributes to the organisation's success" Rachinger, Rauter, Müller, Vorraber, & Schirgi (2019, p. 1144). Given the significance of digital technologies to business strategy, managers must communicate strategy to employees as employees play a critical role in achieving digital strategy goals. Mindful that digitalisation may affect levels of strategy, it is crucial for leaders to ensure that there is strategic alignment between digital technologies and strategy as well as the various elements of the organisation.

2.3.6 Two fundamental elements and levels of strategy alignment

Although there are many studies regarding alignment in literature, there is still a lack of conceptual consensus on the definition, benefits, and ways of achieving alignment. Venkatraman, (1989), states that other scholars used terms such as balance, coordination, integration, linkage, harmony, fit, synergy, fusion, and integration. Ali's (2016, p.504) alignment has been offered as "the degree to which the needs, demands, goals, objectives, and/or structure of one component are consistent with the needs, demands, goals, objectives, and/or structure of another component." Kathuria & Lucianetti (2024) define strategy alignment as ensuring that all metrics of the organisation are operating towards the same direction to improve performance. Strategy alignment refers to the process of ensuring that an organisation's strategies, plans, and performance measures, such as those assessed by the Balanced Scorecard, are consistently directed toward achieving its overall goals (Al-Hosaini, Ali, Baadhem, Jawabreh, Atta, & Ali, 2023). Perifanis & Kitsion (2023) put forward that to succeed in digital transformation, and organisations must effectively adopt and implement advanced technologies like AI. However, aligning

AI with strategy remains complex due to evolving governance and resource management, making it a key focus for improving business value. Benbya, Pachidi & Jarvenpaa (2021) state that although AI brings opportunities, most organisations are still in the experimental phase, with only a few integrating it into daily operations (Mishra & Pani, 2021). Despite this, businesses are heavily investing in AI to improve operations and decision-making, though technology also brings new challenges alongside its benefits due to a lack of alignment. Perifanis & Kitsion (2023) citing Fadler & Legner (2021), emphasizing the importance of addressing the issue of the lack of alignment between business users and analytics practitioners. Governance mechanisms for analytics are also required in addition to IT and data governance.

2.3.6.1 Strategic alignment as a dynamic capability

Dynamic capabilities are the firm's ability to integrate, build, and reconfigure internal and external resources/competences to address and shape rapidly changing business environments (Teece et al., 1997, 1990). Alagaraja, Rose, Shuck, & Bergman (2015) understand strategy alignment as a dynamic capability that links overall strategy to internal and external organisational components, such as structures, systems, processes, and activities or operations. Ateş, Tarakci, Porck, van Knippenberg, & Groenen (2020) highlight the importance of business unit managers aligning with the CEO, as misalignment can delay the success in strategy implementation, which diminishes team commitment to the strategy. Middle- and lower-level managers are not just giving instructions from upper echelons to subordinates, but are also responsible for communicating strategies to help their team clearly understand the strategy. When managers are strategically aligned with the company, corporate strategy becomes the strategy ambassador, which makes it easier to relay strategy to their teams. It becomes easier for the organisation to reach its goals as people push in the right direction when employees understand the company's vision goals, and benefit the clients.

Communication plays a vital role in the success of the alignment, as all managers receive and pass the same message to their teams. Alignment of communication eliminates team confusion. Hallahan, Holtzhausen, van Ruler, Verčič, & Sriramesh (2007, p.4) define alignment as "the purposeful use of communication by an organisation to fulfill its mission." In the same vein, Volk & Zerfass (2018) argue that this definition does not elaborate in detail upon the question of how to support the fulfillment of an organisation's mission; these scholars did not explicitly state the necessity of aligning communication with overall goals to do so in their definition. Strategic communication aligns the company's overall strategy to improve its strategic positioning" (Argenti, Howell, & Beck, 2005, p.83). Misalignment in an organisation leads to a lack of commitment from managers to top management's strategic vision, which leads to results that are not in line with the strategy, slowing down or even sabotaging strategy implementation. It exposes teams to contradicting messages about the strategy between their manager and top management, which leads to poor results as employees may end up doing what they think is

right, which is not part of the top management vision (Ateş, Tarakci, Porck, van Knippenberg, & Groenen, 2020). Volk & Zerfass (2018, p.441) mentioned that alignment concepts could be organized into six overarching streams: external alignment, strategy alignment, process alignment, structure alignment, culture alignment, and people alignment. When leaders invest in strategy alignment and communicate it to all parties involved, that enhances the company's strategic positioning and contributes positively to its performance (Argenti, 2016).

2.3.6.2 Business-IT alignment

Business-IT alignment is defined as applying information technology appropriately and timely, in harmony with business strategies, goals, and needs (Jonathan, Rusu & Grembergen, 2021 citing Luftman, 2020). According to Wasluk, Pol, & Lim (2021), there has been much focus on Business IT alignment as it has been among the most discussed topics from the perspective of business executives. Many models and IT management frameworks have been proposed to address business-IT alignment (Deng, Wang, Teo & Song, 2021). Deng et al. (2021) mention that results from combining IT and business structures. Furthermore, Business IT alignment is a social structure that uses IT resources or technical capabilities to establish a series of service rules to meet business needs. Business IT Alignment contributes to successful digital transformation, improving organisational productivity (Gajardo & Ariel, 2019). Many scholars, such as Jonathan, Rusu & Grembergen (2021) and Luftman, Lyytinen & Zvi (2017), found that there is a significant relationship between BusinessIT Alignment and organisational performance as IT management frameworks influence business IT alignment, which improves performance. "The IT management framework theme tackles all frameworks contributing to business IT alignment", according to Wasluk, Pol, & Lim (2021, p.2).

Business IT alignment is the strategic direction that aligns IT and the business for services to achieve organisational strategic goals. Moffitt, Rozario & Vasarhelyi (2018) stated that the business IT strategic alignment enhances the effectiveness of IT governance, which can result in the realization of organisational goals. Ross, Weill, & Woerner (2016) testify that the business strategic alignment of IT is a primary contributing factor to the organisation achieving higher levels of IT effectiveness, which drives the organisation to achieve excellent results. There has been a debate among scholars on whether IS strategy should adapt to business strategy, co-evolve with it, or challenge it. Conhoto, Quinton, Pera & Molinillo (2021) mention that scholars recommended that the IS strategy be aligned with the business strategy to impact business performance positively. Yeow et al. (2018) also propose a digital strategy alignment model consisting of three phases: exploration, building, and extension. Wasluk, Pol, & Lim (2021, p.32) mention that “customer and consumer demands have also changed, and companies willing to address those demands need to adopt new ways of working.

2.3.6.3 Levels of Strategy Alignment

Strategy alignment in an organisation can be vertical or horizontal. Vertical alignment is about the connection between the corporate and business strategy as a whole and the firm's people-management strategy. Vertical alignment refers to the process by which an organisation ensures its strategic goals are communicated clearly and consistently down through every level of the hierarchy. According to Zhang et al. (2023), this means that each employee should not only understand the overall strategy of the organisation but also be able to articulate how their day-to-day work contributes to it. Momo, Hare, & Lucet (2023) further emphasize that vertical alignment involves directing both resources and strategic efforts toward a shared organisational mission. When this alignment is achieved, it creates clarity and purpose; every individual understands the value of their role within the broader organisational vision.

It is the responsibility of the top executive to formulate the strategy and present it to the board for review, giving their input and approval prior to implementation. Once approved, it is ready to be implemented and needs to be presented to the managers to ensure internal alignment (Havenga, Simpson & Neethling, 2023). Although alignment is important, strategy must be flexible as strategy alignment is often driven by the need to respond to market dynamics and secure a competitive edge, which enables greater agility in seizing economic opportunities and enhancing shareholder value (Zhang et al., 2023).

Horizontal strategy alignment focuses on ensuring consistency and coherence across HR policies and other functional areas within the organisation. This alignment operates at the business level, aiming to integrate people management strategies across all departments. The Strategy Institute (2024) emphasizes that strategic alignment involves embedding organisational goals into strategies, objectives, and workflows to ensure all efforts are directed toward common business outcomes. When applied across all teams and departments, it promotes unity and a shared sense of purpose. Horizontal alignment focuses on coordinating strategic goals and performance measures across various business units to support effective benchmarking and ensure cross-functional collaboration (Gasela, 2021). It bridges internal divisions and connects strategy with customer needs, people, and processes, recognizing that alignment across teams is just as vital as top-down alignment (Atiku et al., 2024). This approach emphasizes the importance of understanding interdependence between team goals to prioritize resources effectively and avoid bottlenecks. Without proper planning, teams may move into execution without realizing how their goals rely on others, leading to misalignment and delays. For high performance, it is essential to continuously align strategy, people, processes, and customer focus (Adebayo & Ackers, 2023).

2.4. MODELS OF STRATEGY IMPLEMENTATION AND ORGANISATIONAL ARCHITECTURE

In any attempt to understand models of strategy implementation, it is key to reiterate that strategy execution does not occur in a vacuum but rather in the internal organisational architecture (Pereira, Durão & Santos, 2021). It is common knowledge that the basic requirement of any effective implementation is the internal alignment among intertwined elements - whereby each reinforces the others in a web of interrelationships in a contemporary organisation. However, Brinkschröder (2014, p.2) reminds us that "a gap exists between knowing what to do and actually doing it." Strategy implementation is "the process where an organisation changes policies and puts strategies into action (Mwangi & Kihara, 2021, p. 1). Friesl, Stensaker & Colman (2021, p. 1) argue that defining strategy implementation" as a conversion of strategy into action is too basic; strategy implementation implies shifting salience from making decisions about the strategic direction to moving along the path and making things happen." Kanyangale & Dyasi (2018) concur with scholars such as Elbanna, Andrews & Pollanen (2016), who have already pointed out that literature on strategy implementation is generally fragmented and dispersed throughout the general and specialised management literature.

In light of this fragmentation and lack of definitional consensus, Kanyangale & Dyasi assert in an article entitled "*Misaligned Implementation: A Case of the Municipal Water Services of a District Municipality in South Africa"*, that there are five basic issues in public sector implementation, but focus on four which are equally important in various organisational contexts, including banks. First, Kanyangale & Dyasi (2018) highlight that strategy implementation is sometimes construed in terms of the thesis of correspondence. In this view, strategy implementation is about translating what is on paper or discussed as a strategy into actions to achieve company goals. Second, strategy implementation is also about micro-levels of responsibility and who is involved in specific activities to achieve outcomes (Hansen & Ferlie, 2016, p.5-19). Although resources such as technology play a critical role in the success or failure of strategy implementation, it also depends on leadership and the capabilities and skills of employees in an organisation (Ritala, Baiyere, Hughes & Krauss, 2021). Third, implementation requires resources for the action to happen. Companies must have the necessary resources to implement a strategy. For example, digital technologies are key to the success of a digital strategy. The increased access to resources enables the organisation to deliver on expectations and reduces failure rates. To survive and thrive in the digital era, firms require a holistic, enterprise-wide digital business strategy that integrates all digital resources into the core business strategy rather than treating them as a subordinate IT concern (Bharadwaj et al., 2013, p.471–473). Fourth, many factors are part of an organisation's internal functioning and hinder or facilitate implementation. Organisations must promote access to inter-departmental or inter-functional resources as they contribute to better performance regarding proactive and risky initiatives such as digitalisation. (Ritala et al., 2021, p.4).

Three models of strategy implementation are discussed to provide a clear understanding of the web-like relationships and alignment in the organisational architecture, which are cardinal in executing strategy in the organisation. Before discussing McKinsey's 7S Model, followed by Higgins's Eight S, and lastly, the Five Ps models of strategy implementation by Pryor, Anderson, Toombs, and Humphreys (1988), it is crucial to understand the concept of organisational architecture.

2.4.1 Organisational architecture and strategy implementation

The concept of organisational architecture is described as the fundamental framework of the institution's method of carrying out business activities (Björkdahl, 2020). Organisational architecture is helpful for managers to mesh the internal organisation together into a cohesive whole and make a concerted effort to implement strategy. A well-aligned organisation is an important part of an organisation's success. Alignment of the organisational architecture allows the members of an organisation to work together to achieve common goals while communicating honestly and maintaining accountability across departments.

Strategy alignment relates to the degree of interdependencies reinforced between different elements or the coordination of cross-functional activities to work harmoniously in an organisational architecture (Penfield et al., 2017). Digitalisation, as the application of digital technologies, reshapes and innovates the various value-creating activities in the internal and external dimensions of an organisation. However, researchers have not yet explored the impact of digitalisation on the various components of the organisational architecture and web-like interrelationship in banks in South Africa. The concept of organisational architecture as a metaphor implies a connection between the organisational structure and other systems inside the organisation in order to create a unique synergistic system that will be more than just the sum of its parts (Louw & Venter, 2021). There are so many different definitions of organisational architecture that there is no consensus. For example, Louw & Venter (2023), in the book entitled *Strategic Management: Developing Sustainability in Southern Africa,* provide a variety of insightful definitions. Organisational architecture is sometimes defined as "the underlying model of the organisation`s way of doing things." Thus, it clarifies what the organisation is about and facilitates strategy formulation, implementation, and monitoring of strategic progress, as everyone has the same goal. In a slightly different vein, organisational architecture is "all the various systems, structures, management processes, technologies, strategies, etc. that make up the way of doing things of the organisation. In this regard, organisational architecture specifies the key strategic drivers of the organisation, which creates a blueprint that is unique and specific to a particular organisation. It is very important for all constituencies in the organisation to collectively agree on the key elements necessary to attain maximum strategic impact.

The goal of organisational architecture is to create an organisation that will be able to continuously create value for present and future customers, optimizing and organizing itself. Organisational architecture also connotes the idea of building blocks, which are mandatory for the performance and

growth of the organisation. Organisational architecture is an integrated strategic tool that draws together key dimensions of the organisation, such as structure, leadership, culture, and policies, to guide strategy alignment and implementation. In this regard, the ability of strategic leaders and employees in an organisation to facilitate an effective and efficient strategy is key for the cohesive internal functioning of an organisation (Penfield et al., 2017). It is the internal organisation that describes who does what in an organisation, which may result in a pattern of alignment or misalignment. Strategies are put into action, and results are delivered by means of a pattern of alignment between various elements such as organisational culture, policies and procedures, effective knowledge and skills base, suitable organisational structure, and different processes and systems.

There are various organisational architecture models that are used to align internal organisation, with the most famous one being the McKinsey 7 S developed by Peters and Waterman (1982), which was later revised into the Higgins 8 S by Higgins (2005). To clearly understand strategic alignment, it is important to briefly explore the nature and elements of the most well-known model of McKinsey 7S and the Higgins 8S models.

2.4.1.1 The McKinsey Seven (7S's) Model of Strategy Implementation

Managers focused on the organisation as a "structure" in the 70s until McKinsey Seven (7S's) model of strategy implementation was developed with an emphasis on internal elements that are interrelated and work cohesively to achieve desired results. The development of McKinsey 7S's framework was first introduced in the 80s by Robert H. Waterman Jr & Thomas J. Peters. The model is based on "bestrun" firms in America. Waterman, Peters & Phillips (1980) enquired from consultants and client executives about dissatisfaction with the conventional approach to structural solutions. This dilemma was attended to, as Waterman et al. (1980) believed that structure is not organisation and formulated the 7-S framework. In McKinsey 7-S model (Peters & Waterman,1982), managers do more if they achieve integrated harmony or internal alignment of seven interdependent factors, which are categorized as either "hard" (e.g., strategy, structure, and systems) or "soft" (e.g., shared values, skills, staff, and styles), as defined in Table 2.2 below.

Table 2.2 Soft and Hard elements in McKinsey 7S model

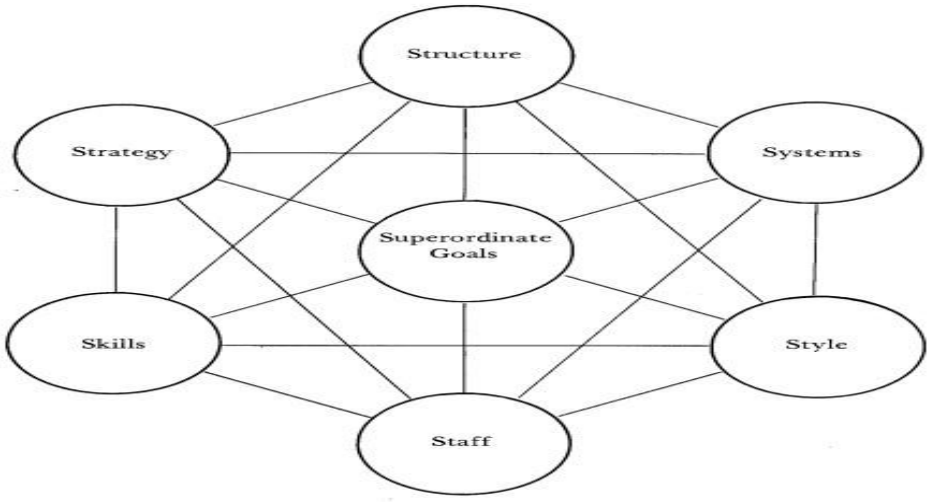
Hard elements	
Strategy	Purpose of organisation and pattern in a stream of actions to achieve identified goals over time.
Structure	The way in which tasks and people are specialised and divided, and in which authority is distributed, and also the basic grouping of activities and reporting relationships inter-organisational sub-unit.
System	Formal and informal processes and procedures are used to manage the organisation (e.g., management control systems, information systems, performance measurement and reward systems, quality control systems, and budgeting and resource allocation).

Soft elements	
Subordinate Goals (shared value)	Long-term vision and core or fundamental set of values that are widely shared in the organisation and which serve as guiding principles on what is important.
Skills	The organisation's core competencies and distinctive capabilities are required by staff or possessed within the organisation as a whole for implementing strategy effectively.
Staff	The number and type of employees, their backgrounds, competencies, and approaches to recruiting and developing people are also important.
Style	The leadership style of top management and the overall operating style of the organisation. This element encompasses the cultural style of the organisation (e.g., dominant values and beliefs, norms, symbolic acts).

Source: Waterman, Peters, & Phillips (1980, p.10)

Waterman & Peters (1982) argued that the effectiveness of strategy implementation is about Strategy, Structure, System, Style, Staff, Skills, and Subordinate Goals. Waterman, Peters & Phillips (1980) formulated this model as the focus area for managers when implementing organisational strategies. The McKinsey 7S is a diagnostic tool to successfully implement the strategy (Chareanporn, Ingmalairaks & Jongsureyaphas, 2020). The McKinsey 7-S model is explicit that paying attention to "hard" elements of organisation while ignoring the "soft" aspects and variety of interrelationships is a major pitfall in strategy execution. It is naïve to dismiss the contemporary relevance of this pitfall in organisations in South Africa. The web of interrelationships between various internal elements is critical for internal alignment in the McKinsey 7-S model. In the adoption of digital technologies, it remains unclear how each of the soft and hard elements, the web of interrelationships, has actually changed. Figure 2.7 shows the 7S's McKinsey Model, which shows the web-like interrelationships and interdependencies among the soft and hard elements that constitute the internal functioning of an organisation.

Figure 2.7 The McKinsey Seven (7S's) Model of Strategy Implementation



Source: Waterman, Peters, Phillips (June 1980, p.18)

Waterman, Peters, & Phillips (1980) mentioned that no element is more important than the other. All these elements are equally important and will elaborate on each variable to give clarity. It is essential to understand what is meant by the McKinsey 7-S. First, according to Waterman et al. (1980, p. 9-22), Structure is about tasks and provides coordination; it trades off specialization and integration. Second, Strategy refers to the actions a company plans in response to or anticipating changes in its external environment (customers and competition). Further, it aims to improve its position in the market. Third, the System includes all formal and informal procedures that keep the organisation running. Fourth, Style refers to the primary personality of a top management team and how the team comes across to the organisation. Fifth, Staff relates to people, divided into two ways: the hard end (appraisal system, remuneration, formal training programs, etc.) and the soft end (morale, attitude, motivation, and behavior). Sixth, Skills were chosen to capture the company's crucial attributes, and Superordinate goals refer to the guiding concepts, which include a set of values and aspirations, often unwritten, that goes beyond the conventional formal statement of corporate objectives. Superordinate goals are the fundamental ideas around which a business is built. All these elements are linked to each other. The McKinsey 7S ‘s’ is used as a diagnostic tool and seven identification criteria for the successful implementation of business (Chareanporn, Ingmalairaks & Jongsureyaphas, 2020, p. 155). Omikus (2003) criticized Waterman & Peters (1982), as the 7S‘s’ Mckinsey of strategy implementation provides no clear explanation of the relationships and interactions between elements provided and how these factors implement strategy successfully.

Even though the organisational forms are evolving, many of the internal elements have not changed significantlysuch that internal elements highlighted by the McKinsey 7S model are still evident in many contemporary private and public sector organisations in South Africa. For example, banks in South Africa have systems, structures, staff, styles of leadership and management, organisational culture, and skills that influence internal functioning. In this way, the seven elements identified by the McKinsey 7S model as shaping the internal functioning of organisations in America in 1982 are, in fact, similar to those shaping the internal functioning of contemporary organisations in South Africa in 2024. As it becomes increasingly challenging for organisations to manage complexity and drive consistent alignment through ongoing changes, the McKinsey 7S Model is important for managing strategic alignment across various business operations. The 7S Model is a strategic tool that helps to analyse organisational gaps, inconsistencies, and alignment issues. The McKinsey 7-S model is criticized as more of a static kind of model that gives a snapshot rather than the dynamic interactions of the interrelationships in the internal organisational architecture as strategy implementation unfolds. Furthermore, it is highlighted that the framework's elements, especially the soft ones, can be subjective. The model lacks a clear roadmap or specific steps for strategy implementation or change management programs. Additionally, the model does not analyse external elements and their impact on organisations.

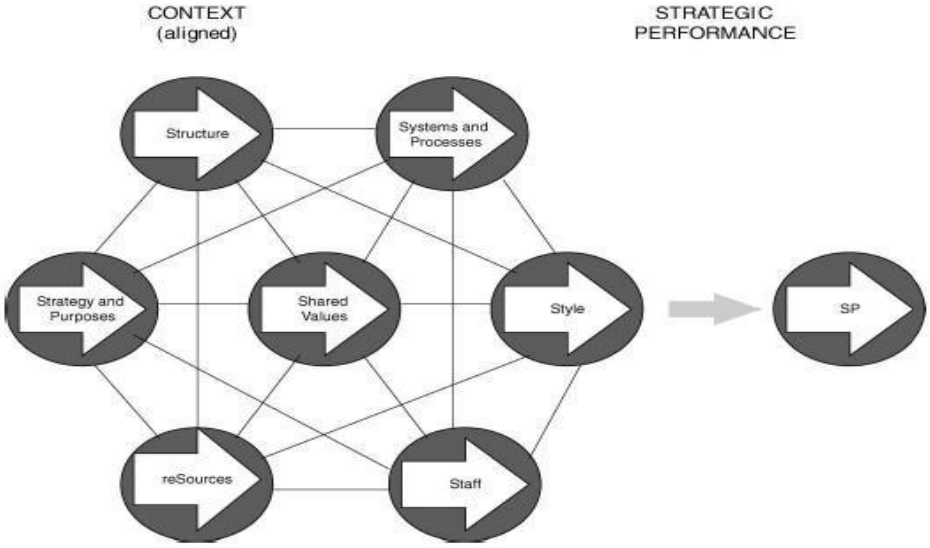
2.4.1.2 Higgins 8S Model of Strategy Implementation and Critics

The Higgins (2005) 8S model is a cross-functional way of executing strategy and implementing change across an organisation. Higgins 8S model upholds that an organisation is comprised of various elements and interdependencies that may enable or hinder its internal functioning. The 8Ss of Strategy Execution allow top executives to monitor and evaluate strategy execution in an organisation.

Higgins's 8S 's' model was developed by Higgins (2005) after a review of McKinsey's 7S 's' framework. Subsequently, the Higgins 8S model developed in 2005 is an improvement of the McKinsey 7S model. It is salient to underline the distinguishing features of the Higgins 8-S model. Higgins (2005) added S to McKinsey 7Ss, which stands for "strategic performance"; as a result, there are 8Ss. Higgins (2005) noted a gap in McKinsey's 7S's that it can be challenging for a company to effectively implement strategy without organizing other resources (Mwangi & Kihara,2021). Pursuing this further, another significant change in McKinsey's 7Ss is the replacement of Skills with 'reSources' to cater for time, money, technology, and other assets (Higgins, 2005). The Higgins (2005, p.4) 8S model consists of eight interdependent elements, reflecting a "cross-functional way of thinking about executing strategy and implementing change across an organisation" to achieve intended objectives. In particular, it is important to highlight that Higgins's (2005) 8S model is subdivided into the seven contextual S's and strategic performance. The seven contextual Ss are strategy and purposes, structure, systems and processes, style, staff, resources, and shared values; these must all be aligned for strategic performance to be at its best. Equally essential is that the Higgins 8S model involves and insists on aligning these eight interdependent elements. According to Higgins (2005), cross-functional execution issues tend to be given limited attention as organisations are structured based on functions.

The diagram of Higgins 8S clearly shows the importance of alignment and cross-functional coordination in the internal organisation. The success of strategy execution depends on aligning all organisational factors, which include structure, system and processes, leadership style, staff, resources, and shared values with strategy (Higgins, 2005). In the Higgins 8-S framework, the emphasis is on a cross-functional way of thinking about the execution of strategy across an organisation. In this regard, Higgins (2005, p.12) advises that "any chief executive officer or other strategic leaders must be successful; they must ask themselves what each of the 'S's should be like for strategy to succeed." When an organisation is aligned, arrows for each element all point in the same direction; that is, they should all be aligned with one another. In short, the eight contextual S's should point in the same direction as strategy, leading to strategic performance. Figure 2.8 presents the internal alignment and interdependencies in an organisation as developed by Higgins.

Figure 2.8 Internal alignment and interdependencies in an organisation



Source: Higgins (2005, p.6)

As different strategies require different structures, systems, styles, staffing, resources, and shared values, the critical and relevant question in this study is how digitalisation affects each of the 8S in the banks in South Africa. As the business environment becomes increasingly complex, senior executives must integrate changes in executing the new or revised strategy. A significant problem for most organisations today is that the eight S's are not sufficiently aligned. For example, the misalignment of culture, digital technologies, or leadership style is enough to lead to difficulties in successfully executing strategy in an organisation. It is salient to emphasize that not all alignment changes must be significant; they must simply be sufficient to align each S with the new strategy. Notably, some instances may require tweaking of the existing condition to achieve alignment, while sometimes wholesale change is inevitably brought to achieve alignment.

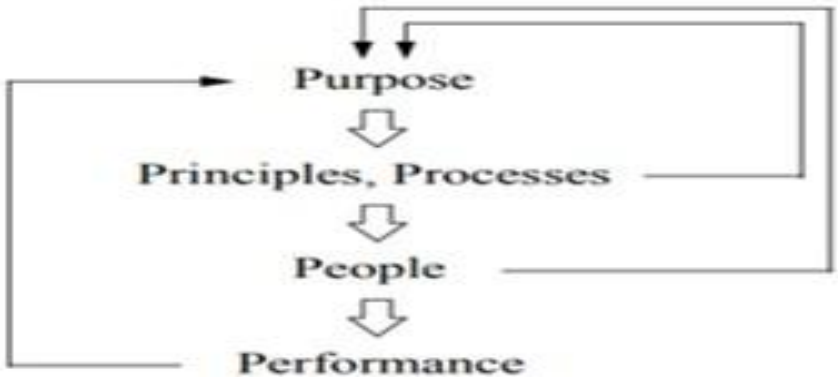
When there is no alignment, each factor pulls in the opposite direction, resulting in strategy implementation failure. From a cross-functional perspective, virtually everything an organisation does is covered within the eight S's. As such, this model is a sound tool for the organisation's leaders to anticipate what needs to be changed in the organisation in order for the strategy to work. Then, during the execution stage, the model serves as a road map for implementation. For scholars who want to uncover strategy alignment or misalignment and what the cause for the failure of strategy execution might be, this model almost always points to the reason. While organisational architecture is inwardfocused, it is necessary to underscore that strategy alignment is broad because it embraces all internal and external stakeholders and is dedicated to accomplishing a single goal, in other words, the organisation's vision. Managers who understand the strategy well will be able to motivate followers and translate the strategy into aligned actions to improve performance. A quantitative study conducted in

the Abhu-Dhabi police department to investigate the relationship between strategy implementation and performance concluded that strategy implementation (strategy, structure, and human resources) significantly and positively impacts organisational performance (Ameen, 2019). The organisational architecture helps to reveal the complexity of strategy implementation, which does not only affect a variety of internal elements but also dynamic interrelationships and interdependencies.

2.4.1.3 5Ps Model of Strategy Implementation

Pryor, Anderson, Toombs, & Humphreys, researchers at the University of Texas in 1988, developed the 5PS strategy implementation model after observing the lack of an integrated and holistic viewpoint as the existing literature tended to focus on specific subsidiary components within strategic implementation (e.g., senior leadership, cultural artifacts, organisational development, human factors, employee buy-in and performance measures, organisational culture, middle-management commitment). The 5 Ps model for implementation incorporates various functional areas from strategic and tactical perspectives various functional areas are involved from a strategic and tactical perspective as it requires Decisions and actions that are aligned at the strategic, behavioral, and tactical levels. Figure 2.9 below presents the 5Ps diagram.

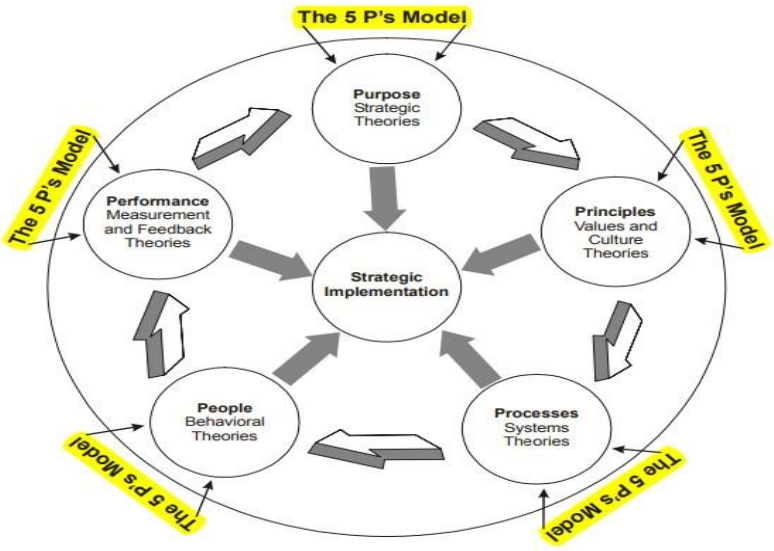
Figure 2.9 The 5Ps diagram



Source: Pryor, Anderson, Toombs & Humphreys (2007, p.7)

The model proposes that there are five different and interlinked elements, namely process, purpose performance, principles, and people, which need to be aligned throughout the organisation to create efficiency and effectiveness. The 5Ps strategy implementation model is a “universal, comprehensive representation of effective strategy implementation” applicable to the management of an entire organisation across industries” Pryor et al. (2019, p. 3). Figure 2.10 shows that the model proposes a connection between strategy (Purpose) and structure (Principles as internal structures and Processes as external structures) and the influence of structure on employee behavior (People) and corresponding results (Performance).

Figure 2.10 5Ps Model of Strategy Implementation



Source: Pryor, Anderson, Toombs, and Humphreys (2019, p. 8)

Given the interconnected and integrated pattern of components in the 5 P`s, it is important to understand what Pryor et al. (2019) mean by each of these 5Ps of strategy implementation. It is important to note that these elements in this model can enhance or hinder business success, depending on how it is applied. Vigfússon, Jóhannsdóttir & Ólafsson (2021) state that 5PS provides an integrated structure, which needs to be aligned throughout the organisation to create efficiency and effectiveness. Strategy drives structure, structure drives behavior, and behavior drives results. Integration and alignment of the individual elements and sub-elements of the 5P model are significant for successful strategy implementation as shown in Figure 2.8 above. First, "*P*urpose constitutes the strategic intention of the organisation, which includes the organisation's mission, vision, goals and objectives, strategies, measurement, and feedback. Second, the *p*rinciples guide how the organisation should operate and conduct business, including behavior, integrity base, ethics, and core values to which employees are expected to commit. Third, the step-by-step *p*rocess involves input, process, and output cycle. Fourth, performance indicates how people apply principles and whether the process was followed accordingly to fulfill the strategic intention" (Pryor, Anderson & Humphreys, 2019, p.11-12). Fourth, "P" emphasized "the importance of using the right *p*eople with the right skills in the right place through structural actions such as use of the balanced scorecard in conjunction with formal scenario planning, which allows an organisation to better predict the capabilities required to deal with future competitive contingencies (Tawse & Tabesh, 202127)". Fifth, *p*erformance indicates "how people apply principles and whether the process was followed accordingly to fulfill the strategic intention" (Pryor, Anderson & Humphreys, 2019, p.12).

Scholars such as Kozak & Gulenc (2016) have used the 5Ps model to assess the hospitality service quality at a healthcare in Turkey. The Ministry of Health developed a Healthcare Hospitality Guide that applied to private and public hospitals. The study used the 5Ps to examine the feasibility of all criteria in the Healthcare Hospital Guide. The 5PS model is usually used to determine the long-term survival and success of the business. The model acknowledges that the output or result of strategy implementation cannot be achieved without employees who will ensure the strategy is implemented effectively, with customers as the end users. Strategy implementation is best accomplished through high-performing people, including employees, customers, suppliers, and others. Pryor, Anderson & Humphreys (2019). As such, it is not sufficient to simply understand and utilize the components of the 5P model separately. The 5Ps must be aligned with each other in order to achieve maximum efficiency and effectiveness. For example, if organisational leaders want people to work in teams, they must set up Processes to reward team success, not just individual employee success. If one of the organisation's core values (Principles) is performance excellence, then Performance must be evaluated and enhanced. In other words, metrics systems and key performance indicators must be established to measure the right things (e.g., safety, quality, on-time delivery, etc.); baselines and targets must be established; actual results must be compared to targets; and the results must be fed back through the system so that Processes, products, services, and relationships can be improved. In the words of Sterling (2003, p. 27), "effective implementation of an average strategy beats mediocre implementation of a great strategy every time".

The 5Ps strategy implementation model incorporates the various functional areas involved from a strategic and tactical perspective Pryor, Anderson & Humphreys (2019, p. 3). When correctly applied, it would require decisions and actions that are strategic but also behavioral and tactical, requiring specific elements to be in place and aligned throughout the organisation to create efficiency and effectiveness. It is important to note that these elements in this model can lead to or hinder business success, depending on how it is applied. Vigfússon, Jóhannsdóttir & Ólafsson (2021) state that 5Ps provides an integrated structure, which needs to be aligned throughout the organisation to create efficiency and effectiveness; hence, the next section will focus on the integrative framework of actions for strategy effectiveness.

The 5Ps must be aligned with each other to achieve maximum efficiency and effectiveness. The 5Ps model introduced by Pyror et al. (1998) has been renamed to the 5Ps Strategic Leadership Model; however, the elements are still the same, namely as (i) "purpose which refers to the strategic direction of a person, team, or organisation. Principles refer to core values that individuals, teams, and organisational leaders care about passionately. Processes refer to the way (steps) by which individuals and teams perform work or achieve personal and professional accomplishments. Performance is about measurement and results in people's personal and professional lives" (Taneja, Atinc, & Pryor (2023,

pp.23-24). It is notable that the 5Ps Strategic Leadership Model is offered to complement the existing strategic management theories rather than replace them.

2.4.1.4 Five Factors enabling strategy implementation

Managing interrelationships and interdependencies across functions and levels is very critical for achieving strategy effectiveness in an organisation (Waterman et al., 1980). "The dissemination and integration of execution actions are complex, especially across functional activities" Higgins (2005, p. 3). The lack of an integrated framework contributes to dismal performance regarding strategy implementation (Pryor et al., 2019, p. 3). Leaders would benefit from a more inclusive framework for strategy implementation than focus on strategy formulation (Beer et al., 2014).

In this digital age and competitive environment, it is no longer enough to have strategy developers stationed in the boardroom and implementers busy with execution far down on the corporate level due to the high failure rate of strategy execution (Tawse & Tabesh, 2020). Different actors and their actions significantly affect the strategy's effectiveness. After a quick review of selected studies on strategy implementation. Table 2.3 offers insights into a total of eleven activities that impact strategy implementation effectiveness.

Table 2.3 Factors influencing success in implementing strategy

	Chirwa (2021)	**Ondarl et al. (2020)**	**Chen et al. (2019)**	**Pryor et al. (2019)**	**Mwangi & Kihara (2021)**	**Alharthy et al. (2017)**	**Maika & Wachira (2020)**	**Zufan & Chladkova (2020)**	**Total**
Communication	*			*		*			3
Structure		*		*	*				3
Culture		*			*		*		3
Leadership		*	*	*	*	*			5
People		*		*	*	*			4
Strategy and Purpose		*		*		*	*		4
Systems			*	*		*			2
Commitment					*	*		*	3
Process				*	*				2

Resources			*			*			2
Performance	*					*		*	

Source: Researcher's construction

Given the activities in the table, the initial focus is on leadership as a key aspect that impacts strategy implementation effectiveness.

(i) Leadership

Leadership actions in the organisation are critical to the strategy's effectiveness. Leaders need to support employees to ensure that strategy is implemented effectively and are available to assist when the need arises rather than to realise when a strategy has failed that there were loopholes during implementation (Kazim, 2008). The involvement of senior managers during the implementation keeps all parties informed about the development of the strategy (Chen, Hu, Tseng, Juang & Chang, 2021). Top executives must provide an integrated view of the various functional, strategic, and tactical level actions to assist in the effective realignment of "structure, systems, leadership behavior, human resources policies, culture, values, and management process" Pryor, Anderson & Humphreys (2019, p. 5). Notably, Higgins (2005) agrees that successfully implementing and controlling strategy depends on leadership aligning the critical factors in organisational architecture. In the course of strategy implementation, leadership commitment determines the extent to which a planned strategy will yield the desired results (Mwangi & Kihara, 2021; Alharthy, Rashid, Pagliari & Khan ,(2017, p. 38). In short, leadership is the primary driver of strategy effectiveness Ondari, Koech & Otieno (2020). Tagscherer & Carbon (2023) are explicit that the combination of leadership and digitalisation is gaining popularity as an area for new research. Terms like 'digital leadership' or 'leadership in a digital age' have been created to describe new leadership challenges that arise from the process of digitalisation and digital transformations of organisations. Digital leadership is defined as "doing the right things for the strategic success of digitalisation for the enterprise and its business ecosystem" (El Sawy et al., 2016, p.142). De Araujo et al. (2021) use the definition of using an organisation's digital assets to achieve business goals and organisational and individual levels to describe digital leadership.

A leader must envision and understand how digital technologies contribute to the organisation's digital future. Communication is a critical leadership trait for digitalisation to achieve a shared and common vision between the leader and the employees. Besides the vision's communication, leaders must provide the necessary abilities to execute it through strategies and tactics (Alade & Windapo, 2019; Kazim, 2019; Larjovuori et al., 2018). The digital leader must look beyond existing strategies and procedures to guide the business in response to the changes. Leaders must enable and promote creativity to create new business models based on digital technologies. In addition to the internal perspective of

digitalisation, IT/IS leaders must have a customer focus to bring value to the organisation (Kohli & Johnson, 2011), as well as cultural awareness and diversity. The last key theme for digitalisation leadership skills is cultural awareness and diversity. Digitalisation leads to the formation of virtual teams with globally dispersed teams. Therefore, leaders must embrace and support multicultural teams' collaboration and possess intercultural competencies (Eberl & Drews, 2021; Ruth & Netzer, 2020). Another challenge for leaders guiding digital transformation processes is coping with the multigenerational workforce and their different experiences with digital technologies. Especially for mature workers who did not grow up with digital technologies compared to younger generations, digital leaders can provide specific training to bridge a potential knowledge gap and create an inclusive digital working environment.

(ii) People

In executing strategy, people are process owners responsible for ensuring that a process performs as expected (Pryor et al., 2019). Leaders need to ensure that employees have enough support to keep staff motivated, aligned, and committed to digitalisation as a strategy. Digital fluency," "digital savviness," or "digital literacy" are some of the commonly used terms to describe the leader's understanding of emerging digital technologies. Digitalisation generally increases the number of available data points throughout the organisation and its environment. Therefore, successful leaders require the ability to analyse data and undertake data-driven decision-making. It is crucial that leaders acknowledge good performance to encourage staff to perform at their best and take corrective action for poor performance. Integration requires the engagement of people from every level of the organisation (Crowford, 2008). Employees' talent, skills, and competencies impact the effectiveness of the strategy and the success of organisational performance (Ibidunn, Osibanjo, Adeniji, Salau & Falola, 2016). Staff competence plays a critical role in strategy effectiveness as it shows that staff have the necessary skills to implement strategy effectively (Mwangi & Kihara, 2021, p. 1). In the digital VUCA world, the amount and complexity of required decisions increase exponentially. Therefore, current literature recommends delegating decision-making down the hierarchy. Employees should be granted more opportunities to work autonomously within the given boundaries by the leaders. The literature review reveals that leaders need to be willing to act boldly, take risks, and encourage their employees to overcome risk aversion during the digitalisation process.

(iii) Strategy and Purpose

Successful executives realise that strategy implementation is more critical than strategy formulation; as a result, they spend much of their time on strategy execution (Higgins, 2005). Today's challenge is to build execution into strategy (Crawford, 2008). According to Alharthy, Rashid, Pagliari & Khan (2017**,** p**.**38), clear strategy and objectives can gain employee buy-in, leading to strategy implementation

effectiveness. Managers need to ensure that strategy and purpose are clear and that "data about the performance of all strategic activities of the organisation is accurate" (Crawford, 2008**,** p**.** 13). Leaders and employees should actively act as entrepreneurs to promote innovation. People must balance technical skills and digital understanding or employee-oriented leadership. People-oriented leadership can be understood as putting people at the center (Jesse, 2019).

(iv) Communication

Communication must occur at all levels of the organisation to help transfer the correct and useful information relating to the strategy created in the organisation. For communication to be effective, the organisation should be structured in a way that allows information to be communicated quickly, freely, and flexibly (Chirwa, 2021). Transparency of communication is essential to keep all stakeholders informed about all developments taking place in an organisation Alharthy, Rashid, Pagliari & Khan (2017). Communication across the different levels and aligning internal and external stakeholders is crucial to pursue collective goals.

(v) Structure, Culture, Commitment, and Process

Adopting the organisational structure to the selected strategy as an activity for strategy implementation positively influences performance Cater & Pucko (2009, p.207). Ondari, Koech & Otieno (2020) believe structure is crucial as bureaucracy can hinder strategy implementation. Success in strategy implementation is" supported by a well-built organisational culture that strengthens competitive capabilities" (Maika & Wachira, 2020, p.15). Alharty, McLaughlin & Rashad (2016) state that the implementation of the strategy is highly complex, and the strategy often fails during the implementation stage. To implement strategy successfully, managers involved need to possess dynamic capabilities.

Organisations need to change their hierarchical structure and decision-making processes to keep up with the pace and complexity of the fast-changing digital environment. The leadership role changes from making decisions to enabling the employees to make the decisions and providing the necessary resources. Besides more agile decision-making, the empowerment of lower hierarchies is also expected to increase the motivation of employees. It is the leader's task to establish a supportive culture, provide the necessary resources, remove impediments, and enable employees to reach the organisation's digital transformation goals.

This autonomy requires the leaders to "let go" and trust in the competencies of employees who are more knowledgeable in their area of expertise than the leader. Leaders need to excel at soft skills in the digital age to earn trust, inspire and motivate employees. These soft skills most frequently mentioned as key in the digital era are authenticity, empathy being humble, humility, and resilience. To achieve visionary,

empowerment, or risk-taking attributes, leaders must motivate and inspire their teams to follow the outlined objectives.

2.4.1.5 Dynamic Capabilities of Strategy Implementation Effectiveness

The dynamic capabilities approach was developed back in the 90s by Teece, Pisano & Shuen (1997). Dynamic capabilities refer to an organisation's capacity to systematically address issues, identify threats and opportunities, make quick decisions, and adjust its resource base (Barreto,2010). Dynamic capabilities and strategy are separated analytically but are interdependent elements that increase the performance of the enterprise (Teece, 2017). Moreover, dynamic capabilities focus on activities taken by the enterprise to integrate, build, and reconfigure its resources to remain competitive in these changing environments. Dynamic capabilities promote integrating "functional and technological skills, the management of research and development product and process development, technology transfer, intellectual property, manufacturing, etc." (Teece, Pisano & Sheun, 1997**,** p**.**510). Developing and transferring dynamic capabilities can be challenging based on nature rooted in an organisation's distinctive sets of relations and antiquities (Mwangi & Kihara, 2021). "A firm's dynamic capabilities must be exercised with effective strategizing to effectuate competitive advantage", according to Teece (2017, p. 6).

The dynamic capabilities approach promotes the development of management capabilities (Teece et al., 1997). In the same way, Tawse & Tabesh (2020) point out that managers need specific interpersonal capabilities to create the conditions for effective strategy implementation. A company that has management with strong capabilities tends to have the ability to remain competitive and have unique processes that are not easy for competitors to imitate (Teece, 2017). The dynamic hypercompetitive environment made executives realise that being part of implementation is essential as development (Pryor, Anderson & Humphreys, 2019). When leaders have the knowledge and possess competencies and skills for strategy execution, that leads to strategy effectiveness (Piórkowska & Ryńca, 2020).

Dynamic Capabilities theory improves the Resource-Based View theory, which explains that resources are core to enhancing organisational growth (Mwangi & Kihara, 2021). The firm's resource-based view (RBV) is based on the premise that when firms have unique and non-substitutable resources, they can achieve competitive advantage by implementing value-creating strategies that cannot be easily duplicated by competitors Eisenhardt & Martin (2000). This definition is like the one by (Mwangi & Kihara, 2021) that RBV is about" companies' capabilities to execute things right; however, dynamic capabilities have to do with the execution of the right things at an inappropriate time based on unique procedures, the culture of the organisation" (Mwangi & Kihara, 2021, p.4). Barney (2001) supports the view that the resource-based view protects an organisation's unique resources from being imitated by competitors.

Resource-based view extension is because" it fails to adequately explain how and why certain firms have a competitive advantage in a situation of rapid and unpredictable change" (Eisenhardt & Martin, 2000:1106). The resource-based view focuses on the internal environment as it locates strategic advantage in a firm's internal resources Köseoglu (2020). Mwangi & Kihara (2021) also criticize Resource Base View Theory, which does not acknowledge the existence of businesses operating in a dynamic and constantly changing environment.

The balanced scorecard concept originated from Kaplan and Norton (1992). It was formulated "to overcome the inadequacy of the traditional financial-based performance measurement tools" Awadallah & Allam (2015, p.19). The balanced scorecard is a strategic performance management system used to ensure that all strategic objectives are accomplished (Öztürk & Coskun, 2014). The balanced scorecard brings a holistic approach to performance measurement (Öztürk & Coskun, 2014). Korableva & Kalimullina (2016) criticize the balanced scorecard as not showing connections between indicators; as a remedy, indicators must be combined with other systems. Georgescu and Jeflea (2015) believe that communicating the balanced scorecard promotes employees' and managers' commitment to the business strategy. Strategic leadership is a crucial driver of strategy execution, and lack of strategic leadership is one of the barriers to successful strategy execution" (Beer et al., 2014, p. 329). A balanced scorecard is a tool that guides managers on the step-by-step process of strategy implementation (Niven, 2006). It also provides managers with knowledge during strategy implementation with the status of the chosen strategy (Georgescu & Jeflea, 2015). Bank managers can use a balanced scorecard to get an overview of whether or not all strategic objectives are achieved. The following section focuses on the challenges of strategy implementation.

2.5 FOUR CHALLENGES OF STRATEGY IMPLEMENTATION IN SERVICE INDUSTRIES

Baroto, Arvand & Ahmad (2014) state that a well-formulated strategy and highly skilled personnel play a critical role in the success of a strategy; however, there is still a high failure rate of strategy implementation. Strategy implementation is a complex task. The failure rate of strategy implementation is estimated between 50% and 90% as there are many barriers to effective strategy implementation (Vigfússon, Jóhannsdóttir & Ólafsson,2021; Durão & Santos, 2019). According to Wolczek (2018), effective strategy implementation depends on leadership; however, organisations still struggle to find leaders with excellent strategy implementation skills. Alharty et al. (2016) have a different view that effective strategy implementation is not dependent on senior management alone but requires all stakeholders. This section elaborates on strategy implementation, identifies challenges faced by the service industry, and how to overcome those challenges.

Formulating a strategy requires specialised skills, but strategy execution is more challenging as it needs buy-in from all employees (Cater & Pucko, 2010). Failure of strategy during implementation is still a challenge for businesses Alharthy, Rashid, Pagliari & Khan (2017, p.34). A well-drafted strategic plan formulated by a team of experienced executives and strategists can fail during the implementation phase when it is not clearly defined (Kazim, 2008). Putting a strategy into practice is more complex than dreaming, which is formulating a strategy (Vigfússon, Jóhannsdóttir & Ólafsson, 2020). Tawse & Tabesh (2020) believe that the reason for the struggle during implementation is that there is more focus on strategy formulation and profit margins than on strategy implementation. There has been more focus on strategy implementation research due to the high failure; however, managers have not found a solution to reduce the high failure rate.

Different challenges impact strategy implementation. Managers focus on planning and organizing activities when implementing strategies. In contrast, the big obstacles to strategy execution are poor leadership, inefficient strategy communication, and lack of staff accountability (Cater & Pucko, 2009:207). Piórkowska & Ryńca (2020), in a quantitative study conducted in Poland, highlighted that hierarchical management style, failure to report on the progress of the implementation, lack of focus on goals, and unnecessary bureaucracy, incorrect allocation of funds and lack of outcome monitoring and measurement are some of the challenges that impede strategy execution.

2.5.1 Impact of inadequate leadership on strategy implementation

Leadership is one of the obstacles to strategy implementation. For example, Mubarak & Yousuf (2019) studied the impact of strategic leadership on strategy implementation; the findings reveal that a lack of leadership skills is a significant barrier to successful strategy implementation among companies that face strategy failure. Similar results were presented by Nyong'a & Mania (2019), who state that strategic leadership is a stumbling block to effective strategy implementation. Additionally, Leaders lack the skills to inspire, motivate, and deploy teams to perform their duties, contributing to inadequate strategy implementation. Piórkowska & Ryńca (2020) agree that a lack of knowledge prevents managers from executing strategy efficiently, and minimal involvement of managers during the strategy implementation process motivates staff and negatively impacts the process.

Inadequate leadership influences the firms' performance (Cater & Pucko, 2009). Lack of linkage between company vision and objectives contributes to strategy implementation failure as senior managers and employees find it challenging to implement the strategy and achieve great results. The organisation's future success depends on how successful leaders execute their strategy (El-Ensour & Alhmeidiyeen, 2018). Obstacles that impact the strategy implementation "can be strongly interrelated in complex manners and reinforce other obstacles, eventually forming long chains of blockages" (Durão & Santos, 2019, p. 1).

Senior Managers need fundamental knowledge to prevent conflicting priorities (Maika & Wachira, 2020). Managers must ensure that the strategic plan is well communicated and that all actors involved during the implementation get the support they need. This is visible in a study conducted in Australia to optimize a multi-strategy implementation intervention to improve the delivery of a school physical activity policy by (Lane, Wolfenden, Hall, Sutherland, Naylor, Oldmeadow, Leigh, Shoesmith, Bauman, McCarthy & Nathan. 2022) that lack of support from school boards as physical activity is considered a lower priority than other subjects was a barrier to strategy implementation. Wolczek (2018) states that organisations need help finding leaders with excellent strategy implementation skills, as managers are trained to plan, not to execute (Hrebiniak, 2006). Managers must communicate clearly to ensure all stakeholders understand what is expected.

2.5.2 Poor Communication

Management struggles to communicate its strategy clearly as they lack the motivation to implement strategy and the appropriate skills to manage change (Wolczek, 2018). Communication plays a vital role in the success of strategy implementation. Clear communication of the strategy implementation process results in a more significant commitment of actors and better performance (Suri & Sushil, 2022). Successful strategy implementation requires all levels of an organisation to communicate effectively to ensure they are all on the same level of understanding (Lewis, 2018). Chirwa (2021) conducted a quantitative study on telecommunication in Kenya and pointed out that communication plays a critical role during strategy implementation; poor communication results in strategy implementation failure as every aspect needs to be communicated. When there is no strategic communication, managers will not report on the progress of strategy implementation, and actors will remain in the dark with no clear direction (Piórkowska & Ryńca, 2020). Employees' lack of understanding of their contribution to execution outcomes leads to a lack of motivation to succeed (Crawford, 2008, p. 12).

2.5.3 Lack of employee commitment and knowledge

According to Baroto, Arvand & Ahmad (2014), highly skilled personnel play a critical role in the success of a strategy, and a lack of knowledge may lead to a dismal failure. This is visible in the study conducted by Lane et al. (2022) in the Department of Education, which found that the lack of teachers' knowledge, ability, and competence was the challenge to strategy implementation. Employees' reluctance to share knowledge negatively influences strategy execution (Cater & Pucko, 2009, p. 207). It is also essential to strategize by consulting other stakeholders during the implementation phase to acquire more knowledge (Suri & Sushil, 2022; Ashaye & Irani, 2019). When leaders lack charisma, it can be challenging to influence employees to perform at their best (Piórkowska & Ryńca, 2020).

2.5.4 Shortage of Resources

Resources are the assets that an organisation has or can access. Scarce resources can be a challenge during strategy implementation. For example, Lane, Wolfenden, Hall, Sutherland, Naylor, Oldmeadow, Leigh, Shoesmith, Bauman, McCarthy & Nathan (2022) found that the shortage of equipment was a barrier to strategy implementation in the Department of Education in Australia. Inadequate resource allocation leads to poor execution of strategy (Crawford, 2008). Unnecessary bureaucracy results in the incorrect allocation of funds or resources, leading to inefficiencies (Maika & Wachira, 2020). They added that lack of proper IT infrastructure and system downtime hinder successful strategy implementation. Poor change management practices result in lost opportunities (Crawford, 2008). When the company cannot manage and overcome resistance to change from employees, managers face problems with the delegation and prioritizing of tasks; as a result, there will be no coordination (Lynch & Mors, 2019).

Organisational culture can be a barrier to effective strategy implementation. Leaders need to ensure that change is incorporated into the company culture. Maika & Wachira (2020) investigated the impact of organisational culture on strategy implementation in Kenya and discovered that organisations manage to implement about 30% of the formulated strategies due to poor corporate culture.

Lastly, there is still a high failure of strategy implementation. Researchers must bridge the possible gap between strategy formulation and implementation, as most strategies fail during implementation. Suri & Sushil (2022) mention that the implementation is longer and requires much more time and effort to implement effectively. All these challenges, if not addressed, will have a negative impact on the success of strategy implementation and the performance of the business. The following section will explore studies conducted outside South Africa and, after that, in South Africa.

2.6. PREVIOUS RESEARCH ON STRATEGY IMPLEMENTATION OUTSIDE SOUTH AFRICA

Strategy implementation is less glamorous than formulation. There are higher possibilities of failure during the implementation stage as strategy implementation is more complicated (Kazim, 2008). This section explores studies conducted in countries outside South Africa, methods used and from which industry, and common factors that receive much attention.

Strategy formulation is the responsibility of the top executive, but strategy implementation involves all employees across the organisation. As such, top executives can formulate the best strategy ever, but when employees lack commitment, that strategy will not be executed effectively. Maika & Wachira, 2020, p. 15) stated that the real value “of a strategy can only be recognized through implementation; the ability to implement a strategy is more vital than the quality of the strategy itself.” They conducted a a

study to assess the impact of organisational culture on the successful implementation of strategies within Water Boards in Kenya. Specifically, it focused on evaluating how aspects such as teamwork, stability, risk-taking, and results-oriented culture influence strategic outcomes in these organisations. The research utilized a descriptive design, and data were collected through semi-structured questionnaires. The findings revealed that organisational culture accounts for 73% of the variance in strategy implementation success. Maika & Wachira (2020) recommend that to enhance strategy implementation, Water Boards should foster a culture of teamwork and involve employees in decision making processes. Management must provide clear guidance and encourage creativity while aligning leadership behaviors with organisational values to promote commitment and effective execution.

This is evident in the study by Nwachukwu, Zufan & Chladkova (2020) entitled "*Employee Commitment to Strategy Implementation and Strategic Performance: Organisational Policy as Moderator"*, which was conducted in the mobile telecommunications industry in Nigeria, exploring how employee commitment influences strategy implementation and its impact on strategic performance, with a focus on the moderating role of organisational policy. The findings show that when employees are well committed to strategy implementation, excellent results are achieved, positively impacting the organisation's performance. As strategy barriers, managers must prioritize promoting organisational employee commitment to achieve great results. Lack of employee commitment can manifest in different forms, like resistance to change, poor customer service, and absenteeism. Future studies could examine the effects of different types of organisational policies on employee commitment and strategic performance across various industries and cultural contexts. Additionally, longitudinal research could provide insights into how these relationships evolve over time and under changing organisational conditions.

Employee engagement also plays a critical role in strategy implementation. It is noticeable in a study conducted in Egypt by Saad, Gaber & Labib (2021) examining Human Resources Management (HRM) Practice and their impact on employee engagement. The outcome reveals that strategic implementation does not moderate the relationship between HRM practices and employee engagement; however, there is a positive relationship between strategy implementation and employee engagement. Saad et al. (2021) highlighted that future studies could further examine some other important HRM practices, such as the quality of the work environment and work safety.

The success of implementing strategies also depends on managers rewarding and motivating employees who support company strategy (Maika & Wachira, 2020). Piorkowska & Rynca (2020, p. 387) conducted an in-depth literature analysis on factors affecting the strategy implementation process in Polish higher education institutions. The results show that 113 factors were classified under the following areas: strategy, management, and employees. Management was identified as one factor that

plays a crucial role in strategy implementation. The study emphasizes the importance of strategic management in enhancing the competitive position of higher education institutions in Poland. Key recommendations include efficient resource utilization, stakeholder needs analysis, organisational management, strategic planning, and implementation. Piorkowska & Rynca (2020) also highlight challenges in strategy implementation, such as lack of awareness, unclear objectives, and difficulties in cascading strategies throughout the organisation. It suggests the need for further research to adapt these factors to the specific contexts of various higher education institutions.

Another study conducted in Poland by Radomska (2014, p. 266-267) studied the 200 largest Polish companies awarded the best rankings, analyzing the relationship between the main obstacles to the strategy implementation challenges and the company's revenues. The researcher used mixed methods to collect data. The findings showed that about 70% of the companies successfully implemented the adopted strategy except for six companies that reported a drop in revenue and another three that did not explicitly indicate the relationship between variables. Future studies can focus on investigating barriers to strategy implementation in higher education institutions and should consider the following recommendations: first, assess the frequency of barriers instead of focusing solely on identifying specific barriers, inquire about the frequency of their occurrence to better understand their impact, and prioritize areas for intervention; second, expand the analytical scope by incorporating additional factors that influence the effects of implemented strategies, such as institutional culture, leadership styles, and resource allocation, to provide a more comprehensive analysis; lastly, examine organisational size variations. By addressing these aspects, researchers can develop a more nuanced understanding of the challenges in strategy implementation and contribute to more effective solutions in higher education management.

Noga (2018) conducted empirical research on the top 500 innovative businesses in the Institute of Economics in the Polish Academy, revealing that the organisational structure, skills, knowledge, and culture substantially impact the effectiveness of the strategy implementation. Noga (2018) recommends that future researchers in Poland should focus on examining how organisational structure, skills, knowledge, and culture influence the effectiveness of strategy implementation in higher education institutions. Additionally, exploring the adaptation processes during strategy execution and the impact of management styles on resource utilization could provide valuable insights. Given the current lack of research in these areas in Poland, addressing these gaps will contribute to a deeper understanding of strategic management in the Polish higher education sector. These studies were conducted in Poland; however, Radomska (2014) concluded that the success rate of strategy implementation is about 70%, and management, organisational structure, skills, knowledge, culture, strategy, and employees still impact strategy implementation.

Abass, Munga & Were (2017) conducted a study investigating the relationship between strategy implementation and performance County government performance in Kenya. The findings show a significant relationship between strategy implementation and the organisation's performance. The County government needs to implement strategic plans that guide strategy implementation processes. Further, the County government should involve employees during the strategy implementation process and establish strong organisational cultures by having a set of shared beliefs, values, and norms.

Similar research assessing the relationship between strategy implementation and performance in Commercial Banks in Nairobi County was conducted by Waititu (2016). This quantitative study shows that commercial banks listed on the Nigeria Stock Exchange that invested heavily in innovation, effective communication systems, inspirational leadership, functional organisation structure, and culture reported high strategy implementation performance. Future research on strategy implementation in Kenyan county governments should examine how aligning organisational structures with strategic objectives can improve coordination and decision-making processes. Investigating the role of organisational culture in fostering employee engagement and commitment to strategic goals is also crucial. Additionally, research should explore the impact of leadership styles and communication practices on the successful execution of strategies. Addressing these aspects will provide valuable insights for optimizing strategy implementation in county governments (Waititu, 2016).

Cater & Pucko (2010, p. 207) conducted a study to assess factors for effective strategy implementation on a sample of 172 Slovenian companies; the finding reveals that adapting the organisational structure to the selected strategy as an activity for strategy implementation has a positive influence on performance. The study identified key activities for effective strategy implementation, including project planning, assigning responsibilities, and utilizing annual planning systems. However, obstacles such as inadequate reward systems, poor communication, lack of leadership skills, and insufficient employee knowledge sharing hindered success. Larger companies were better equipped to implement these activities due to more resources. Notably, aligning organisational structure with strategy positively impacted Return on Equity (ROE), while leadership deficiencies and knowledge-sharing reluctance negatively affected performance. Future studies can explore the hidden obstacles that may not be apparent to management, as these can significantly impact the effectiveness of strategic initiatives. Additionally, expanding research to include diverse organisational contexts such as transitional, posttransitional, and established market economies will provide a more comprehensive understanding of strategy implementation across different settings. Employing cross-validation techniques with varied samples and instruments will enhance the generalizability and robustness of findings, offering valuable insights for organisations aiming to improve their strategic execution processes.

The following studies by Nyong'a & Mania (2019) and Doeleman, Dun & Wilderom (2022, p.54) were conducted in different countries in different industries, observing the effectiveness of strategy implementation. The similarity between these studies is the importance of the role played by strategic leadership in the success of strategy implementation. Nyong'a & Mania (2019) conducted their study in Kenya; the primary aim of the study was to examine the impact of strategic leadership on the effectiveness of strategy implementation at the Kenya Revenue Authority (KRA) Southern Region. The research by Nyong'a & Mania (2019) sought to assess how factors such as management commitment, participative leadership, employee motivation systems, and delegation influence the successful execution of strategic plans within the organisation, aiming to provide insights into the role of leadership in enhancing strategy implementation at KRA. The findings of the study revealed that strategic leadership positively influences strategy implementation at the Kenya Revenue Authority (KRA), Southern Region. Key leadership practices such as management commitment, participative leadership, employee motivation systems, and delegation were found to enhance strategy execution. However, the study identified that the current employee motivation systems are inadequate, which hampers effective strategy implementation. The research recommends that KRA enhances staff capacity and motivation to improve performance and achieve better strategy outcomes.

Doeleman, Dun & Wilderom (2022, p.54) conducted a qualitative study "to examine the adoption of three intertwined open strategizing practices in conjunction with a transformational leadership style towards effective strategy implementation." The qualitative study was conducted within 37 geographically dispersed locations of Dutch governmental organisations. The findings revealed that transformational leadership moderates the positive relationship between open strategizing practices and effective strategy implementation. Their findings show that examining the effects of organisational changes, such as restructuring, on leadership effectiveness and strategy execution would provide valuable insights. Expanding the study to include diverse organisational contexts and leadership styles could enhance the generalizability of the findings.

In conclusion, senior leaders need to pay attention to strategy implementation due to higher failure rates at this stage (Alharthy, Rashid, Pagliari & Khan, 2017, p. 34). Top management's responsibility is to ensure shareholders get a return on their investment by getting buy-in from employees as implementers. Managers rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategy execution is poor leadership (Cater & Pucko, 2009). Successful strategy implementation is a vital survival asset for the organisation (Alharthy et al., 2017). Durão & Santos (2019, p.2) conducted an in-depth case study analysis and concluded that the pinnacle obstacles of strategy implementation are often influenced by strategy formulation, organisational culture, and organisational power structure.

2.7 PREVIOUS RESEARCH ON STRATEGY IMPLEMENTATION IN SOUTH AFRICA

The strategy implementation failure reflects negatively on those who formulated the whole development; as a result, the senior manager needs to evaluate the process to ensure that the expected results will be achieved (Durão & Santos, 2019). There is a need for strategy architects to take into consideration the fact that each industry has unique characteristics during strategy formulation and implementation (Köseoglu et al., 2020). Different factors can lead to strategy failure during the implementation stage. For example, lack of financial resources was the most significant factor in chief Albert Luthuli Local Municipality in Mpumalanga Province, South Africa. "Inadequate structure that effectively supports strategy implementation, weak continuous professional development policies, and team resistance to change were the obstacles towards strategy implementation" (Nkosi, 2015, p.29). The recommendation for future research should focus on examining the alignment of organisational structures with strategic objectives to enhance strategy implementation effectiveness. Additionally, studies should explore the impact of resource allocation practices on strategy execution, emphasizing the importance of aligning financial and human resources with strategic priorities (Nkosi, 2015).

A study was conducted by Yogeswaran & Wright (2010) in the health department in South Africa to assess how they got the implementation of the Information System (IS) Strategy right. The researchers used interpretive tools such as interviews, meetings, and document analysis to collect data for this study. The findings reveal that a Critical Success Factor (CSF) and a Balanced Score Card (BSC) by Kaplan and Norton were used to drive the implementation of IS strategy. The participation of stakeholder groups at different levels involved in varying levels of IS strategy implementation is used to assist the health department in successfully implementing the strategy in public sector hospitals. Future research should focus on validating the toolkit developed in this study by conducting a large-scale evaluation involving health professionals to assess its effectiveness in real-world settings. Additionally, exploring the integration of the Critical Success Factors (CSF) with the Balanced Scorecard (BSC) matrix could provide insights into the interdependencies between strategic planning, implementation, and assessment. Investigating the impact of these tools on Electronic Health Record (EHR) implementation success in diverse healthcare settings would further enhance their applicability and utility (Yogeswaran & Wright, 2010).

Backhouse & Manda (2017) conducted a study aiming to examine the opportunities and challenges facing the South African government in implementing policy reforms to harness the benefits of the digital-driven Fourth Industrial Revolution (4IR). The findings show that the South African government has made notable progress in advancing digital transformation across society, government, and business sectors to promote inclusive growth. Key pillars such as digital inclusion, access, and public service transformation are being prioritized through policy and legislative reforms. However, challenges persist in policy implementation due to inadequate monitoring and evaluation, lack of political support,

governance issues, and power dynamics in policy prioritization. (Backhouse & Manda, 2017) recommend that future research should examine how partnerships among government, industry, higher education, and civil society can enhance social cohesion and address challenges in achieving inclusive digital transformation.

Another study was conducted in Umkhanyakude, northern KZN Health Department, to review the challenges faced by health personnel against government strategies to attract and retain health personnel in underserved areas. The findings reveal that government initiatives, including rural allowance, are positively viewed by health professionals working in rural areas; however, poor living conditions remain unresolved issues. Mamburu & George (2017) found that a strategy has been formulated but has not been implemented in Human Resources for Health (HRH) 2030. Mamburu & George (2017) emphasize that implementing strategies is critical to improving the living and working conditions of internal clients and point out the importance of the development of future strategies to address challenges faced by rural health personnel should be evidence-based, drawing from comprehensive data and research to ensure effectiveness and relevance.

The challenge is not only facing the health department; the municipalities are also impacted. Leibbrandt & Botha (2014) took a quantitative approach to collect data from senior and middle managers in the Metropolitan, District, and Local Municipalities within Gauteng Province to develop "an integrated operating framework for strategy execution in Gauteng Municipalities in South Africa" (Leibbrandt & Botha, 2014, p.1057). The findings indicate growing frustration among communities due to municipal managers' consistent failure to deliver the services expected. Additionally, the absence of a dedicated team for strategy execution and lack of corporate-level monitoring contributes to recurring errors, as lessons from previous years are not integrated into new planning cycles.

Ramrup (2022) conducted a qualitative study in South Africa entitled "*Transitioning to a Platform Business: A Resource-Based View Case Study of a South African Bank*" to understand the impact of transitioning into a platform business on resources and competitiveness of the business. The focus of the study was on one division which is corporate and investment which is corporate and investment banking division. The targeted population for the study was senior management and executive leadership; data was collected using a semi-structured interview. The findings show that "cash, company brand, network resources, data, and client relationships were the key enablers of transformation; however, skills and competencies, commitment and culture alignment were hindering the transitioning process" (Ramrup, 2022, p.100). Internal misalignment and technical skill shortage were also highlighted as the factors that derailed the strategy implementation. Employees' commitment plays a vital role in the success of the implementation process; however, it requires them to change their mindset and be willing to embrace change.

Another qualitative study was conducted in a South African retail bank to identify the leadership practices for effective digital transformation by exploring the alignment between operational and senior level management (Rusin, 2023). Data was collected from twelve operational and three executive managers by conducting semi-structured interviews. The findings revealed that changing culture, leadership competencies, people-centered transformation, and transformational practices were vital for effective digital transformation. The results also reveal an alignment between operational and senior level management. Although there was an alignment between these two management roles, it was noted that operational managers are more people oriented as they deal directly with staff who are responsible for the execution and need to ensure that everyone understands the company goals. Rusin (2023) concluded that leadership plays a crucial role in strategy implementation success. It is evident in the SAA case study conducted by Nyatsumba & Pooe (2023), which explored the constraints that led to South Africa Airways (SAA) failure to implement the turnaround strategy. The study adopted purposive sampling to collect data from 37 participants through semi-structured interviews. SAA was struggling to stay afloat and was on the brink of collapsing, and the government had to formulate a rescue plan to save the organisation. SAA is not the only state-owned enterprise (SOE) with issues; some state-owned enterprises owned by the state face challenges such as poor public service delivery and lack of competition, leading to poor performance. Nyatsumba & Pooe (2023) discovered that the following factors contributed to the failure of the SAA: "(i) shareholders' slow decision making, (ii) undercapitalization, (iii) unstable political leadership, (iv) unhealthy board dynamics, (v) leadership instability and lack of management skills" (Nyatsumba & Pooe, 2023, p.82-86). Although a strategy's success relies on all organisational stakeholders, it heavily depends on the leaders. Leaders must have a clear vision and possess the necessary leadership skills for the strategy to be successful.

Building on the study by Mpete & Maier (2024) conducted research entitled "*Challenges by CEOs in executing turnaround strategies in state-owned enterprises in South Africa"*. The results reveal that the political landscape and power struggle, inappropriate board practices, politics, shareholders, inefficient internal operation leadership instability, legislation, and corporate governance hinder the execution of turnaround strategies in the SOEs. This is a qualitative study conducted within 10 of the 21 SOEs, classified as Schedule 2 in the Public Finance Management Act (PFMA), that previously embarked on a turnaround strategy. The study comprised 24 semi-structured interviews with Chief Executive Officers, Chief financial officers, chief operating officers, boards, union representatives, regulators, and shareholders as the key players in a turnaround of state-owned enterprise" (Mpete & Maier, 2024, p.1). The study recommends a drawing of a roadmap to address the key challenges facing the CEOs of the SOEs (Mpete & Maier, 2024). Stated owned enterprises turnaround strategy implementation failure is a worldwide problem. It is not a problem that is not common only in South Africa; the findings show that CEOs who successfully implemented. The challenge facing SOE CEOs is receiving instructions

from multiple stakeholders, including Parliament, and major decisions are made by the board, leaving the CEO and management disempowered. CEOs are not "empowered to drive the execution of a turnaround without board, shareholder or politician interfering in the operations of the SOE" (Mpete & Maier, 2024). In discussing the challenges faced by the SOEs in globally inclusive South Africa, it can be concluded that "leadership and governance issues seem to be the main challenge" (Mpete & Maier, 2024, p.13).

Rakgoale, Bag, & Pretorius (2024) conducted research using the interpretive model to understand barriers affecting the successful implementation of digitalisation and the interrelationship between barriers to the implementation of digitalisation. The findings identified the high cost of digital technologies and political instability as barriers to successfully implementing digital systems in South Africa. Other barriers include a lack of alignment between business and digitalisation objectives, poor industry 4.0 infrastructure, insufficient attention to digitalisation strategies, and a shortage of industry 4.0 managerial expertise and technical expertise. Low digital and financial instability, corruption and ethical issues, and political instability (Rakgoale, Bag, & Pretorius, (2024, p.12).

Gray, Subadra & Sreekala (2024, p.1) conducted a study in a mining industry in South Africa entitled "*Unveiling the Potential of Open Strategy: An Exposé of Strategic Planning in the South African Mining Sector".* The South African mining industry is the fifth largest in the world; however, it faces various challenges that prevent it from performing to the fullest of its potential (Gray et al., 2024, p.1). The study used qualitative and quantitative methods. The research included 20 interviews with 20 highly knowledgeable participants, and a survey was received with 250 responses. The results showed South Africa's mining sector lacks formalized strategies and employee engagement methods. The study highlights the importance of adopting a mutually beneficial approach, unlocking the mining industry's full potential.

Strategy implementation is widely recognised as more difficult and associated with a higher failure rate than strategy formulation (Kazim, 2008). Although numerous studies conducted outside South Africa, including in Kenya, Nigeria, Egypt, Poland, Slovenia and the Netherlands, have examined strategy implementation across sectors such as public administration, water boards, telecommunications, higher education, revenue authorities and other government entities (Maika & Wachira, 2020; Nwachukwu et al., 2020; Saad et al., 2021; Piorkowska & Rynca, 2020; Radomska, 2014; Noga, 2018; Abass et al., 2017; Waititu, 2016; Cater & Pucko, 2010; Nyong'a & Mania, 2019; Doeleman et al., 2022), several consistent themes emerge. Organisational culture, employee commitment and engagement, leadership behaviour, communication, reward systems and organisational structure all shape implementation effectiveness. These studies consistently demonstrate that top-management commitment and transformational or strategic leadership are critical drivers of successful execution. However, the

majority adopt quantitative, correlational or broad descriptive designs and focus on non-banking sectors. As a result, they identify influential factors but provide limited insight into how senior leaders in a commercial bank actually experience, interpret and enact a high-stakes strategy such as a bank-wide digitalisation initiative across its conception, day-to-day execution and resulting business model evolution.

The strategy implementation literature therefore reflects three gaps. First, there is a lack of qualitative, process-oriented research that follows senior managers in real time or retrospectively as they lead the implementation of a concrete organisational strategy, particularly digitalisation. Second, no grounded, bank-specific studies explore how senior managers translate abstract constructs such as commitment or "transformational leadership" into everyday decisions, practices and adaptive behaviours related to the digitalisation of banking services and products. Third, there is no substantive theory, derived inductively from the lived experiences of senior managers, that explains the mechanisms, leadership routines and contextual contingencies that determine whether a digitalisation strategy succeeds or fails in practice.

Linking the current study to the research problem and justification for grounded theory is that current strategy implementation literature offers extensive variables, correlations and thematic associations but lacks a rich, contextualised understanding of the phenomenon from the perspective of those ultimately accountable for successful implementation. Grounded theory is therefore uniquely justified. As a methodology designed for under-theorised, complex and processual phenomena, it enables the development of a new theoretical model that emerges directly and systematically from the lived realities of senior banking leaders.

This study advances knowledge by constructing a grounded theory anchored in the strategic leadership of bank digitalisation. It generates the first substantive theory explaining how strategy implementation unfolds at the senior management level within a South African bank when the organisational strategy is digitalisation. The anticipated theoretical contribution moves beyond generic, variable-based lists of "success factors" toward a practice-based understanding of strategic leadership in action. It enriches and contextualises existing strategic and practice-based leadership theories by introducing bank-specific categories, core processes and conditional relationships that can be transferred, tested and refined in other banks and highly regulated industries undergoing digital transformation.

2.8 CHAPTER SUMMARY

The chapter started by exploring the origin and evolution of strategy, which is traced back to 400 B.C. in relation to the military, it has critically discussed the complexity of strategy by focusing on various definitions, levels, and types of strategies and strategic alignment, which entails the pursuit of harmony and interdependencies of various elements. The chapter also discussed the concept of strategic

alignment and its relevance and role in digitalisation. Technology is an enabler of strategic alignment, which coordinates organisation resources (both internal and external) and integrates various internal elements, levels, and domains of strategy to enhance successful implementation.

Furthermore, this chapter has examined how it is fruitful to consider strategy implementation in terms of the correspondence thesis, micro-levels of responsibility, who is involved in specific activities to achieve outcomes, action orientation of implementation, and division of plans into detailed and actionable components. Equally important is the role of a variety of resources and resource allocation in an organisation's internal functioning, which may hinder or facilitate implementation. The major challenge in strategy implementation is coordinating and integrating the activities of the participating individuals and functions. A clear understanding of the uniqueness and complexity of the context to map out the stakeholders to coordinate and satisfy (for example, business, citizens, politicians) and the complexity of demands and the nature of systems and processes to integrate is vital for strategy execution.

The chapter is explicit that a well-aligned organisational architecture is cardinal to effective strategy implementation. The strategy implementation model is discussed in this regard, pronouncing the value of web-like and cross-functional relationships in implementing strategy. The models of strategy implementation discussed in this chapter reveal that business leaders need to think and act in functional and cross-functional dimensions simultaneously to succeed in strategy execution. Lastly, the chapter discussed previous studies on strategy and implementation conducted inside and outside the South. The next chapter explores digitalisation and business models.

CHAPTER THREE
DIGITALISATION AND BUSINESS MODEL

3.1 INTRODUCTION

Chapter three builds on a foundation laid in the previous chapter that focused on strategy and strategy implementation. It explores the concepts of digitalisation and business models relevant to the study of how a bank in South Africa implemented digitalisation as a strategy. In pursuit of this aim, the chapter first unpacks digitalisation's meaning and key features before elaborating on the distinctions and relationships between digitization, digitalisation, and digital transformation. Second, it discusses the notion of business models and how digitalisation impacts business stakeholders and components of a business model before dwelling on business model innovation and Fintech system. Third, the chapter elaborates on the link between digitalisation, strategy, and organisational process, mindful that it seeks to develop a substantive grounded theory of how a selected bank in South Africa implemented digitalisation as a strategy. Lastly, the chapter concludes with a focus on research on digitalisation and changes in business models in and outside South Africa, as well as a chapter summary.

3.2 UNPACKING THE MEANING OF DIGITALISATION

It is sound, as a first step, to gain a deep understanding and familiarity with many different definitions of digitalisation, mindful that there is a lack of definitional consensus. For example, Zeranski & Sancak (2020, p. 4) adopt a broader business-oriented view to define digitalisation as "the use of digital technologies to change a business model, provide new revenue, and value-producing opportunities to improve customer experience." At the core of this broad definition is the rapid development of information and communication technologies (ICT), which enable the incorporation of digital capabilities into previously purely physical products (Manjunatha & Kavitha, 2017). Digital technologies assist in improving business processes and business models to increase a company's profitability. Notably, one of the recurrent themes of digitalisation describes the change in existing processes, business models, and revenue streams that arise from digital technologies. While fully aware that digital technologies can be applied in different areas of a company, digitalisation efforts are often implemented within projects and transform specific business operations. A business model is "an architecture for how a firm creates and delivers value to customers and the mechanisms employed to capture a share of that value" (Teece, 2018, p. 40). Clarity of the constitutive elements of a business model in terms of activities, processes, and outcomes is central in situating digitalisation in a business context. Developing new business models and processes enables businesses to take advantage of the newly digitized products (Feichtinger, 2018). Table 3.1 below presents different definitions of digitalisation according to different scholars.

Table 3.1 Different definitions of digitalisation

Author	Definition
Hagberg, Sundstrom & Egels-Zandén (2016)	Digitalisation is one of the most significant ongoing transformations of contemporary society and encompasses many elements of business and everyday life. Digitalisation refers both to a transformation from "analog" to "digital" (e.g., a shift from cash to electronic payments) and to the facilitation of new forms of value creation (e.g., Accessibility, availability, and transparency) (citing Amit & Zott, 2001).
Clerck (2017)	Digitalisation is defined as the use of digital technologies and data in order to create revenue, improve business, replace/transform business processes, and create an environment for digital business whereby digital information is at the core.
Lenka, Parida & Wincent (2017)	Digitalisation is the phenomenon of intelligent connected machines that information and digital technologies power citing (Lerch & Gotsch, 2015); (Parida, Sjodin & Lenka, 2015).
Machekhina (2017)	Digitalisation means the transformation of all information types (text, sound, visuals, video, and other data from various sources) into the digital language.
Valenduc & Vendramin (2017)	The term "digitalisation" is not the irruption of a new revolution but the pervasive synergy of digital innovations in the whole economy and society citing Perez (2015).
Devereux & Vella (2018)	Digitalisation is the process of spreading a general-purpose technology. The last similar phenomenon was electrification. Digitalisation of products and services shortens distances between people and things. It increases mobility. It makes network effects decisive. It allows the use of specific data to such an extent that it permits the satisfaction of individual customer needs – be it consumers or businesses. It opens up ample opportunities for innovation, investment, and the creation of new businesses and jobs.
Gobble (2018)	Digitalisation refers to the use of digital technology and probably digitized information to create and harvest value in new ways.
Morley, Widdicks & Hazas (2018)	Digitalisation is the growing application of ICT across the economy "encompassing a range of digital technologies, concepts and trends such as artificial intelligence, the "Internet of Things" (IoT) and the Fourth Industrial Revolution" (citing IEA, 2017).
Gebre-Mariam & Bygstad (2019)	Digitalisation refers to the development and implementation of ICT systems and concomitant organisational change; it involves the transformation of sociotechnical structures formerly mediated by non-digital artifacts into ones mediated by digitized artifacts, citing Yoo, Lyytinen, Boland & Berente (2010).
Srai & Lorentz (2019)	Digitalisation is defined as the way many domains of social life are restructured around digital communication and media infrastructures. In simple terms, digitalisation may be defined as the use of digital technologies.

Source: Reis, Amorim, Melão, Cohen & Rodrigues (2020, pp.447-448)

The transformational aspect of digitalisation is evident in various ways in definitions. Hagberg, Sundstrom & Zandem (2016, p. 6) conceptualize digitalisation as the "transformation from analog to digital (e.g., a shift from cash to electronic payments) and facilitation of value creation." Eling &

Lehmann (2018, p.377) have a similar idea: “digitalisation is the integration of the analog, and digital world with new technologies that enhance customer interactions, data availability and business process.” The commonality in these two definitions is that digitalisation transforms business models to create customer value. Digitalisation is a new investment in technology, business models, and techniques to compete more effectively in an ever-changing digital economy. According to Feichtinger (2018, p.13), digitalisation is “when the organisation changes its business model using digital technologies to increase sales and profitability.”

Among the transformation-oriented definitions, one can decipher the focus on information (e.g., means of transforming all information types into digital), performance and operational improvement through computers, and digital innovations. For example, Machekhina (2017, p.2) defines digitalisation as the “transformation of all information types (text, sound, visuals, videos, and other data from various sources) into the digital language.” It does not define digitalisation from a business perspective. Autio, Mudambi & Yoo (2020, p.7) define digitalisation as “the organisation and utilization of algorithms and digital data structures for the performance of control, communication, and execution of tasks, largely operationalized through networked computer hardware and layers of firmware, middleware, and software, connected through a set of standardized interfaces such as application programming interfaces.” This operational-related definition clarifies digitalisation as using digital technologies to increase performance through computers.

The definition of digitalisation adopted in this grounded theory study is the one by Clerck (2017, p. 56), which defines “digitalisation as using digital technologies and data to create revenue, improve business, transform business processes, and create an environment for digital business, whereby digital information is at the core.” Digitalisation can occur in any part of the bank to add value and become a source of competitive advantage and opportunities for improvement. Digitalisation can also become a cost driver at different stages of the value chain through primary and secondary interdependent and interconnected activities when creating a product or delivering a service. The definition of digitalisation adopted for this study is suitable because it will help to understand how banks use digitalisation as a strategy that may increase customer experience, maximize profits, and transform business processes to contribute positively to the existence and growth of the organisation or create some cost driver.

3.2.1 Six Key Features of Digitalisation in an organisational setting

The critical feature of digitalisation is that it drives the organisation to profitability and reduces costs (Pal, 2015). Some of the features are evident in the study conducted by Harchekar (2018) in a bank in India, which discovered that due to digitalisation, customers and bank staff do not have to exchange a large sum of cash as it is risky and costly but changed to cashless transactions, this led to a reduction in

costs. Furthermore, digitalisation minimizes human error risk and bridges the gap between rural and urban areas. It has significantly lowered the transaction and coordination costs that define the traditional organisation in many industries. Reducing those costs unleashes new possibilities for organisational forms, strategies, and management processes (Lanzolla, Lorenz, Spektor, Schilling, Solinas & Tucci, 2020).

Rachinger, Rauter, Müller, Vorraber & Schirgi (2019) state that digitalisation impacts corporate strategies as it requires the organisation to revisit its existing business models to improve customer experience. Digitalisation challenges existing business models by rendering traditional methods obsolete (Feichtinger, 2018), leading to paradigm shifts from old business practices to adopting a new approach (Plekhanov & Netland, 2019). The new approach enhances competitive value for customers and drives customer experience and economic benefits (Þorkelsson, 2017).

Autio Mudambi & Yoo (2020, p.3) highlighted three fundamental features of digitalisation, "infrastructure elementality, intangibility, and re-programmability." The intangibility and infrastructural character free economic and business activities from the constraints of physical geography like those imposed by transportation and location". Schilirò (2020) adds that the cross-border data flow is a new norm. Digitalisation enables firms to develop new products and reinvent processes to penetrate new markets that were inaccessible previously as digitalisation breaks geographical boundaries. Digital infrastructure made access to goods and services flawless, as customers can buy and get goods delivered to their doorstep at their specified time without geographical constraints (Þorkelsson, 2017). Digitalisation enables new and flexible ways for firms to coordinate cross-border interactions, as firms can trade with suppliers from different geographical areas without meeting in person but using technology. Companies can work with a broader range of customers (Mudambi & Yoo, 2020). Digitalisation also has a re-programmability feature that enables the firm to reprogram digital technologies while in use continually. It saves time as there is no need to shut down the system for updates or changes. This feature allows the company to consistently deliver on customer expectations (Autio et al., 2020).

Digitalisation benefits "businesses in various ways, including greater convenience, lower prices, variety of choices, better information, enhanced sustainability, the profitability of existing business models and investments (Nikmehr, Hosseini, Martek, Zavadskas, & Antucheviciene, 2021, p. 2)." There is still a challenge that digitalisation sometimes does not deliver the expected results as a digital transition of firms needs to be carried out at a strategic level as the firm's success is not only entirely dependent on technologies but also on strategies leaders adopt (Ismail, Khather & Zaki, 2017). Commitment from senior leaders plays a crucial role in ensuring that digitalisation implementation in an organisation is a

success. To understand digitalisation clearly, it is sensible to examine six key features of digitalisation in the business and organisational context.

3.2.1.1 Internal and external digitalisation

A holistic view and understanding of digitalisation is possible by avoiding the naivety of viewing digitalisation only from the internal perspective and ignoring the external dimensions. Tagsher & Carbon (2023) pointed out that digital technologies transform the organisation's internal operations, innovative manufacturing processes, and value chains. It also reshapes the external dimension, such as customer value proposition and newly created products. Although digitalisation creates uncertainty in the business environment, digital technologies can enable organisations to improve their internal efficiencies, resulting in improved productivity.

Digital technologies contribute positively to the productivity of the company. Digitalisation has become a foundation of any business planning to improve its process; as a result, the perception is that companies need to adopt digitalisation to grow. Digitalisation can boost economic growth by positively impacting productivity (Mollins & Taskin, 2023). Digital technologies enable the production department to improve productivity and deliver goods or services to consumers at a lower cost, boosting the company's returns. Adopting digital technologies changes how employees work and interact with clients internally. Digitalisation enables firms to deliver products and services on digital platforms as more customers interact on digital platforms more frequently; these activities create large databases. Companies analyse the collected data using technology to understand customers' behavior and patterns. Understanding customer behavior allows the organisation to create value for customers. Collecting and analyzing customer data creates opportunities for organisations to make more informed decisions (Mollins & Taskin, 2023). Digital technologies reduce setup needs, processing times, and errors, improving productivity (Tagsher & Carbon, 2023). Internal digitalisation enables the optimization of business processes that constitute companies' operations and supply chains. It also allows firms to coordinate their input into production efficiently, effectively reducing production costs and increasing productivity (Mollins & Taskin, 2023).

Digital technologies enable firms to create value for customers, which results in improved customer service and productivity (Mollins & Taskin, 2023). According to Klingenberg, Júnior, & Müller-Seitz (2022, p. 3), "companies cooperate to create value and compete to capture value." Nambisan et al., 2017) describe digital innovations as creating new market offerings, products, or business processes from technologies. Many technologies are available; the organisation needs to choose the one that will capture value for its customers. Klingenberg et al. (2022, p.3) identified activities, flows, actors, and governance as four value chain dimensions that can be used to assess value creation.

Changes in the form of new products and services or technology drive changes in the business model, which requires technological development (Rachinger et al., 2019). “From the external perspective, “servitization” gained importance for manufacturing companies within a scientific and practical context. In general, servitization can be seen as the process of increasing value through service and transforming a company's product-centered offerings into product-service systems. Digital technologies and digitalisation have been acknowledged as enablers and drivers of servitization” (Tagsher & Carbon, 2023). To succeed in the digital era, companies must establish customers' needs through a combination of digital and physical components to set clear digital value propositions that uniquely differentiate a company from competitors (Klingenberg, Júnior, & Müller-Seitz, 2022). This supports both efficiency gains through operational excellence and customer and service-centric innovation for which the proper setup of the IT backbone is the prerequisite (Klingenberg, Júnior, & Müller-Seitz, 2022). A service centric approach refers to a business or organisational model in which services, rather than products, form the core value creation and delivery as it emphasizes the building of customer relationships, customizing offerings, and co-creating value through ongoing interactions value through ongoing interactions rather than one-time transactions (Vargo & Lusch, 2022). Organisations adopting a service centric model often transform their operations, culture, and revenue streams to align with continuous service provision (Kohtamäki et al., 2022). The weakness of servitization is that transitioning to a service-centric model requires a significant upfront investment in technology, and the process needs to be redesigned (Nguyen et al., 2023). Witell, Synder, Gustafsson, Fombelle & Kristensson (2023) mention that delivering customized services at a large scale requires operational complexity, including the integration of digital tools, which may overwhelm firms lacking technical capacity. Employees may need to be trained, which may lead to employee resistance (Kohtamäki et al., 2022). However, Witell et al. (2023) assert that servitization promotes continuous innovation, enabling the organisation to evolve to meet dynamic customer needs, thus gaining a competitive advantage. Kohtamäki et al. (2022) added that these models enable firms to generate recurring revenue through subscriptions, consulting, and after-sales services, reducing reliance on single product sales.

3.2.1.2 Partnering & ecosystems

According to Sutrisno (2023), a business partnership refers to a formal arrangement where two or more companies collaborate with the intention of pursuing a shared objective, which might include activities such as co-developing a product, distributing risk, or expanding into new markets and such partnership can manifest in various forms including strategic alliances, consortia or international joint ventures. Loiko (2022, p.53) claims that "forging partnerships with a network of suppliers requires changes in skills certification and performance management, which requires the rules and procedures to be clearly defined, like which suppliers are required to operate, with the introduction of the guidelines into the partner's internal policy." Mohr & Spekman (1994, p. 136)) describe business partnerships as "long-term, cooperative, strategic relationships" between firms designed to achieve mutual competitive advantages through resource sharing and joint goals.

The rapidly changing digital environment requires companies to engage in partnerships and ecosystems to keep up with new developments. Digital transformation poses a challenge to government departments that need to transition from traditional methods to digitalisation to improve service delivery. To lighten the burden, collaboration with the private sector can pave the way for a viable service ecosystem to improve service delivery. This is evident in the study conducted in Italy entitled *Reaping the Benefits of Digital Transformation through Public-Private Partnership: A Service Ecosystem View Applied to Healthcare*, where Loccioni and the University Hospital of Marche in Turkey partnered to form the robotization of the key components to improve healthcare service delivery. The findings reveal the three main ingredients for the success of the viability of public-private partnerships. First, the alignment between the public partner's needs and the private partners' competencies was crucial. Second, the contamination of knowledge permeating all the steps of the collaboration was essential to stimulate the partners' commitment to the PPP. Finally, the focus of value generation on the principle of patientcenteredness was the glue that bound the partners and motivated them to enthusiastically participate in the collaboration" (Casprini & Palumbo, 2022, p. 453).

Today's world is connected; working beyond organisational boundaries, such as partnering and cocreating within networks and ecosystems, is vital in the digital environment. The increase in competition and changes in client demand drive companies to develop new business, operating models, strategies, and partnerships, enabling them to adapt faster to continuously evolving market conditions. Business ecosystems are the solution to this problem, as they offer a more flexible way of collaborating with different partners, allowing companies to access more capabilities and scale faster. Lyytikäinen, 2020) states that asymmetric partners, in particular, are encouraged to form partnerships to complement each other's capabilities. Collaboration is a strength as different-sized companies or firms from different sectors bring together their strengths and weaknesses to form partnerships, and the future lies in collaboration.

The critical question is how organisations transition from traditional hierarchical structures to network structures between the company, suppliers, customers, and other stakeholders. On the one hand, the rapidly changing digital environment requires companies to engage in partnerships and ecosystems to keep up with new developments. Collaboration beyond organisational limits is needed to increase the organisation's ability to innovate and grow. Collaboration with the "outside world" can be achieved through different avenues and impacts the internal or external dimensions of the organisation's digitalisation efforts. On the internal side, establishing partnerships and close collaboration with suppliers are good examples of external digitalisation efforts. Leadership actions on the external dimension are related to customer relationships and joint product and business model developments.

Leaders must promote close collaboration with partners and customers. It allows a customer-centric process to generate value and innovations.

Even though the partnership has benefits such as knowledge sharing within the organisation, it can be beneficial for all parties in the partnership. Reim, Andersson, & Eckerwall (2023) raise concerns that in the context of digital manufacturing, while sharing information across the value chain offers clear operational and strategic benefits, it remains a significant challenge; this difficulty often stems from entrenched organisational policies and prevailing attitudes regarding data ownership and control. Furthermore, Oliveira & Lumineau (2019) highlight the risk of opportunistic behavior with alliances, where one party may act in self-interest, engaging in deceptive practice or creating confusion to gain an advantage. Reim et al. (2023), citing Jiang (2001), also raise concerns about dependency in such collaboration, noting that overreliance on a partner can diminish a firm's autonomy in future decisionmaking and innovation. Despite these risks, well-structured partnerships can serve as a valuable mechanism for micro, small, and medium enterprises (SMEs) to navigate and overcome complex operational challenges. Yli-Viitala, Arrasvuori, & Parida (2022) have a different view, stating that sharing information across the value chain can bring tangible benefits to the partnership.

On the other hand, Loiko (2022) clarifies that the concept of an ecosystem initially emerged from the field of biology, where it was used to describe complex, interdependent relationships within a localized natural environment. It accounted for the dynamic interactions among various organisms and their continuous adaptation, all contributing to a state of equilibrium within a defined geographical area. Zarei & Ebrahimi (2023, p. 34), citing Asgari, Naimi-Sadigh, & Abdolshah (2019), state that "an ecosystem can be considered a network of organisations, individuals, and other business elements that share and improve their capabilities by focusing on a product or a set of different products." Digital ecosystems allow banks to expand their offerings of financial and non-financial services and thereby raise the quality and speed of customer service (Galazova, 2023, p.82). Zarei et al. (2023) believe the digital banking ecosystem presents significant potential for shaping the future of the financial services sector. However, its inherent complexity introduces a level of uncertainty that makes forecasting its long-term evolution particularly challenging. Adopting an ecosystem-based approach facilitates more effective and synergistic interactions among consumers, investors, and partners of credit institutions. This, in turn, supports the competitive growth of the client base across both the financial sector and adjacent areas of the economy (Galazova, 2023).

Loiko (2022) pointed out that the challenge with the ecosystem is that identifying the precise source of technical failures within a digital ecosystem remains a significant challenge for organisations. This complexity often reveals underlying inefficiencies in infrastructure support mechanisms, indicating the need for process redesign to enhance fault identification and resolution capabilities. Furthermore, delay

or inability to quickly identify the points of failure hinders the prompt response, especially during technical support calls, necessitating a more robust and agile support framework. Galazova (2023) mentions that the development of banking ecosystems presents unique dynamics shaped by factors such as the institution's specialization, the structure of its client base and asset portfolio, the scope of nonfinancial services provided, and the extent of digitalisation across its operations and service delivery channels. These variables contribute to the complexity of assessing and ensuring the effectiveness of regulatory interventions within such ecosystems. As organisations increasingly expand their internal IT environments by integrating third-party vendors and partners, it becomes imperative to define and implement updated cybersecurity standards. These standards should explicitly govern the integration process and delineate the types of data permitted for exchange, thereby safeguarding digital assets and maintaining data integrity in multi-party collaborations (Loiko, 2022).

Critiques of partnerships and ecosystems in the context of digital transformation often center not only on technological challenges but also on organisational culture and leadership adaptation. When adopting digital technologies, it is essential for organisations to critically examine the type of culture required or that may be reshaped by such technologies. Organisational culture comprises the shared values, norms, customs, and behavioral patterns that unite members and guide actions within the organization (Ouchi & Wilkins, 1985, p.459)

3.2.1.3 Experimentation and risk-taking

Digitalisation in an organisation entails new ways of doing things. Digitalisation tolerates and promotes experimentation and risk-taking as it positively impacts enterprise innovation. Luo, Yu, & Deng (2024) conducted a study entitled "*The impact of enterprise digital transformation on risk-taking: Evidence in China."* The findings show that "digital transformation enhances risk-taking by improving managerial ability, strategic deviance, and asset utilization.". Companies take risks by investing in technology to digitalize trust that will improve productivity. Another study conducted in China by Tian, Li & Cheng (2022, p.1) investigated how firms' digital transformation affects risk and discovered that risk-taking improves firms' operating flexibility and financing availability. The determinant of corporate risk is the willingness of firms to take risks in pursuit of profitable opportunities. Management characteristics influence risk-taking as digitalisation requires willing employees and leaders to experiment (Faccio, Marchica & Mura, 2016). Experimentation can be costly as it encourages firms to invest in high-risk projects that promote corporate innovation, which can yield positive results. Leadership must understand that not all high-risk projects will lead to successful innovations. The project can be a missed opportunity or a success. When the project fails, leadership needs to have the appropriate attitude towards failure, accept it, and approach it as a learning experience to enable them to succeed in the future due to the experience gained. It is primarily the leader's task to empower their teams and create safe environments for trial and error (Faccio et al., 2016).

Tian, Li & Cheng (2022, p. 2) believe that "digital transformation of firms may discourage their risk taking as it alleviates firms' information asymmetry and increases their exposure to the market". Although digital transformation is expected to enhance revenues, many firms struggle to capitalize on the potential of digitalisation and fail to deliver the expected results (Gebauer et al., 2020). Firms may attract more attention, increasing external pressures and leading to more combative managerial investment decisions, thereby discouraging firms' investment in risky but profit-generating projects (Tian, 2022). Gebauer, Fleisch, Lamprecht & Wortmann (2020) add that firms experiencing digital transformation should have less incentive to discourage commitment to risky projects.

3.2.1.4 Teamwork and cross-functional collaboration in the working environment

One of the critical aspects to support digitalisation is team-oriented collaboration. Leaders must establish collaborative environments and a culture that supports collaboration. There is a connection between collaboration and innovation, ultimately leading to success in the digital environment (Yin, Caldas, de Oliveira, Kermanshachi, & Pamidimukkala, 2023, p.1). Cross-functional collaboration starts early in business planning before the project commences. Cross-functional is a "process in which the alignment between areas/departments occurs through formal and informal mechanisms to improve "a company's performance (Poberschnigg, Pimenta, & Hilletofth, 2020, p.790). Cross-functional collaboration involves numerous functional departments and does not function as a team". Although it starts at an early stage, "it becomes challenging to ensure effective cross-functional collaboration at an early project stage. Cross-functional collaboration was to "break down barriers between different functional areas or departments (Yin et al., 2023, p.2). Cross-functional team setups are key for digitalisation as they create connections across functional silos within the traditional organisation. They break down barriers between different functional areas by providing access to a larger knowledge scale. When the organisation has transitioned to digitalisation, a cross-functional team enhances the level of creativity it improves a team's ability to handle complexity. They have a positive influence on the managerial process and organisational performance and organisational innovation" (Yin et al., 2023, p.1). Leaders can choose diversified team constitutions with members who are highly strategic in their thinking from different functional areas to build solid relationships and be able to handle complex problems (Ang'ana & Chiroma, 2021).

Holland, Gaston, & Gomes (2000), mention that although teamwork and cross-functional collaboration come with benefits, highlighted the following eleven factors that can be a hinder the success of the collaboration, "conflicting organisational objectives, overlapping responsibilities, conflicting objectives of team components, lack of clear direction and priorities, lack of cooperation, lack of time and resources to fulfill project responsibilities, cooperation problems in the team, unnecessary meetings, inability to implement the team's proposals, the influence of previous working methods, inability to

effectively integrate the lateral processes (teams) with the vertical processes (functional activities), & ambiguity in decision-making." On the other hand, Ravio (2022) identified four different categories for weaknesses in cross-functional collaboration, namely, tools, email practices, collaboration and silos, and management matters, as presented in Table 3.2 below.

Table 3.2 Weaknesses in cross-functional collaboration

	Weaknesses
tools	Communicating "in the system" (info, inquiry, email in general) is bad.
	When cic calls by phone there is no info about who called.
	The tools teams/skype/phone system are not synced.
	Common mailboxes are impersonal, the tasks don't get one responsible person and no status updates are sent.
	It's difficult to know what communication tool to use and when.
email practices	Emails to several people / common mailboxes lead to several people working on the same task simultaneously or to nobody doing anything.
	Emails are expected to get replys fast and if that does not happen the same task is forwarded to the next people.
	Too complex emails are sent and misunderstood when the matter should be solved by calling.
	Emails with no recap of what is wanted and with all necessary info are sent.
	People try and solve tasked given by email as fast as possible to be able to move on to the next task.
collaboration and silos	People don't know the responsibilities and targets of other teams and that creates misunderstandings and mistrust toward the processes of other teams.
	People don't participate in each other's meetings and events to learn about what the others are doing.
	Across teams people are not always speaking the same language.
	People play different games in different teams even though they should be doing the same thing.
	Knowlede sharing across teams is weak which leads to several people looking for the same information and doing the same things.
	Passing customer cases between teams, especially via the common emails because nobody takes the responsibility.
	The company as a company has changed but the way of doing things and the expectation what can and will be done and how has not changed.
	There is a history of compartmentalizing people's roles and what they should do and to clearly state that they should not cross the line of what is their responsibility.
	The organisation is siloed and there is a strong urge not to break the silos.
	The silos make people defend their own lot and point at others for mistakes.
management matters	Lack of clear documenting and information sharing from management side.
	The new management does not talk about internal communication and collaboration.

Source: Raivio (2022, p.22).

The first category of the weaknesses in the cross-functional collaboration table developed by Raivio is tools; it refers to communication within an organisation; the second category focuses on email practice in the organisation. The third category is collaboration and silos, which refers to knowledge sharing. The last category is management matters, which focuses on documentation and information sharing.

3.2.1.5 Culture of knowledge sharing and learning

Digital transformation extends beyond the mere implementation of technologies; it requires both leaders and employees to understand how these technologies will fundamentally alter operational processes, communication structures, and workplace behaviors. According to Deng, Duan, & Wibowo (2020), the

integration of digital technologies significantly enhances organisational coordination and communication by enabling seamless interaction among teams located across geographically dispersed sites. This technological connectivity fosters a culture of knowledge sharing, which in turn improves decision-making processes and contributes to enhanced job performance. However, these benefits are contingent upon the cultivation of an innovative organisational culture, one characterized by core values and behavioral norms that encourage the development of new ideas, embrace risk-taking, and promote team cohesion and collaboration (Harmancioglu, Sääksjärvi, & Hultink, 2020). In this regard, digital leaders play a pivotal role in fostering a culture of continuous learning and open knowledge exchange within and across teams. Despite the strategic promise of partnerships and ecosystems, such cultural requirements present a significant barrier if not carefully addressed. Failure to align organisational culture with the demands of digital ecosystems may undermine collaboration, innovation, and, ultimately, the long-term success of digital transformation initiatives.

Leaders play a pivotal role in creating value within organisations by establishing and nurturing a culture that aligns with the organisation's mission, vision, and core values. By modeling desired behaviors and making decisions that reflect these values, leaders set the tone for the organisational culture (Smith, 2023). When transformational leaders cultivate a culture grounded in trust and collaboration, prioritizing the well-being and confidence of their staff, they create conditions conducive to comprehensive improvement. Leaders who actively reshape interpersonal relationships and organisational culture can significantly enhance overall organisational effectiveness (Wang, 2021). Organisational culture influences leadership, and leadership influences corporate culture, with both impacting job satisfaction and personnel commitment (Aisyah, Ilmi, Rosyid, Wulandari, & Akhmad, 2022). Effective leadership begins with self-awareness; leaders must understand themselves to lead others successfully. In addition to self-knowledge, leaders require creativity, strategic thinking, and a forward-looking vision aligned with the evolving demands of their sector. They must also recognize when change is necessary, such as adapting existing strategies or integrating innovative, people-focused technologies. Importantly, as these changes are needed, leaders must preserve the organisational culture to ensure that transformations are sustainable and meaningful (Msila, 2022).

To change and foster a culture of knowledge sharing and learning, leaders must actively model desired behaviors, communicate the organisation's mission and values, and align policies and practices with these cultural attributes (Symth, 2023). By emphasizing trust, collaborative practices, and staff well-being, transformational leaders cultivate a supportive organisation environment that promotes ongoing improvement and overall effectiveness (Wang, 2021). Furthermore, effective leadership begins with self-awareness and extends to creativity, strategic thinking, and adaptability, ensuring that cultural transformations are meaningful and sustainable (Msila, 2022).

Maintaining a culture of knowledge-sharing and learning necessitates consistent reinforcement of core values and behaviors. Leaders play a pivotal role by regularly communicating the importance of the culture, recognizing and rewarding behaviors that align with cultural values, and addressing deviations promptly. They foster an environment of trust and open communication, ensuring that the culture remains dynamic and responsive to internal and external changes. Regular assessments and feedback mechanisms help leaders monitor the health of the culture and make necessary adjustments (Smyth, 2023). Organisational culture is shaped by emphasized values and leadership traits, which in turn influence how members interact with one another, approach their work, and engage with the external environment (Hofstede et al., 1990; Gregory et al., 2009). Several factors contribute to the development of organisational culture, including leadership style, organisational structure, size, design, and mission (Borges, 2013; Arghode et al., 2022). Wardana, Sudirman, Rachman, Paramansyah, & Ramli, (2024) point out that the culture of an organisation is pivotal in moulding employee behaviour and is commonly regarded as a primary predictor of organisational performance. Further mention that misalignment between culture and employees' actions severely hampers goal attainment, and they specifically analysed how organisational culture together with leadership style affects employee effectiveness.

Using digital technologies opens up new platforms for employees to share knowledge to improve performance in a digitalized working environment (Ahmed, Ahmad, Ahmad, & Zakaria, 2019). Knowledge sharing is about exchanging information and learning from others within organisations; digital technologies remove barriers among employees, enhancing knowledge sharing (Waizenegger, McKenna, Cai & Bendz, 2020). A learning organisation is one in which every member is committed to continuous learning, adapting their roles and functions to meet evolving challenges (Tan & Olaore, 2022). Organisational learning encompasses activities such as acquiring knowledge, sharing information, and interpreting data, which collectively influence the development of a positive organisational culture (Kuşcu et al., 2015). Furthermore, organisational learning has been identified as a significant factor in enhancing organisational commitment (Hanaysha, 2016; Wahyuni et al., 2021). A learning organisation empowers leaders to identify skill gaps and motivates employees to acquire and develop essential competencies for thriving in a digital world. This approach emphasizes that all activities within the organisation should be viewed as dynamic learning processes, with active participation from all individuals involved (Tan & Olaore, 2022).

Establishing a learning culture within an organisation can facilitate the exchange of necessary information, promote adaptive strategies, and encourage supportive behaviors, thereby fostering creativity and problem-solving capabilities (Ojha, Struckell, Acharya & Patel, 2018). Škerlavaj, Štemberger, & Dimovski (2007, p.347), define learning culture as "a set of values that support systematic approaches to achieving higher level learning through information acquisition,

interpretation, and the implementation of necessary behavioral changes." Furthermore, they mention that learning culture can enhance organisational flexibility, leading to greater empowerment and delegation by management and fostering openness to collaboration with inter-organisational partners. Ensuring a learning culture that leads to performance improvement has become vital for the ability to compete in today's changing business environment (Lau et al. 2019).

3.2.1.6 The Paradox of Digitalisation: Business growth or shrinkage?

Lastly, there are perspectives of digitalisation as an enabler of business growth and a cause of shrinkage. Using digital technologies leads to business growth, enabling companies to increase revenue and create value for customers (Rachinger et al., 2019). For instance, digitalisation "can dramatically affect value creation by creating a digital platform that provides data about buyers that meet seller's preferences" (Lanzolla et al., 2020, p. 341). Digitalisation simplifies how businesses meet clients' needs by reducing costs and increasing customer satisfaction to grow their businesses (Rachinger et al., 2019). When the organisation constantly meets and exceeds customers' needs, there is a higher possibility of retaining loyal clients, which increases the organisation's market share. Given these facts, digital technologies open new opportunities for further organisational development, improved business models, and cost reduction Petrova, Eremina, Kuznetsova & Kalachev (2020). Digitalisation assists businesses in improving the quality of communication. For example, in banking, clients get notifications on transactions performed on their accounts in real time; this enhances customer satisfaction to grow the business (Petrova et al., 2020). According to some critics, digital banking challenges banks regarding customer acquisition, retention, and profitability, which rely on upselling and cross-selling to increase their market share. Banks need to find new ways to retain clients using technology.

Digitalisation shrinks the effort of employees as it demands a new set of skills, resulting in job losses for those employees who do not have the required skills (Legner et al., 2017). Most organisations face challenges because management lacks digital skills, and employees struggle to use digital technologies effectively, which can be costly to the business. Limited digital skills among employees prevent them from being innovative when using these technologies. The rapid adoption of digitalisation puts more pressure on competitors to follow suit; this fast movement may lead to risk (Louw & Nieuwenhuizen, 2020a). Digitalisation has been criticized in that it may expose the organisation to risks such as fraud by employees in collision with customers or other employees, phishing, sniffing, and vishing (Harchekar, 2018). The development and use of biometric data, OTP numbers, and cameras, as most banks use Big Data Analytics (BDA) technologies can be a security measure to prevent fraud (Sanhi & Cobain, 2015).

It cannot be denied that some organisations may close when they are not willing or struggle to diversify and embrace digitalisation (Harchekar, 2018). It is essential to add that digitalisation allows companies

to remain relevant as it is much simpler to enhance the product's features to meet the client's expectations when needed than the traditional way (Petrova et al., 2020). Given that digitalisation evokes many opportunities that grow the business, it also requires investments in digital platforms, which comes with associated costs (Reis, Amorim, Melão, Cohen & Rodrigues, 2020). One should consider the challenge from another angle: investment in technology and staff training on new technologies might be costly, even though it might be beneficial in the long run and lead to business growth. Given the above, digitalisation has emerged as an instrument that drives business growth; however, there has been resistance to adoption as it is regarded as an expensive exercise (Toloba & de Rio, 2020). Technological evolution requires leaders to make the right choice regarding digital platforms and tools to acquire; making an uninformed decision can cost a company lots of company (Reis et al., 2020). Digital technologies increase the resilience of firms during disruptive events that impose restrictions on the movements of people and goods, e.g., during the COVID-19 pandemic. Table 3.3 presents some of the benefits of digitalisation according to selected scholars.

Table 3.3 Benefits of Digitalisation

Factors	**Authors**			
Improve the quality and efficiency of the decisions made.	Nezamova & Olentsova (2021)	Vartolomei & Avasilcai (2019); Parida, Sjödin & Rein (2019)	Hole et al. (2021)	Stoyanova (2020)
Reduction of production costs	Nezamova & Olentsova (2021)	Hole et al. (2021); Parida, Sjödin & Rein (2019)	Schiller et al. (2018)	Stoyanova (2020)
Reduction of the number of personnel	Nezamova & Olentsova (2021)			
Improving the quality and safety of manufactured products	Nezamova & Olentsova (2021)	Vartolomei & Avasilcai (2019)		
Saving of wage fund	Nezamova & Olentsova (2021)			
Improve competitiveness	Nezamova & Olentsova (2021)	Vartolomei & Avasilcai (2019)		
Growth of production and revenue	Nezamova & Olentsova (2021)	Vartolomei & Avasilcai (2019)	Schiller et al. (2018)	Stoyanova (2020)
Control	Hole et al. (2021)			
Flexibility and Resource utilization	Hole et al. (2021)	Schiller et al. (2018)	Parida et al. (2019)	
Better business models	Stoyanova (2020)	Schiller et al. (2018)		
Enhanced customer satisfaction	Stoyanova (2020)	Schiller et al. (2018)		

Improved quality of communications	Schiller et al. (2018)			

Source: Researcher's construction

Having discussed the different key aspects of digitalisation in an organisation, it is prudent to get a clear understanding of how digitalisation is different from digitization and digital transformation.

3.3 LAYING THE GROUNDWORK OF DIGITIZATION, DIGITALISATION, AND DIGITAL TRANSFORMATION THROUGH PRISM OF FINTECH

The banking sector faces competition from non-banking institutions such as FinTech, which has motivated banks to embrace digitalisation (Mbama, Ezepue, Alboul, & Beer, 2018). FinTech is the acronym for financial technology (Knewtson & Rosenbaum, 2020). Financial Technology is "a financial innovation based on the use of digital technologies and big data" (Stulz, 2019, p. 1). FinTech can be a driving force that influences the identification of opportunities for digitalisation as a strategy for banking services and products. According to the Financial Stability Board, "Fintech is technologically enabled financial innovation that could result in new business models, applications, processes or products with an associated material effect on financial markets and institution and the provision of financial services" (Stulz, 2019, p. 1). FinTech brought new opportunities in the financial industry by using digital technologies to deliver financial services to customers more efficiently and effectively (Yunimar & Pawira, 2022).

The banking industry is heavily regulated and lacks innovation; it is well known for maintaining the status quo. A lack of innovation in this sector has opened a gap for FinTech and other non-banks in the banking industry. FinTech offers products and services in the financial market which are sophisticated in technology relative to existing technology in that market" (Knewtson & Rosenbaum, 2020, p.17). As a result, the market has seen a noticeable shift in the past few years. Optimization of information technology allows FinTech to be successful, and FinTech is not impacted by banking regulation as banks (Stulz, 2019). There is a concern as the FinTech industry has escaped the notice of regulators, although it is offering financial services. The reason might be that the FinTech industry is categorized as technology rather than financial; as a result, financial regulators are not focusing on this emerging industry (Knewtson & Rosenbaum, 2020). However, the competition brought by Fin Tech leads to regulators realizing that overregulating the banking industry might impede innovation from this industry.

Financial Technology (FinTech) developed new products and services for all areas of banking (Gasser, Gassmann, Hens, Leifer, Puschmann & Zhao, 2017). The payment system created by FinTech is more efficient than the one offered by existing banking institutions. FinTech made it easier and quicker for

clients to initiate and perform transactions. Transactions are processed using digital technologies, reducing transaction fees (Knewtson & Rosenbaum, 2020). Koskinen & Manninen (2018) state that Fintech is criticized for possibly creating new security challenges such as cyberattacks. “In the event of a breach of cyber security systems, institutions will face legal, operational, and reputational risks, as well as financial damages. This also undermines long-term trust in digital solutions, constraining rates of acceptance” (Alam, Akter, Khan & Ahmad, 2025, p.307). The other challenge is that the financial services are among the heavily regulated sectors globally, with regulators facing challenges in balancing support for innovation brought with the need to ensure financial stability and consumer protection (Chen, Zhang, & Teng, 2022). Fintech is reshaping and forcing the private and public financial sectors to improve their business models for better relevance in the industry (Zeranski & Sancak, 2020). FinTech delivers tailored financial products and services that enhance accessibility and affordability, thereby advancing financial inclusion and offering advantages over traditional institutions that often employ a one-size-fits-all approach (Alam et al., 2025). In the same vein, Knewtson & Rosenbaum (2020, p. 16) believe that “FinTech is not disruptor but bridges the gap in the existing financial environment and creates new markets that are not disruptive to the current banking industry”. FinTech influence is reshaping the financial sector, compelling traditional banks to reassess their business models and adopt digital strategies to maintain competitiveness. The convergence of FinTech and banking fosters a collaborative ecosystem, exemplified by open banking initiatives that facilitate secure data sharing and integration between established institutions and agile startups. This dynamic partnership is driving innovation, enhancing customer experiences, and promoting a more inclusive financial landscape (Raviteja, 2024).

Indonesians have a positive perception of the Fintech usage system as there is a belief that it provides the solution to the advancement of financial technology innovation, which is very helpful to the community (Iskandar, 2019). Furthermore, Fintech is more efficient and accessible than other financial services; as a result, customers in Indonesia are switching to Fintech. There is a shift in customer preferences, resulting in an expectation of evolving technology from their supplier. FinTech value proposition has become like payment systems, including business-to-business (B2B), which involves domestic and international payments (Knewtson & Rosenbaum, 2020) such as “crowdfunding, digital currencies, mobile banks, robo-advice, high frequency, and algorithms in the domain of Fintech” (Zeranski & Sancak, 2020, p.6). Changes in technology and customer expectations result in innovations in product and service delivery and business models (Krstić & Tešić, 2016). Gasser et al. (2017, p.4) concluded that competition created by Fintech and bank regulation led to the development of a new ecosystem. The unique ecosystem enables banks to reposition themselves and develop new revenue models like collaborations with other providers of innovative services. Banks must consider that relying on other providers poses a security risk.

3.4 UNDERSTANDING THE DISTINCTION BETWEEN DIGITIZATION, IGITALISATION AND DIGITAL TRANSFORMATION

Some scholars confuse digitization and digital transformation with digitalisation. It is arguable that digitization "is the framework for digitalisation, which is the exploitation of digital opportunities" Petrova et al. (2020, p. 57). According to Leonardi & Treem (2020) and Brynjolfsson & Mcafee (2014), digitization refers to encoding actions or converting all kinds of information and data (media, texts, sounds, photos, videos) to computational technologies. Digitization can be defined as converting analog information into digital data. Digitized information can be transferred quickly, cheaply, and accurately (Brennen & Kreiss, 2016). Digitization does not change value-creation activities. Furthermore, data and information are turned into zeros and ones, which is the native language of computers, to be read, processed, and stored in computers. Pūraitė, Zuzevičiūtė, Bereikienė, Skrypko & Shmorgun (2020) have a different view, that digitization refers to the massive improvement in technology that has become part of a new way to conduct business. The benefit of digitization is that it simplifies the business processes associated with work, including limitations of time, space, and location (Leonardi & Treem, 2020). It is important to highlight that digitization is a technical process of encoding analog information into a digital format, which further enables digitalisation activities.

Digitalisation is different from digitization, which alludes to the process of converting analog to digital (Msila, 2021). The difference between digitization, digitalisation, and digital transformation is not so evident in the literature, as some scholars use terms interchangeably because of the overlapping features (Larsson & Teigland, 2020). In this chapter, these terms will not be used as synonyms. While defining digitization and digitalisation, it appears that there is still disagreement among scholars. For example, Hagberg et al. (2016) define digitalisation as transforming from analog to digital. However, scholars like Zeranski & Sancak (2020), Petrova et al. (2020), Brennen & Kreiss (2016), and Bleicher & Stanley (2019), use a similar definition to define digitization. Feichtinger (2018) supports these scholars by defining digitization as the initial conversion of products, processes, or services into digital format. Brennen & Kreiss (2016, p. 1) argue that digitization differs from digitalisation in that digitization "is the core of the third revolution as it is all about converting analog things into series of 0s and 1s digits, making the fundamental element universal. On the other hand, digitalisation marks the way to the fourth revolution with means to process the 0s and 1s into meaningful value for convenient consumption". According to Harchekar (2018), digitalisation transforms information into a digital format that is organized into bits.

Feichtinger (2018) wrote that digitalisation is about developing processes to deliver new digitized products or services to clients using digital technologies. This requires management to be more confident and have digital capabilities to deliver on expectations. Legner, Eymann & Hess (2017, p. 302) write that "digitalisation is when the organisation transforms digitally by communicating and

providing products or services to its customers using digital technologies". Examples of digitalisation include scanning paper documents into PDFs, using email instead of printed memos, shifting from physical records to cloud storage and implementing basic automation for data entry. Digital technologies are used in broader individual, organisational, and societal contexts. Tschoppe & Drews (2022) echoed that digitalisation focuses on businesses organized around digital technologies. While digitalisation optimizes operations, it doesn't necessarily create new value. It is a step toward transformation, but it's not transformation itself. Changes associated with digitalisation include communicating using new technologies, automating administrative task systems, using enterprise social media as a communication platform, and providing accessibility to services (Leonardi & Treem, 2020).

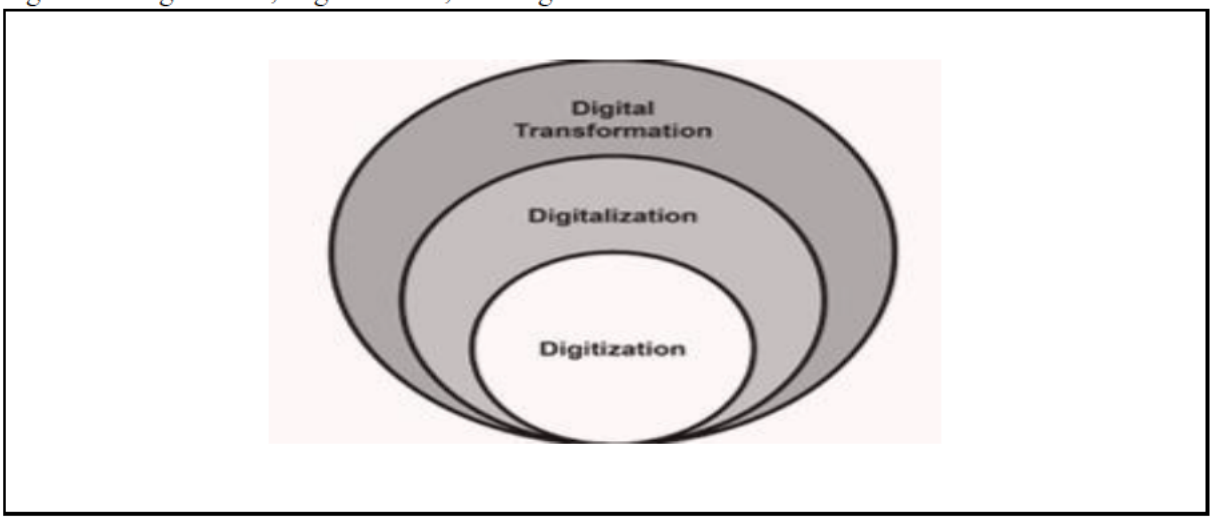
Schallmo & Williams (2018, p.4) define digital transformation "as a sustainable, company-level transformation via revised or newly created business operations and business models achieved through value-added digitization initiatives, ultimately resulting in improved profitability." Digital transformation is not about narrow change like digitalisation but about rethinking business models, customer experiences, and operations using digital technology. Companies that embrace digital transformation do not just adapt to technology. They redefine their industries with it. Two well-known examples of digital transformation are Tesla turning cars into smart, software-driven machines and Uber revolutionizing transportation by replacing traditional taxis with on-demand rides. According to Horlach, Drews, Schirmer & Böhmann (2017) digital transformation extends beyond mere digitalization to encompass profound changes in business strategy, organizational structure, and corporate culture. Besides integrating digital technologies, digital transformation results in organisational and social changes within companies. Digital Transformation is important for three key reasons. First, it drives exponential growth and revenue opportunities. Second, it creates new business models that disrupt industries. Third, it enhances customer experience through personalization and innovation. Fourth, it leverages AI, automation, and data to gain a competitive advantage.

The distinguishing factor of digital transformation from digitization and digitalisation is that it crosses the borders between the organisation and systems (Vrana & Singh, 2021), as it blends digital and physical business and customer experiences (Stoyanova, 2020). This blend permits the combination of diverse digital technologies and digitalisation solutions (Vrana & Singh, 2021). Digital technologies open new opportunities to solve many organisations' challenges (Petrova et al., 2020). Digital transformation occurs when the organisation develops new digital business models (Feichtinger, 2018). On the other hand, Rachinger et al. (2019) put forward that digitalisation usually refers to two operating model changes, communication to digital channels and automation of routine operations.

According to Unruh & Kiron (2017) digital technologies hold immense promise for tackling many of the world's biggest problems, yet they are spreading so rapidly that society has scarcely had time to

reflect on how their adoption can best advance broader human aspirations and values. Backhouse & Manda (2017, p.3) highlighted that "low e-literacy and e-skills have hampered digital transformation, especially in developing countries where e-readiness remains low." This shows that to execute digital transformation successfully, the business needs to identify individuals with data architecture, information, and digital technologies skills to define initiatives related to digitalisation and drive it (Tonder et al., 2020). Figure 3.1 below provides visual clarity of the relationship between digitization, digitalisation, and digital transformation, showing how digital transformation is broader and an overarching concept embracing the other two.

Figure 3.1 Digitization, Digitalisation, and Digital Transformation



Source: Tagscherer & Carbon (2023, p.2)

In conclusion, digitization, digitalisation, and digital transformation have changed how organisations operate and created data-driven organisations. Data is critical in creating value for customers Al-Ruithe et al. (2018). Schallmo & Williams (2021) believe that data has always been an essential asset in every industry; the cost of collecting, storing, and processing data has dropped exponentially. Furthermore, data can also assist businesses in tracking, scoring, and analyzing employees' performance. Companies and the public sector need to transform their business models to digital business models to remain competitive as the digital economy is growing at unstoppable speed and scale. Given the above distinctions of digitization, digitalisation, and digital transformation, it is prudent to highlight that the current study focuses on the process of digitalisation as a banking strategy.

3.4.1 Situating digitalisation in the business context

Digitalisation is the solution to address dynamic customer needs, even though firms are still learning how to maximize digitalisation to create value for customers (Lenka, Parida & Wincent, 2017). There are many drivers of business to digitalize; these drivers can be external or internal. Some of the Internal drivers are process optimization and cost optimization (Meena, 2019). However, Schallmo & Williams (2021, p.2) believe that the key drivers of digitalisation are digital strategy, digital transformation of

business models, and digital implementation. Mäkiö, Miroliubov & Zhgun (2018) argue that digitalization is not an add-on element but involves leveraging technology, digital products, and data to drive revenue growth, improve or reinvent business models, and streamline or overhaul business processes, thereby creating an ecosystem suited for digital business.

It is important to note that the digitalisation of business is not about replacing dysfunctional techniques and outdated business models with digital tools (Lettner & Thonhauser, 2019), but rather essential to business growth, long-term sustainability, and creating a reputational advantage for stakeholders (Guidice, Di Vaio, Hassan & Palladino, 2022). Digitalisation has evoked rapid technological transformation in business models, demanding the business restructure across the end-to-end supply chain (Schallmo & Williams, 2021). Lenka et al. (2017) argued that there is still a lack of understanding of what constitutes digitalisation capabilities. Schallmo & Williams (2021) put forward that digital technologies and innovation are the features of digitalisation.

The digitalisation of the business is about using technology to maximize the business's full potential and realise growth to maintain a competitive advantage (Lettner & Thonhauser, 2019). As a result, when businesses embark on the journey to embrace digitalisation, they must develop a unique business strategy to address technology-related changes and innovation to create competitiveness (Tschoppe & Drews, 2022). Given the above, businesses that involve more technologies (artificial intelligence, the Internet of Things, cloud technologies, and cloud learning) are more successful than those still lagging behind (Stonayova, 2020). For example, Guidice, Di Vaio, Hassan & Palladino (2022) reported that digitalisation improved the processes and performance of shipping companies. Agribusiness is facing diverse pressure related to the need to reduce costs and create value, not only for competitive reasons and sustainability but also challenges to meet the needs of a growing world population (Annosi & Brunetta, 2021). Guidice et al. (2020) acknowledge that digitalisation is critical to the success and maximization of profits of the port companies; however, they are still struggling to find a suitable method to adopt to maximize the full potential of digitalisation. Digitalisation affects many stakeholders internally and externally, including employees and customers. In their 2024 study, Osorio, Úsuga, Restrepo-Carmona, Rendón, Sierra-Pérez, and Vásquez reference Colle (2005) define stakeholders as distinct groups or individuals critical to an organisation's survival, often referred to as shareholders, employees, customers, suppliers, and pivotal governmental bodies. Likewise, Mu, Xu, and Chen (2024) describe stakeholders as any recognisable group or individual capable of influencing or being influenced by an organisation's performance across its products, policies, and operational processes. In a study of digitalisation in a banking environment, it is prudent to understand who are the different stakeholders that may have an interest or influence in or are affected by the actions and outcomes of a business or organisation.

(i). Employees and leaders

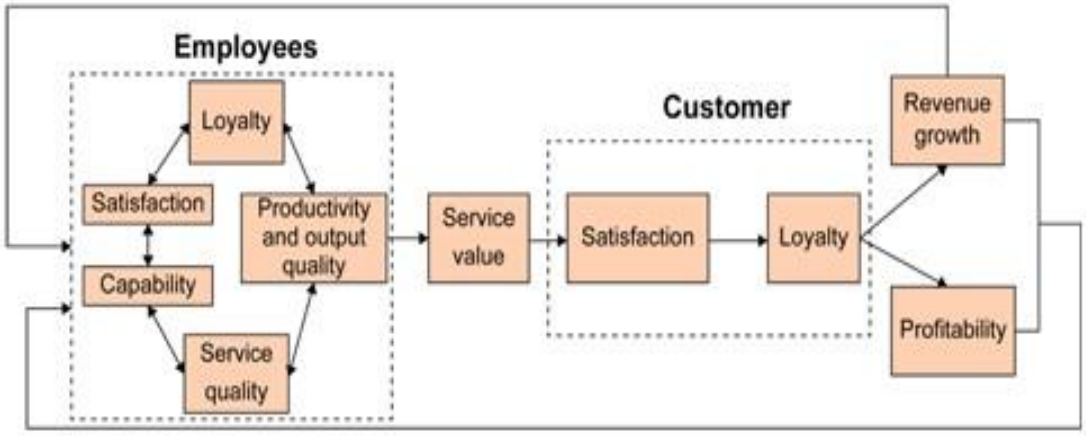
Ismail et al. (2017) believe that the organisation's main challenge is to meet the expectations of employees who want to work for a digitally transformed organisation. On the other hand, Hogreve, Iseke, & Derfus (2021) state that digitalisation impacts internal service quality and employees' satisfaction, loyalty, and productivity. In addition, they have emphasized the importance of employees' well-being as it plays a vital role in the firm's performance and success, as employee satisfaction influences productivity. It appears that South African companies must have a genuine interest in employees to promote the quality of service.

The changes arising from the adoption of digital technologies show the need to incorporate new developments into the Service Profit Chain (SPC). Service Profit Chain was initially developed by Leonard Schlesinger, W. Earl Sasser, James L. Heskett, Thomas Jones & Gary Loveman in 1994 Heskett, Jones, Loveman, Sasser & Schlesinger (1994). The Service Profit Chain shows that a company's profitability and growth are a result of customer and employee satisfaction (Reichheld, 1993). Although customer loyalty "is the dominant driver of business growth and profitability, the biggest question is what drives loyalty (Heskett, 2014, p.299)?" According to García-Madurga, Moya-Fernández, & Noguera (2025) in digital environments, leveraging AI-driven tools to deliver tailored recommendations and experiences based on customer data significantly boosts loyalty by making interactions feel relevant and anticipated. As consumers become more comfortable buying online and e-commerce players keep improving their technology and operations, delivering superior face-to-face customer service may remain one of the few lasting competitive advantages for physical brick-and-mortar retailers over their digital competitors; however, to consistently provide this high level of service, retailers must foster a strong service-oriented culture that actively encourages and rewards service excellence.

Employee satisfaction leads to employee loyalty, which leads to customer loyalty, which creates and nurtures customer satisfaction and loyalty (Heskett, Jones, Loveman, Sasser & Schlesinger, 1994). The fundamental logic and thinking in the Service Profit Chain theory revolves around the fact that customer satisfaction starts with good staffing and treatment of one's own employees (Briggs, Deretti & Kato, 2020). Employees who are loyal and committed are sociable and convey this to the customer. The Service Profit chain is all about connections and strong links between service on the one hand and profit on the other (Hogreve et al., 2021). The Service Profit Chain involves developing and maintaining strong links between profits. SPC serves as a link between internal and external environments for service companies' long-term financial performance (Heskett, 2014). The service profit chain clearly shows that the internal environment includes internal service quality, employee satisfaction, loyalty, and productivity. Hogreve et al. (2021) highlighted that service employees who are more loyal to their firm might strive to benefit their firm through the use of digitalisation, positively impacting the customer-

employee relationship. Figure 3.2 below presents the service profit chain, which shows a link between the internal and external environment.

Figure 3.2 The Service Profit Chain (SPC)



Son & Kim (2021, p.2)

Digitalisation has created new opportunities by allowing employees to complete their tasks virtually without traveling to their offices physically; this reduces commuting time and costs (Narayanamurthy & Tortorella, 2021). Chopra & Sharma (2020) put forward a different perspective that digitalisation has redefined employees' personal and work lives as they are expected to be available around the clock. Fedorova, Koropets & Gatti (2019) support the idea that digitalisation combines employees' personal and work lives. To be at work is defined as completing the task rather than being geographically at a place designated as the office. Measuring employees by completing tasks gives them the flexibility to work wherever they are without being restricted or pinned down in one place Narayanamurthy & Tortorella (2021). Shayb & Musetescu (2020) contend that the COVID-19 (coronavirus disease 2019) pandemic has forced employers to move even quicker to digitalisation; as a result, some employees had to convert part of their homes to office space.

According to Stoyanova (2020), techniques such as open-door policy, management by walking about and face-to-face do not have many places in the digital world; this requires leaders to change and learn new ways to lead their teams in a digitalized or hybrid world of work. Graves & Karabayeva (2020, p.166) have a different idea that working from home increases stress among employees as they do not have proper infrastructure at home. They further added that employees miss the work environment and interact with colleagues, which can lead to unrealistic performance expectations, impaired manageremployee- relationships, and difficulty establishing trust with colleagues (Cortellazzo, Bruni & Zampieri, 2019).

Klewes et al. (2016) criticize digitalisation for creating uncertainty and fears that technology will replace humans. For example, there is a concern for experienced bankers' jobs, particularly in a country such as South Africa, where the unemployment rate is high. There has been more demand for highly skilled employees due to digitalisation, and the need for tellers and clerks is diminishing (Backhouse & Manda, 2017). Digitalisation allows managers to gain access to global talent; in some cases, employees do not need to relocate, but they can do their work where they are using Narayanamurthy & Tortorella (2021). In the same vein, digitalisation is perceived as a job creator. In support of the assertion, Stoyanova (2020) states that digitalisation creates new opportunities for employees and that they must have different skills, abilities, and digital capabilities. Employees can acquire these skills through continuous training to improve their position. Even though digitalisation brings great opportunities, human intelligence and skills, including creativity and innovation, will always be needed (Backhouse & Manda, 2017). Digitalisation strategy cannot achieve the best performance, with the employees and customers only, but business success also depends on the involvement of leaders.

Leadership must be digitally literate to engage in digitalisation. Leaders' involvement is appropriate, and they need to understand the digitalisation power of their relations with stakeholders. If not, they will be left behind (Heilig et al., 2017). For this reason, leaders need to capture the actual value of digitalisation by managing and retaining talent and engaging with employees (Zampieri, 2019). A leader who is too controlling or disengaged in management style can prevent the team from developing a high-quality business and organisational direction" (Hough et al., 2017, p. 4). Managers must ensure that the workforce has developed talent and skills related to the future (Stoyanova, 2022) and must be available to deal with employees who find challenges along the digitalisation journey (Graves & Karabayeva, 2020). As part of digitalisation, employees work remotely. According to Graves & Karabayeva (2020), working remotely impacts the manager-employee bond as managers can fall into the trap of overcontrolling. The advantage is that managers can save office space by hiring a smaller area for a few employees working from the office, as most employees work from home, reducing costs.

(ii) Customers and business owners

Digitalisation is a customer-oriented phenomenon (Zeranski & Sancak, 2020). Customers play an important role in digitalisation as the end-users of the products. Businesses can design the best products without clients wanting to utilize their services; they will be of no value. Businesses need to meet the expectations of tech-savvy customers and keep up with the pace of new technology trends (Ismail et al., 2017). According to Louw & Nieuwenhuizen (2020a), customers increasingly rely on technology.

Businesses develop digitalisation strategies to address necessary organisational and technology-related changes to gain a competitive advantage and create customer value (Tschoppe & Drews, 2022). As a result, businesses constantly compete to increase their market share by acquiring more clients than their

competitors (Kaur & Arora, 2020). The competitive battleground for success depends on meeting customer expectations and customer satisfaction (Pal, 2015). In the same line of thinking, Kaur & Arora (2020) state that businesses must have a 360-degree view of their consumers to meet customer expectations. By analysing clients' data and examining the preferences and wishes of their customers, banks can form more accurate decisions about clients' preferences and the products that will create value for customers (Vaganova, Bykanova, Mityushina, Mohamad & Salim, 2019). Customers are driving firms to become customer-oriented and invest in digital technologies to offer quality products and the best customer service. The benefit of digitalisation is that it gives easy accessibility to products and services, the expulsion of time constraints, and affordability (Mbama et al., 2018). Furthermore, digitalisation simplifies ordering, inquiring, paying, and continuously receiving support from the bank 's channels when needed for customers. Customer experience is essential in digitalisation; how customers engage with the organisation will enable the company to reach its quick return on investments in digital initiatives (Louw & Nieuwenhuizen, 2020a). This discussion does not aim to exhaustively discuss all the different stakeholders impacted by digitalisation but rather pronounce the internal and external impact of digitalisation in an organisational context.

Digital procurement systems in logistics enhance data gathering, support data-informed strategies, and optimize service delivery processes (Effing & Spil, 2016). Furthermore, the integration of digital systems into logistics networks enhances competitive dynamics, resilience, and adaptability, thereby elevating the standard of service delivery (Adeniran et al., 2024). There is a call for business and public sectors to adopt digitalisation and find better strategies to maximize the full potential of digitalisation

Digitalisation offers numerous advantages to businesses, but it also presents several challenges for stakeholders. A significant hurdle is digital illiteracy among individuals, which can impede the effective utilization of digital tools and resources (Lavie, Pollicino, & Valletti, 2025). Moreover, the absence of adequate resources such as a skilled workforce, sufficient knowledge, and financial support poses a substantial barrier to the successful implementation of digitization initiatives. These limitations can hinder the accessibility and efficiency of digital platforms and services. According to Durante (2021), the dominance of major technology companies has raised concerns regarding their business practices as these firms often employ algorithms that process personal data to make predictions and guide decisions, leveraging big data analytics to enhance their computational capabilities. De Gregorio (2022) states that this centralized power enables them to carry out roles typically managed by public institutions, without being subject to outside oversight. Lavie, Pollicino, & Valletti, (2025, p.3) highlight that "digitization opened up a gap for potential abuses of market power, exploitation of stakeholders, and adverse societal impacts the effectiveness of antitrust laws and regulations aimed at adequacy of current regulatory frameworks in addressing these challenges." Although digitalisation can drive business growth, stakeholders must navigate challenges related to digital illiteracy, resource constraints,

and the concentration of power among major tech firms. Addressing these issues is crucial for ensuring that the benefits of digitalisation are equitably distributed and that its implementation is both effective and ethical.

3.4.2 Digitalisation of the public sector

Government, businesses, and society are facing an uncontrollable wave of innovation driven by technology (Mariani & Borghi, 2019). Technology is "the tool for facilitating socio-economic transformation and inclusive growth" (Backhouse & Manda, 2017, p. 1). Mariani & Borghi (2019) said that technological development influences business models, value creation, and how products and services get delivered to customers, as it plays a crucial role in the success or failure of a business. According to Autio, Mudambi & Yoo (2020), technology demand has increased its scale to that of steam engine and electricity as it impacts almost all industries, governments, and society.

For Reis et al. (2020), the public sector needs digital technologies to improve service delivery. AlRuithe, Benkhelifa & Hameed (2018, p.1038) contend that "the digital shifts underway are reshaping economies today, and ongoing digitalisation of the economy holds many promises throughout the economy to build innovation, generate efficiencies and improve services even in the public sector." According to (Mergel et al., 2019), the public sector is characterized by poor service delivery, excessive bureaucracy, and even cases of corruption; as a result, citizens lack trust in public administration. They added that to restore citizens' confidence, the public sector needs to change. While the public sector is undergoing a digital transformation like any other business (Pūraitė, Zuzevičiūtė, Bereikienė, Skrypko & Shmorgun, 2020); in response to the change in expectations, governments are adopting new operating models to improve public service delivery and gain public trust (Mergel et al., 2019). Digital transformation has "become one of the key strategies for governments to promote inclusive growth" (Backhouse & Manda, 2017, p. 1). However, there is still a need for the public sector to understand the necessity and possibilities that come with digitalisation. Government departments in some countries have embarked on the digital transformation journey and are starting to realise the benefits of adopting digitalisation. The adoption of digital technologies by governments is an advocate for a digitally transformed public sector (Backhous & Manda, 2017). There is a need for the public sector to acknowledge new challenges that come with digitalisation (Pūraitė et al., 2020). For example, digitalisation simplifies ways of delivering services to society. Still, it raises concerns about the security of jobs as the public sector is regarded as one of the leading job creators (Kamolov & Stepnov, 2020).

Stoyanova (2020) states that some countries have set targets to ensure that their government departments adopt digitalisation for flawless service delivery. For example, Saudi Arabia launched the National Transformation Program 2020 to build the institutional capacity and capabilities needed to achieve the goals of Saudi Arabia's Vision 2030 to assist enterprises in improving operational efficiencies and

organisational performance. Embracing opportunities and addressing issues that come with digitalisation is not automatic; the public sector needs to formulate a policy action plan, including how it will be regulated to implement digitalisation (Kamolov & Stepnov, 2020) successfully. AlMansour (2021, p. 153) believes that "government departments need effective policies, sustainable processes as well as innovative strategy practices when planning to move to digitalisation." Digitalisation of businesses has created high expectations of transformation in government departments (Alvarenga, Matos, Godina & Matias, 2020). Investment in technologies is also vital to efficient service delivery, and reliable telecommunication is critical to effective communication (Backhouse & Manda, 2017).

According to Backhouse & Manda (2017, p. 1), "the journey to the digital transformation of South African government began in 1998 when the Presidential Review Commission on the change of the public services identified digital transformation as essential in transforming the public services." Since then, it has grown rapidly. There has been an increase in the offering services using digital platforms in the public sector in the EU (Pūraitė, Zuzevičiūtė, Bereikienė, Skrypko & Shmorgun, 2020). Borg, Wernberg, Olsson, Franke & Andersson (2020) state that government agencies are developing agile rather than plan-driven software in countries like Sweden. It is a competitive advantage as it reduces the risk of using the same products as the competitors. The product can be changed and enhanced easily to keep its uniqueness and avoid being copied easily by competitors. Nielsen (2019, p.456) states: "Denmark is one of the consistently leading countries globally when it comes to digital transformation; the lesson learned from the Danish approach pointed to three critical enablers to technology which include governance, intergovernmental cooperation, and benefits realisation which have unique features".

One can agree that the approach to digitalisation is different in each country, and the acceptance level of digitalisation is not the same as the governments realise the benefit of adopting digitalisation (Borg et al., 2020). Although the public sector is steadily moving towards digitalisation, it is still at a fragmented stage (Al-Mansour, 2021). There is an increase in the demand for software developers as software development "still marks a frontline of digitalisation as it provides important indicators of digitalisation and digital maturity that can be measured and compared across organisations" (Borg et al., 2020, p.1). In contrast, as governments prepare for digitalisation, so must their IT departments. The study was conducted to propose a process to adjust the operations as a response to digitalisation in Finland's public sector's IT department; the findings reveal that the adjustments should not be made within the IT department only, but other departments also must be involved as it impacts everyone in the organisation (Ylinen & Pekkola, 2019).

Digitalisation poses a new challenge for the public sector as it is embedded in traditional work models to increase agility, respond to varying requests from different groups of users, and improve

infrastructure flexibility (Ylinen & Pekkola, 2019). There are factors that the public sector needs to consider when adopting digitalisation, such as lack of digital skills within management filtering down to employees, investment in technology, insufficient research and innovation efforts, and rising cybercrime and risk (Kamolov & Stepnov, 2020, p.3).

South Africa is one of the African countries that have embraced digitalisation; the country promotes the digital transformation of the public sector, business, and society (Backhouse & Manda, 2017). There is a need to evaluate how far South Africa has gone in digitalisation, identify challenges, and how they have overcome them. The findings can be a learning curve for other African countries to avoid repeating the same mistakes.

Lastly, there is a need for research to expand on public service innovation. For example, the implementation of e-governments enhances societal expectations. E-government implementation involves a complex mix of social, political, economic, technical, and administrative challenges (AlMansour, 2021). According to Suri & Sushil (2022), most e-government projects do not deliver the expected results, and the project success rate is bad. Developing countries are faced with low levels of economic development, poverty, and poor social infrastructure. These factors contribute negatively to governments embracing digitalisation and, as a result, do not realise that technology can contribute positively to economic growth (Backhouse & Manda, 2017).

Hagberg et al. (2016) criticize digitalisation for changing actors' roles and power relationships as innovation and ideas used to be led by the organisation. Executives used to decide on goods and services that might suit the client's needs. All that has changed as consumers have gained the power to command the direction in which the revolution unfolds. Louw & Nieuwenhuizen (2020a, p. 8) caution that "digitalisation presents both game-changing opportunities and threats that can generate stakeholder mistrust and loss of confidence."

Mbama et al. (2018) conducted a study to examine customer perception of digital banking customer experience, customer satisfaction, loyalty, and financial performance in UK banks. The findings reveal that the main factors determining customer experience in digital banking experience are service quality, functional quality, perceived value, employee-customer engagement, perceived usability, and perceived risk. A significant relationship exists between customer experience, satisfaction, and loyalty in enhancing performance. Kulkarni & Dambe (2020) believe that although digitalisation simplifies banking for customers, there is a possibility that digital banking customers may miss out on personalized service benefits offered by human connections facilitated by traditional business models. The study conducted by Louw & Nieuwenhuizen (2020a) in South Africa put forward that delivering goods and services via digital platforms is core to ensuring customer satisfaction, retention, and business

continuity. Kaur & Arora (2020) added that businesses face pressure to grow their customer base, and retailers decided to enhance their clientele base of digital and physical customers by providing convenience and personalization that was never even contemplated before. In addition, focusing on external customers is equally vital to understanding how operating a digitalisation strategy affects employees as internal clients.

Exploring the role played by senior managers of a South African bank during the implementation of digitalisation as a strategy is critical, as well as understanding how it impacted internal and external stakeholders. To gain a more detailed and complex understanding of the potential impact of digitalisation on the operations of an organisation, it is also necessary to explore the notion of business model and business model innovation.

3.5 THE ROOTS AND MEANING OF BUSINESS MODEL

The roots of business model as a concept is traceable to strategy literature and the conscious plan to align the firm with opportunities and threats in the environment. Ansoff (1965) created the first concept of corporate strategy which was later divided into business strategy and corporate strategy by Andrews (1971), where business strategy was a subset of corporate strategy.

Strategy scholars have used the notion of the business model to refer to the 'logic of the firm' especially how it operates and creates value for its stakeholders. On the surface, this notion appears to be similar to that of strategy. A business model is not a strategy, although business models are a plan on how the organisation will create customers' interest and deliver goods and services more efficiently to customers. However, a business model represents the business's architecture for planning, communication, or improvement (Massa, Tucci & Afuah, 2017). According to Täuscher & Laudien (2018), a business model is more generic than a strategy; a business model links strategy with business processes. Teece (2010, p.179) stated that strategy needs "to be coupled with business model analysis to maintain competitive advantage and to design new business model." Furthermore, strategy analysis is thus an essential step in designing a competitively sustainable business model. In a nutshell, Business Model refers to the logic of the firm, the way it operates, and how it creates value for its stakeholders, while strategy refers to the choice of business model through which the firm will compete in the marketplace. A business model depicts the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities.

In the Harvard Business Review article entitled *What Is a Business Model?* by Andrea Ovans (2015), there are views that this concept is simply about "how you planned to make money". In the words of Peter Drucker, a business model answers the question of 'Who is the customer? What does the customer

value?' How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost? A business model has two parts, namely one which includes all the activities associated with making something (e.g. designing, purchasing raw materials, manufacturing) and all the activities associated with selling something (e.g., finding and reaching customers, transacting a sale, distributing the product, or delivering the service) (Ovans , 2015). A business model elaborates on how a company conducts its business as it is perceived as a blueprint of its underlying business logic (Guldamann & Huulgaard, 2019). Feichtinger (2018) agrees that a business model is a plan behind a successful operation. The business model presents the elements, actors, relationships in business activities, and new paths developed in an organisation. Hossain (2021, p.1) states that business models "integrate sustainability, provide value to customers and the wider society with far-reaching goals." The business model refers to how the organisation generates profit using goods and services offered to customers (Guldamann & Huulgaard, 2019). Gregurec et al. (2021) state that a business model presents benefits from an organisation to its clients and other stakeholders and how the benefits flow back into the organisation in the form of profits. The relevant, although not new, findings by Teece (2010) reveal that business models are often evoked by clients who want to access products and services on digital platforms at their convenience. As a result, that demand drives businesses to move swiftly to develop innovative ideas to meet clients' needs. Furthermore, a good business model must benefit both the organisation and the client by creating value and enhancing business performance. To analyse changes in the business, one needs to have a good understanding of the business model (BM) as a unit of analysis before relating it to other units such as digitalisation, strategy, etc. (Täuscher & Laudien, 2018). To enhance conceptual understanding arising from the views of different scholars, Table 3.4 reflects different definitions and specific areas of focus.

Table 3.4 Different definitions of business model

Definition	**Focus**	**Author(s)**
"A business model is the method of doing business by which a company can generate revenue to sustain itself."	Method of doing business to generate revenue	(Rappa, 2001; Turban et al., 2002)
Business model describes the basic framework of a business. It also tells what market segment is being served (who), the service that is being provided (what), and the means by which the service is produced (how).	Basic framework of a business	(Chaudhury and Kuilboer, 2002)
Business model is the organisation's core logic to create value.	Logic to create value	Linder & Cantrell (2000)
Business model describes the logic of a business system for creating value that lies behind the actual processes.	Logic of business system	Auer & Follack (2002)

Business model as an architecture for the product, service, and information flows, including a description of the various business actors and their roles, a description of the potential benefits for the various actors, and a description of the sources of revenue.	Architecture with components and flow	Timmers (1998)
A business model as a description of the roles and relationships among a firm's consumers, customers, allies, and suppliers that identifies the major flows of product, information, and money, and the major benefits to participants.	Description of components and interrelationships	Timmers, Weill & Vitale (2001)
A business model depicts the content, structure, and governance of transactions designed as to create value through the explosion of business opportunities.	Transactions to create value	Amit & Zott (2001)
Business models as a conceptual tool that contains a set of elements and their relationships and allows the expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams.	Conceptual tool constitutive of business logic and value	Osterwalder, Pigneur & Tucci (2005)
"Business model as the business logic to create and capture value for consumers and businesses."	Business logic to create and capture value for consumers and businesses	Bouwman, Nikou, Castillo & de Reuver (2018, p.105)

Source: Researcher's construction

The table above is explicit that the business model is viewed differently as (1) a method of doing business to generate revenue and sustenance itself; (2) a basic framework of a business; (3) logic to create value; (4) logic of the business system; (5) architecture with components and flow; (6) description of components and interrelationships and (7) transactions to create value, and conceptual tool constitutive of business logic and value. Digitalisation is complex as it can affect the business model in any of the ways identified above. Businesses are changing their business models to adapt to the changing environment brought by digitalisation (Gregurec, Furjan & Pupek, 2021). This results in firms being pressured to acquire new digital technologies and adapt their business models to this new reality of digitalisation to remain competitive (Reis, Amorim, Melão, Cohen & Rodrigues, 2020). Notably, digitalisation has created many opportunities, resulting in businesses aligning their business models with digital technologies (Louw & Nieuwenhuizen, 2020a).

Despite the identified definitional differences, it is conspicuous and common that a business model carries the notion of being a logical construct, describing a business with a number of

elements/components with the consensus that it constitutes customers, the value offered to the customers, and how this value is created, although they vary in their level of abstraction. There is also the notion of transaction with the content of being goods or information exchanged, as well as to resources and capabilities required; the structure refers to the parties that participate, their links, and the way they choose to operate, and governance refers to the way flows of information, resources, and goods are controlled by the relevant parties, the legal form of organisation, and the incentives to the participants. It has faced criticism for its rigidity, logic, and limited application during uncertain phases of business modeling.

3.5.1 Components of a business model and digital transformation

If digitalisation affects the business model, the question of which components and relationships in the business model are affected and in what ways are very important in a study of digitalisation as a strategy. However, there is a lack of consensus on the number and variety of constitutive components of a business model. It is important for scholars of digitalisation as a strategy to gain a deep understanding of what constitutes a business model and how these elements may be positively or negatively affected by the adoption of digital technologies. For example, Amit & Zott, 2001; Teece, 2010) examined the elements of the business model by focusing on the customer side (explaining how value is created and how that value is captured or monetized. Teece (2010) has emphasized the typology that considers four elements: Identifying the customers (the number of separate customer groups); customer engagement (or the customer proposition); monetization; and value chain and linkages (governance typically concerning the firm internally). Each of these dimensions relates to the business model definition of either value creation or value capture, or both.

In terms of component, Writz, Pistoia, Ulrich & Gottel (2016) uphold that there are three categories of components of Business, which are strategic, customer, and market and value creation components. Firstly, the strategic components are divided into the strategy model, the resource model, and the network model. The strategy model within the business model specifies the mission or vision as well as possible strategic development paths. The resource model links strategy to material and immaterial resources, internal and external resources, and core competencies/capabilities needed for the organisation. It represents a summary of all the important tangible and intangible input factors of the business model. The network model includes the various, mostly external, interactions of a business model and control of the value distribution with joint value creation. Networks and partnerships can greatly influence the value creation of an organisation and are, therefore, part of a business model. Partner network. describes what parts of the value configuration is provided by external partners. These partners can be of strategic value to the focal firm or be outsourcing partners for a less important part of the value chain.

Secondly, customer and market components include the customer model, market model and revenue model. The customer model portrays all relevant offers (e.g. products and services for specific customers). The central aspect of the benefit to customers is not sufficient, as competitors have to be considered in this context. A market offering model is about value proposition; that is the benefit or value a customer receives through the business model. A market offering model focuses on the competitors and the entire market structure, to which the offer is transferred. The revenue model represents the possible forms of revenue generated, from the transaction of direct revenue to indirect forms of revenue.

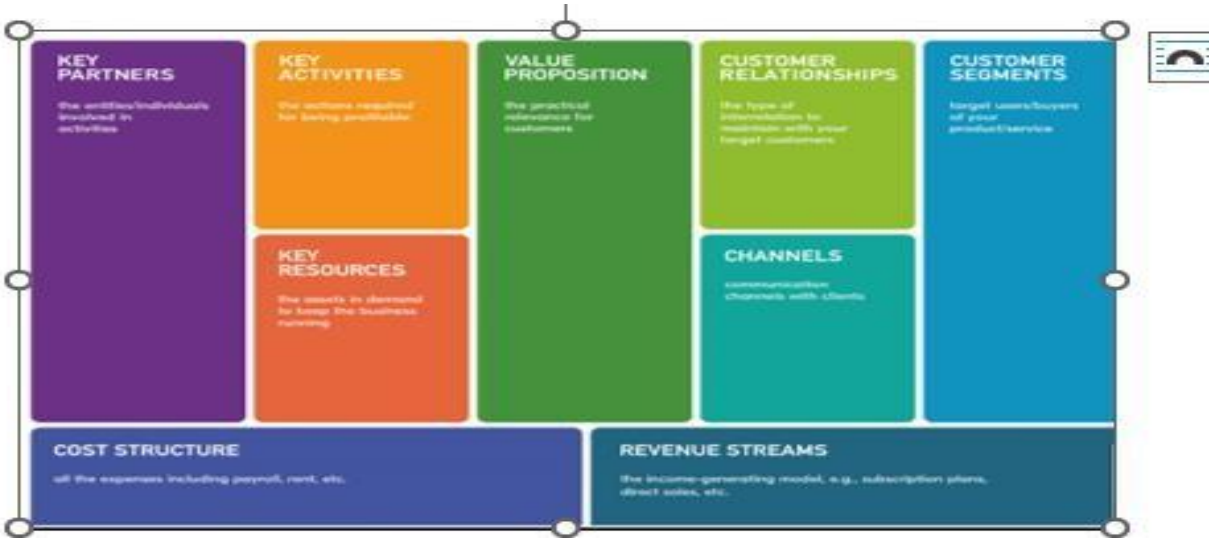
Lastly, the value creation components include the manufacturing model, the procurement model and the financial model. The manufacturing model defines central parameters and depicts in summary how services or goods are created by internal processes, resources and capabilities. The model for service provision depicts the value creation of the business model in the service sector. There is an input-based understanding of procurement in view of decreasing production cycles as well as the change from producer to buyer markets. The consideration of procurement in a business model is mandatory, since neglecting this aspect can have far-reaching consequences for other components. The procurement model clarifies which input factors are relevant for the service provision model and how these can be procured cost effectively. Finally, the financial model assumes the function of control and financial planning. This happens firstly through detailed financial planning, to guarantee a frictionless flow of capital, and secondly through the analysis of the cost structure**.** Figure 3.1 shows the outlined business model with the interrelated components.

Johnson, Christenses & Kagerman (2004, p.54) asserted in the Harvard Business Review article, Reinventing Your *Business Model* that a business model consists of interlocking elements: customer value proposition (CVP), profit formula, key activities, and key resources. These four elements when integrated can create and deliver value. To begin with, CVP focuses on the value that customers require and their willingness to pay for it. "The benefit a customer derives from the product or services is that the entrepreneur offers and the reason why the customer will pay for the offering", is defined as a value proposition (Johnson et al., 2000, p. 54). According to Johnson et al. (2000. p.55), the CVP possesses three *characteristics*. Firstly, identify the target customer or the job to be done in order to solve an important problem or fulfill an important need, which will then satisfy the problem and/or fulfill the need, which is defined not only by what is sold but also by how it is sold. In addition, the profit formula is the plan that defines how a business develops value for itself while also providing value to the beneficiary or customer. An organisation cost structure explains its cost drivers and expenses. Key cost drivers are costs that have a significant impact on the cost structure. Third, key resources are "assets such as people, technology, products, facilities, equipment, channels, and brand that are required to deliver the value proposition to the targeted customer" (Osterwalder & Pigneur, 2010, p.6). The point

is that key elements generate customer and enterprise value by interacting in a specific way. Fourth, key processes (including managerial and operational processes) enable businesses to deliver value in a way that promotes long-term growth and profitability.

In a slightly different vein, Alex Osterwalder (2022) has developed the business canvas model which depicts nine parts of "business model canvas" revealing an organized way assumptions about not only the key resources and key activities of the value chain, but also the value proposition, customer relationships, channels, customer segments, cost structures, and revenue streams. Figure 3.3 presents the business canvas model, depicting the variety of activities where digitalisation can affect the logic of creating value and business.

Figure 3.3 The Business Model Ontology Canvas



Source: Osterwalder & Pigneur (2010)

Key partners include a network of cooperative agreements with other people or organisations (including governments) that is required to efficiently offer and distribute the organisation's mission and programs (Michelini & Fiorentino, 2012). *Key Activities* are related to primary actions that an organisation should take in order to create its value proposition (Osterwalder & Pigneur, 2010). From Osterwalder and Pigneur (2010), *Key Resources* are the physical, financial, intellectual, or human assets required to make the business model work.

In the light of the business canvass model, it is important to highlight that Value Proposition is an overall view of the firm's bundle of products and services that together represents value for a specific target customer. It describes the way a firm differentiates itself from its competitors and is the reason why customers buy from a certain firm and not from another. manage interdependencies and interrelationships

to its fundamental purpose and explains why it exists and how it achieves its vision, programs and its brand are all part of the *Value Proposition* (Collins, 2005; Osterwalder & Pigneur, 2009).

The customer segments is also a component of the business model ontology. Selecting a company's target Customer is all about segmentation. Effective segmentation enables a company to allocate investment resources to target Customers that will be most attracted by its value proposition (Osterwalder, 2004). Clear definition of the target customer helps a firm define through which channels it effectively wants to reach its clients.

Revenue streams describe how the company is capable of capturing a stream of revenue from providing a Value Proposition to a customer segment. A company's revenue model can consist of several revenue streams with different pricing mechanisms (Osterwalder, 2004). A company can generate a revenue stream by selling its products or services to a customer, but there can also be other models such as licensing, advertising and subscription. Lastly cost structure is the price tag to every operation in the organisation. The sum of the cost structure is the price to provide a given Value Proposition to a given Target Customer (Osterwalder, 2004). In understanding the various components and their interrelationship, in the digital era, Bouwman (2018, p. 108) added that "the business model is based on how the organisation collaborates at strategic and operational levels to deliver products and services using digital technologies." The business model canvas (BMC) is a commonly used business model that helps the organisation identify key elements and improve each of the nine business model elements (Gregurec, Furjan & Pupek,2021, p.3).

A business model is mainly considered a structured and analytical model that caters to diverse human characteristics and values offered to customers through digital channels (Schallmo & Williams, 2021). Gregurec et al. (2021, p. 21) pointed out that "business models present the current or future state of organisations, showing simple and easy-to-understand illustrations of some or all aspects of how they do business and how they communicate with others in the same field of work." With a bank in mind, it is critical for scholars of digitalisation as a strategy to investigate not only how digital technologies are adding value but also eroding value in each of the nine parts of the value chain and interrelationships which are part of design and delivery of services. The above discussion is not an exhaustive discussion of the nature and components of a business model, but rather an attempt to emphasize the complexity of and influence of digitalisation on so many elements when examined from the business model perspective.

3.6 DISTINCTION AND SIMILARITIES BETWEEN DIGITAL TRANSFORMATION AND DIGITALISATION OF THE BUSINESS MODEL

As this study is about digitalisation in a South African bank, it is important to get a deep understanding of digitalisation and digital transformation when situated in a business model. Terms are intertwined and insightful to understand the nature and magnitude of change in a specific area or entire business model (Tonder et al., 2020).

3.6.1 Similarities between digital transformation and digitalisation of the business model

Imagine when one walks into a bank to open an account, instead of filling out forms, just type the personal details into a tablet. Notably, the process is faster and more convenient. But is this digital transformation or digitalisation? Clearly, this is the act of converting analogue processes into digital ones, which is called digitalisation. It improves efficiency in a specific process or area using digital technologies but does not fundamentally change the model of how the bank operates. Digital transformation, on the other hand, is when a company reimagines how it serves customers, operates, and competes using digital technology. It is not just about replacing paperwork with PDFs. It is about rethinking the entire process, making it more agile, intelligent, and value driven.

It is noteworthy that digitalisation and digital transformation both refer to using digital technologies to improve how organisations function and their existing business models (Orji, 2019; Feichtinger, 2018). It can be argued that we digitize information, automate processes and roles that make up the operations of a business, and digitally transform the business processes and strategy (Täuscher & Laudien, 2018). Digitalisation and digital transformation can be customer-centric if customer insights are used in decision-making and shaping of customer or end-user experience (Rachinger, Rauter, Müller, Vorraber & Schirgi, 2019; Mhlungu, Chen, & Alkema, 2019). Bresciani et al. (2021, p.205) agree that in the case of digitalisation and digital transformation, innovation teams require new skills, capabilities, and mechanisms to integrate digital technologies into innovation.

The other similarity is the focus on change from a digital perspective. There is a link to digital technologies, which refers to electronic tools, devices, systems, and resources that organisations and individuals use to process, store, and manage data. This includes everything from computers and software to digital communication. In this way, digitalisation is “about using digital technologies, channels or tools to transform business processes” (Rachinger et al., 2019, p.1144). Digital transformation is a comprehensive strategy leveraging technology, people and processes for significant business model changes (Ylinen & Pekkola, 2019).

3.6.2 The distinction between digital transformation and digitalisation of the business model

A thorough understanding of the distinction between digitalisation and digital transformation enables any researcher to navigate the complexities of the digital world. It also helps practitioners to allocate

organisational resources effectively, adopt appropriate technologies, make strategic decisions, and implement solutions that align with their unique business objectives. Digitization is the process of converting information from a physical format into a digital document, often intending to preserve and access it more conveniently. Digitisation is the process of converting processes or interactions into their digital equivalents and reorganizing business activities around digital technologies.

Notably, digital transformation is another step further from digitilization While digitization refers to the switch from analogue to digital format, digitalisation spans a bit broader context as it is about making processes, collaboration, reporting, and everything in between work better through digital tools. Digital transformation is broader than digilatilization. Digital transformation is a strategic business process that revolves around harnessing advanced technology, organisational processes, and human resources to either develop new or enhance existing business models and revenue streams.

There are six key areas which are insightful in understanding nature and differences between digitalisation and digital transformation. These are core processes, scope, objectives and goals, approach and strategy, impact on organisation, timeframe and scalability of digitalisation and digital transformation. Table 3.5 below shows the distinctions between digital transformation and digitalisation of the business model

Table 3.5 Distinctions between digitalisation and digital transformation in the context of business models

The digitalisation of the business model	**Digital Transformation (DT) of the business model**
Core process *converting analog processes into digital* It does not necessarily involve a broader strategic shift in the organisation's overall approach Automate processes focusing on specific processes or data(e.g. digital payment methods, including PayPal, Apple Pay, and Google Wallet).	**Core process** *Creating new business value* A comprehensive and strategic process that involves the integration of digital technologies, data analytics, and innovative business models to fundamentally change how an organisation operates and delivers value to its stakeholders. It is the technological change process aimed at aligning the business process and cultural transformation with the changing needs of the business environment (Orji, 2019). It has a broader scope and encompasses the entire organisation and/or business models. It aims to reshape the entire organisational culture, processes, and strategies

	An extensive and strategic shift that fundamentally changes how organisations operate and deliver value to their stakeholders.
Scope *Limited processes or assets with short-term benefits* It may involve specific duties or functions within an organisation, but it does not necessarily involve a fundamental shift in the organisation's culture or overall strategy (Rachinger et al., 2019).	**Scope** *Comprehensive with long-term direction* Involve a profound shift in the organisation's culture, processes, and strategies. It extends beyond specific functions or departments and aims to revolutionize the entire organisation from top to bottom. (Tonder et al., 2020). (Hofmann & Rüsch, 2017). Requires a massive organisational change
Objectives and goals *Improve efficiency* Goals include streamlining processes, reducing manual work, and enhancing data management. The aim here is to bring immediate benefits for the organisation (Rachinger, Rauter, Müller, Vorraber & Schirgi, 2019).	*Reinvents business processes* Organisational digital transformation entails a thorough reconfiguration across all levels, encompassing improvements in customer engagement, innovation capabilities, operational streamlining, and sustained competitive positioning (Mhlungu et al., 2019).
Approach and strategy *Requires a more tactical approach* It is about the implementation of digital technologies to enhance workflows, which typically does not demand the same level of strategic overhaul as digital transformation. (Tonder et al., 2020, p. 115, and Stoyanova, 2020).	*Requires a strategic and holistic approach* Successful digital transformation requires organization-wide commitment, entailing a reevaluation of business models, integration of cutting-edge technologies, and cultivation of an adaptive culture open to ongoing innovation and shifts (Jafarzadeh, Aurum, D'Ambra, & Abedin, 2015).
Impact on organisation *Gradual improvements* Digitalisation is limited to specific processes or functions. Businesses can reduce errors, save time, and cut operational costs. This results in more efficient operations and better resource allocation. Its impact tends to be localized, improving specific processes without necessarily fostering a holistic shift in an organisation's culture and strategy.	*Industry-wide disruption* The fundamental aspect of digital transformation is the radical shift from the top to the bottom of an organisation. Therefore, it has a profound and farreaching effect on the organisation. Industry includes a cultural shift toward innovation, adaptability, and customercentricity. Revaluation of the entire business models, introducing new revenue streams and digital offerings that can secure long-term competitiveness.

The impact is on incremental innovation and the improvement of efficiency.	The impact is on driving radical innovation, for growth and competitiveness.
	A holistic approach often results in improved operational efficiency, enhanced customer experience, and data-driven decision-making. It can also disrupt traditional industry norms and drive longterm growth.
Timeframe and scalability *Shorter timeframe for implementation* They typically are implemented in specific departments or processes relatively quickly, making them more scalable in the short term. However, they may not naturally evolve into a broader digital transformation without strategic intent.	*Not an event, but a journey* It requires a cultural shift and ongoing adaptation to changing technologies, making it a long-term endeavor that may take several years to fully implement.

Source: Researcher's construction

Digital transformation does not focus only on digital technologies but includes digital and non-digital technologies and also strategic and cultural shift (Gregurec, Furjan & Pupek, 2021). It develops new future opportunities as opposed to simple technological changes. On the other hand, digitalisation creates digital products close to the core business (Tonder et al., 2020). The other distinguishing factor is that for digital transformation to transform a business model radically, organisational culture must be receptive of innovation. Internal change is needed to transform a business model (Tonder et al., 2020). Transformation of the business model by adding digital content to existing products and services directly impacts current business models and future business processes (Mahraz et al., 2019). Digital transformation is broader and establishes new technologies based on the internet, with implications for society; cloud computing is a vital pillar of the digital transformation ecosystem (Al-Ruithe, Benkhelifa & Hameed, 2018).

In conclusion, digitalisation is a process of moving to digital business using digital technologies Zeranski & Sancak (2020). Digital technologies are the forces that drive the organisation to improve efficiency and gain localized impact rather than reinvent the business model (Fjeldstad & Snow, 2018). On the other hand, implementing digital transformation is a holistic, complex process and requires a cultural shift and ongoing adaptation to changing technologies, making it a long-term endeavour. The synergy between digital transformation and digitalisation is a potent catalyst for generating significant value for businesses. When these digitalisation and digital transformation strategies are combined

strategically, they create a dynamic and comprehensive approach that leverages the strengths of each to promote innovation, efficiency, and competitiveness. Banks face increasing competition from FinTech, section unpacks Fintech systems.

3.7 OPPORTUNITIES AND CHALLENGES BROUGHT BY TECHNOLOGY CHANGE

A review of existing literature on technological change shows that it has brought new opportunities. Some of the opportunities highlighted by (Rachinger et al., 2019) include innovation, digitalisation, and product development, enabling businesses to penetrate new markets. Technology plays a critical role in the service industry as one of the sources of innovations (Cichosz, Wallenburg, & Knemeyer, 2020). It is important to note that "technological innovation influences emerging service industries developed by the application of information technology and have more significant economies of scope and long-tail effects than traditional services industries that are labor-intensive" (Qian, Liu & Pan, 2022, p. 5). Msila (2021, p. 558) conducted a study in a South African university and discovered that technological change has a considerable contribution to the employees. For example, delivering classes online enhances learning. In addition, he also pointed out that leading a culture that embraces technology requires management to be sensitive to the training of its employees, as institutions increasingly rely on technology. Qian et al. (2022) added that digital technology serves all levels of society, enabling the unemployed to find suitable jobs quickly and enabling investors or borrowers to find investment and financing channels faster.

Rachinger et al. (2019) argued that technological change comes with diverse challenges, such as increased complexity and continuously changing customer preferences. The transition from the traditional way of conducting business to using digital technologies is evident in the study conducted by Hsieh & Hansberg (2023) in Steward Health Care Group. Adopting technologies such as the remote ICU enabled the Steward Health Care Group to provide consistent and standardized services to its clients and scale up the delivery of nontraded services. Autio Mudambi & Yoo (2020) put forward that that technological change was perceived as associated with the manufacturing industry; however, technological change can also benefit firms outside of manufacturing, like the service industry. They added that technology enables businesses in the service industry to expand in many markets. Lastly, they highlighted that developing new options in information technology allowed newcomers in a service industry to challenge existing value chains with innovative and often disruptive business models.

Technological changes have influenced the service industry, including the banking industry. Louw & Nieuwenhuizen (2020b) argued that digital technologies threaten the survival of traditional banks, as most banks deliver their core banking services using digital technologies. In addition, though many customers prefer to access their services via digital platforms, the fact that people like to do business with people, not technology, must be considered. Creemers & Kallner (2022) have a different view that

the current digital technologies can facilitate human-to-human engagement, e.g., by conducting Zoom or Teams meetings, etc. Acemoglu & Redtrepo (2019, p.3) conducted a study on the impact of technological change on factors of production and concluded that new technologies positively impact production factors and increase capital and labour productivity.

According to Kiel et al. (2017), businesses should be prepared to change and improve their established business models when adopting new technologies. Business models, transformed by technologies like IoT, allow firms to adapt value propositions and deliver customized products or services to meet individual customer needs Arnold et al. (2016). According to Stonayova (2020), improved digital technologies can benefit a model used by a business to create and deliver value to customers. Hossain (2017) said that the business model has increasingly become a source of innovation and competitive advantage. Competitors can imitate part of the business model, but it can be challenging to emulate. Although technological change and business models uncover new opportunities, one cannot deny that other technologies are expensive, and not all technologies increase production (Acemoglu & Redtrepo, 2019).

Cichosz, Wallenburg & Knemeyer (2020) pointed out that the rapid development of digital technologies for logistic service providers improved the value proposition for shippers and customers by changing their business model. The business model is changed to improve sector transparency and address costly manual processes. A study was conducted in the retail sector. Technology change has delivered good rewards in retail, such as managing multiple channel locations, adapting quickly to changes, and performing automated merchandising and marketing with a high-efficiency level to get a holistic view of the customer (Kaur, Arora & Bail, 2020).

3.7.1 Digitalisation and its influence on Business Model Innovation

As the business and organisational environment changes, it is crucial for leaders of organisations to also change the components and existing relationship between elements of a business model to enhance competitive advantage and survive. Garzella, Fiorentino, Caputo & Lardo (2019, p.33) define Business Model Innovation (BMI) “as an activity system of firms and innovative structures for value creation and capture involving a single firm, its alliances, partners, and customers.” Gregurec, Furjan & Pupek (2021) added that business model innovation is influenced by absorptive knowledge capacity, organisational agility, and top management mindfulness. Avila, (2022, p.190) states that absorptive capacity is a dynamic capability which affects other organisational competencies within the company. On the other Cohen cohen& Levinthal (1990) explain absorptive capacity as a company’s capability to notice and understand useful external knowledge, integrate it into what the company already knows, and make use of it to achieve practical or commercial benefits. They argue that this capacity is largely a function of the firm's level of prior related knowledge, emphasizing that individuals' prior knowledge

and diversity of background are crucial for recognizing and effectively utilizing new information. Motwani & Kataria (2023, p. 2713) explains that the concept of "organisational agility emerged from manufacturing as a response to the limitations of lean systems in addressing demand unpredictability and the need for rapid product innovation." Over time, its application has expanded beyond manufacturing to encompass various functional areas such as marketing, supply chain management, and human resources, evolving into a comprehensive business imperative. Gong & Ribiere (2023) define organisational agility as the ability to quickly respond and proactively embrace unanticipated changes in dynamic environments through effective resource reconfiguration and rapid decision making.

When the organisation adapts digitalisation as a form of innovation, a business model accompanying its implementation should be identified (Schallmo & William, 2021). Digitalisation has created competition among firms, as each is fighting for better digital technologies and innovation; however, the scarcity of resources is a challenge. When firms experience resource scarcity, they need to focus on BMI as a source of future value. BMI can be regarded as a core driver for a firm's survival and superior performance, especially in growing industries (Garzella, Fiorentino, Caputo & Lardo (2019, p. 33).

Rachinger et al. (2019) used qualitative empirical data to examine how firms cope with the challenges presented by digitalisation, focusing on the media and automotive industries in Austria and Hungary. The findings show that although digitalisation plays a crucial role, value proposition determines the perceived options for business model innovation by digitalisation. Managers should consider the opportunity BMI offers to complement innovation in processes and products (Garzella, Fiorentino, Caputo & Lardo, 2019). The development of a completely new or enhanced version of an existing business model is a strategic venture that usually results in "(a) certain previous concepts evolving mainly due to technological advancements, (b) the achievement of social / user acceptance for previous concepts, generating economies of scale or snowball effect (c) disruptive and breakthrough innovations" (Gregurec, Furjhose & Pupek 2021, p.3). These factors have a significant impact on changes within business models.

Litvishko, Beketova, Akimova, Azhmukhamedova & Islyam (2020) state that information technology (IT) has an accelerating disruptive effect on value chains and business models. Digitalisation forces most companies to transform their business models. When a business transitions to digitalisation, the business model changes. The transformation must be visible to all stakeholders. The organisation must develop innovative ways to ensure its value proposition meets customer needs. Bouwman et al. (2018) state that business model innovation influences the existing value proposition. In addition, advanced technologies such as social media and big data play a core role in business model innovation. As a result, companies need to invest in digital technologies to meet the demands of business model innovation. The reason is that, in most cases, businesses do not have the infrastructure and skills to deal with this

kind of innovation (Guldmann & Huulgaard, 2020). Digitalisation impacts business models (BM), enabling various new forms of cooperation between companies and customer relationships (Rachinger et al., 2019).

Parida, Sjödin & Rein (2019) argued that digital technologies could not deliver the expected results on their own, but to be efficient, must be coupled with business model innovation. Toloba & de Rio (2020) support the statement that digitalisation requires the organisation to change its business models and develop innovative ways to increase profitability. This is evident in the study conducted by Stonayova (2020) exploring digitalisation and business innovation models as processes for remodeling the construction industry; the findings reveal that digitalisation led to a significant reduction in risks and enhanced the bankability of infrastructure projects. Business model innovation is about the changes in the organisation's tactics toward customers and all other stakeholders (Bouwman et al., 2018).

Nabbosa & Kaar (2020, p. 1) state that "data stimulate new business models and innovation." Garzella, Fiorentino, Caputo & Lardo (2019) echoed that business model innovation has become a source of innovation to provide new revenue streams. Data is the cornerstone of digitalisation; businesses can use data to gain insights about customers' interests and offer products that meet clients' needs; however, digital ethics require data to be protected (Nabbosa & Kaar, 2020). According to Park, EI Sawy & Hong (2020), the challenge facing the organisation is to deal with the rapidly increasing amount of big data generated from the digitally connected world. Leonardi & Treem (2020) have a different view that technology, big data, and social media enable businesses to interact productively with clients and create value for customers as their needs have been identified. Schilirò (2020, p. 2) views data and information as the new essential resources to help organisations improve their decision-making and solutions. Tonder et al. (2020) have the same idea that digitalisation has uncovered new ways for businesses to create value; however, it requires firms to rethink their business models and develop innovative ideas to capture value for customers. More data and information gathered can translate into monetization opportunities and help enterprises unlock the potential to gain insights about clients (Schilirò, 2020). According to Garzella et al. (2019) managers must realise that BMI can be a powerful competitive tool as competition has shifted BMI to much higher than expected level. In addition, organisations do not need to renounce innovation to enhance their performance. However, managers should consider the opportunity BMI offers to complement innovation in processes and focus on which components and relationships offer a better competitive advantage if innovated.

3.7.2 Linking Digitalisation, Strategy, and Organisational architecture with process

The previous chapter discussed the nature of strategy and organisational architecture as key in strategy implementation. The current chapter has discussed the concept of digitalisation, business models and

its components as well as business model innovation and how these are key to understanding the impact of digitalisation in an organisation and its stakeholders.

When it comes to digitalisation, it is imperative to understand how the activities and decisions positively or negatively affect organisational architecture (e.g. consisting of skills, systems, leadership styles, staff, structure, strategy, and performance) and the components of a business model to create value (Cortellazzo et al., 2019). Digitalisation is complex as it does not only alter the components, but also interrelationships, interdependencies and cross-functional collaboration is vital in creating value.

The study conducted by Backhouse & Manda (2017, p.1) investigating "challenges and opportunities of fourth industrial discovered that "skills and knowledge communities, provides the much needed intellectual capacity to drive digitalisation, and governments are already developing what is called "future skills," some of which are not yet in existence." It is a good initiative for governments to prepare in advance. Given the bureaucracy in the public sector, research needs to be conducted to predict the direction digitalisation will take to provide proper and relevant training. Because of technological changes and consumer behavior, companies teach employees to learn, unlearn, and re-learn.

Lubis, Sucherly, Lubis & Kaltum (2015) mention that training shapes the skills and attitudes of bank employees to reach a shared understanding and increases team participation. Kazim (2019) believes that team participation positively contributes to the success of digitalisation in an organisation. Promsri (2019) stated that leaders adopting digital technologies to transform their business must apply a more inclusive leadership style, as digitalisation allows followers' real-time involvement in many decision processes (Avolio, Kahai & Dodge, 2000). Management must be well informed of challenges and stumbling blocks they can encounter during the transitioning journey. Managers have different responsibilities such as motivating and getting buy-in from staff as an organisation engages in the strategic digitalisation process. As such, an integrative understanding of the scope of the strategy, characteristics of strategic outcomes, and the variety of interdependent elements in an organisational architecture and business model are insightful in understanding how the digitalisation process manifests the nature of decisions, actions, and consequences in the different parts within and outside the bank. Equally important is understanding digitalisation's effect within and outside the organisation. Tschoppe & Drews (2022) pointed out that one of the challenges facing companies concerning digitalisation is a lack of IT knowhow; businesses need to appoint people with the necessary skills to deliver on expectations. These are just few of the internal elements of an organisation architecture; as such, there is a need for a more holistic view. The speed at which new opportunities emerge, or new products continually increase over time in a broad range of high-technology and non-high-technology industries is another aspect of change arising from digitalisation (Park, EI Sawy & Hong, 2020, p. 106). Leaders must invest in technology, acquire relevant market information, and have the right people in the right

positions to develop and implement digitalisation as a strategy (Tschoppe & Drews, 2022). Digitalisation increases an organisation's capabilities, such as agility and IT capabilities, resulting in a competitive advantage, thus involving all aspects of the organisation's architecture, including processes, people, information technology, and strategy (Tonder, 2020).

In this study, it is important to elaborate on digitalisation as a business strategy and digitalisation as a process, especially since the main aim is to build a substantive grounded theory elaborating on how the South African bank implemented digitalisation as a strategy for banking services and products according to the lived experience of senior managers. The grounded theory study seeks to uncover different activities engaged by different actors over time as they implemented digitalisation as a strategy for banking services and products, according to experienced senior bank managers. Equally important in this study is the need to unveil the factors that *influenced the process* of identifying opportunities for digitalisation as a strategy for banking services, according to experienced senior managers of a bank in South Africa. Digitalisation brings both threats and opportunities to the value chain, organisational architecture, and business models of banks.

3.8 DIGITALISATION AS A BUSINESS STRATEGY

As alluded to earlier in section 2.3, understanding the complexity of strategy under strategic questions in 2.3.1 in chapter two, the definition of strategy adopted in this study is where Janes & Sutton (2017) used three questions to define strategy as a process. This definition is more suitable as (Toloba & de Rio, 2020, p.77) also describes digitalisation as an unstoppable process that has as starting point where a company identifies its current situation until it reaches the desired goals.

According to Hough, Thompson, Arthur, Strickland & Gamble (2017, p.5), "changing markets, globalization, and new technologies require organisations to revisit their business strategy to remain competitive." Strategy formulation is essential; however, the strategy's success is measured based on the success and strategy alignment during the implementation stage. Noe, Hollenbeck, Gerhart & Wright (2015, p.85) identified important variables that determine "the success of strategy implementation, which consists of "organisation structure, task design, the selection, training, and development of people, reward systems and types of information and information systems." This points to the significance of the organisational architecture and alignment of the various elements toward the common goal of achieving strategic performance.

Vartolomei & Avasilcai (2019) state that digitalisation cannot be avoided as it influences every company globally, and no industry is excluded. Parida et al. (2019, p.1) echoed that "digitalisation is revolutionizing the way business is conducted within industrial value chains through the use of Internet of Things (IoT) technologies, intensive data exchange, and predictive analytics." Chanias et al. (2018,

p.14) findings reveal that the distinguishing factor is that “digitalisation is business-centric and customer-oriented in its perspective rather than a technology perspective.

Levinthal’s (2018) study demonstrates that strategy formulation is where top management decides on products, identifies markets to serve, and ways of serving those markets. Further, it states that top management is responsible for strategy formulation; senior management needs to adopt, break it down into objectives, and ensure that the functional department executes the strategy accordingly. Business strategy should be linked to corporate strategy. Senior management’s responsibility is to formulate a business strategy that drives the organisation to its goal, which is profitability. This study privileges the views of experienced and senior managers of a selected bank in South Africa to uncover digitalisation process and factors which *influenced the process* of identifying opportunities for digitalisation as a strategy of the bank. While a corporate strategy is a blueprint of what the organisation should focus on and the management’s action plan to drive the business to profitability, it does not always unfold as intended (Hugh et al., 2017). As such, the current study focuses on the various activities in the value chain, organisational architecture, and business models which were implemented in the day-to-day activities of employees, leaders, and other stakeholders. Digitalisation strategy is when a firm chooses digitalisation to deliver a firm’s product and services to market and as a tool to create value for customers. Henfridsson & Lind (2014) argued that crafting a digitalisation strategy is a highly dynamic process involving iterating between learning and doing in terms of digital strategy making, as digitalisation is an emerging body that draws from several social disciplines. Digitalisation capabilities provide new avenues for interacting with customers and outcomes to co-create value (Lenka et al., 2017, p. 97). Digitalisation encompasses the conversion of both processes and tangible offerings into digital equivalents. It is important that a researcher is fully aware that there is process, product and service digitalisation, according to Omol (2023). First, process digitalisation denotes the transformation of a singular analog process executed in the physical world into multiple segments of processes in the virtual realm. Second, product digitalisation pertains to the conversion of physically tangible products into digital counterparts, thereby rendering them tradeable within the virtual sphere. Lastly, service digitalisation involves the provisioning of services that were traditionally offered in the physical realm, now extended into virtual space.

Proksch et al. (2021) put forward that digitalisation enables businesses to excel in customer satisfaction and operational efficiency. It constitutes a company's holistic intention to streamline all digital transformation activities to generate competitive advantages through new technologies (Pfenning & Eigner, 2020). Ruhengeri (2019) argues that digitalisation has pressured companies to review their current strategies and explore new business opportunities to be aligned with the new strategy. This reviewing of strategy requires the company to assess its resources and capabilities to determine its strengths and weaknesses before adopting digitalisation as a strategy (Schallmo & Williams, 2021). On

the other hand, Proksch et al. (2021) believe that choosing digitalisation as part of strategy orientation leads to faster development of goods and services, creating value for customers and managing scarce resources better as most organisations are faced with scarcity of resources. According to Nezamova & Olentsova (2021), a lack of financial resources and infrastructure is not the only factor that hinders digitalisation as a strategy; a lack of information on digital technologies, like a point of reference, also contributes. There is a gap for a study that will take a different approach to explore digitalisation as a strategy, not as part of a strategy. The findings can be used as a point of reference.

The business strategy consists of competitive moves managers plan to create value for customers and grow their business. When a company adopts digitalisation as a strategy, it implies that it is planning to use digitalisation capabilities to compete, conduct operations, and achieve the targeted levels of organisational performance. Henriette, Feki & Boughzala (2016) argued that successful digitalisation hinges on top management's commitment, as it triggers far-reaching strategic, organisational, and cultural changes within the firm. Traditional strategy does not encompass digitalisation and digital transformation. As a result, a dedicated business strategy is needed that emphasizes that digital technologies need to remain the core focus of achieving business goals (Tonder et al., 2020).

Gasser et al. (2017) blame digitalisation for decreasing face-to-face interaction by introducing electronic channel utilization that connects clients to different channels across different firms. Louw & Nieuwenhuizen (2020a, p.1) argue that digitalisation creates "the intangible aspects of a relationship facilitated through digital technologies that are not easily duplicated by competition, thus providing a sustainable competitive advantage." The reason is that digital and information technology are critical when developing digitalisation as a business strategy (Pfenning & Eigner, 2020). Businesses can use digital technologies as a competitive advantage to outperform their competitors (Holotiuk & Beimbom, 2017). It is, arguably, that due to digitalisation, businesses change their business models and internal processes to align with the new development (Toloba & de Rio, 2020). Digitalisation enables "companies to optimize their production costs while minimizing distribution costs, thus increasing their efficiency" (Fricadel, Aracil & Melina, 2020, p. 3).

Harianto & Sari (2021) explored the performance of micro, small, and medium enterprises in the Jabotek area in Indonesia. The findings reveal that operating a business based on a conventional strategy resulted in a 30% decrease in sales. COVID-19 forced companies to change their strategy and adopt digitalisation, leading to a 3.8% sales increase. Stoyanova (2020) believes that one contributor to digitalisation's success is creating an interactive platform that promotes open communication within the organisation. Vartolomei & Avasilcai (2019) suggest that the organisation must adopt an appropriate strategy that embraces digitalisation and develop skills and competencies to meet this new norm. Although rapid technological change brings new opportunities, traditional value creation assumptions

are being challenged. Holmström (2019) put forward that the foundation of creating social value for digitalisation is to involve all relevant stakeholders.

3.9 DIGITALISATION AS A PROCESS

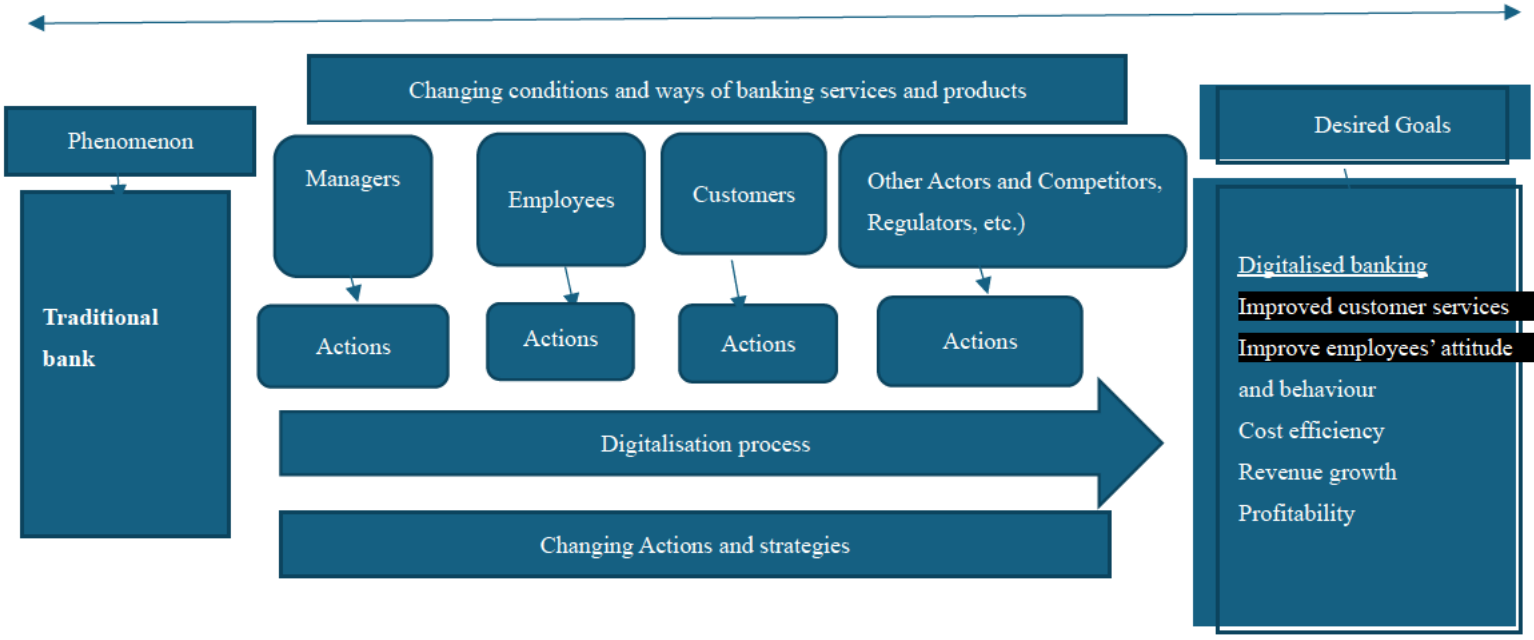
A process is a collection of interconnected actions that transform inputs into outputs. It is a sequence of activities that must be executed to get the desired outcome (Hole, Hole & McFalone-Shaw, 2021). According to Vartolomei & Avasilcai (2019), the digitalisation of processes refers to adapting to the new technological environment. Toloba & de Rio (2020, p. 77) further state that "digitalisation as a process encompasses the deployment of technologies and information based on digital data. Data is an asset as it plays a crucial role in digitalisation. As a result, most organisations are data-driven; data gives organisations a 360-degree view of their clients, which can assist leaders in making informed decisions (Leonardi & Treem, 2020).

Digitalisation is "an unstoppable process in today's society as businesses are involved in transforming and digitalizing their business processes" (Toloba & de Rio, 2020, p. 77). Digitalisation is rapidly moving in an unpredictable direction (Kamolov & Stepnov, 2020). Forcadell, Aracil & Melina (2020) state that all industries need to pay attention to digitalisation, including banking, as this sector faces disruptive competition from FinTech and startups aggressively entering the market. Furthermore, digitalisation can enable banks to conduct business based on multi-channel online banking platforms, crowd lending, big data analysis, artificial intelligence, and financial robot advisors.

Digitalisation is an organized, concise approach in which the services are provided in a far simpler and more user-friendly way due to the implementation of digital technology (Jatic, Ilic, Miletic & Markovic, 2018). Therefore, identifying different activities the bank engages in implementing digitalisation gives a better understanding of the factors that influenced the process of identifying opportunities for digital technology. New digital ecosystem opportunities such as "blockchain (cryptocurrencies) and related infrastructure such as cloud computing and machine learning simplify the methods banks use to offer services to customers" (Forcadell et al., 2020, p. 20).

Strauss & Corbin (1990, p. 152) pointed out two basic ways to capture a process analytically. It can be viewed as a non-progressive or progressive movement that reflects it in phases or stages. The movement may be forward, backward, upward, or downward. The diagram below displays the digitalisation process, which occurs over time and involves actions and interactions by different actors under changing conditions. The diagram must be viewed as a forward progressive movement as the bank shifts from traditional to digitalized banking services. Figure 3.4 below presents the process of digitalisation as a strategy starting from phenomenon to desired goals.

Figure 3.4 Process of digitalisation as a strategy



Source: Strauss and Corbin (1990, p.145)

The diagram above depicts digitalisation not as an event but as a process affecting different aspects of banking services and products. To elaborate on digitalisation as a process, three questions by Janes & Sutton (2017) are used as a guide. The first question is, what is our present situation? For this study, the bank's current situation is when bank services were offered traditionally; the process begins when the bank is transitioning from traditional banking. Second question, where do we want to go from here? This question refers to the desired goal; the bank wants to go digitally by adopting digitalisation and enjoy reduced costs, increased revenues and productivity, and improved business models (Schiller et al., 2018). The third question focuses on how we are going to get there. The third question elaborates on how managers identified opportunities for digitalisation to grow the business by creating value for clients to reach the desired goal of being a digital bank. The answers to the third question focus on building a substantive theory that describes the process followed by South African bank senior managers to identify opportunities and operate digitalisation as a strategy for banking services and products.

Previous studies show that there has been much focus on the benefits, advantages, and opportunities brought by digitalisation; the results are evident in the table below, where few studies were highlighted. When an organisation embarks on digitalisation, it will reap benefits in the end. Businesses that adopt digitalisation can expect positive results such as cost efficiency, operational flexibility, higher revenues, increased productivity, better business models, cost reduction, improved quality of communications, and enhanced customer satisfaction (Schiller et al., 2018). Stoyanova (2020, p.42) testifies that this

progressive process called “digitalisation” benefits the organisation by improving business models, work efficiency, innovation, the quality of management decisions, reducing costs, increasing company visibility, and being customer centric. The common benefits are that it improves customer satisfaction, reduces costs, improves quality, and efficiencies increase revenue and profitability. There is still a gap for empirical studies from different industries that will elaborate on how to implement digitalisation strategy successfully for internal and external stakeholders to enjoy the benefits.

Delivering products and services to customers is framed on the digital IT capabilities and digital culture that the organisation adopted (Proksch et al., 2021). However, to have the best digital technologies on its own is insufficient as the business can have the best business models in the world, but if employees lack digital skills, that can be a challenge. Following through with the digitalisation process requires human resources to have the necessary digital skills and technologies to deliver value to customers (Jatic et al., 2018), as the digitalisation process cannot be the responsibility of one person or specific individuals in the organisation. Everyone needs to take his/her role to drive the process, as no one is an expert in digitalisation; hence everyone must be part of the process. The process must be communicated effectively to all parties involved. A business model must cater to diverse human characteristics and values (Louw & Niewenhuizen, 2020a).

Cenamor, Sjödin & Parida (2017) took a different approach by looking at the digitalisation of process and discovered that digitalisation increases the process efficiency through gathering and analyzing data continuously, also enable the organisation to identify possible problems areas and eliminating bottlenecks beforehand to increase performance. Sjödin, Parida, Leksell & Petrovic (2018) added that digitalisation by eliminating bottlenecks improves process efficiency, reducing the production downtime and repair time averages.

The study by Nezamova & Olentsova (2021) explored the digitalisation process in the agriculture sector in Russia, highlighted many opportunities brought by digitalisation, and mentioned that digitalisation makes monitoring any process in agriculture possible. A similar study conducted by Hole, Hole & McFalone-Shaw (2021, p.3-4) discovered that digitalisation is a key step in any progress of the production process in the pharmaceutical industry. This study examines the process of digitalisation in each department. It even suggests different strategies and operations that can be adopted to fast-track the process of manufacturing to produce more quality output within a short period. These findings show that some industries are still lagging in embracing digitalisation implementation. It is evident in Hole, Hole & McFalone-Shaw (2021) findings that the pharmaceutical sector resists digitalisation. One of the factors hindering digitalisation in this industry, leading to very slow progress, is that leaders are not ready for the implementation challenges. Similar findings were also noted in the agriculture sector, such as resistance to business model change managers were not psychologically prepared and lacked skills

and knowledge (Nezamova & Olentsova, 2021). There is a need for a study that will explore digitalisation as a process focusing on the banking sector to build a substantive theory. The following section examines previous research on digitalisation and changes to business models outside South Africa.

3.10 RESEARCH ON DIGITALIZATON AND CHANGES TO BUSINESS MODELS OUTSIDE SOUTH AFRICA

Digitalisation is seen as the omnipresent challenge that industries are currently facing worldwide. Businesses face disruptive innovation that requires adaptation of almost all cooperative processes and changing their business models. Different countries are adapting to digitalisation at their own pace; for example, Diener & Špa˘cek (2021, p. 1) conducted a qualitative study focusing on German banks' senior managers and discovered that German banks are adjusting slowly and carefully toward digitalisation due to changes in complex processes that might run into risk if not handled with care. German banks are still in the process of changing their business models, which has led to traditional financial service providers offering an incomplete range of products. On the other hand, Deutsche Bank approached digitalisation by forming partnerships with different organisations to create a Digital Factory. The factory had 400 employees from 14 countries made of 40 agile to enhance retail and commercial banks' strategies. Deutsche Bank's high-profile digital factory initiative is described only in structural and resource terms, with almost no insight into how top leaders actually conceived, championed, and governed this strategic shift.

Nordic Banks are known as market leaders in digitalisation and developing user-friendly systems for customers. The challenge is that there is a high demand for personnel with specialised skills in information and digital technologies. The use of digital technologies allowed the bank to reduce costs at all stages of human resource management through the process of automation; such technologies used in the hiring of personnel process, training, and governance (Litvishko, Beketova, Akimova, Azhmukhamedova & Islyam, 2020).

Similarly, Nikmehr, Hosseini, Martek, Zavadskas, & Antucheviciene (2021) conducted a study in Australia exploring digitalisation as a strategy to achieve sustainable efficiencies in construction. The findings reveal that digitalisation benefits the construction industry in various ways, including greater convenience, lower prices, enhanced sustainability, and the profitability of improved business models. There is still a challenge that digitalisation does not consistently achieve the expected results as the digital transition of firms is carried out at a strategic level. Senior managers play a crucial role in strategy. The success of strategy implementation requires the involvement of leaders as the strategy drivers (Heilig, Lalla-Ruiz, and Stefan, 2017).

According to Petrova et al. (2020, p. 58) the Bank of Russia is identified as the flagship of digitalisation in Russia's banking system. The Bank of Russia is developing several digital economy projects involving leading finance, banking, logistics, and technology companies. Bank of Russia created a prototype based on the principles of the blockchain using the Hyperledger platform and a Trusted Execution Environment for data exchange and control actions based on protocol modification Ethereum. Furthermore, the Bank of Russia is conducting a series of studies regarding public and private digital currencies. There is a prediction that modern cryptocurrencies may disappear in the next few years and be replaced by state cryptocurrencies. “Digital economy in Russia is being implemented according to the national program effective till 1 January 2035” (Petrova et al. 2020, p. 58). While impressive at a regulatory and infrastructural level, these accounts remain macro-oriented and institution-focused, with virtually no attention paid to how individual commercial banks especially outside the Russian market translate such national or technological impulses into concrete organisational strategies led by their senior leadership teams.

Many studies conducted outside South Africa focus on the drivers of digitalisation in the banking sector and less on implementing digitalisation as a strategy. The statement is supported by the research conducted Gudula Feitchtinge in Austria focusing on developing a framework to help SMEs move from strategy formulation to strategy implementation focusing on digitalisation in Small and Medium Sized Enterprises. The researcher applied a purposive sampling at the beginning to identify participants who were experts in the field of digitalisation thereafter adopted an active and snowball method to find interviewees. The findings concluded that the digital strategy framework consists of several components: (i) digital reality, (ii) digital ambition, and (iii) digital roadmap (Feichtinger, 2018). Drivers of digitalisation differ from country to country, but some of the drivers are similar. It is evident in the study conducted by Toloba & de Rio (2020, p.77) in a Spanish bank the drivers of digitalisation in a Spanish bank are the rapid developments in technology, the expectations of digital customers, and the emergence of new competitors. COVID-19 accelerated the digitalisation of bank services in Islamic banking in Indonesia (Rahmayati, 2021). On the other hand, McKinsey & Company (2015) argued that despite the benefits of adapting to digital technologies in Asia, physical branches and ATMs would continue to play a significant role in banking across Asia.

Nayak (2018) conducted a similar study; however, the focus was on understanding the challenges of digitalisation in rural India. The findings of Nayak (2018) study reveal that digitalisation plays a significant role in the Indian banking sector by simplifying the process to achieve tremendous growth. The industry still needs to overcome some challenges. For example, the community experiences network issues due to poor infrastructure; this challenge results from the unequal level of education in rural areas compared to urban areas, and it needs attention. Although this study focuses on the banking

industry, there is still a gap in the investigation to explore the procedure followed by banks when implementing strategy and how it impacts their business models.

Given all the good features of digitalisation, it improves the service quality, conveniently transfers information to different banks, allows customers to access their accounts easily, increases the service efficiency of employees, and is also cheaper than manual service as it saves time and delivers at any given time, etc. Notably, digitalisation comes with challenges like increased cyber security risk, fraud leading to financial loss, and customers' fear of losing information and technical problems while transacting (Nayak, 2018). The challenge is that banks are becoming a target for cybercriminals and exposed to risks such as phishing, vishing, identity theft, card skimming, internet banking-related frauds such as online fraud, etc. (Joshi & Parihar, 2017).

There has been more focus on issues of digitalisation and less on how to overcome digitalisation issues; for example, Nabbosa & Kaar (2020) pointed out six different issues of concern (Privacy, Autonomy, Safety, and security, Balance of power, Human dignity, and Justice). To add to the matters highlighted (Telukdarie, Dube, Matjuta & Philbin, 2023) identified the following gaps that senior managers are trying to overcome, insufficient funds to invest in digital infrastructure, lack of digital skills, and lack of knowledge to effectively integrate digital technologies with business models and processes. Vaganova, Bykanova, Mityushina, Mohamad & Salim (2019) mention that there are technologies that banks can use to mitigate risk, such as fingerprint readers, verifying photos with home affairs, and twofactor authentication. These technologies can assist in identifying clients, reducing fraud, and protecting clients. According to Joshi & Parihar (2017, p. 141), most organisations in India rely on third parties for digitalisation; reliance on third parties can increase reputational risk.

Litvishko, Beketova, Akimova, Azhmukhamedova & Islyam (2020) conducted a study in India, and the findings show that digitalisation allows banks to change their business model to offer products and services that create value for clients and make accessible around the clock to the clock to clients. According to Vaganova et al. (2019, p. 792), “digitalisation and the transition of banking services to a new financial and technological level provide and contribute to the transformation of the banking system into digital banking to offer products and services at reduced costs.” Affordable products and services are essential to meet the needs of underserved customers, especially in developing countries. However, sustainable business models are vital to effectively serving these customers (Täuscher & Laudien, 2018). Digitalisation has led to banks cooperating with other businesses to provide the basis for implementing a new digitalisation strategy; this creates value for both customers and banks. Kuteyi & Wrinkler (2022) also unpack logistics challenges and digitalisation's role in Sub-Saharan Africa, discovering that human capital training is a significant factor when adopting digital technologies. In

addition, focusing on improvements in infrastructure, regulatory, and institutional frameworks will boost economic growth in Sub-Saharan Africa.

Bollweg, Lackes, Siepermann, & Weber (2020) surveyed 223 local owner-operated retail outlets (LOORO) owners from 26 cities in Germany. LOOROs are facing pressure due to competition imposed by new competitors offering their products and services online. Customers are changing their shopping habits and prefer online shopping, which poses a threat to businesses. The findings revealed that this competition has brought uncertainty among LOORO owners as they realise that to be able to compete is needed to embrace digitalisation. Although there are barriers to digitalisation, such as lack of resources, the results reflect that the use of digital tools and applications for administration, and marketing could work as a suitable trigger to promote digital development and are promising starting points for LOOROs.

3.11 RESEARCH ON DIGITALISATION AND CHANGES TO BUSINESS MODELS IN SOUTH AFRICA

Globalization and the advent of new digital technologies have resulted in organisations pursuing digitalisation and changing their business models to maintain a competitive advantage (Louw & Nieuwenhuizen, 2020a). Businesses need to embrace the changes that come with technology to remain competitive. Reviewing skills used by business leaders to drive the business digitalisation process is also necessary. Despite a growing body of South African research on digitalisation, the majority remains focused on outcomes, barriers, required skills, infrastructure deficits, or customer-facing changes rather than on the strategic leadership process itself. Gaffley & Pelser (2021) focused on building a digital transformation model to intensify the strategy development process for leadership. This work reviewed skills used by business leaders to drive the digital transformation process of business in South Africa's manufacturing sector. The findings indicate that younger age groups are more readily recruited into the manufacturing sector, where technical skills such as engineering and sales are in high demand. However, there is a notable deficiency in the recruitment of IT professionals, data analysts, and scientists, which hampers the digital skill development necessary for the sector's advancement. To address this, it is imperative to implement strategies that enhance the recruitment and training of these critical digital roles. Gaffley & Pelser (2021) state that future research could delve deeper into the disparities observed among specific manufacturing sectors, such as wood, paper, and publishing, which consistently behind other industries across key digital transformation indicators including data management, digital practices, and cross functional team utilization for digital projects. This necessitates a comprehensive, sector-specific analysis to understand the underlying factors contributing to these gaps and to develop targeted strategies for improvement. Although Gaffley & Pelser (2021) identified a critical shortage of

IT professionals, data analysts, and scientists, in the manufacturing sector, their study does not explore how senior leaders actually drive the formulation and execution of digitalisation strategies.

Similarly, Msila (2021) conducted a study investigating the role of educational managers in sustaining effective digitalisation at the University of South Africa (UNISA). Through interviews with eight UNISA managers, the research explored their perceptions of digital leadership and emphasized the critical need for managerial leadership in driving digital transformation within educational institutions. The study underscores the critical need for South African universities to integrate digital leadership to navigate digital transformation effectively. It highlights that the absence of digital leadership skills among managers impedes the development of a cohesive digital strategy, thereby hindering the enhancement of employees' digital competencies and overall institutional performance. Msila (2021) recommended that educational leaders in transforming institutions must consider how to enhance internal cultures, foster critical thinking among stakeholders, and improve research and teaching in the digital age. Technology should serve to strengthen communities as leaders work to build responsive and relevant institutions. Msila (2021) highlighted the essential role of managerial digital leadership in a higher-education institution but offered no detailed account of how top leaders in commercial banks perceive and enact digitalisation as an organisation-wide strategy.

Louw & Niewenhuizen (2020b) conducted a study entitled *Digitalisation strategies in a South African banking context*, on few banks in South Africa. The study aim was to explore the core distinctions between the business models of traditional and digital-only banks, with a particular focus on their digital user experience strategies from the viewpoint of consumer services. Louw & Niewenhuizen (2020b) discovered that South Africans are ready to move to fully digital banking that offers access to banking seven days a week; however, banks need a stable infrastructure and a banking business model to deliver on client demands. According to the findings, all surveyed traditional banks had implemented responsive websites, full internet banking, mobile apps for both major platforms, and zero-rated data for app use, along with USSD and POS services. The findings show that South Africa's first digital only bank adopted a similar model, initially prioritizing responsive web access, internet banking, and an Android app likely due to Android's global market dominance. In both cases, ensuring accessible, data-efficient mobile banking solutions was central to their early digital strategies. The findings of the Discovery Bank and Consulting Group (BCG) study highlighted that although many South Africans are ready to move to full digital banking, banks are lagging as customers are still expected to visit the branch for verification. However, there is a prediction that South African retail banking will become fully digital by 2027. While this study clearly documents the technical features adopted (responsive websites, mobile apps, USSD, etc.), the research is entirely from the customer-experience and operational perspective. The strategic decision-making processes, leadership practices, and lived experiences of senior banking executives who designed and championed these shifts are not examined.

Aghimien, Aigbavboa, Oke, Thwala, & Moripe (2022) investigated the digitalisation of construction organisations. The quantitative study was conducted in South Africa using a questionnaire survey focusing on construction professionals with a minimum of 5 years' experience, the study caters for professional in private and those in public sector based in Gauteng province in South Africa. The results reveal that the South African construction sector is facing challenges, and digitalisation can be the solution to overcome these challenges. However, there is a lack of infrastructure. As a result, digital partnering is considered an option to bridge this digital gap. Some South African construction companies are relying on partnering with companies with digital capabilities. It shows that although more focus is invested in opportunities brought by digitalisation, much work is also invested in challenges and issues that digitalisation brings. There is still a lack of process-oriented studies to primarily develop a theory on implementing digitalisation and how to overcome those issues to implement strategy effectively, as most organisations fail during the implementation stage.

Viswanathan & Telukdarie (2021) conducted a literature survey to assess the status of small and medium-sized enterprises (SMEs) in South Africa, aiming to provide strategic support to these businesses, which are vital for job creation and economic growth. The study identified a lack of business skills training as a significant barrier hindering SMEs from realizing their full potential. Additionally, rapid technological advancements and the expectations of digital customers compel SMEs to adapt their business models to attract investors. The authors emphasized the importance for SMEs to recognize and respond to the effects of digitalisation within the context of business model innovation (BMI), advocating for the adoption of information technology, big data, and social media. Implementing these technologies enables SMEs to develop new strategies and practices towards digitalisation. Furthermore, the study highlighted the necessity for SMEs to simulate business processes through validated models, facilitating the identification of limitations and improvements through process re-engineering. Viswanathan & Telukdarie (2021, p.817) identified five digital trends that are shaping the culture of SMEs: "(i) the shift towards online business operations, (ii) the increasing use of chatbots, (iii) adjustments to cater to millennial consumers, (iv) the dominance of social media in business operations, and (v) the adoption of cloud technology."

Gaglio, Kraemer-Mbula, & Lorenz (2022) conducted a study entitled *Digitalisation, innovation and productivity in South African Micro and Small Enterprise*s in Johannesburg, South Africa. The aim of the innovation survey was to determine the relationship between innovation and digitalisation, and relationship between innovation and productivity. The sample consists of 711 manufacturing micro and small enterprises. The findings indicate that "selected digital communication technologies have a positive effect on innovation and the use of the selected technologies also has a positive impact on labour productivity." Masenya (2023, p.1) states that "digital transformation has caused an abrupt change to business processes and practices whereby small and big businesses are developing business

model innovation and suggested that big data analytics is seen as one of the suitable technologies to offer business model innovation solutions and a started to improve operations and performance in Small to Medium-sized Enterprises (SMEs).” The findings revealed that big data analytics have the potential to enhance SMEs’ business processes, practices, and performance and to respond to their increasingly competitive environment. The study adopted the qualitative content analysis method on articles on the application of big data analytics for the digital transformation of SMEs in South Africa.

Naidoo (2021) conducted a qualitative study to explore the influence of digitalisation on employment in the banking sector in South Africa; sampling consists of bank managers, bank workers, and bank tellers. The findings revealed that digitalisation led to new ways of banking which had an impact on certain occupations. Naidoo (2021) stated that other jobs become obsolete as South African banks are using chatbots, cognitive computing, and other software to reduce errors related to administrative functions, On the other hand, it created new opportunities for people with specialised skills and knowledge. Digitalisation has also forced the sector to change its business model, to embrace the use of technologies, previously customers were served inside the branch, use of digital technologies enables clients to transact without visiting the bank. Further mentioned that digitalisation has opened a gap for Fintech companies. Although digitalisation allows customers to transact without visiting the branch, the sector noticed an increase in cyber risk, banks are expected to increase cybersecurity to protect clients.

Studies in construction (Aghimien et al., 2022), SMEs (Viswanathan & Telukdarie, 2021; Gaglio et al., 2022; Masenya, 2023), and employment impacts in banking (Naidoo, 2021) repeatedly confirm the transformative potential and the challenges of digitalisation, but they consistently stop at the level of what is happening (job displacement, new technologies, infrastructure gaps, cyber-risks, or business-model features) rather than how senior leaders inside a commercial bank strategically orchestrate the entire transformation process.

The gaps identified in these studies is an absence of in-depth, qualitative exploration of how senior leaders actually experience, formulate, champion and implement digitalisation as a deliberate organisational strategy. Existing research provides little insight into how senior leaders perceive, design, drive and embed digitalisation within their organisations, as most studies remain quantitative, technical, macro-regulatory or situated outside the banking sector. There is also a lack of process-oriented, bank-specific studies that trace the full strategic journey from initial vision and top management sensemaking through execution and business model evolution using the authentic voices and perspectives of senior managers. Finally, no empirically grounded theory derived from the lived realities of South African banking leaders exists to explain the leadership mechanisms, challenges and contextual factors involved in successfully (or unsuccessfully) transforming digitalisation into a sustainable competitive strategy.

To link the identified gaps to the research problem to justify the need for grounded theory, how did senior managers in a selected South African bank experience, shape and enact digitalisation as a strategic transformation of banking services, products and the bank's overall business model? Given that no existing research has generated theory within the South African banking context from the perspective of senior managers, grounded theory is the most appropriate methodological choice. It enables a context-rich theory to emerge inductively and systematically from the lived experiences and narratives of senior banking leaders, rather than imposing external or generic models.

This study advances theoretical understanding by developing the first substantive grounded theory of strategic leadership in bank digitalisation, rooted in the lived experiences of senior managers within a South African bank. Moving beyond generic, variable-based lists of "success factors" that dominate existing literature, it offers a practice-based perspective on how strategy implementation actually unfolds at the senior leadership level during organisation-wide digital transformation. The thesis shifts the prevailing research focus which has largely emphasised technical adoption, customer experience, skills shortages, and risk management toward the deeper strategic leadership processes and everyday practices of senior executives in a highly regulated environment. By generating original bank specific concepts, core categories, processes, and conditional relationships, it enriches and contextualises strategy-as-practice and digital transformation theories within the South African banking context. These contributions provide transferable insights that can be tested, refined, and applied to other banks and regulated industries across the continent undergoing similar digital transitions, thereby delivering both theoretical advancement and practical relevance.

3.12 CHAPTER SUMMARY

The chapter examined the concepts of digitalisation, its key features, and how it relates to digital transformation and digitization. It explored how digitalisation enables businesses to grow or shrink. This chapter also analysed the impact of digitalisation on business and the public sector to establish how each sector responds to digitalisation and how the public sector can use digitalisation to improve service delivery. It examined the impact of digitalisation on business stakeholders, and how opportunities and challenges brought by digitalisation impact organisational architecture. It also uncovered how digitalisation influences business model innovation and different concepts of business models. This chapter discussed Fintech as a disruptor to banking, and how it affects the sector and drives it towards digitalisation. It investigated the impact of technological change on business models. Lastly, it discussed digitalisation as a strategy and process, as well as research on digitalisation conducted outside and in South Africa. The following chapter focuses on the research methodology used in the study.

CHAPTER FOUR
RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter aims to unpack matters related to the research methodology that the researcher adopted for this study to generate a substantive grounded theory. This study intends to develop a substantive theory on digitalisation as a strategy for banking services and products in a South African bank. The methodological choice for this cross-sectional study is a qualitative method based on the Straussian version of grounded theory. This chapter discusses the philosophical aspects of the research. After that, it highlights the nature of qualitative research methodology. The chapter also discusses aspects of the grounded theory (GT) method and justification for adopting the Straussian version of grounded theory. Lastly, this chapter covers the research process for this study.

4.2 RESEARCH PARADIGM

Thomas Kuhn was the first scholar to coin the paradigm concept in his book *The Structure of Scientific Revolutions* in 1962 (Fushimi, 2021). According to Kuhn (1962, p.175), the term paradigm has two senses: (i) "it stands for the entire constellation of beliefs, values, techniques, and so on shared by the members of a given community, (ii) it denotes one sort of element in that constellation." The term 'paradigm' originates from the Greek words 'para,' which means “besides,” and 'deiknynai,' which translates as “display.” When these words are put together, 'paradeiknynai' means to “display side by side” (Flew, 1985, cited in Turyahikayo, 2021, p.211). Furthermore, Kuhn (1962) defines a paradigm as "underlying assumptions and intellectual structure on which research and development in a field of inquiry are based" (Turyahikayo, 2021, p. 211). Kuhn has been charged with peddling irrationalism as there has been skepticism as to whether the history of science was correct. Due to these criticisms, Kuhn added 'postscript' to the 2nd edition of *The Structure of Scientific Revolutions* and published a paper, *Second Thoughts of Paradigms*, in 1974 (Oldroyd, 1986).

Research Paradigm is the overall approach to conducting research (Gannon, Taheri & Azer, 2022). Turyahikayo (2021, p.210) echoed that paradigms refer "to the different ways of viewing the world and often form the foundation to undertake the research." This definition clarifies that people view the world differently; the research is conducted based on how they view it. Willis (2007, p.8) supports that a paradigm is "a comprehensive belief system, worldview, or framework guiding research and practice." The researcher must understand research paradigms as they guide the research (Yong, Husin, Kamarudin, 2021). Creswell (2007, p.16) defines a paradigm as "a basic set of beliefs that guide the journey of the researcher. These can be characteristics of discipline or even your personal beliefs about how researchers guide them in conducting research.

Cresswell & Poth (2018, p.18) state that the researcher needs to know philosophy before embarking on the research journey, as it clarifies the research goals and objectives and offers a framework and evaluation criteria for research-related decisions. According to Kuhn (1970, p.146–148), a paradigm has five elements: "(i) a theory or group of closely related theories, (ii) an ontology, (iii) epistemology, (iv) a number of examples, special applications, or typical problems linked to theory and assumptions, and (v) a value orientation, compromising evaluations of what types of the problem." Guba & Lincon (1994) state that a paradigm can be understood as a collection of fundamental beliefs based on core principles. It reflects a person's overall view of the world, including how they see reality, their role within it, and the kinds of relationships that can exist in that world. These beliefs are considered foundational because they are accepted on trust even when they are well explained since there is no definitive way to prove them as true. Furthermore, Guba & Lincon (1994) mention that it encompasses four interconnected philosophical assumptions: ontology (the nature of reality), epistemology (the nature of knowledge and how we come to know reality), axiology (the role of values in research), and methodology (the process of research). These assumptions shape whether a researcher adopts a positivist/post-positivist, constructivist. For example, a positivist paradigm assumes an objective reality that can be measured and tested, whereas a constructivist paradigm views reality as multiple and socially constructed through human interaction (Crotty, 2020). Choosing an appropriate paradigm is essential because it determines the research design, methods of data collection, and interpretation of findings (Kivunja & Kuyini, 2017).

(i) Ontology

Ontology is the study of being, and it raises basic questions about the nature of reality and the nature of the human being in the world (Gannon et al., 2022). Ontology addresses the nature of reality and what exists to be investigated; it asks questions such as whether there is a single objective reality or multiple realities constructed by individuals (Guba & Lincoln,1994). Al-Ababneh (2020) added that ontology is a philosophical theory regarding the nature of reality and its characteristics. Reality exists independently of human consciousness and external experience, or reality exists within our consciousness and only through experience. Do things exist independently of our mind or is our world something constructed from our thoughts? These two perspectives represent the modern debate among researchers regarding the reality of a single reality or multiple realities.

Cresswell & Poth (2018, p.20) state that reality does not only focus on a single view, as some researchers embrace different realities, resulting in participants having many different perspectives. Furthermore, when researchers conduct research, they intend to report on these multiple realities, like actual words of different individuals presenting their experiences regarded as their reality. According to Patton (2002, p.134), "ontological debates concerning the possibility of a singular, verifiable reality and truth versus

the inevitability of socially constructed multiple realities." In this study, the researcher reports on the ontological perspectives of two realities: strategy and digitalisation. Reality is not singular; as such, this study is cognizant that people involved in the digitalisation of the bank and those affected by it have different and subjective perspectives. In a grounded theory study, reality is constructed and subjective.

(ii) Epistemology

The term “epistemology” comes from the Greek words “episteme” and “logos”. “Episteme” can be translated as “knowledge”, while “logos” is the study. Al-Ababneh (2020, p.77) defines "epistemology as the theory of knowledge embedded in the theoretical perspective and, thereby, the methodology. Epistemology is the study of knowledge itself. What is knowledge, how do we attain it, how much of it can we attain, and how can we trust it? How can we be sure that we know anything at all? Epistemology is "a combined philosophical assumption about the nature of knowledge and how it is acquired as it focuses on the validity, extent, and way of gaining knowledge" (Gannon et al., 2022, p. 8). “How is knowledge gathered and from what sources?” Epistemology refers to how the researcher came to know about reality (Yong et al., 2021, cited in Carson et al., 2001). Gannon, Taheri & Azer (2022, p. 8) state that epistemology is based on three questions, "How can we know reality? How is knowledge created?”, and “What is valuable to learn?". First, there is the epistemological position which upholds that knowledge is created in an objective manner, where there is an arms-length relationship between the researcher and the researched in pursuit of objective reality. Second, there is the epistemology that reality is known through people's subjective experiences. In this regard, there is close interaction between the researcher and the participants to understand the participants' perspectives (Creswell & Poth, 2018). Epistemologies debate "the possibility and desirability of objectivity, subjectivity, causality, validity, and generality" (Patton, 2002, p. 134). This study follows a qualitative approach; Creswell & Poth (2018, p. 21) state that the epistemological assumption of qualitative research requires the researchers to understand the participants' perspectives and collect subjective evidence based on their personal experiences. Grounded theory methodology views reality as subjective and constructed socially in the interactions of people, while the researcher interacts closely to get the views of participants to uncover process-related actions and reactions.

(iii) Methodological assumptions

Research methodology refers to the practical “how” of a research study, explaining not just what methodological choices were made, but also why they were made. In other words, methodology justifies the design choices by showing that the chosen methods and techniques are the best fit for the research aims, objectives and research questions (Gannon et al., 2022). The methodology explains how the researcher chooses appropriate approaches for gathering and examining data in order to address the research questions (Yong et al., 2021). There are different methodologies; each methodology elaborates

on data collection and analysis criteria and how collected data must be interpreted (Tie et al., 2019). Creswell & Poth (2018) state that methodology gives the step-by-step direction for discovering reality. Methodology elaborates on the kind of data that needs to be collected, its usefulness, and the criteria to evaluate the collected data (Patton, 2002). This study adopted the Straussian grounded theory methodology to develop substantive theory. The chosen grounded theory version is suitable for understanding the subjective realities of how the implementation of digitalisation as a strategy unfolded in a South African bank, based on the lived experience of senior bank managers.

4.3 RESEARCH PHILOSOPHIES

The domain of research philosophy is broad, and as a result, there are many different research paradigms. Turyahikayo (2021, p. 209) pointed out the following philosophical paradigms: positivism, interpretivism, post-positivism, pragmatism, post-modernism, and critical realism. On the other hand, Creswell & Poth (2018, p. 21) discussed post-positivism, social constructivism, transformative frameworks, postmodern perspectives, pragmatism, and feminist theories. Gannon, Taheri & Azer (2022) focused on three paradigms: post-positivism, critical theory, and interpretivism (Gannon et al., 2022). Saunders et al. (2012) in *Research on the onion* highlights four research philosophies*:* positivism, realism, interpretivism, and pragmatism. Notably, positivism and interpretivism are the common paradigms that were highlighted. According to Schwandt (2015, p.1), qualitative inquirers often refer to their object of study as human or social action, as opposed to behaviour; he also highlighted that qualitative inquiry's epistemological influences are interpretivism, hermeneutics, and social constructivism. On the other hand, Crotty (1998) found three epistemological stances: objectivism, constructionism, and subjectivism. Cresswell (2007) discussed five qualitative traditions of inquiry: biography, phenomenology, grounded theory, ethnography, and case study. Sekaran & Bougie (2013, p. 28) refer to four inquiry paradigms: "positivism, constructionism, critical realism and pragmatism." According to Yong et al. (2021, p. 5857), there are four paradigms: "positivism, realism, critical theory, and interpretivism.” The positivist research paradigm assumes that there is one objective reality, and people can know this reality and accurately describe and explain it. Positivists rely on their observations through their senses to gain knowledge of their surroundings. It can be concluded that there are different research philosophies; however, the most common are positivism, interpretivism, and pragmatism. This section focuses on interpretivism and constructivism.

(i) Interpretivism

Cresswell & Poth (2018, p. 32–33) state that interpretivism “is interested in how humans interpret their realities by narrating the meaning of their experiences and actions.” Interpretivists believe that different people in society experience and understand reality in different ways. While there may be only “one” reality, everyone interprets it according to their own view. They also believe that theories, and that researchers’ worldviews and theories influence and shape all research. Interpretivism is traced back to

German idealism in social theory, discovered by Immanuel Kant (1929), who believed that the human mind is the most significant contributor to the knowledge construction in the world (Putnam & Banghart (2017). The researcher must understand how participants interpret their world (Al-Ababneh, 2020). It shows how humans interpret their world influences their understanding of their social world (Phan, 2018, p.3). Interpretivist researchers seek to discover knowledge about the world of human experience through the participants' views and actions (Thanh & Thanh, 2015, p. 24).

Phan (2018, p.3) argued that the interpretive paradigm is rooted in the fact that methods used to understand knowledge related to human and social sciences cannot be the same as their usage in physical sciences. The statement is supported by Cresswell & Poth (2018, pp. 32-33), who interpret that interpretivism is about human behaviour that cannot be easily controlled like a scientific variable; as a result, this paradigm focuses on generating new knowledge by interpreting what humans attach to their behaviours (Levers,2013, p. 3).

Interpretivism is guided by the researcher's beliefs and feelings about the world and how it should be understood and studied. (Turyahikayo, 2021, p.211) criticises the "interpretivism paradigm that is built to recognise the ability to think as the only source of actual knowledge". Pham (2018, p. 3) disapproves the idea of focusing more on acquiring a deep understanding and knowledge about the phenomenon and its complexity". Thanh & Thanh (2015, p.24) suggest that the researcher should try to generalize the base of understanding for the whole population. Interpretivism assumes that "the world does not exist independently of our knowledge of it" (Williams et al., 2019, p. 168).

Interpretivism encourages scholars to generate theories instead of building upon or testing existing theories (Gannon et al., 2022, p.8). Therefore, the deployment of grounded theory methodology is relevant as it collects and analyses data to develop a grounded theory on digitalisation as a strategy based on the bank's senior managers' views and experiences as people who were the drivers of the process. The researcher interacts with the participants by conducting interviews to understand their views and comments about digitalisation and rely on the collected data to generate a substantive theory. The researcher will not develop hypotheses as research under the interpretivism paradigm does not require one. Interpretivists view the world through a series of individual eyes "and choose participants with their interpretations of reality to encompass worldview (Thanh & Thanh,2015, p. 26).

In the interpretive paradigm, reality is not fixed or objective; instead, it is multiple, socially constructed through human interaction, inherently complex, and continually changing as people interpret and reinterpret their experiences (Thomas, 2003). Interpretivism is related to the constructivist approach as it embraces social theories and perspectives that favor a view of reality as socially constructed (Putnam & Banghart, 2017).

(ii) Constructionism

Constructivism asserts that reality is a construct of our minds; therefore, reality is subjective. Constructivists believe that all knowledge comes from our experiences and reflections on those experiences and oppose the idea that there is a single methodology to generate knowledge. Constructivism originates from the theories of Jean Piaget (1896-1980) and Lev Vygotsky (1896-1934). Constructivism draws ideas from both phenomenology and symbolic interaction to construct meaning. Moreover, meaning is enacted in symbols, language, and social interactions between humans (Putnam & Banghart, 2017, p. 10).

Kanselaar (2002) states that constructivism is grounded in the idea that human knowledge is constructed. The senior bank managers built the knowledge of strategy implementation through their involvement in the process, as they had to ensure that it was a success. In this study, South African senior bank managers also constructed knowledge from the experience gained over the years since the bank transitioned from traditional banking to digitalisation. Constructivism is a response against the objectivist epistemology of behaviorism and information-processing theories of learning (Putnam & Banghart, 2017, p. 10). Constructionists criticize the positivist belief that there is no objective truth. Constructionists believe that the world (as we know it) is fundamentally or mentally constructed; for this, constructionists do not research the objective truth. Instead, aim to understand the rules people use to make sense of the world by investigating what happens in people's minds" (Sekaran & Bougie, 2013, p. 28-29). Patton (2002) states that constructivists focus on answering the following questions: "(i) How have people in this setting constructed reality? (ii) What are their reported perceptions of "truth" explanations, beliefs, and worldviews? (iii) What are the consequences of their constructions for their behaviors and those with whom they interact?". Kanselaar (2002) states that researchers gain knowledge through participants' interpretation of events; as a result, they aim for understanding rather than to generalize findings. Pragmatism emphasizes practical consequences as the criterion in determining truth, meaning, or value. It is characterised by conduct that emphasises practicality. Pragmatism holds the belief that the truth or meaning of any concept or proposition lies in its observable practical consequences or applications.

4.4 QUALITATIVE RESEARCH

Qualitative research is a method of inquiry that focuses on understanding human experiences, behaviours, and interactions through the collection and analysis of non-numerical data, such as text, audio, or video. Qualitative research is founded on the ontological assumption of subjective reality and the epistemological assumption that social phenomena are multifaceted in a way that cannot be related to remote variables and therefore cannot be named as a variable when defining qualitative research.

Qualitative research is a form of research in which a researcher plays a vital role in the research process, and research is utilised to comprehend the way people view and encounter the world. While there are many approaches to qualitative research, they tend to be adaptable, and the emphasis is on sustaining rich meaning when analysing data (Corbin & Strauss, 2015). Kumar (2019) echoed that qualitative research requires the researcher to extract meaning from data collected from respondents, such as text from a recorded interview, and interpret it into meaningful information.

According to Bryman, Bell, Hirschsohn, Dos Santos, Du Toit, Masenge, Van Aardt & Wagner (2014), qualitative research is divided into four methods: grounded theory, action research, ethnography, and phenomenology. Yin (2016) pointed out that qualitative research seeks to discover how people interpret and cope in real-world settings. Furthermore, qualitative research enables researchers to understand the contextual richness of the participants' real-world settings. Qualitative research relies on an in-depth understanding of the reality of people and what they think about different situations under different conditions.

Zikmund et al. (2013) are explicit that qualitative research can be deductive or inductive. The inductive approach is exploratory and flexible, often leading to unexpected insights. An inductive approach is a more emergent strategy, where the researcher reads through the data and allows codes to emerge/names concepts as they emerge. An inductive approach is more of a “bottom-up” approach to research, which is also referred to as a “theory after”. This is mainly because codes, themes and theory emerge directly from the data rather than being predetermined by existing theories or frameworks. Inductive qualitative research contributes new insights that may help in developing theory.

On the other hand, the deductive approach is applied when existing theories are tested against specific cases. A deductive, or a priori, approach generally means applying a theory to the data to test the theory. It is a “top-down” approach to theory building and data analysis. The “theory first” approach is one way of building theory. This approach is often referred to as "theory first” because it entails theory testing, as the collected data are utilised to examine the variables that form the hypothesis of the existing theory, determining whether they remain valid or if alternative explanations are necessary (Yin, 2016). Qualitative research "utilises an open and flexible design and stands at odds with the notion of rigour so important when doing quantitative research" (Corbin & Strauss, 2015, p.4). Kumar (2019) states that the qualitative method follows a flexible and unstructured approach to inquiry; its purpose is to explore diversity in the perceptions and experiences of participants. Qualitative research usually involves a handful of people, unlike quantitative research, which focuses more on the number of respondents. Further, the qualitative researcher often visits the participant on-site (home or office) to conduct the study (Creswell, 2014).

Glaser & Strauss (1967, p. 223) state that qualitative research is “generally labelled as unsystematic, impressionistic, or exploratory, flexible, sloppy or unsophisticated.” There are three kinds of instruments that qualitative researchers can use to collect data, which are: (i) in-depth, open-ended interviews, (ii) direct observation, and (iii) written documents (Patton, 2002). This study generated data by conducting interviews to understand bank senior managers' experiences, knowledge, and approach toward digitalisation.

Once data has been collected, the researcher communicates findings in a descriptive manner that does not emphasize generalizations. Qualitative enquiry has been criticised for its lack of inter-observer reliability, the lack of standardised measurement and the fact that it does not accommodate inferential statistics. Qualitative research uses qualitative methods, which can only analyse and interpret a small amount of data. Additionally, because there is no single accepted model available, this gives the researchers a lot of flexibility, and this could be a shortcoming for inexperienced researchers.

Strauss (2015, p. 5) mentioned that researchers choose qualitative research to explore the following: “(i) the inner experiences of participants, (ii) how meanings are formed and transformed, (iii) areas not yet thoroughly researched, (iv) discover relevant variable that later can be tested through quantitative forms of research, (v) to make a holistic, and comprehensive approach to the study of phenomena.” This study adopted a grounded theory methodology to generate a substantive theory, which hinges on an inductive approach to generating theory from data rather than testing existing theory. The inductive approach is suitable to generate a new theory developed from real-life experiences of senior managers, as we know little about the process of digitalisation in a bank in South Africa.

4. 5 GROUNDED THEORY

Grounded theory is a powerful qualitative research method that builds theory directly from data, making it invaluable for studying complex, unexplored, or evolving areas. The goal of grounded theory is to generate a theory that accounts for a pattern of behaviour that is relevant and problematic for those involved. Grounded theory researchers use pragmatic approaches to collect participant data and develop theory (Tie et al., 2019). In this way, grounded theory is unique as it relies on systematic data collection and analysis to generate insights and theory grounded in the data, rather than starting with a hypothesis and moving to theory. Rennie (1998) states that the grounded theory method is unique for “turning methodology upside down”: as opposed to utilising data to test theory, it was used to develop it. Grounded theory method is not a linear method but instead requires an iterative procedure of simultaneous data collection and analysis until a theory is fully and completely generated from data. Grounded theory methodology is particularly valuable for exploring new or under-researched areas, allowing researchers to develop theories based on observed patterns and relationships. Denzin & Lincoln (2008, p.4) define grounded theory as "a set of flexible analytic guidelines that enable

researchers to focus on their data collection and build inductive middle-age theories through successive levels of data analysis and conceptual development." According to Strauss & Corbin (1990, p.24), the grounded theory is qualitative research that uses a "systematic set of procedures to develop an inductively delivered grounded theory about a phenomenon." The ordinary meaning in these definitions is that the primary purpose of grounded theory is to construct a theory from data using a systematic framework instead of testing or applying existing theories. Sebastian (2019) states grounded theory focuses on collecting rich and unbiased data from participants to bridge the gap between the research and theory. Strauss & Corbin (2008) put forward that the theory is generated after systematically gathering and analyzing data through the research process. Moreover, “theory developed from data is likely to offer insight about the reality of participants compared to theory derived by putting together a series of concepts based on experience" (Strauss, 2008, p.12).

In developing theory, grounded theory belongs to the process often referred to as "theory after," indicating that data is collected and analysed concurrently, and then a theory is systematically developed based on the analysis of the collected data. As such, grounded theory methodology differs from “theory before” means of building theory, where the starting point is the existing theory, which is tested and extended to a new context. Grounded theory guides a researcher to systematically construct a theory grounded in the collected data (Silverman, 2003). Grounded theory entails developing abstract ideas about research participants' meanings, actions, and worlds and seeking specific data to fill out, refine, and check the emerging conceptual categories because they are drawn from data, are likely to offer insight, enhance understanding, and provide a meaningful guide to action (Denzin & Lincoln, 2008, p. 204).

Grounded theory constructs an exploratory theory grounded in data to uncover a process based on the substantive area of inquiry (Tie et al., 2019). Unlike other qualitative methodologies, the grounded theory researcher starts by collecting data and, after that, can analyse the data. In grounded theory, Glaser & Strauss (1967) state that theory development goes simultaneously with its verification in grounded theory. Denzin & Lincoln (2008) state that collecting and analyzing data simultaneously directs the researcher to the next kind of data that needs further collection. The grounded theory drives researchers to find the proper responses to answer the research questions (Sebastian, 2019). Finding responses that answer research questions requires the researcher to understand the participants' meaning of their actions, interactions, consequences of their interactions and experiences (Denzin & Lincoln, 2008).

The grounded theory uses "categories drawn from respondents and focuses on making implicit belief systems explicit" (Alireza, 2006, p.52). A “significant strength of the grounded theory is that it provides tools for analyzing processes” (Denzin & Lincoln, 2008, p.204). Handberg, Thorne, Midtgaard, Nielsen

& Lomborg (2014) agree that grounded theory is ideal for documenting the core process associated with a change in social groups, which will help researchers understand how participants construct meaning about the area of inquiry and develop a theory that is grounded on data. The advantage of using the grounded theory approach is that it provides steps and processes, which are the building blocks of quality and data-driven theory. Data guides the findings and shapes the theory instead of trying to prove an existing theory. The advantages of using grounded theory in a study are many. First, grounded theory is important and useful for discovering new insights. Grounded theory is useful to uncover new theories based on what data reveals, not just on pre-existing ideas.

Second, grounded theory methodology produces data-driven results and conclusions that are firmly rooted in the data and reflect reality. This close relationship between data and findings is a key factor in establishing trustworthiness. The richness of the data that stems from grounded theory methodology ensure that the investigator attains more accurate data to construct a comprehensive analysis, which empowers the investigator to understand the participants' social and subjective life .Third, the gathering of data and analysis are closely intertwined as researchers truly observe what emerges from data and are less likely to let their preconceptions colour the findings. There is limited bias as the analysis and collection of data go hand in hand, meaning that as the researcher gains insight from analysis, he or she continues gathering more data. Charmaz (2008) states that whilst qualitative research enables researchers to handle data with little knowledge on how to progress, grounded theory has precise rules which support investigators on the way they should carry out their research.

Lastly, grounded theory researchers move beyond a simple aggregation of findings and generate a higher-level understanding of the phenomena being studied. The limitations of grounded theory include the view that the open coding process is time-consuming and exhausting, especially for novice researchers. This may hinder their ability to discover new concepts and themes that may arise from the data. High potential for methodological error is another key limitation. Charmaz (1989) argues that beginner researchers may often follow purposive sampling instead of theoretical sampling, although purposive sampling is only meant to be used at the initial stage of sampling. It is therefore imperative that grounded theory researchers fully understand the technique of theoretical sampling in order to allow the procedures of data collection to be controlled by the emerging theory. Lastly, there is the limitation of potential bias. Despite safeguards, researchers may unintentionally influence their analysis due to personal experiences.

4.5.1 Origin and Evolution of Grounded Theory

Grounded theory started in the 1960s mainly as a protest against qualitative research being considered preliminary to the 'real' and dominant methodologies of quantitative research at that time. Positivism was considered as real research and was permeating most social research. Glaser & Strauss (1967) were

motivated by a desire to dismiss the myth that all good theories had been discovered, and that research should focus on testing theories through quantitative empirical approaches. However, the dominance of quantitative research focused on testing existing theory, which constrained researchers and limited the discovery of new insights and theories. Barney Glaser and Anselm Strauss, sociologists who are the fathers of grounded theory, focused on building theory systematically from the ground up in the 1960s using inductive or abductive rather than a deductive approach. The original proponents, Glaser & Strauss (1967) define grounded theory as the discovery of theory from data. According to Alireza (2006), grounded theory is qualitative research that combines positivism and pragmatism traditions. Anselm Strauss, a medical sociologist, was appointed by Dean Helen Nahm to invest his expertise in the nursing doctoral program offered by the University of California in San Francisco. After that, Strauss appointed more sociologists, and Barney Glaser was among the recruits who joined the School of Nursing.

The first application of grounded theory was noted in 1965 in Glaser & Strauss's book *Awareness of Dying,* where they studied the occurrence of death in different hospital settings (Sebastian, 2019). The second work they accomplished together was to develop the methodology called 'grounded theory' published in *The Discovery of Grounded Theory* in 1967 (Alireza, 2006). Glaser and Strauss's (1967) grounded theory methodology presented a systematic set of procedures that the researcher can adopt to derive theory from collected data (Williamson & Johanson, 2018). Glaser's upbringing was in quantitative research. *The Discovery of Grounded Theory* shifted Glaser's focus from quantitative research, which was dominant in the 1960s in many disciplines (Alireza, 2006). On the other hand, Strauss had "a pragmatic epistemology into empirical inquiry through grounded theory" (Beck, 2013, p.162). Grounded theory methodology has been influenced by the educational background of both positivist and interpretivist schools of thought, which ultimately combined to create pragmatic stance (Alireza, 2006).

Strauss departed from Glaser, dividing the grounded theory into the Glaser and Strauss versions (Salvini, 2019). Corbin & Strauss (2015) argued that there is a belief that developed an interest in formulating his style and own techniques for analyzing data. Salvini (2019:11) states: "Glasser continued writing on the classical approach while Strauss and Corbin developed their version of grounded theory, in which the theoretical and procedural dimensions acquire a greater coherence concerning the roots of philosophical pragmatism." Pragmatists recognize that no two people will ever have the same set of beliefs, because everyone has a unique set of experiences. Pragmatism also speaks to conceptions such as multiple realities way to describe pragmatic inquiry is that it moves back and forth between induction and deduction.

Symbolic interactionism is a perspective used to understand human conduct and underpin grounded theory methodology. It is a leading perspective and method within behavioural sociology, in which interaction is seen as the key to human behaviour and the construction of meaning, and which has the potential to explicate the process of conceptualization and the place of context in knowledge generation. From a symbolic interactionist perspective, meaning is constructed through human group life wherein individuals continuously act, and understand, in the moment, in interaction with themselves, their environment and other human actors. Patton (2002, pp. 112-113) defines symbolic interaction as "a socio-psychological approach most closely associated with George Herbert Mead (1934) and Herbert Blumer (1969)". Corbin & Strauss (1990) put forward that grounded theory derives its theoretical underpinnings from symbolic interactionism. George Herbert Mead first introduced symbolic interactionism. George Herbert Mead (1934) was mentored by Herbert Blumer (1969), who was Strauss's mentor (Beck, 2013). The epistemology of symbolic interactionism derives from American pragmatism within the discipline of Sociology (Mitchell, 2014). Redmond (2015, p.8) defines symbolic interactionism as a "process in which humans interact with symbols to construct meanings." Symbolic interactionism “builds on three relatively simple assumptions: (a) people strive and act toward what represents meaning for them, (b) meaning of arises out of social interaction one has with another, and (c) meaning is being dealt with and modified through interpretive processes" (Handberg, Thorne, Midtgaard, Nielsen & Lomborg, 2014, p.1). Words are not an event but a representation of an event with symbols; people interact based on symbols and act toward things that have meaning (Beck, 2013).

Symbolic interactionism, focusing on the meanings individuals attach to their social interactions, played a crucial role in grounded theory study. Symbolic interactionism will help to guide "the research process, maintain and enhance quality during all phases of the study" (Handberg, Thorne, Midtgaard, Nielsen & Lomborg, 2014, p. 2). As a result, symbolic interactionism serves as a blueprint as it directs the researcher on conducting fieldwork and collecting and analyzing data (Beck, 2013). The researcher will explore the process of South African banks' transitioning from traditional banking to digitalisation. According to Strauss & Corbin (1990), the process links a sequence of action; the study will unpack the sequence of action from when digitalisation was introduced until it was implemented. The study aims to capture senior managers' reaction towards digitalisation adopted by South African bank as a strategy for banking services and products. Most researchers refer to “symbolic interactionism as the philosophy driving grounded theory, but Strauss’s method combines pragmatism and symbolic interactionism” (Beck, 2013, p.170). Symbolic interactionism emphasises the importance of meaning and interpretation; people create shared meanings through interactions with others, and those meanings become their reality (Patton, 2002, p. 112). Further, it was added that the better way to understand how people perceive and interpret the world is through close contact and interaction with them.

Pragmatist philosophy in John Dewey and George Herbert Mead's works underscores the importance of understanding human behaviour in its context. These influences shaped the grounded theory's emphasis on context, process, and the iterative nature of theory development. In thinking about grounded theory, Strauss & Corbin (1998, p.13) cited Patton (1990, p.434) and were of the view that grounded theory was influenced by: (a) the need to get out into the field to discover what is going on;(b) the relevance of theory grounded in data, to the development of a discipline, and as a basis for social action; (c) the complexity and variability of phenomena and human action; (d) the belief that persons are actors who take an active role in responding to problematic situations; (e) the understanding that meaning is defined and redefined through interaction; (g) a sensitivity to the evolving and unfolding nature of events, and (h) an awareness of the interrelationship among conditions (structure), action (process) and consequences. The other version of grounded theory is constructivist.

Strauss's student 'Kathy Charmaz' is a promoter of another version, which is called constructionist grounded theory (Salvini, 2019). As a result, grounded theory has three categories: (i) Classical Grounded Theory, (ii) Straussian Grounded Theory (Interpretive), and (iii) Constructivist Grounded Theory.

(i) Glasserian Grounded Theory - Classical

Glasser's version of Grounded Theory is the original version of 1967. It adopts the ontology of objective reality, which upholds that researchers should not use prior literature to generate a research problem and act as a *tabula rasa* (blank slate) when going into the field to ensure theory emerges from data rather than being contaminated or stifled by pre-existing theoretical constructs. The Glasserian version came into being because "the generators of theory in the late 1930s used qualitative data in a nonsystematic and non-rigorous way; as a result, work based on qualitative data was either not theoretical enough or theories were too impressionistic" (Glasser & Strauss.1967, p. 15). On the other hand, quantitative researchers made great strides in producing accurate evidence and translating theoretical concepts" (Glasser & Strauss, 1967, p.15). *The Discovery of Grounded Theory* provided a powerful argument that legitimized qualitative research as a credible and rigorous methodological approach (Charmaz, 2014, p. 8). When applying an existing grounded theory, one must ensure it is credible and fits the applied population (Glaser & Strauss, 1967). Classical Grounded theory aims to help researchers see things as they are, not as preconceived (Glaser, 2014, p. 48). Charmaz & Bryant (2010) criticises that idea as they believe it views grounded theory researchers as passive and portrays GTM as research that takes place in a vacuum.

In developing grounded theory, Glaser introduced key elements of epistemological foundations, logical reasoning, and methodical procedures, whereas Strauss enriched the approach with concepts of

individual agency, evolving dynamics, the nuances of social and personal interpretations, techniques for resolving issues, and an adaptable exploration of behavioral processes (Charmaz, 2014). Glasser (1992) believes that coding should be less rigorous and consists of two types of coding (simple and substantive). Strauss & Corbin (1990) put forward three types of coding. Glaser (2014, p. 46) believes that "Grounded Theory must (1) fit the area to be applied, (2) must be relevant to the people applied to, (3) must be understandable to the people in the area applied (4) must be relevant to the people applied, (5) must be sufficiently general (6) must give the applier some control although it was designed for clinical practice".

The classical grounded theory methodology, as developed by Glaser & Strauss (1967), rests upon two interrelated procedures: theoretical sampling and constant comparison. The continuous comparison has three stages: (i) comparison of incidents, (ii) integration of categories, and (iii) writing theory. Glaser (1992:1) wrote a letter to Strauss in the book *Emerging vs. Forcing Basics of Grounded Theory Analysis*, blaming Strauss "for misconceiving the original conceptions on grounded theory in his book published in 1988, to an extreme of destruction of Glaser's creativity and contribution to the research methodology". Glaserian grounded theory emphasizes the emergence of theory from data and discourages using pre-existing literature. For Glaser, prior understandings should be based on the general problem area and reading very widely to alert or sensitise one to a wide range of possibilities. Strauss (1987), Strauss & Corbin (1990, 1998) presented an alternative new grounded theory approach that differs from the original version.

(ii) Straussian grounded theory (Interpretative grounded theory)

Straussian grounded theory utilises a constructivist paradigm and a relativist ontology to understand reality in a specific context. It uses a more structured approach to coding and analysis and acknowledges the role of literature in shaping research. Researchers use prior literature (theoretical and empirical) (i) to generate the study's research problem, (ii) to make comparisons, (iii) to enhance sensitivity to subtle nuances in data, (iv) to provide questions for initial interviews, (v) to stimulate the analytical process and (vi) to confirm findings. Where concepts emerge from the data with properties similar to concepts identified in literature, researchers examine both concepts for similarities and differences (Corbin & Strauss, 1990). While Corbin & Strauss (1990) do not advocate entering the field with an entire list of concepts, they acknowledge that certain concepts identified in the literature may emerge from the data, thus demonstrating their significance. If this happens, they suggest that researchers ask themselves whether the concepts were truly derived from the data or imposed by researchers on the data due to their familiarity. Where researchers have life experiences similar to those of the participants, they can use experience not as data but as a comparative case to stimulate thinking about various properties and

dimensions of concepts. Corbin & Strauss (1990) acknowledge the role of deduction and validation in addition to induction.

Strauss and Corbin also emphasize the use of unstructured interview questions to encourage participants to speak freely. Strauss started to work with Juliet Corbin in 1990, "applying a more interpretive approach to the methodology to address previous concerns of rigid structure and clarity in its flexible nature until his passing in 1996" (Sebastian, 2019, p. 3). Strauss & Corbin have previously identified interpretivism as their ontological influence on Grounded Theory (Strauss & Corbin, 1994). In this paradigm, emphasis is placed on individual perspectives to collect valuable data to develop a theory. (Sebastian, 2019). The interpretive grounded theory acknowledges theories can be subject to various interpretations as they are always provisional, such that others may elaborate or refute the theory's claims, and (2) "theories are limited in time, such that a particular era or society influences them" (Strauss & Corbin, 1994, p. 279). Grounded theory derives its theoretical underpinnings from Symbolic interactionism (Strauss & Corbin,1990). Symbolic interactionism helped the researcher understand senior managers' worldviews, actions, interactions and interpretations as the bank pursued digitalisation, which affected different stakeholders in different ways. Strauss & Corbin (1990, p.23) define grounded theory in terms of theoretical constructs derived from qualitative analysis of data as evident: “Inductively derived from the study of the phenomenon it represents. That is, it is discovered, developed, and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon”.

(iii) Constructivist Grounded Theory

Kathy Charmaz, a student of Glaser and Strauss, developed a more modernized and constructivist approach toward grounded theory, which includes acknowledging the interaction between the researcher and the participants and emphasising the “processes” of interaction among individuals to understand the historical and cultural settings of the participants. A constructivist grounded theory fosters the development of qualitative traditions through the study of experience from the standpoint of those who live it (Sebastian, 2019, p. 3). Charmaz recognizes that knowledge is situated, partial, provisional, and socially constructed. It emphasizes abstract and conceptual understandings rather than explanations. Constructivists respect that participants view their world in their own way; however, they acknowledge that the theory also depends on the researcher's interpretation (Charmaz, 2006). Unlike earlier versions of grounded theory, constructivist grounded theory recognises that it depends on how the researcher interprets data and influences the research process, as it cannot be separated from it. Constructivist grounded theorists accept the importance of preconception and emphasise reflexivity in their work and argue against the assumption that prior knowledge should be rejected when developing new theories (Charmaz, 2006). Charmaz (2009) views constructivist grounded theory as being based on pragmatist

foundations and guided by a relativist understanding of knowledge. Rather than arguing about whether something is true, pragmatists focus on the consequences of acting on a set of beliefs.

Glaser and Strauss's (1967) views are different as they were objective, implying that there were social relationships that objectively existed, and which would emerge from the data using the grounded theory method. According to (Charmaz, 2014, pp. 13–14) constructivist grounded theorists reject the positivist view that data and findings exist objectively "out there" waiting to be discovered. Instead, they see both data and research findings as actively constructed through the researcher's interactions, interpretations, and theoretical lens. Constructivists locate themselves inside the inquiry to get as close to the studied phenomenon as possible. The process of constructivist grounded theory includes data gathering, memo writing, coding, developing categories, theoretical sampling, developing theory, and evaluation (Charmaz, 2006).

4.5.2 Understanding theory

Strauss & Corbin (1990) define theory as a set of relationships that proposes a reasonable explanation of the phenomenon under study. Strauss & Corbin (1998, p. 62) refined the definition that theory is a "set of well-developed categories (themes, concepts) that are systematically interrelated through statements of relationship to form a theoretical framework that explains some relevant social, psychological, educational, nursing, or other phenomena". Morse (1994, p. 25) extends the explanation by suggesting that a theory offers "the best comprehensive, coherent, and simplest model for linking diverse and unrelated facts properly and pragmatically." Theory is the foundation for knowledge that can be put into practice or developed further through research (Beck, 2013). Theory is a set of statements defined to structure our observation, understanding and depiction of the world. It should stipulate a succinct description of how and why precise relationships lead to precise occurrences. Theory is a process or a changing entity that is shown as a 'momentary product' that describes a phenomenon. Therefore, it is viewed as not stagnant, but as constantly progressing (Glaser & Strauss, 1967). Grounded theory method inductively develops theory, centred on the observation of concrete examples of a phenomenon being investigated. Strauss & Corbin (1990) outline the two features in theory. Firstly, theory uses concepts which relate to labels given to the data. These concepts result in the interpretation of the data. Second, theory comprises statements of relationships which relate the concept to a conceptual scheme (Strauss & Corbin, 1990).

The grounded theory method focuses on two types of theory: formal and substantive (Strauss & Corbin, 1990). A substantive theory is a theory that arises from an area of investigatory enquiry which is limited to a single empirical investigation (e.g. digitalisation in a university). Thus, a substantive theory is grounded in research on one particular substantive area and applies only to that specific area. The

next step in developing a substantive theory further is to move from one to many and different substantive areas (e.g. many universities in different contexts), which results in a formal theory. In short, a formal theory is built upon several substantive areas and thus addresses a larger area of research compared to a single substantive theory (Glaser & Strauss, 1967).

As formal theory is generated upon a number of substantive areas, it deals with a phenomenon in greater variety and geographical scope, which gives it greater explanatory power than a single substantive theory. Formal theory “emerges from a study of a phenomenon examined under many different situations, while substantive theory focuses on a phenomenon situated in one particular situational context" (Strauss & Corbin, 1990, p. 174). Theory has "a greater likelihood of being reflective of personal and professional issues if it is grounded; without grounding in data, that theory will be speculative and ineffective (Beck, 2013, p. 169). In this study, the researcher aimed to develop a substantive grounded theory that elaborates on how a South African bank implemented digitalisation as a strategy for services and products to be competitive in the market from the perspective of experienced senior managers.

Strauss's work assumes that having an unbiased position involves collecting data and applying specific technical procedures by letting the participants hear their voices (Alireza, 2006, p. 52). This qualitative study is based on grounded theory, which allows the researcher to collect data through interviews and build a theory based on inductive data collected from senior managers. Grounded Theory methodology is based on theory building rather than empirical testing of predefined theoretical hypotheses (Khan, 2014).

4.5.3 Challenges of grounded theory

It has been pointed out that grounded theory is about generating theory from data. Since there are different categories of grounded theory, each has its shortcomings. This section unpacks different challenges that impact grounded theory. Glaser & Strauss (1967) require the investigator conducting a grounded theory study to distance himself from a substantive theory to emerge and avoid forcing theory.

Cresswell & Poth (2018) argue that grounded theory requires the researcher to follow specific steps when collecting and analysing data; however, if the researcher adopts Corbin & Strauss's (2008, 2015) perspective, the researcher will find it challenging to realise when data is saturated. This may lead to the investigator not knowing that it is sufficient to stop collecting data. Cresswell & Poth (2018) suggest that adopting the flip-flop technique involves looking at the opposite or extreme range of a concept or situation to bring out its significant properties and dimensions helpful in determining if the theory generated has true meaning and reached saturation.

Strauss (1987) and Corbin (1990;1998) presented an alternative version of grounded theory in which new approaches were introduced that differed from the Glaser and Strauss (1967) approach. Glaser (1987) rejected Strauss and Corbin's (1998) 21st-century constructivist grounded theory that opposes the core elements of grounded theory (Williamson & Johanson, 2018, p. 227). Furthermore, Glaser's (1987) argument is that Strauss and Corbin's approach "forces data and analysis into preconceived categories and, thus, contradicts fundamental tenets of grounded theory".

Glaser & Strauss (1967) are seen as critical realists who follow a positivist paradigm that upholds objective reality and inductive logic to induce theory from data. Strauss & Corbin (1990) are viewed as pragmatic interactionists with a constructivist intent, focusing on axial coding and coding paradigms for the intention of exploring the nature of relationships in a phenomenon as evident in data.

One of the most problematic issues relates to how and when existing literature should be used during a grounded theory study. Glaser & Strauss (1967) explicitly advised against conducting a literature review in the substantive area of research at an early stage of the research process before data collection to avoid preconceived categories influencing the emerging theory. Although Glaser (1998) acknowledged the practical difficulties of strict adherence to the view of no literature review before data collection, he remained staunch in his position, asserting that: "Grounded theory's very strong dicta are a) do not do a literature review in the substantive area and related areas where the research is to be done, and b) when the grounded theory is nearly completed during the sorting and writing up, then the literature search in the substantive area can be accomplished and woven into the theory as more data for constant comparison. (Glasser 1998, p. 67)".

The idea was that theory needs to emerge naturally from the empirical data during analysis, uninhibited by extant theoretical frameworks and associated hypotheses. In practical terms, an early detailed literature review conducted at the outset may stifle creativity and flexibility and also 'contaminate' the data collection, analysis and theory development by leading the researcher to impose existing frameworks, hypotheses or other theoretical ideas upon the data, which would in turn undermine the focus, authenticity and quality of the grounded theory research. In short, a detailed literature review in the substantive area before data collection was seen as something that could detract from the quality and originality of the research. This stance directly contradicts most methodologies, which view a detailed literature review as an essential foundation upon which to build a research project.

Bryant (2003) argued that no researcher can be completely objective. The idea of postponing a literature review until data collection and analysis is simply unworkable for many researchers whose research funding, ethical approval and progression through the doctoral process may all be

heavily dependent upon producing a detailed literature review prior to commencing primary data collection. How can the research gap in existing knowledge be ascertained without an initial review of the literature being undertaken?

According to Straus & Corbin (1994), it is essential to conduct a limited and early literature review when using grounded theory to help contextualise the study, orient the researcher and reveal how the phenomenon has been studied to date, develop 'sensitising concepts' and gain theoretical sensitivity. Theoretical sensitivity is a key concept in grounded theory studies and refers to the researcher's ability to generate ideas from data and relate them according to theory. Theoretical sensitivity also involves the researcher's insight in giving meaning to data, remaining open to the preconscious processing needed for theory to emerge, understanding what the data says, separating out what is relevant, making conceptual connections between data sets, and thinking on multiple levels to ensure one can identify patterns. To be theoretically sensitive, researchers must approach a study with as few preconceived ideas as possible; in particular, they should avoid forming any hypotheses. Notably, Corbin & Strauss highlighted that becoming theoretically sensitive is not easy. This is mainly because meaning is hidden in the data. However, theoretical sensitivity is at the core of moving from 'description to conceptualisation' in a grounded theory study (Corbin & Strauss, 2015).

An early but limited literature review provides a cogent rationale for a study, including a justification for a specific research approach, ensuring the study has not already been done, while simultaneously highlighting pertinent lacunae in existing knowledge. The open-mindedness of the researcher should not be mistaken for the empty mindedness of the researcher who is not adequately steeped in the research traditions of a discipline (Williamson & Johanson, 2018).

The seminal 1967 collaboration between Glaser and Strauss on "*The Discovery of Grounded Theory"* marked a true partnership in legitimising qualitative inquiry, yet evolving differences particularly Glaser's 1992 critique of Strauss and Corbin's more prescriptive approach sparked a major divide by the 1990s, fragmenting the method into competing versions. Regrettably, this has prompted certain grounded theory practitioners to fixate on championing their preferred variant over emphasizing the practical contributions and insights of the studies themselves, which in turn fuels skepticism among editors and evaluators about the method's overall rigor and applicability (Bryant & Charmaz, 2007, p. 3-9).

4.6 RATIONALE FOR CHOOSING STRAUSSIAN GROUNDED THEORY VERSION

There are different versions of grounded theories; the researcher must choose and stick to one. Strauss & Corbin (1998) highlighted the importance of exploring various possibilities before choosing one. The study follows the guidance of Strauss & Corbin (1990) to understand the process of digitalisation as a

strategy of the South African bank, which shifted from traditional banking services to digitalisation. This study adopted Strauss & Corbin's (1990) version because it is more systematic and structured, laying out the process step by step. This approach was key to guiding the researcher to develop a theory grounded in data and views of senior managers regarding the factors and processes of digitalisation in a South African bank. Strauss & Corbin's (1990) version is more systematic and consists of three coding phases (open, axial, and selective).

Strauss & Corbin's (1990) version of grounded theory was chosen because it allowed for an early literature review. It was also critical to give the researcher an idea of what others have done, identify gaps, and avoid repeating what has already been invented (Yin, 2016). The Strauss & Corbin (1990) is different from the Glaserian version, which discourages using literature before data collection to prevent contamination of theory (Glaser, 1987). The following section explores the criteria that can be used to judge the quality of grounded theory.

4.7 JUDGING CRITERIA FOR GROUNDED THEORY QUALITY

Saunders, Lewis & Thornhill (2012, p. 193) highlight the importance of the researcher understanding the criteria to be used to judge the quality of the research. Furthermore, when a researcher wants the research to be accepted by others, it must meet the following criteria: validity and reliability; however, these are more applicable to a quantitative study. Sometimes, qualitative researchers modify the same criteria to suit qualitative study; dependability, credibility, and transferability are more appropriate to qualitative research. To establish the trustworthiness of a qualitative inquiry, it must satisfy four essential criteria: credibility, which confirms the accuracy of portrayed experiences; transferability, which supports potential applicability to other settings; dependability, which ensures consistency in the research process; and confirmability, which demonstrates that interpretations emerge from the data and context rather than researcher imposition (Lincoln & Guba, 1985, p.300).

Glaser & Strauss (1967) state that the main criteria for assessing the usefulness of the generated theory include fitness, understanding, generality, and control. Thus, the theory must closely fit the data and the substantive area. When theory fits the data and substantive areas, it becomes understandable and relevant to both professionals and laypersons concerned with the area. When a theory is understandable and relevant, it is interesting and memorable to those within the substantive area. The theory must also be general enough to be “applicable to a multitude of diverse daily situations within the substantive area and demonstrate explanatory power on what happened, predicting what will happen and interpreting what is happening (Glaser, 1978, p. 4) in the substantive area and consequently allowing the user a degree of control within the situation. Finally, the theory should also be modifiable as new data is

introduced and as the substantive area changes over time. Theory cannot be separated from the process by which it is generated.

According to Strauss & Carbon (1990, p. 23), "a well-constructed grounded theory meets the four central criteria for assessing theory's applicability to a phenomenon are: fit, understanding, generality, and control. Additionally, Strauss & Corbin (1990) proposed seven criteria to judge the adequacy of the research process; they suggested some questions to be asked, such as 'How was the original sample selected?', 'How and why was the core category selected?', and 'What major categories emerged?' To evaluate the conceptualisation of the research, they suggested another seven questions, including 'Are concepts generated?', 'Are the concepts systematically related?', and 'Do the theoretical findings seem significant and to what extent?' (Strauss & Corbin, 1990).

4.8 FUNDAMENTAL PRINCIPLES OF GROUNDED THEORY

Some principles differentiate grounded theory from other qualitative research methodologies. This section explores the fundamental principles of grounded theory, including generating theory, theoretical sampling, constant comparison and data saturation.

(i) Generating Theory

Grounded Theory focuses on generating theory from data. In grounded theory, the researcher systematically gathers and analyses data through the research process to develop the theory (Strauss & Corbin, 1998). The collection of data and analyses take place simultaneously. Unlike other methodologies, the researcher does not begin with a preconceived theory in mind or test the existing theory; instead, the researcher starts with no preconceived ideas and allows the theory to emerge from the data (Corbin & Strauss, 1998).

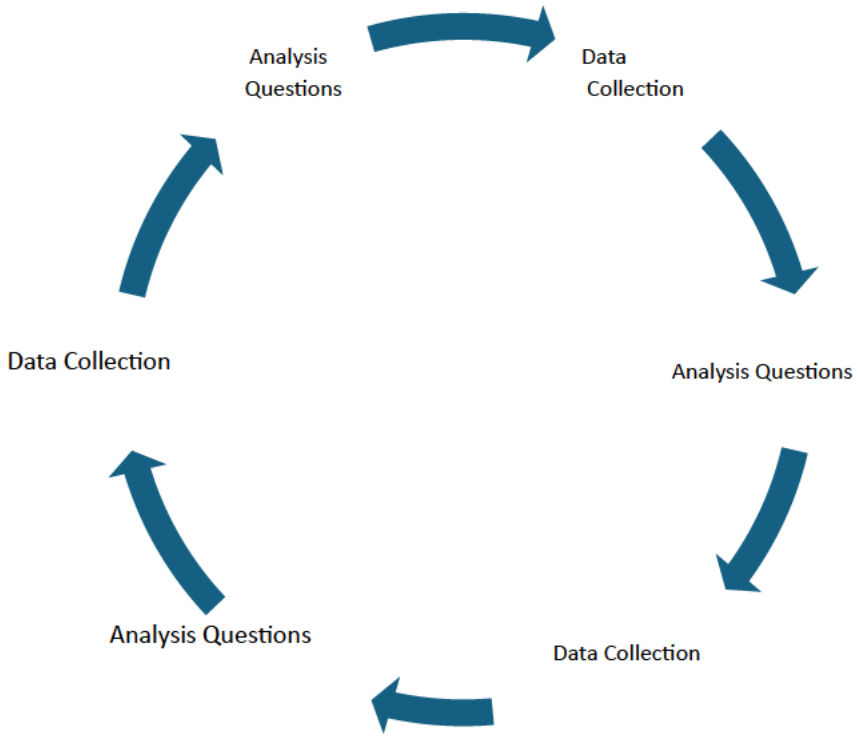
(ii) Theoretical Sampling

Theoretical sampling is based on the properties and dimensions of concepts, not on people (Corbin & Strauss, 2014). Glaser & Strauss (1967) define theoretical sampling as the data collection process to derive a theory whereby the researcher collects, codes, and analyses the collected data, based on findings, decides what data to collect next and where to find that needed data to formulate a theory. Similarly, Strauss & Corbin (1990:176) describe theoretical sampling as a "sampling on the concepts that have proven theoretical relevance in the evolving theory." Glaser & Strauss (1967) put forward that in theoretical sampling, the researcher does not choose who to sample next based on the decision related to a preconceived theoretical framework. The researcher may begin with partial knowledge of the organisation's concepts, structure, and processes studied. For example, the researcher knows before studying that there are consultants, customers, bankers, branch managers, and senior bank managers. The products offered in banks are current accounts, savings accounts, credit cards, overdraft facilities,

and loans provided in branches. The emerging theory controls theoretical sampling by determining the following theory that needs to be collected.

The criteria for theoretical sampling are" theoretical purpose and relevance; the researcher can continually adjust his control of data collection to ensure the data's relevance to the impersonal criteria" (Glaser and Strauss, 1967, p. 48). Glasser & Strauss (1967) discourage researchers from collecting data according to a preplanned routine, which is more likely to lead to irrelevant directions. The researcher collects data and analyses it iteratively. "The analysis leads to concepts, concepts generate more questions, which lead to more data collection and direct the researcher to the data that needs to be collected next. The fundamental question in theoretical sampling is: Based on what is emerging from the data, who does the researcher turn to next in data collection?" (Corbin & Strauss, 2014, p. 136). In theoretical sampling, the process is iterative and purposeful, selecting participants, cases, or contexts based on their potential to contribute to the development and refinement of theoretical concepts. Figure 4.1 shows the iterative nature of data collection and data analysis in grounded theory as the researcher does not go out and collect all the data before beginning the analysis.

Figure 4.1 Theoretical Sampling



Source: Corbin & Strauss (2014, p. 136)

In simple terms, theoretical sampling can be defined as the process of collecting, coding and analyzing data in a simultaneous manner to generate a theory. In using theoretical sampling in grounded theory,

the researcher may not know the sample size in advance. Corbin & Strauss (1990) advise grounded theory researchers to collect and analyse data iteratively until data saturation.

(iii) Theoretical Saturation

Theoretical saturation is when no new properties and dimensions emerge from the data during the analysis. As the researcher realises that data collection and analysis produce similar instances repeatedly, he/she becomes empirically confident that a category is saturated (Glaser & Strauss, 1967). The researcher finalize the data-gathering process when he or she notices the following: (a) no new or relevant data seem to emerge regarding a category, (b) the category is well developed in terms of its properties and dimensions demonstrating variation, and (c) the relationships among categories are well established and validated. Unless the researcher continues gathering and constantly comparing data, the theory will be unevenly developed, lacking density and precision (Corbin & Strauss, 2014). Understanding the constant comparative method is important for developing substantive theory.

(iv) The Constant Comparative Method

Constant comparison is the analytic process of comparing different pieces of data against each other for similarities and differences, and the researcher then places incidents under the same or different codes (Corbin & Strauss, 2014, p. 84). In subsequent interviews, researchers compare incidents labelled under the same code for similarities and differences (within-code comparison) to uncover the different properties and dimensions of the code There are four stages of the constant comparison method: "(1) Comparing incidents applicable to each category, (2) integrating categories and their properties, (3) delimiting the theory, (4) writing the theory" (Glasser & Strauss, 1967, p.102). The constant comparative method of joint coding and analysis systematically generates theory (Glasser & Strauss, 1967, p. 102). Corbin & Strauss (1998, p.67) state that "comparisons are important because they enable the researcher to identify variations in the patterns in which they are interested but also how pattern varies dimensionally, which is discerned through comparisons of properties and dimensions under different conditions." Glaser (1967, p.46) asserts that the researcher should be sufficiently theoretically sensitive to conceptualize and formulate a theory as it emerges in data; theoretical sensitivity is forever in continual development.

4.9 RESEARCH PROCESS

This second part of the research methodology presents the procedure adopted to collect and analyse data. First, this section discusses critical incident techniques, an interview guide, a sampling method, and a description of the participants. After that, it focuses on data collection, analysis, and ethical considerations.

4.9. 1 The critical incident technique

The critical incident technique (CIT) is a "well-proven qualitative research approach that offers a practical step-by-step approach to collecting and analysing information about human activities and their significance to the people involved" (Hughes, Williamson & Annemaree, 2007, p.1). CIT consists of "a set of procedures for collecting direct observations of human activity in such a way as to facilitate their potential usefulness in solving practical problems and developing broad psychological principles" (Flanagan 1954, p.1). The critical incident technique is used to collect data using a set of procedures.
In the critical incident method, the observer collects detailed observations of human behaviour, observable actions or events that significantly contribute to the success or failure of an activity in a specific situation. There are some advantages to critical incident techniques. First, it provides comprehensive and in-depth information about specific behaviours and events, allowing for a nuanced understanding of the factors affecting performance. Second, the critical incident technique captures real-life incidents, ensuring that the data is relevant and directly applicable to actual situations, leading to practical insights. Third, the critical incident technique is behaviour-based, focusing on observable actions rather than opinions or perceptions, reducing the subjectivity and bias often associated with other qualitative methods. It is these advantages that led this study to use critical incident technique to investigate the variety of positive and negative critical incidents experienced or observed by senior bank managers as they implemented digitalisation as a strategy.

The critical incident technique was coined by Johan Flanagan in 1954, a leader of the "Aviation Psychology Program of the United States Army Air Force" during World War II Flanagan (1954, p.1). Furthermore, he describes an incident as any "observable human activity that is sufficiently complete in itself to permit inferences and predictions made about the person performing the act." The incident is an act that takes place due to specific actions and interactions by various actors that bear the consequences of each incident. The disadvantages of the critical incident technique are that it is timeconsuming, as collecting and analysing critical incidents requires significant time and effort, especially when dealing with large volumes of data. Effective data collection using critical incident technique necessitates skilled interviewers who can probe for detailed information and ensure the accuracy and relevance of the incidents reported. Lastly, the reliance on respondents' recollections of incidents can introduce bias as memories may be selective or inaccurate, affecting the reliability of the data.

Given the above aspects, the researcher asked each senior manager to describe critical events related to digitalisation that they have experienced since joining this bank. The focus was on senior managers who joined the company before 2016, as they have witnessed different events as the company has progressed or unfolded. Participants were allowed to start with positive or negative, or in any order, to get a chronology of incidents. After listing all the incidents which a participant could recall, the researcher

revisited each incident to probe further, describing each incident in the bank, explaining why it happened, who was involved, what actions and interactions happened, who was involved in the interactions, what the interactions were most impactful or not, what were the intended and unintended consequences.

4.9.2 Sampling and description of research participants

The institution chosen for this study is a South African bank because it has already embarked on the digital journey, such that it is possible to delineate the process of digitalisation by reflecting on past critical events. The population comprises operational, business and regional managers. As reiterated in the delimitations of the study in the chapter, it is these three levels of management that constitute senior managers in this study. In short, Senior Managers refer to Regional Managers, Business Managers, and Operational Managers in this study. The chosen managers must meet specific criteria to be considered key informants who can reflect on activities the bank engaged in implementing its strategy. The study focused more on the process over time.

The reason for choosing these three different levels of managers is to get a complete picture of the strategic link between the top executives and the lower-level employees. The researcher interviewed twenty-five senior managers. The findings show that the senior manager who had the least years in the company was eleven, and the longest was twenty-two. The senior manager with the least years in management was nine years, and the manager with the most extended management experience was twenty-two years. These senior managers presented an account of what was unfolding as the bank implemented digitalisation as a strategy.

This grounded theory study used two sampling methods to identify the initial and subsequent participants. The chosen senior managers met the criteria before being considered vital informants who can reflect on how digitalisation has evolved up to the current state. This sampling method ensures that the first participant has a rich depth and breadth of the critical incidents, knows the initial and current activities, decisions, and consequences regarding the bank's digitalisation. The first participant sampled using the purposive sampling method was a senior manager who has been with the company for seventeen years and in a senior management position for the same number of years. This participant joined the company as a senior manager in 2006, before digitalisation started and was one of the bank's strategy implementors. The first participant had been involved in the day-to-day management of the business unit and had extensive experience in implementing digitalisation as a strategy, as well as an understanding of the main challenges that led the bank to transition from traditional banking. Participants knew that digitalisation started in 2008 in this bank by introducing internet banking. The next participant was sampled using theoretical sampling. Strauss & Corbin (1990, p,176) describe “theoretical sampling as a sampling on the concepts that have proven theoretical relevance in the

evolving theory." He was a senior manager who joined the company in 2008 but has been in a management position since 2010. Senior managers were pioneers in the digitalisation process and managed a team of managers overtime to ensure the bank's survival in the market. Table 4.1 presents the details of bank senior managers who participated in the study.

Table 4.1 Details of the research participant

Participant	**Years with the company**	**Management**	**Position**
1.Participant A	8 years	7 Years	RM
2.Participant AA	17 years	17 years	BMO
3.Participant BB	15 years	13 years	BMO
4.Participant CC	21 years	18 years	OP
5.Participant DD	15 years	15 years	RM
6.Participant EE	15 years	15 years	BMO
7.Participant FF	19 years	19 years	RM
8.Participant GG	22 years	22 years	RM
9.Participant HH	13 years	9 years	RM
10 Participant II	13 years	10 years	RM
11 Participant JJ	16 years	14 years	RM
12 Participant KK	20 years	18 years	RM
13 Participant LL	18 years	10 years	RM
14 Participant MM	13 years	11 years	BMO
15 Participant NN	16 years	16 years	BMO
16 Participant OO	16 years	9 years	RM
17 Participant PP	16 years	16 years	RM
18 Participant QQ	13 years	11 years	RM
19 Participant RR	12 years	9 years	RM
20 Participant SS	15 years	15 years	RM
21 Participant TT	12 years	9 years	RM
22 Participant UU	12 years	12 years	RSM
23 Participant VV	11 years	11 years	MM
24 Participant WW	18 years	18 years	RM
25 Participant XX	11 years	11 years	RM

Source: Researcher's construction

In grounded theory, you may not know the sample size in advance; the researcher did not state the sample size until data were collected and analysed and reached the data saturation stage. Strauss &

Corbin (1990. p.23) state that in grounded theory, “the collection, analysis, and theory stand in a reciprocal relationship with each other as one does not begin with a theory then prove it.” This study is based in South Africa and aims to understand digitalisation as a strategy for banking products and services from a South African perspective; hence, it only focused on experienced managers from South Africa.

4.9.3 Data Collection

Kolb (2012) mentions different ways of collecting data; a researcher can collect data from the participants by observation, conducting interviews, or documenting. Strauss & Corbin (1990) do not dictate any particular method to be followed by the researcher when collecting data. There are three types of interviews. First, structured interviews have predetermined questions in a set order. They are often closed-ended, featuring dichotomous (yes/no) or multiple-choice questions. Second, an unstructured interview is the most flexible type of interview, as the questions and the order in which they are asked are not set. The interview can proceed more spontaneously, based on the participant’s previous answers. Lastly, semi-structured interviews are a blend of structured and unstructured interviews. While the interviewer has a general plan for what they want to ask, the questions do not have to follow a particular phrasing or order. This study used in-depth semi-structured interviews to collect data on how bank senior managers implemented digitalisation as a strategy for banking services and products. The reason for choosing interviews is that they allowed managers to elaborate on incidents and activities engaged in by the bank to implement digitalisation as a strategy. The researcher had an opportunity to ask about their individual and institutional level challenges during the implementation and how they overcame them. Participants explained how they identified opportunities and the consequences of their actions.

It is crucial to underscore that the current study has adopted a retrospective stance to uncover how the process of digitalisation in a South African bank unfolded over the years. A retrospective study is a type of longitudinal study, but it looks back in time and assesses events that have already occurred and relies on participant recollection (Day et al., 2014). It is different from a prospective longitudinal study, which records data going forward as events happen (Day et al., 2014). In retrospective longitudinal studies, the researcher seeks to analyse events of interest that have already happened and are of research interest (Gayle & Lambert, 2021). Concisely, retrospective and prospective longitudinal studies differ as retrospective means looking backwards (into the past) while prospective means looking forward (into the future) (Saunders et al., 2019). For a prospective study, the researcher collects the data in realtime, following the sample and documenting findings over the course of the study (Saunders et al., 2019). In a retrospective study, the researcher depends on existing information to discover patterns leading to the study outcomes. In some instances, researchers in a retrospective study can gather data at certain points

in time but ask participants to reflect on their development in the past over a period of time to identify and recall events.

The current grounded theory study is retrospective and longitudinal as events captured cover an extended period and record the changes and developments related to the digitalisation process, which occurred over time (Gayle & Lambert, 2021). Recall accuracy and bias are key problems in retrospective research because of reliance on memory and self-reported data in retrospective studies. A study which seeks to uncover processes is expected to embrace timing, pace, cycles, rhythms, flow, temporal orientation, and how distinct temporal challenges (e.g. striking a balance between the short term and the long term). Understanding the process of digitalisation suggests exploring the flow of interconnected events, an enacted relation between past, present, and future.

The researcher collected data from twenty-five participants employed by the South African bank. Each manager was contacted using Microsoft Teams, explained the study's purpose, informed them about their rights, and requested participation. The investigator explained to the interviewees that participation is not compulsory and that participants will receive no incentives as participation is voluntary. When the manager agreed, they had to confirm a date and time that would suit their calendar. Afterward, the researcher sent an invite via Microsoft Teams and the letters via email. The interviewee will accept an invitation. The day before the interview, the researcher contacted the participants to confirm and remind them about the appointment. At the beginning of each interview, the researcher assured the participants that the findings would be treated confidentially and would not be identified with them personally to ensure anonymity and to put them at ease. Data collection took seven months, starting from August 2023 through to January 2024. The researcher conducted follow-up interviews with participants whenever there was need for clarity until October 2024. Using Microsoft Teams to conduct interviews was ideal as it allowed the researcher to quickly reschedule another time when the participant was unavailable during that planned time without any costs incurred. Microsoft Teams has a recording and transcribing feature. The researcher asked permission from the interviewee to record the session; fortunately, all of them agreed.

4.9.3.1 Interview Guide

The researcher formulated an initial interview guide based on the research objectives. The aim of the interview guide was to collect the descriptive and detailed narrative of critical incidents from the bank's senior manager. According to Strauss & Corbin (1990), the researcher must consider technical literature, potential categories, properties, and dimensions to ask the right questions in the interview. The study's objective guided the interview questions necessary to get data to build a substantive grounded theory on how South African banks implemented digitalisation as a banking service and product strategy. The researcher had questions which focused on the activities engaged by different actors over time as they

interacted to implement digitalisation strategy into day-to-day activities in the bank to survive in the market. The initial interview guide was divided into three sections, as presented in Table 4.2 below.

Table 4.2 Initial Interview Guide

Initial Interview Guide
SECTION A: Establishing critical incidents from the beginning of digitalisation to date and activities engaged by the bank to implement digitalisation as a strategy. i. How long have you been with the company? ii. How long have you been in the management position? iii. What are the critical incidents you have witnessed in the process of implementing digitalisation as a strategy since joining the company? Give me a chronology. iv. What critical events have occurred since joining this bank regarding digitalisation? (Negative/Positive) v. What was the central problem that led to adopting digitalisation as a strategy? vi. What were the activities the bank engaged to implement digitalisation as a strategy? Who participated in these activities? Who led the process? Who followed? How? vii. What were the positive/negative consequences of each activity engaged by the bank to implement digitalisation as a strategy?
SECTION B: Factors that influenced the process of identifying opportunities for digitalisation as a strategy. i. What factors influenced the process of identifying opportunities for digitalisation? ii. How were these factors identified? Who was involved, and what were the results? iii. iii. What were the big wins in identifying these opportunities? iv. What was the central problem that threatened opportunities brought by digitalisation? Give me ways in which there were other problems.
SECTION C: Impact of operating a digitalisation strategy on internal and external stakeholders. i. Who were the key stakeholders, and what were their key activities in the digitalisation process? ii. What impact/consequences did digitalisation have on different stakeholders? (positive/negative). iii. Do you think transitioning to digitalisation was the best? How?

Source: Researcher's construction

Section A focuses on establishing critical incidents that have taken place since the bank implemented digitalisation as a strategy for banking products and services. The section investigates the activities of different stakeholders to implement digitalisation as a strategy from the management perspective. The reason for this approach was to get a clear understanding of the actions taken, the consequences of those actions, and the benefits of those activities. The questions in Section B focus on investigating ways the bank adopted to identify opportunities for digitalisation. The aim is to stimulate participants to describe different ways the bank used to identify opportunities for digitalisation.

The interviews also probed details in their role and actions of others in identifying opportunities and what the consequences were. The interview guide delved into the big wins that the managers witnessed in identifying opportunities. It also focused on the central problem that threatened the process of identifying opportunities brought by digitalisation and explored actions and behaviors adopted to overcome the factors that threatened the process. Digitalisation impacted stakeholders differently, some positively and others negatively. The questions focused on identifying the main stakeholders involved directly in the banks' operations. Section C seeks to find the consequences of digitalisation.

4.9.3.2 Questioning

In a grounded theory study, the researcher needs to ask interview questions that provide answers to research questions. Collected data is the reflection of the questions asked during the interview. Questioning is a "relentless search for answers, active observation, and accurate recall" (Morse, 1994, p.25). The researcher phrased the questions so that when a participant responds, the data enhances a cumulative, deep understanding of the variety of circumstances, strategies and consequences to get a better and richer picture of the process of digitalisation in the selected bank in South Africa.

Strauss & Corbin (1990, p.62) state that "the researcher needs to ask questions about the phenomenon as reflected in data." The purpose behind the use of questioning is to unpack the data, explore a variety of similar and divergent issues to assist in developing a grounded theory with explanatory power over different and dynamic circumstances. According to the interview guide, the questions were not asked line by line; as data collection progressed, the researcher had to pose probing questions depending on the participant's response. Strauss & Corbin (1990) state that each question asked can stimulate a series of other questions, such as "Who? When? Where? What? How? How much? and Why?" The researcher applied the same technique shown in Table 4.3 to get more information and a deep understanding of the reality regarding the process of digitalisation from the participants who were senior bank employees.

Table 4.3 Questioning Technique

"We started with i*nternet banking*, which is *web-based with a desktop or a laptop.* We did this in *2008*, whereby the client had to *sign in,* then use a dongle to generate *a PIN* to either *log into the internet banking website* itself *or approve transactions"*. [Participant DD]	**What? (***Internet banking*) **When?** *(2008)* **How?** *(Web-based with desktop, PIN, Dongle)* **Why** *(approve transactions)*
"On ***the ninth of August last year (2023),*** our ***digital app went down*** for two days [***48 hours],*** and ***our clients*** could not do any transfers, send cash, transfer between their accounts, or reverse debit orders. So, it had a ***negative impact*** on our business" [Participant A]	**When?** *(August 2023)* **What?** *(Disruption of digital app for 48 hours)* **Who? (***Clients unable to transact)* **What consequences** *(Bank negative impact)*

Source: Researcher's construction

As the researcher was an employee of the bank, her preconceived ideas and those of the participants about the phenomenon of digitalisation were constantly questioned and presented in interviews until they were either validated, disconfirmed or altered as the study progressed. Strauss & Corbin (1998) believe that the researcher can try to be as objective as possible practically; however, this is not entirely possible. Personal experience, professional experience, and technical literature assist the researcher in asking relevant and informed questions to gain clarity quickly when asking follow-up questions (Strauss & Corbin, 1990). The investigator needs theoretical sensitivity "to see with analytic depth what is in the collected data to discover theory" (Strauss & Corbin, 1990, p.76). During the interview, participants were asked to describe the critical incidents regarding the digitalisation process, related activities, challenges and consequences they witnessed since joining the company. The first ten participants kept bringing up new incidents, although some of which were a repeat and an expansion of what had already been highlighted by other participants. Employees worked toward the same goal, focusing on the client experience. There was notable repetition of the incidents, as participant MM started bringing up more incidents that were already covered. The researcher was asking follow-up questions about each incident to understand the incident better. After data collection, the investigator thanked the participants for their time, allowed them to ask questions, and generated a document after every interview for open coding. The researcher needed to listen to a recording and correct the document, as some of the words were misspelt during the recording on Microsoft Teams. The interviews were transcribed line by line; afterwards, the focus was more on labels that enriched categories.

4.9.4 Data analysis

Strauss & Carbon (1990) state that in grounded theory, data analysis and data collection are done concurrently. In this study, data were collected and analysed until reaching the data saturation stage. Data was analysed using three levels of analysis to get a complete picture of the digitalisation process

in the context of a selected South African bank and build a substantive grounded theory derived from data. In the grounded theory study, the data analysis technique consists of open, axial, and selective coding (Strauss & Corbin, 1990). In grounded theory, the analysis is “not a structured, static, or rigid process, rather, a free-flowing and creative one in which analysts move quickly back and forth between types of coding, using analytic tasks before analysis” (Strauss & Corbin, 1998, p.58). In this grounded theory study, a transcribed Microsoft Word document was generated and subsequently analysed to create labels and concepts. The related concepts were constantly compared and grouped under similar categories. The researcher collected and analysed data until the data saturation of all the categories and their respective properties.

4.9.4.1 Open Coding

The first procedure to analyse data in grounded theory is open coding, which “breaks down, examines, compares, conceptualises, and categorises data" (Strauss & Corbin, 1990, p.61). Open coding separates sentences, paragraphs, or ideas and gives each a name to differentiate it from other incidents. Glaser (1992, p.38) defines open coding as “the starting point of constant comparative analysis to discover categories and their properties.” In doing open coding, the researcher can choose between a microscopic line-by-line approach and a holistic approach. The microscopic examination consists of two major aspects of analysis: “(a) the researcher gathers the actual events and actions, texts, observation, and videos as participants remembered (b) the observers and actors' interpretations of those events, objects, happenings, and actions (Strauss & Corbin, 1998, p.58)”. Open coding aims to break down an observation, a sentence, a paragraph, “to give each discrete incident, idea or even a name, something that stands for or represents a phenomenon” (Strauss & Corbin, 1990, p.63). This study adopted the line-by-line approach to allow a researcher to break down sentences to label concepts and generate initial categories with their properties and dimensions. After each interview, the researcher generated a Word document on Microsoft Teams, corrected the spelling, and labelled the concepts. Labelling the concepts enabled the researcher to identify categories, properties, sub-properties, and dimensions from the collected data. Strauss & Corbin (1990) highlighted the importance of conceptualizing data instead of repeating the phrase or paragraph, as this will lead to many repeated incidents linked to one label. The related ideas were given the same label.

> *So, you know, first and foremost, as a bank, we had to ensure that our employees understood what digitalisation is and how banking in the future is going to look like* ***(Educate employees)*** *because this will have them to see that it necessitated for the change that we are embarking on* ***(Buy-in from employees)****. On the positive side, this digitalisation made employees feel more in control* ***(Empowerment)****. They accepted the change* ***(Embrace change),*** *and it was much quicker for them to embrace this new technology that will benefit all stakeholders* ***(Buy-in from employees)****. On the other hand, the employees felt this would take away their jobs (****Fear of losing jobs)****. We had to manage this journey and showed them the possibilities with digitalisation* ***(Educate employees)****. [Participant CC]*

After giving each concept a name, similar concepts were grouped, and different concepts were also grouped to reduce the number of concepts to work with. In grounded theory, grouping concepts that seem to pertain to the same phenomenon is called categorization (Strauss & Corbin, 1990). Categories have "conceptual power because they can pull together around concepts or subcategories" (Strauss & Corbin, 1990, p.65). The researcher developed categories with their properties. Properties are "the characteristics or attributes of a category" (Strauss & Corbin, 1990, p.69). Strauss & Corbin, 2015, p.221) define categories as "the higher-level concepts under which analysis groups lower-level concepts that become subcategories; also added that they represent relevant phenomena and enable analysis to reduce, combine, and integrate data." The process of open coding stimulates the discovery not only of categories but also of their properties and dimensions" (Strauss & Corbin, 1990, p.69). The researcher examined and compared data to group it into categories and subcategories.

(i) Comparative analysis

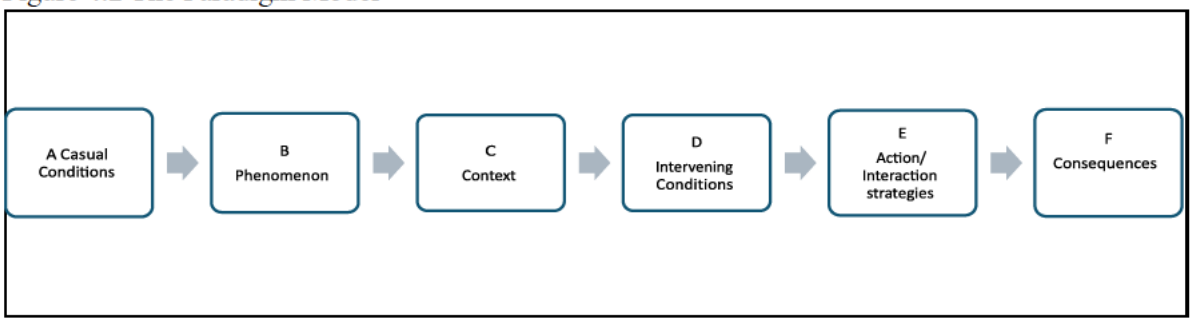
Analyzing data line by line led to the generation of many concepts. To reduce the number of concepts, the researcher started comparing incidents against incidents to determine similarities and differences. Each incident was labelled initially, and incidents conceptually related to the previously coded incident were grouped under a category. After that, all new emerging concepts were inserted under the category, except when they did not belong to the existing categories. For ideas that did not fit into existing categories, a new category was created to insert those incidents. The researcher used the collected data to ask more questions and compare labels. Constant comparison enables the acquisition of sufficient data to develop each category and its properties and dimensions (Strauss & Corbin, 1990). When collecting and analyzing data, the researcher applied different techniques to open up data. According to Strauss & Corbin (1990, p. 91), "at times one does not need the whole paragraph to open up data as one can use a sentence, word or a phrase." When someone sees or says a word, a listener applies meaning to that word based on their understanding or experience and assumes that they will act in a certain way under a particular condition. In this study, the researcher tried not to assume what the participant meant but instead asked follow-up questions to accurately understand what was said, as one word can have different meanings. The assumptions can mislead the researcher, but it is essential to probe more to understand them fully. Strauss & Corbin (1990) state that analysing a word or phrase forces the researcher to gather more data to examine the participants further and ask them questions. As the researcher progressed with data collection and analysis, the researcher continuously identified and labelled the events as the managers described. The labelled events were compared against each other, and the related events were grouped. After the related themes were grouped, a category named *"moving clients out of the branch through cost-effective technologies properties"* was developed. Categories were developed in terms of properties after those dimensions. Comparative analysis enables the analyst to gather more data, use it, and continuously compare data to compile and integrate the categories.

Through this process, the researcher revised, renamed, and integrated related categories to reduce the number of categories of related properties. The next step was axial coding.

4.9.4.2 Axial coding

Once the data has been fractured into concepts to identify categories and their properties and dimensions in open coding, axial coding assembles data back together by "making connections between a category and its subcategories" (Strauss & Corbin, 1990, p.97). Grounded theory requires "subcategories to be linked in a set of relationships denoting causal conditions, phenomenon, context, intervening conditions, actions/interactions, strategies, and consequences" (Strauss and Corbin, 1990, p.99). In axial coding, the researcher specifies a phenomenon in terms of the conditions that led to the happening of that phenomenon, the context, the action/interactional strategies carried by different stakeholders, and the consequences of those actions and interactions. In axial coding, subcategories are linked to their categories in a set of relationships through the paradigm model. Figure 4.2 below shows a paradigm model that presents causal conditions, phenomena, context, intervening conditions, action/ interaction strategies, and consequences (Strauss & Corbin, 1990, p.99).

Figure 4.2 The Paradigm Model

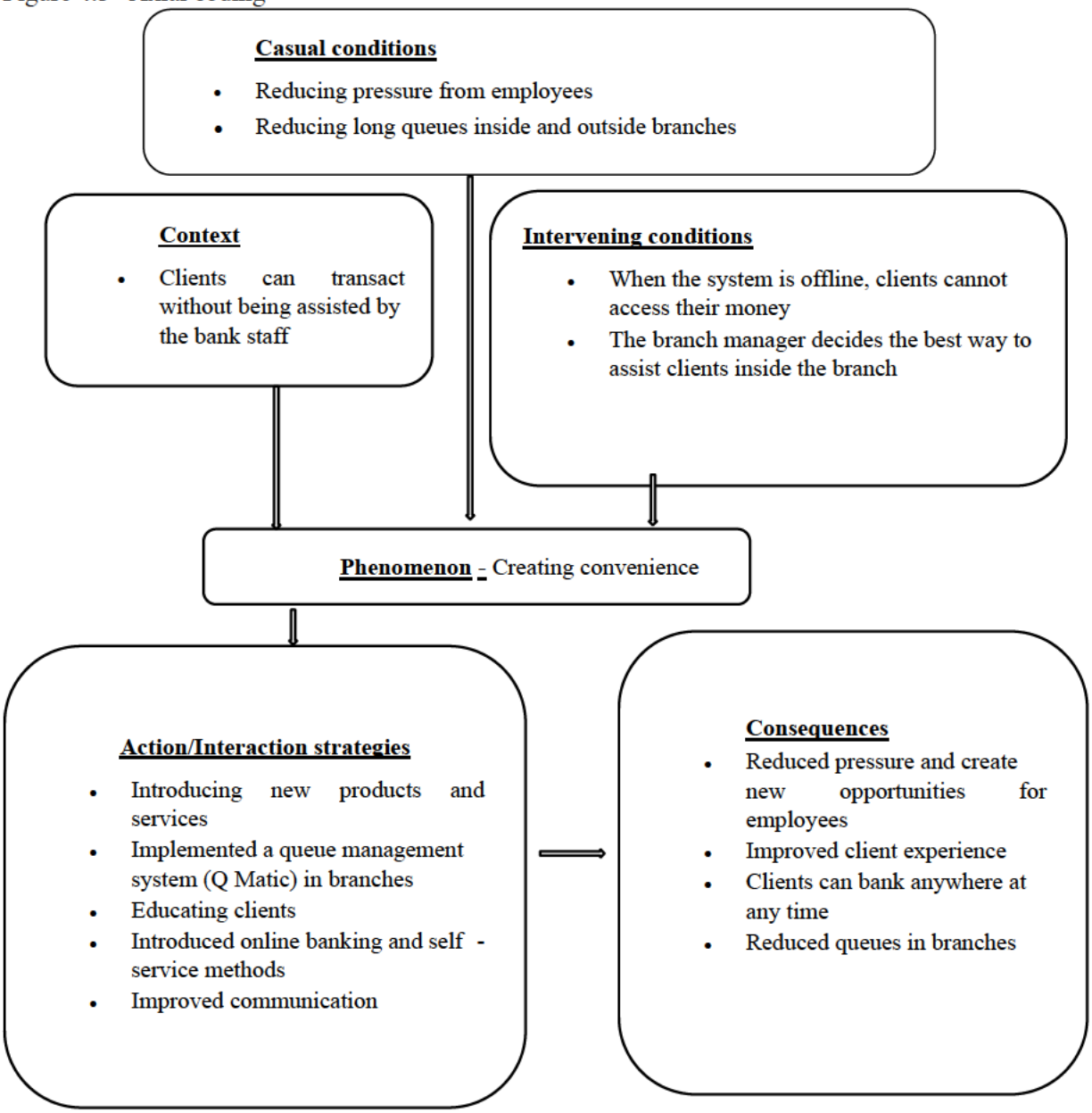


Source: Strauss & Corbin (1990, p.99)

The paradigm model was used to develop and relate similar categories. Figure 4.2 below presents the initial attempt of an axial coding framework using the paradigm model. The diagram presents actions/interactions or occurrences that took place and the consequences of those actions or strategies. Axial coding analyses ensure that the relationship of categories to other subcategories is understood, which guides the researcher in locating the core category. Strauss & Corbin (1990, p. 100) define the phenomenon "as the central idea, event, happening about which actions/interactions are about." Initially, the researcher identified *"creating convenience in a South African bank"* as a core category, which was the heart of integrating all other actions and interactions. Further analysis revealed that the convenience lacked clarity of the various forms of actions and outcomes which were encapsulated in this category. Some customers, as external stakeholders, valued the accessibility, flexibility, affordability, simplicity, and use of digital channels such as WhatsApp, while employees, as internal stakeholders, talked about operational efficiency arising from digital-first engagement and digital system integration. The bank

introduced new products and services to ensure clients get everything under one umbrella. A revised figure presents the *"digital wave of driving multiple values of banking services to stakeholders in a South African bank"* as a phenomenon, and the initial axial coding diagram is presented in Figure 4.3 below.

Figure 4.3 Axial coding

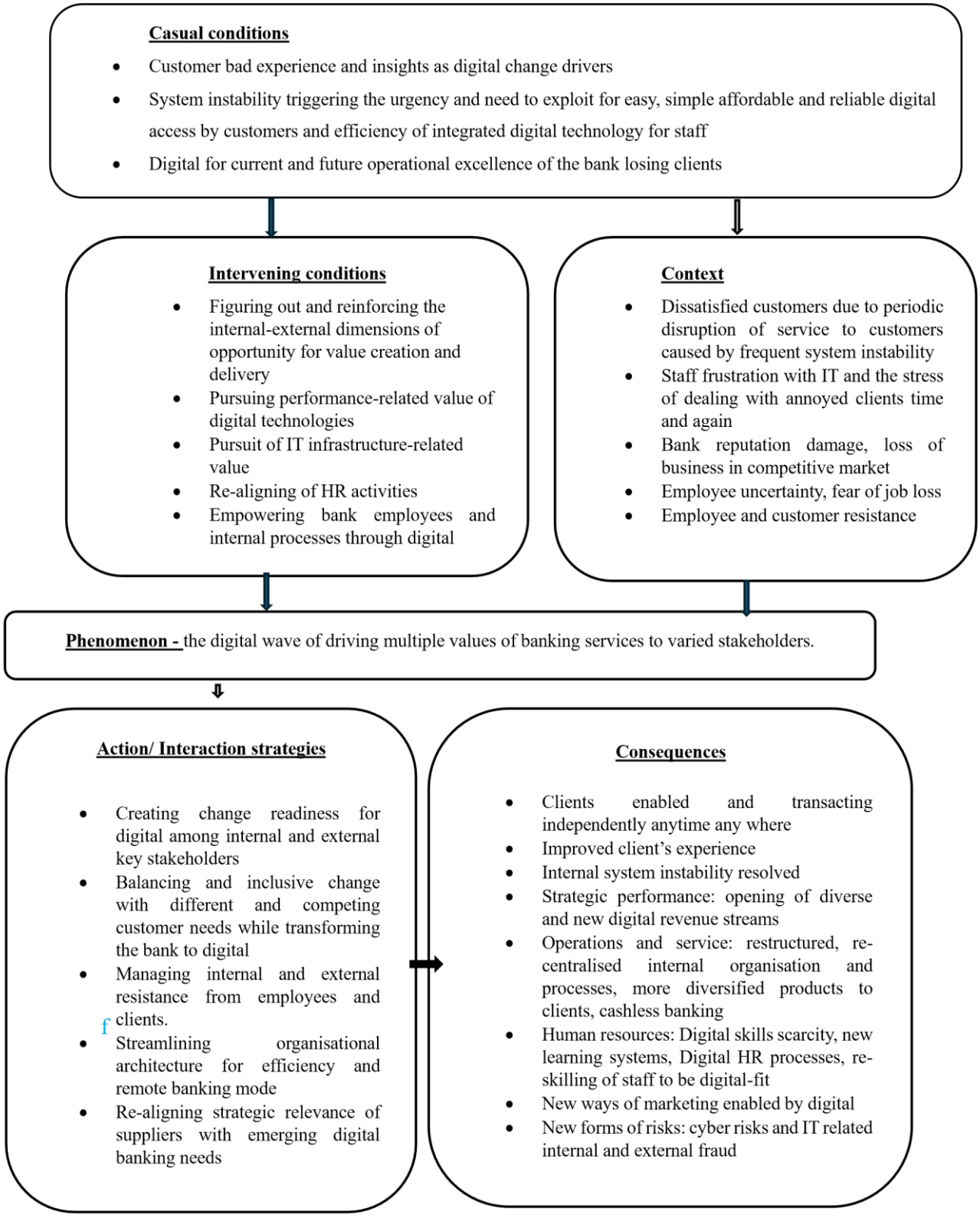


Source: Researcher's construction

Chamberlain-Saluan, Mills & Usher (2013) state that the core category needs to capture all developed categories; as a result, Figure 4.3 had to be revised. Figure 4.4 presents a revised phenomenon, called *the "digital wave of driving multiple values of banking services to varied stakeholders in a South*

African bank", which embraces various forms of value arising from the various digital technologies which are seen as valuable in different ways by different stakeholders in the process of digitalisation in the selected bank.

Figure 4.4 Final axial coding framework



Source: Researcher's construction

The casual conditions refer to “the happenings or events that resulted in the occurrence or development of the phenomenon” (Strauss & Corbin, 1990, p.101). The casual conditions in the initial diagram presented pressure from employees and long queues inside and outside branches as the only casual conditions. As an intervening condition, the bank increased its system capacity and recruited people with the necessary skills. However, in the second axial coding in Figure 4.4, there was more clarity and variety of the causal conditions , for example it presents system instability as the trigger for the urgency and need to exploit for easy, simple, affordable and reliable digital access by customers and efficiency of integrated digital technology for staff and also the quest for digital for current and future operational excellence of the bank that was losing clients. These causal conditions were simultaneously impacting the context of the bank, which needed to change, and how it would change and also shaping the intervening conditions for the digitalisation process in the bank.

First, context represents “the specific set of properties that pertain to a phenomenon; that is, the location of events or incidents pertaining to a phenomenon along a dimensional range” (Strauss & Corbin, 1990, p.101). Context is also “the particular set of conditions within which the action/interaction strategies are taken to manage, handle, carry out, and respond to a specific phenomenon” Strauss & Corbin, 1990, p.102). In the first axial coding, it is clear that the bank experienced frequent system failures, especially on busy days. When the system is offline, clients cannot access their money, and the bank loses business and suffers reputational damage. When the system goes off while clients are inside the branch, the branch manager decides how to assist them. Service disruptions due to system failure disappointed clients and presented stress to frontline staff to deal with annoyed customers and IT and operational staff to get the system back online as soon as practically possible. The revised axial coding in Figure 4.4 revealed the various levels and aspects of context which required change. These embraced (i) dissatisfaction at customer level due to periodic disruption of service to customers caused by frequent system instability; (2) staff frustration with IT and the stress of dealing with annoyed clients time and again, and employee uncertainty, fear of job loss due to digitalisation and resistance, and (3) bank reputation damage, and loss of business in a competitive market and employee resistance to change.

Second, intervening conditions “act to either facilitate or constrain the action, interaction strategies taken within a specific context” Strauss & Corbin (1990, p.103). The initial diagram focused on the system being offline, clients unable to access their money and what the branch managers were doing to assist clients inside the branch. As the analysis continued, the nature of the intervening conditions was clarified further and included figuring out and reinforcing the internal-external dimensions of opportunity for value creation and delivery, pursuit of performance-related value of digital technologies, pursuit of IT infrastructure-related value, re-aligning of HR activities and empowering bank employees and internal processes through digital technologies. The three aspects, namely, the highlighted causal conditions, context, and intervening were key in shaping the wave or pattern of digital technologies

being used to drive different types and forms of values of banking services to employees in various departments and external stakeholders of the bank.

In pursuit of the pattern or wave of driving value to varied stakeholders in a South African bank through digital technologies, actions and interactions by various actors in the bank and external stakeholders included creating change readiness for digital among internal and external key stakeholders, balancing and inclusive change with different and competing customer needs while transforming the bank to digital, managing internal and external resistance from employees and clients, streamlining organisational architecture for efficiency and remote banking mode and re-aligning strategic relevance of suppliers with emerging digital banking needs.

In axial coding, grounded theory researchers also examine the consequences of the process or phenomenon in a study. Consequences explore the outcomes of the actions taken to implement the digitalisation strategy. In the initial axial coding, the consequences of creating convenience included reduced pressure and new opportunities for employees, improved clients' experience, clients able to bank anywhere at any time and reduced queues in branches. These consequences were a result of strategies such as introducing new products and services, implementing a queue management system (Q Matic) in branches, educating clients, reducing online banking and self-service methods and improving communication.

As the axial coding continued, the strategies and consequences changed as the phenomenon was no longer "creating convenience" but had changed to the phenomenon of the "*digital wave of driving multiple values of banking services to varied stakeholders in a South African bank"*. Given the context, causal conditions and intervening conditions, it became clear that strategies of creating change readiness for digital among internal and external key stakeholders who were afraid, resisting and uncertain about digital technologies, balancing and inclusive change with different and competing customer needs while transforming into a digital bank, managing internal and external resistance from employees and clients, streamlining organisational architecture for efficiency and remote banking mode and e-aligning strategic relevance of suppliers with emerging digital banking needs were very critical as the bank was driving value for internal and external stakeholders in the banking value chain. Thus, while emphasising digital first engagement and solutions, there was also strong face-to-face client engagement for those clients who could not transact digitally and required assistance of staff. The digital approach co-existed with strong face-to-face human service. Adopting the use of digital technologies opened diverse and new digital revenue streams for the bank. The bank was not relying on one stream of income but also on income generated using digital technologies and partnerships with non-banking services providers (e.g. airtime, insurance). The next step of analyzing data in grounded theory is selective coding.

4.9.6.3 Selective Coding

Axial coding is a foundation for selective coding, built from categories formulated in axial coding. The final step for data analysis in grounded theory is selective coding. Selective coding is "the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development" (Strauss & Corbin, 1990, p.116)

At the initial stage, it is noteworthy that the emerging core category was labelled "*creating convenience*" as most participants felt that transitioning to digitalisation assisted the bank in reducing queues inside and outside branches. Long queues were the biggest challenge in the bank as the bank staff were under much pressure to serve many clients to print statements, change PINs, cancel debit orders, and check balances, which are not core functions of the bank. The researcher engaged more in questioning the data collected through theoretical sampling. It emerged that transitioning to digitalisation resulted in reduced queues in branches as clients transacted independently on digital platforms, and those who did not own a smartphone could use self-service terminals inside branches.

Questioning the data further revealed that moving clients to digital platforms reduced pressure on employees as they had to serve fewer clients. Even those who visited the branch did not spend much time, as most of the work was done in the background. Thus, there was strong client focus and engagement even among those who could not transact digitally. The system directs the consultant to products the clients might be interested in, which saves the consultant time in guessing products that the client might need; it also saves the client time. Transitioning to digitalisation allowed the bank to serve clients they could not previously serve, as clients can open an account abroad. Previously, clients had to visit the branch during working hours to open an account. The branch opens at 08h00 and closes at 17h00; however, digitalisation was allowing clients to go to the bank around the clock. As the researcher continued interrogating data, a new core category emerged that transitioning to digitalisation *created convenience* for clients and reduced pressure from employees.

The researcher progressed with theoretical sampling and established the sequence of activities that the bank engaged in to implement digitalisation as a strategy. The sequence of activities has been an ongoing process with a starting point: the bank identified other income streams by increasing the number of products. As the number of products increased, it attracted more clients than expected; most unbanked clients chased away quality clients; however, through digitalisation, the bank adopted a digital first approach on one hand while reinforcing strong client engagement for those not transacting digitally in order to serve all clients.

The initial theory that emerged was *driving forces to simplify banking for clients*, focusing on factors that drove South African banks to implement digitalisation as a strategy. The researcher engaged data

to understand the actions and interactions of actors during the implementation process. The researcher went back to the participants to get more clarity on the activities that took place in the bank as they were implementing a digitalisation strategy. The data collected was analysed to supplement the existing categories. The researcher continued interrogating data and revising categories, properties, subproperties, and dimensions in Chapters 5 and 6 the researcher continued refining categories, a new core category emerged and was labelled "*driving simplified multiple banking values to varied stakeholders in a South African bank "* which reflected the banks focus not only on one type of stakeholder but all of them in different ways (e.g. employees as internal stakeholders, customers who are digital natives, those unable to transact digitally due to various reasons). The initial core category painted a picture of using technologies to simplify client banking which focused much on external customers and one type of value of digital technologies. Although digitalisation is customer-centric and enables clients to transact anywhere and anytime, it also reduces pressure on employees and gives managers more time with their teams. The part of internal stakeholders was missing from the initial core category. The new core category shows that digitalisation impacts both external and internal stakeholders. It presents a broad overview of the pattern of activities that created change readiness for digital, communication change style, change pathways, and change results for internal and external key stakeholders.

The refined, core category depicts the developed theory that was taken back to the participants for their views. Some participants felt it does not emphasize that the company identifies digitalisation opportunities by getting involved and listening to their clients. The bank used customer insights to design new products and change processes that were inconvenient to some clients, like those who were sceptical of technology and scared of fraud. Participant MM added the importance of educating clients to ensure they can transact on digital channels safely and protect themselves against cyberattacks, as customers are an easy target for cybercriminals. As the participants kept highlighting changes to be made, the researcher amended the theory until the participants agreed with the final product. After those amendments, participants stated that they could relate to the presented theory. The developed theory is discussed in detail in Chapter Seven. Selective coding involves the following five steps: "(i) explicating the storyline (ii) relating subsidiary categories around the core category, using the paradigm (iii) relating categories at the level of dimensions (iv) validating the discovered relationships against data (v) filling in any underdeveloped categories" (Strauss & Corbin, 1990, p. 117-118). The storyline in Table 4.4 is about conceptualizing a general descriptive overview of the phenomenon.

(i) Explicating the storyline

Table 4.4 Storyline

The main dory is about how a South African bank simplified multiple banking values to varied stakeholders delivered through the digital-first engagement and solution and strong client engagement, which was mindful of other clients in the lower-end of the market still unable to transact digitally and required personal contact and support from consultants in the branches for them to realise the value of banking. While pursuing digital approach, branches remained a crucial part of the bank strategy to serve the lower-end market which still preferred personal, human interaction with consultants in the branches. The digitalisation journey of the South African bank started when the top executives faced persistent system instability, affecting clients, frustrating employees and creating reputational damage for the bank. Different factors, such as system instability and long queues inside and outside branches, compelled the bank to transition to digitalisation as a solution. The bank was experiencing system instability due to large volumes of transactions, especially on busy days like holidays and paydays. This situation was frustrating for both staff and clients, especially on paydays when clients needed their money the most. It impacted many clients negatively as they could not access their funds. Some clients reverted to their old bank, while others were worried that the banking system would one day collapse forever. The South African bank acquired new technology to serve customers better. The bank increased the system capacity to accommodate and process a high volume of transactions. At the beginning, digitalisation was characterized by a top-down communication where top management gave instructions and direction on what needed to be done. However, as the digitalisation process progressed, it became a two-way adaptive communication as employees provided feedback on the challenges they faced during the implementation process, interactions with internal and external stakeholders and gave suggestions and actionable feedback regarding different aspects of the banking value chain in need of digital technologies and changes. The South African bank continued improving its products and services and its systems beyond IT into other parts of the banking value chain. Technology also enabled the bank to partner with technology providers and non-banking service providers to ensure that clients got banking products and value-added services such as airtime, electricity, and insurance products under one umbrella. The bank was creating value for customers by enabling them to access banking and non-banking products via remote banking and self-service terminals. However, in the early stages of digitalisation, there was distrust not only among clients but also among employees, such that incentives and changes in performance management were key to drive appropriate employee behaviours. Employees shaped and re-shaped the digital change as they interacted with different clients (urban, rural, digital immigrant and native, lower-end clients from the mass market), identified gaps, listened to customer complaints, provided feedback and escalated problematic issues to their managers for corrective attention and improvements. Customers were also key in expressing their views, which informed the positive and negative aspects of digital change, as they were the users of the digital technologies and processes. The digitalisation process adopted a customer-first approach through active listening, escalation and response to customer

complaints and suggestions to improve things. There was also a change in marketing to enhance digital marketing to promote services and reach audiences.

Senior managers in the South African bank engaged in different activities, changing from a simple to a diversified business model. The bank adopted digital technologies to improve various aspects of the banking value chain from the back office to customer-facing processes. The integration of digital technologies in the banking value chain did not just affect IT and operations, but also affected HR activities and processes, customer service activities through adoption of technologies for onboarding of clients, self-service technology, remote and internet banking, security in terms of biometrics and cashless banking -to mention a few which reinforced digital-first engagement and solution in the bank.

Technologies enabled the use of data to improve decision-making, which helped consultants understand and predict the client's needs, tailor and personalize service. The data-driven decision enabled better delivery of the client's needs, and it improved the customer's experience. After acquiring new technology, leaders had to ensure that human resources possessed the needed skills. Employees learnt that digitalisation created many job opportunities for people with IT skills. The bank was offering bursaries for those employees who wanted to further their studies, appointed many external people as digital skills were scarce in the organisation and also provided in-house training for other positions, using technology to develop new products and increase the bank's profitability

Managers in the South African bank had to deal with resistance from employees and customers. Employees were not willing to educate customers; there was a feeling that when customers knew how to transact independently, they would not come to the branch, which could lead to job losses. Transacting digitally enables clients to transact independently. However, some clients, such as older adults and those less educated or sceptical of technology, were uncomfortable transacting independently as they used to have someone helping them; others were not tech-savvy. Digital banking was seen as not only exposure to risk and fraud, but also a loss of control over one's money to a transactional and impersonal relationship with the bank. Branch staff had to educate clients and guide them in navigating the digital platform to ensure they were comfortable transacting independently. Although digital-first engagement and solutions created convenience for customers, there has been an increase in the number of clients losing their money due to cyberattacks. The risk management and operations team collaborated to educate clients to be vigilant when transacting on digital platforms.

Transitioning to digitalisation came with complex consequences that benefited the organisation at a later stage, such as restructuring for efficiencies, enhancing affordability, accessibility and simplification of use of services. Most of the tasks that used to be done manually were moved to the digital space. Top executives in the South African bank restructured and re-centralized other departments, such as marketing, to improve operational efficiencies. Regional offices were closed, and departments like workplace banking, which were responsible for visiting customers at their workplace as a strategy of taking banking to people, were no longer relevant, as customers were able to access banking services even during working hours.

Overall, the positive consequences of digitalisation were that the South African bank moved many of its customers to the digital space to transact digitally anytime and anywhere, while

also providing a strong client-centric face-to-face engagement to those customers unable or unwilling to transact with the bank digitally. This inclusive and dual approach, typified by digital-first engagement combined with strong client-centric engagement was possible because branch staff had to educate clients on how to transact on remote banking and cash service terminals to ensure that they were able to transact independently, to reduce queues, while strong client engagement remained critical to serving those still reliant on branches and consultants. Thus, some clients had a bank in their hands as they were able to do almost all transactions like paying beneficiaries, buying electricity, applying for a loan, and other transactions on their phones or the internet, while others were still in need of strong client assistance from the bank's staff. Digitalisation created convenience for different types of stakeholders in various ways. Clients enjoyed the value and convenience of being able to bank anytime and anywhere without visiting the branch; even overseas customers could access digital platforms. Digital transformation also created convenience and value for employees by reducing pressure as they had to deal with fewer customers in the banking hall face-to-face. However, there were those employees who were resisting change and not willing to learn new things; others left the company. While innovative technologies opened opportunities for digitally enabled suppliers, such as suppliers of biometrics, they did not favour companies like the suppliers of paper and cash in transit, which were less relevant in a digitalized work environment. There was less demand for cash. Transitioning to digitalisation created convenience and value for different stakeholders internally and externally, such as employees, suppliers, and customers, ultimately creating simplified value accessible conveniently. Digitalisation was sensitive and pronounced the importance of strong face-to-face client engagement for those with an impediment to transact digitally.

The digitalisation-related changes were implemented in five distinct stages. At the beginning, top management and employees in the South African bank were (1) identifying digital enabling opportunities; (2) how the identified opportunities assisted management in enacting multiple values for varied stakeholders, and how senior managers in the bank were (3) managing complex digital consequences in the banking value chain and also (4) transforming key challenges into new forms of value. The process of digitalisation also elaborates on interactions between these four stages and activities related to change readiness at the individual and organisational levels for digital change, communicating change styles, change pathways, and change results to internal and external key stakeholders in the sensitive digital-first engagement as a strategic approach to banking services by a selected bank while not leaving behind any clients with unique difficulties impeding them from transacting digitally. One of the participants aptly summarised what emerged out of the digitalisation strategy as *"digical"*, revealing that the digitalisation process was not exclusively a digital approach, but rather a combination of a strong digital approach with a strong client engagement to meet the needs of different types of clients, without neglecting any.

Source: Researchers' construction

(ii) The conditional matrix

Strauss & Corbin (1990, p.158) define the conditional matrix as "an analytic aid and a diagram useful for considering the wide range of conditions and consequences related to the phenomenon under study." The conditional matrix is used to trace the paths or incidents from the level of action/interaction through

the various conditional levels, or vice versa, to determine how they relate. Furthermore, the matrix enables the researcher to distinguish and link levels of condition and consequences" (Strauss & Corbin, 1990, p.166). The conditional matrix consists of eight circles inside of each other, listed as: "(i) international (ii) National (iii) Community (iv) Organisational & Institutional level (vi) Sub organisational level/ Sub-institutional Level (vii) Group Individual, collective and lastly, (viii) Interaction" (Strauss & Corbin, 1990, p.163). The centre of the conditional matrix consists of actions pertaining to a phenomenon; the centre of this study is creating convenience for clients.

The outermost level refers to the global level. Central banks are part of the bigger structure of the worldwide economy. Each government is responsible for ensuring that banks are adequately regulated. The second level is the national level. The South African Reserve Bank (SARB) is the central bank in South Africa; its main objective is to regulate banking in terms of the Banks Act (94 of 1990). The South African Reserve Bank monitors the activities of South African banks to ensure that clients' deposits are kept safe and regulates the fluctuations of interest rates. There are also banking industry issues regarding client data security and cybersecurity, which are key when enacting digitalisation. When the South African bank introduced biometrics, it had to ensure it got the necessary approval.
Participant DD revealed this:

> *[Uh]…in terms of e-signing onto the system and when looking at signing using fingerprints, it was uncommon in the banking sector. We were the first bank to introduce biometrics, which was part of the paperless strategy the company had decided to embark on. So, to reach that milestone as an organisation that is going paperless, we had to ensure that the necessary legislation or approvals were met and that it was legally approved for the client to sign through biometrics via their fingerprints. The South African Reserve Bank had to satisfy itself that there were no risks* (*Participant DD).*

The bank also collaborated with Home Affairs in implementing biometrics. The Financial Conduct Authority also influenced the compliance of the bank to ensure clients' money was protected and the bank was operating according to guidelines. In providing the non-banking value added services, the bank also worked with a variety of partners to ensure desired customer service levels. The community level has its demographic features, as the South African bank simplified banking, created accessibility, flexibility, affordability and convenience for its clients; all clients need an equal opportunity to enjoy the benefits of banking in rural and urban areas. Digital literacy and common views of digitalisation as a destroyer of jobs and increasing incidents of cybersecurity and fraud were critical in how some employees and clients viewed the benefits and risks of digital engagement with the bank. The challenge revealed by the participants was that clients were not at the same level in terms of technology and access to network coverage, according to participant NN.

> *The challenge you face when you look at the current South African landscape is that, as much as you may provide platforms and opportunities for people to transact remotely, there is a clear, distinct problem between the various segments of the client base. So, you have youth who are tech-savvy and willing to adopt. You have your sort of middle-aged clients who have access to technology because you see these people using things like Facebook and WhatsApp and so forth, and what happens with that clientele is that there is a sense of accountability cause a lot of them do not trust themselves to do certain banking, things like a transfer on their own and a lot of them worry that what if I put the wrong account number or something like that, I am going to lose the money, which is generally the case (Participant NN).*

The clients, employees and the bank operate in an environment where crime is high and it is likely that this may have conspicuously or unconsciously affected the bank operations, employee and client behaviours and conversations about digital approach to banking. According to Strauss & Corbin (1990), "the sub-organisation or sub-institutional level refers to a section or part of a bigger institution that the event is about." In this study, the bank's sublocation is the various functions in the value chain of the bank which were affected in one way or another and had to play a part in the digitalisations process, albeit in different ways (e.g. IT, operations, HR, Risk, Business banking departments). All other departments in the bank existed to support branches to ensure they have all the support needed to implement digitalisation as a strategy successfully. The views from various departments are included in this study.

The next level of the conditional matrix is the collective, group, or individual level. In this study, there were regulators, employees, senior managers, top executives, suppliers, clients and various subgroups which had common interests and concerns. The operations department refers to a sub-organisational group or individual. Operations consist of branches run by a branch manager and a group of consultants. Branch staff interact with the clients to ensure they get the best service. Branch staff are responsible for educating clients and ensuring they understand the importance of using bank products and services to bank better. When clients transact on digital platforms, queues are reduced. The variety of sub-groups of actors with a stake in the digitalisation process of this bank is explored and examined to get diverse perspectives and enrich the explanatory power of the theory that is generated in this study.

The interactional level is about people doing things together. This study revealed that employees were expected to attend a Team Learning session every Wednesday, where the bank informs employees about new updates and what to expect. Managers also do branch visits to give feedback to the staff on what was discussed previously. Branch visits are an opportunity for senior managers to interact with the staff. Employees get an opportunity to provide feedback from their perspective on the progress of the implementation, as people who deal directly with clients. The staff provides feedback about what is working, what is not, and what the challenges were, and suggests possible solutions to overcome those challenges.

The centre of the matrix represents the active, expressive performance form of self and/or others (Strauss & Corbin, 1990). This level focuses on the interaction carried out to manage a phenomenon. In this research, the clients needed a smartphone to access remote banking; the bank introduced a selfservice to respond to the needs of those who did not own a smartphone. Although self-service terminals are stationed in branches, there are no long queues, which creates convenience for clients to come in and out instead of waiting to be assisted by a consultant. Digitalisation also created convenience for managers as they can meet anytime when needed, without wasting time travelling and money on booking venues for meetings.

(iii) Memos and diagrams

Glaser (1992, p. 109) defined memos as the "theorizing write-up of ideas as they emerge while coding for categories, their properties, and their theoretical codes." Strauss & Corbin (1990, p.197) refer to memos and diagrams as "very specialised forms of written records that contain a product of our analysis." Specifically, memos and diagrams are written records of analysis related to theory formulation; the analyst thinks about data (Strauss & Corbin, 1990, p.197). Analysts can write memos or draw diagrams as they continue comparing, coding, and analyzing data (Glaser, 1992). According to Strauss & Corbin (1990. p.197), memos and diagrams "can take several forms: Cde Notes, theoretical notes, operational notes and subvarieties of these." Cde Notes are memos containing the actual products of the three types of coding, such as conceptual labels, paradigm features, and an indication of the process. Theoretical Notes: Theoretically sensitizing and summarizing memos. These contain the products of inductive or deductive thinking about relevant and potentially relevant categories, their properties, dimensions, relationships, variations, processes, and conditional matrix. Operational Notes: Memos containing directions to yourself and team members regarding sampling, questions, possible comparisons, leads to follow up on, and so forth. The analyst should always be looking to maintain distinction among these, as memos written by one participant can contain more than three elements of these forms (Strauss & Corbin, 1990, p.197). Memos and diagrams drive the analyst to move from data to abstract thinking, then return to data to ground these abstracts (Strauss & Corbin, 1990, p.199). In this study, after each interview, the analyst wrote down key incidents identified during the interview and a memo. In grounded theory, data collection and analysis take place simultaneously. The researcher was guided to categories that needed more development when doing constant comparison memo writing. Memos help the analyst keep records of critical incidents that different participants discussed, which shaped theory and stimulated more ideas that needed attention. The researcher easily identified categories where further testing was required. Strauss & Corbin (1990) stipulate information that should be included in each memo and diagram, making it easy to trace it back to the initial interview for more clarity. Table 4.5 presents an example of a code note as instructed by Strauss & Corbin (1990).

Table 4.5 Example of a code note

Date 29/09/2023

Code Note: The dimension of the property "reviewing existing processes

The property reviewing existing processes emerged from an interview with the Regional Manager, which revealed that "the bank started to relook at the bank processes. The reason for this activity was to go through the process of removing the inefficiencies. One of the measurements that was applied was how long it took to service the client. For example, once the client takes the ticket, how long did they wait before being served? Once the client arrived at the consultant's desk, how long did the client take to sit at the desk being served? The focus was on the time the client waited to see a consultant and the time spent with the consultant. The bank identified individuals who were perhaps taking longer to service clients with the same token, and individuals who were working faster than others. We had to understand why others took longer and how others could get through those transactions more quickly, and we had to find the balance between the two. At the same time, ensure that all clients get the best service and that the consultant communicates all the benefits available for each product. Clients who leave the branch are fully informed and understand their product better." The property has one sub-property and dimensions as presented below.

Property	Sub property	Dimensions	
Reviewing existing processes	Improve processes	Established a new process	Maintain the status quo

Source: Researcher's construction

4.10 ETHICAL CONSIDERATIONS

The researcher had to take ethical considerations into account throughout the study. The investigator started by informing the line manager about the research to ensure she was aware. After that, the Head of Learning and Development was contacted to request the gatekeeper's letters granting permission to conduct interviews at the South African bank. Permission to conduct a study in this bank was granted see Appendix D. The supervisor and the school approved the research proposal; the analyst applied for ethical clearance at the Humanities and Social Sciences Research Ethics Committee (HSSREC). According to Josephson & Smale (2021, p.1305), "an Institutional Review Board (IRB) guarantees that relevant regulations are followed and that researchers are familiar with the process of obtaining informed consent." Dongre & Sankaran (2016) argued that the widespread approval process of the Institutional Review Board (IRB) is better suited to quantitative research than to qualitative research; therefore, the approval for qualitative research by IRB proposals presents unique challenges." The researcher had ethical clearance and a gatekeeper's letter (see appendix E for Ethical clearance). The supervisor checked to ensure everything was in order and approved data collection.

The researcher started by preparing the following three documents: (i) an Invitation letter, (ii) an Informed consent letter, and (iii) an Interview guide before data collection. The invitation letter is an introductory information sheet about the researcher and the research. The invitation letter presents the

details of the supervisor and the researcher to ensure transparency. It also presents the topic together with the aim and purpose of the research. The introductory letter highlights the significance of conducting the study and informing participants about their rights. (iii) Participants signed a consent letter to declare that they were informed about the study's topic, aim, and purpose and that participation was entirely voluntary (see appendix A for Introductory letter and appendix B informed consent). (vi) The interview guide contained questions that the investigator used as a guide during the interview. The participants were not asked the standard questions as per the interview guide, but some of the questions were developed based on the answers provided by interviewees. The grounded theory requires the researcher to collect and analyse data simultaneously. The researcher identified gaps in data during the analysis process, which were used to develop new questions for the next participant. According to Berkovich & Grinshtain (2023, pp. 551- 552), the researcher must comply with the following ethical aspects: "(1) Informed Consent, (2) Ability to withdraw, (3) Risk prevention, (4) Research benefits".

(i) Informed consent

The ethical conduct of research requires the informed consent and voluntary participation of research participants (Josephson & Smale, 2021, pp.1305-1306). Informed consent requires the researcher to advise participants about their rights. Historically, women, children, those not in power, and other marginalised research participants have faced abuse, mistreatment, and violation of their rights (Josephson & Smale, 2021, pp.1305-1306). Informed consent prevents the mistreatment of participants. In this study, the interviewees are senior bank managers who have other managers reporting to them. These senior people know their rights and those of those they are leading. Before data collection, the researcher contacted each participant to introduce the study and schedule an appointment. Managers were free to ask questions about the interview and were advised of their rights; those interested agreed and confirmed the date and time of their availability. An introductory letter elaborating on what was discussed, including their rights, was sent to the interested party. Leaders were expected to sign a letter confirming that they had read it.

(ii) Ability to withdraw

According to Josephson & Smale (2021, p.1305), "participants must be informed that participation is voluntary". In this study, participants were told they were free to withdraw from the research when they were no longer interested in participating, with no fear of adverse consequences. Three participants agreed to participate but changed their minds afterwards. One participant sent an email stating that she wanted to withdraw from participating in this study; the other two confirmed the date and time, but when calling for a meeting, they were always unavailable for no reason.

(iii) Risk prevention

Ethical conduct requires the researcher to inform participants about any risks or harm they may suffer by participating in the study. When any activity may harm or expose participants to risk, the interviewer must inform them in advance to allow them to make informed decisions. In this study, participants were not exposed to any physical risk except to protect their data and remain anonymous. Data was treated confidentially using alphabets instead of names when referring to participants. The bank's name was not used but was referred to as a South African bank. The researcher had to ensure that participants were not exposed to harm by participating in this study. Data was stored on the computer to ensure confidentiality, which is not shared with other users and protected by a password. Data was also saved on a USB, protected by a password, and kept in a locked safe. Data will be kept for five years and, after that, destroyed. Millum & Bromwich (2021) state that participants must be informed about the purpose of the study and the risks involved in the research and give their informed consent.

(iv) Research benefits

Millum & Bromwich (2021, p.48) state that "the analyst obtaining consent is responsible for ensuring the interviewees know the information provided". Furthermore, participants must be told about all the facts involved in this study, including the benefits of participating. When any benefits are promised to participants, they must be stated on the written consent form and signed by participants. In this study, all participants were advised that no incentives would be paid to interviewees as participation is voluntary. Managers who agreed to participate in this study did so willingly. No one participated in this study to get a reward.

4.11 CHAPTER SUMMARY

This chapter has discussed in detail the research methodology used in this grounded theory study. The chapter discussed the research philosophy underpinning this grounded theory study, which uses the Straussian version to develop a substantive theory of how a South African bank implemented digitalisation as a strategy for banking services and products according to the lived experience of senior managers. There is clear justification for the choice of qualitative research, grounded theory and key aspects of the research process to ensure credibility. Transferability and confirmability. The study will illuminate the activities, factors which influenced the process of identifying opportunities for digitalisation, and how operating a digitalisation strategy impacted the internal and external stakeholders of a bank.

Given the focus of this grounded theory study, the chapter has unpacked grounded theory as a methodology which falls within qualitative research but seeks to generate theory from data. It discussed the origins and evolution of grounded theory and uncovers its key tenets, as well as the different versions of grounded theory methods, with a focus on how they differ from each other, as well as the challenges of grounded theory and different types of theory. It highlights the justification for choosing the Strauss

& Corbin (1990) version of grounded theory. The criteria used to judge quality and principles of grounded theory and elaboration of the research process are all discussed in this chapter before concluding with a focus on ethical considerations. The next chapter explores the first objective of this grounded theory study, which is the activities engaged by a South African to implement digitalisation as a strategy for banking services and products.

CHAPTER FIVE
ACTIVITIES ENGAGED BY A SOUTH AFRICAN BANK TO IMPLEMENT DIGITALISATION AS A STRATEGY FOR BANKING SERVICES AND PRODUCTS

5.1 INTRODUCTION

This chapter aims to present the activities undertaken by different actors related to the South African bank in implementing digitalisation as a strategy for banking services and products. The bank embarked on a digital journey, transitioning from traditional banking to digitalisation. In response to the first objective, this grounded theory study has identified seven broad categories of activities that reflect how digitalisation was implemented as a strategy in a South African bank. The variety of broad category of these activities include: (1) Formulating digitalisation strategy by top executives to create value for customers; (2) Branch Managers facilitating the adoption and use of diverse technologies in branches to serve customers better, and faster; (3) Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance; (4) Top leaders promoting Strategic alignment through internal communication; (5) Branch staff educating clients to transact on digital platforms independently; (6) Operations Managers using a team of Branch and Regional Managers to review, modify, and increase operational and process efficiencies and (7) Risk Management and Operations staff engaging in client education to enhance safe use and protection when using technology-enabled banking. These seven categories present a variety of the bank's activities in implementing digitalisation as a strategy, along with the consequences of those activities. The chapter unpacks each of the identified broad categories of activities, illuminating the properties, sub-properties, and dimensions that underpin the actions/interactions of the people involved and the consequences of their actions. Lastly, the chapter concludes with a summary of the activities undertaken by South African banks in implementing digitalisation as a strategy for banking services and products. The following section discusses the first broad activity: formulating a digitalisation strategy by top executives to create value for customers.

5.2 FORMULATING DIGITALISATION STRATEGY BY TOP EXECUTIVES TO CREATE VALUE FOR CUSTOMERS

The first broad category of activities labelled as formulating a digitalisation strategy by top executives of the South African bank focuses on the bank's activities of creating and enhancing customer value and client experience. This broad category of activities has seven properties, which consist of: 1) top executive changing the business model from a simple to a diversified business financial services model using digital technology to create value for customers; 2) revising elements of the existing strategy to integrate digital technologies to offer more products and value-added services to clients; 3) identifying some products and services that can be delivered on digital platforms; 4) top executive in the South

African bank deciding to invest in technology by acquiring the best system such as Amazon Web services, enabling bank to use data to improve decision making; 5) top leaders introducing a culture of using data to help understand clients' need and make better decision; 6) top leadership identifying the caliber of Human Resources needed and the set of skills such as data engineers needed to enable the bank develop products to be delivered on digital channels and 7) top leadership partnering with other service providers to ensure that clients get products and value-added services such as airtime, electricity, and insurance products under one umbrella. Each property is discussed in detail using sub-properties and dimensions.

5.2.1 Top executive changing business model from a simple to a diversified business financial services model using digital technology to create value for customers

The first property in the broad category of formulating a digitalisation strategy by top executives in the South African bank to create value for customers was about changing the business model. Top executives were changing the business model from a simple to a diversified business financial services model using digital technology to create value for customers. It focused on how the bank changed from simple to diversified products. The property has four sub-properties: (i) scope of change from simple to diversified business financial service model, (ii) the multi-dimensional nature of change, (iii) nature of competitive activities of business-related change, and (iv) redefining customer value as presented in Table 5.1.

Table 5.1 Top executive changing business model from a simple to a diversified business financial services model using digital technology to create value for customers

Broad activity**:** Formulating a digitalisation strategy by top executives to create value for customers			
Property	**Sub property**	**Dimensions**	
Top executive change business model from simple to a diversified business financial services model using digital technology to create value for customers	Scope of change from a simple to a diversified business financial	Limited, gradual change	Organisation-wide rapid change
		Functional-specific change	Change across functions
		Change related to core bank activities	Change related to bank support activities
	The multidimensional nature of change	Depth of technology-related change	Depth of nontechnology-related change
		Increase in products to clients enabled by digital	Decrease in manual dependent products offered to clients

		Internal facing change to enable employee-related interactions	External facing change to enable customer-related interactions
	Nature of competitive activities of business-related change	Key internal activities of competing as a simple business	Key internal activities of competing as a diversified business
		Intended positive consequence of a competitive and diversified business	Unintended negative consequences of a competitive and diversified business
		Customer pain points addressed	Customer pain points unaddressed
	Redefining Customer value	Clarity of benefits truly valued by external customers	Lack of clarity of benefits truly valued by external customers
		Clarity of benefits truly valued by internal customers	Lack of clarity of benefits truly valued by internal customers

Source: Researcher's construction

5.2.1.1 Scope of change from simple to diversified business financial service model

The *"scope of change from simple to diversified business financial service model"* is the first subproperty, which highlights the range of aspects of the business model that top executives were changing to diversify the business using digital technology and create value for customers. Participant CC mentioned that before transitioning to digitalisation, the bank spent several years offering traditional banking products, such as savings, transactions, and credit, until it realised that, to remain competitive in a VUCA environment, it needed to diversify its product offering.

> *I must say it has been a very long journey; we decided as a business to survive in these challenging times and be relevant now and in the future. We need to change our approach by increasing the number and variety of banking products we offer to our clients (Participant CC).*

The South African bank wanted to increase the number of products to open more income streams via digital technologies. Participant GG highlighted that management at the South African bank realised that as the bank kept offering more products to the public, the number of clients increased, placing a strain on the system. The bank also needed to increase the technical and core capacity of its systems.

The South African bank had to change internally by implementing a new system to handle volume and by appointing people with the skills to develop new products for clients in the market.

> *We came from an environment where we used to sell one product; we moved to banking, where we introduced transactional accounts after that, and then the save account, which required more work, services, and changing clients' mindsets. The focus was not only on external clients, but also on internal clients. Branch staff used to do things in a certain way and were comfortable with it; change required a switch altogether (Participant GG).*

Externally, the South African bank has been gradually changing, adding one more banking product at a time. Participant GG mentioned that the bank introduced a transactional account as the primary account, and that all other products had to be linked to it. Participant JJ added that focusing on a few traditional banking products was challenging, given the uncertain environment and future. It was not an organisation-wide rapid change, as the South African bank did not introduce all products simultaneously; it introduced one product and monitored how it performed in the market before introducing another.

> *We started evolving in terms of the product. I think when I joined, we were still offering up to 18, perhaps 24 months, loans, and we largely focused on credit offer personal loans. We therefore started moving into banking, focusing on transactional accounts, and increasing or improving our credit offer (Participant JJ).*

As the South African bank kept adding to its product basket, the executive committee realised the importance of getting clients to use the South African bank as their primary bank and began driving salary switching. Participant EE stated that the clients had to move their salaries and debit orders at other banks to the South African bank. The switching of salaries enabled the bank to manage the clients better and get a full view of their behaviour. Branches assisted clients with salary switches; other clients refused to switch because the bank did not offer other products, such as funeral cover and SMS updates. The bank used client feedback from those resisting switching their salaries to identify opportunities to offer clients the products they need, and even more than they were planning to offer. Diversifying products instead of offering primary banking products helped the South African bank survive challenging times. Clients had many expectations of their primary bank, which helped the bank move in the right direction and gradually expand its product offerings.

> *When we first introduced 'notify me', because when I joined the bank, it was fairly in its infant years. So, a simple thing, such as an SMS update on the account, was not there yet. I remember we would struggle to get clients to bank with us because that is one thing they would always complain about, asking how they would monitor the money in and out from their accounts if they do not get SMSs (Participant OO).*

Technological change impacted on the functions of the South African bank differently. Although the change was cross-functional and impacted the whole South African bank, the focus was on specific functions at the early stage. According to Participant AA, the business functions directly impacted were the support aspects, such as the Business Support Centre, core functions such as Information Technology, and Operations departments. For example, Information Technology had to ensure products and services were easily accessible without challenges. When the bank introduced these new products, operations had to ensure that clients accepted these products. When customers encountered problems while using products and services, they had to contact the Business Support Centre for assistance. Participant GG underlined that employees had to meet specific requirements to be considered competent to promote these products to clients. This was a key part of initiating change when the bank introduced new products and services. Employees had to write and pass the test to qualify; some passed, and others failed. Some employees who passed the test were unfamiliar with serving many clients and fell through the cracks as they realised they were unprepared for this change. Some employees just decided that change was not for them and left the South African bank. Participant GG had the following to say regarding employee requirements on product knowledge and assessment:

> *Consultants had to write and pass the tests to show competence. Some did not make it and were allowed to rewrite the test; others decided that banking was not for them and decided to quit (Participant GG).*

At the early stages of initiating change, other supporting functions were not directly impacted but had to support functions that provide core business activities. For example, participant XX mentioned that there was no drastic change at HR except that the department had to ensure there was enough staff in branches to serve clients, and business support centres had enough staff to support branches. Participant AA stated that IT had to ensure that operations ran smoothly and that there were no glitches in the system. Finance ensured that all finance-related issues were dealt with on time, with the cash-in-transit company ready to replenish ATMs on time. A significant change started to happen across other functions, such as HR and Marketing, later during COVID-19.

The traditional bank's core activities included accepting deposits, granting loan facilities and advances, and opening bank accounts; however, that has changed gradually. Previously, the bank focused on ensuring it was getting cash deposits, as it generated an income in interest. Each branch had a designated area for cash deposits. Digitalisation has changed this as branches no longer accept cash deposits, and clients are encouraged to transact remotely. Participant JJ reflected on the scope and dynamic changes arising from digitalisation as follows.

> *Deposits were relevant, but the bank stopped accepting deposits after digitalisation. Digitalisation discourages using cash and drives clients to transact on digital platforms instead of cash (Participant JJ).*

Previously, clients had to visit the branch for all transactions and could not transact independently. Branch employees were expected to assist clients with almost all banking transactions, such as opening savings accounts, applying for credit facilities, and making deposits. Opening an account was another bank's core activity; clients visited the branch to open savings accounts, and it was a must for all bank products to be linked to the main account. Participant KK stated that transitioning to digitalisation enables the bank to introduce remote onboarding, meaning clients are now able to open accounts without visiting the branch. Clients could start the account opening process by completing the flow, using a cellphone to take a selfie, and visiting the branch to finalize the onboarding process. The consultants were finalizing the process by activating the account and issuing the client a card. The client was spending less time at the branch as the processes were becoming shorter. The scope of change embraced remote onboarding and the support by the Bank Better Champions, which were designed to save clients and consultants time, as elaborated in the quotation below by Participant FF.

> *We have moved to remote onboarding, drastically reducing the time to open a savings account. The client can start the process at home, but when it gets to a certain stage, the process prompts the client to go to the consultant. Some clients prefer to start the whole process in the branch. When the client walks into the branch to open an account using remote onboarding, the client does not go to the consultant, but BBC assists the client in getting onboarded remotely on their cell phone. They complete the onboarding process on their cell phone and take a selfie when the client is required to see a consultant. The consultant punches the ID number, pulling everything the client captured. The consultant will finish the remaining steps and issue the physical card. The consultant had to explain how remote banking works and value-added services like swiping the card and withdrawing at retail shops. Ideally, the client should do everything at home and when they come to the branch. They should finish off those last few steps to get the card and the conversations with the consultant on the benefits of using the card. But obviously, now that is not easy because most clients do not know that they can do it at home and then come to the branch, but they do the same thing they would have done at home on the cell phone, which is remote onboarding (Participant FF).*

Issuing credit to clients was another core banking activity that changed as part of digitalisation. Issuing credit was the main activity that generated income for branches and carried significant weight in key performance appraisals for branch staff. Clients were now applying for credit remotely instead of visiting the branch as was the case before digitalisation. The digital-first engagement approach by the bank was reinforced by opening a department of Direct loans that assisted clients in getting credit without visiting the branch.

> *Clients would apply for credit remotely without visiting the branch. The client could apply for credit via the remote banking app or SMS. The bank has a department that focuses on clients who are applying for credit remotely, called direct loans. The agent contacts clients to understand their needs and informs*

them of the needed documents. Once the direct loan agent receives the documents, check whether the client qualifies for a loan. The agent tells the client and concludes the application when the loan is approved (Participant II).

The scope of the change also included dealing with some customers who preferred to visit the branch instead of transacting remotely, despite having the opportunity. Notably, things started to change as the bank continued to transition to digitalisation. Many clients of the South African bank began transacting remotely as masses moved from the branch to the business support centre. The structural changes in the bank included the creation of a business support centre whose primary function was to support the operations team. There was also a wing for customer care. The business support centre (BSC) mainly focused on customers rather than branches. With the increase in customers transacting remotely, branches started supporting the Business Support Centre by assisting clients remotely, as fewer customers were visiting branches. The change in the activities of the branch staff was also reported by participant GG in this way:

Business Direct is becoming busy as clients transact on digital channels instead of visiting the branch. The branches need to assist by getting all the necessary documents and sending all documents directly to the business support centre for processing (Participant GG).

5.2.1.2 Multi-dimensional nature of change

The "*multi-dimensional nature of change"* is the second sub-property of top executives changing business models from simple to diversified business financial services models using digital technology to create value for customers. The nature of change involved the depth of technology-related change, which increased products to clients enabled by digital, change in internal and external facing activities, which enabled employees to eliminate activities that need human intervention, gaining new roles and ways of working and enabling clients to transact digitally. The South African bank engaged employees to identify all products and services clients could access through digital channels. The operations department was more involved as they interacted with clients directly and tried to understand the clients' pain points. Product owners and developers listened to the employees as internal clients to understand the nature of services to be moved to digital channels. Previously, when clients needed bank statements, they had to visit the branch, but nowadays, they can print them from the self-service terminal or download them from online banking. Digital technologies easily, while allowing employees to focus more on internal activities, enhancing client service quality, as indicated by Participant LL.

Technology helped employees as internal clients minimize and eliminate all the mundane transactions that clients can do independently, reducing pressure and allowing them to focus on quality interaction with clients. Consultants do not get to serve as many clients and tickets as they used to, particularly for those transactions

> *that can be done remotely or digitally. When the client needs to be served by the service consultant at their desk, it gets prioritized because consultants do not waste time trying to get through the pool of transactions that can be done digitally (Participant LL).*

The South African bank was eliminating most nontechnological activities like printing contracts, which was costly as the consultants had to print contracts for the clients and consultants to sign. The bank introduced biometrics. Printing contracts was unnecessary, as they were signed by placing a finger on biometrics. Using biometrics enabled the bank to save time and paper. Biometrics served as a security measure as it became difficult for fraudsters to bypass biometrics, as it was linked to the Department of Home Affairs. Whenever a client needs a consultant to assist, the client will be prompted to place a fingerprint reader to verify that the consultant is dealing with the account holder. The South African bank used technology to protect the environment and its clients, as exemplified by Participant DD.

> *There was a cost benefit to the bank because the bank reduced the purchase of paper significantly while protecting clients from fraudsters. This has been a drive for the longest time to reduce paper because paper comes from trees. The benefits extend far beyond the company. The bank is no longer purchasing paper boxes as it used to (Participant DD).*

Participants stated that as the bank changed from traditional banking to digitalisation, it became more dependent on technology. Previously, when a client lost a card, the client was expected to call Client Care to stop the card. Once the card is stopped, the client loses access to her money until the client visits the branch to apply for a card replacement. External-facing digital technologies enabled customers to stop using their cards remotely but still have access to funds and transactions, as elaborated by Participant EE.

> *Technology has changed even those services that needed a service consultant, like when the client lost a card and needed a replacement. There is an option to call the head office, and the card will be delivered to the client. Although it will take a few days, then again (Participant EE).*

Digital technologies have also started to enable the executive committee to increase the number and variety of products accessible to clients using digital channels. For example, clients were able to access prepaid electricity, airtime, cash send, vouchers, bill payments, lotto, vehicle license, and show max. Some of these products were regarded as non-banking products. Digital technology enabling clients to access banking and non-banking products without visiting the branch was illuminated by Participant II as follows:

> *I think the one that immediately stands out is convenience; it is the biggest one because the client can either remain in their office or at home but be able to access products and services. When clients want to top up electricity, they can use remote banking to*

purchase electricity and continue their business without leaving home. Clients can also purchase airtime or data on the banking app. Previously, it was available in those little cards, and the client had to walk around and find a spaza shop in the area to buy airtime. Digital technology enables the client to be at home making calls; when they run out of airtime, they now have the convenience of quickly topping up using the banking app and carrying on with a call. Technology has created convenience by enabling banks to offer more products to simplify banking for our clients (Participant II).

The South African bank introduced remote banking and a self-service terminal to enhance digital-first engagement with the bank while decreasing the number of products offered to clients, which were dependent on in-person human interactions. Remote banking and self-service terminals were key in allowing clients to increase limits, onboard themselves, set up online banking, print statements, and make transfers on their own. Participant AA underscored how the executive committee's plan to put more self-service terminals in branches was very critical for digital-first engagement to enable clients to access more products on digital platforms.

A couple of years ago, the bank was driving remote banking, where the app was downloaded on the clients' phones at the branch entrance; it was a big focus for a while, which meant branch staff needed to show clients how to use new products and services introduced by the bank such pay accounts, buy electricity to ensure that they are enjoying benefits (Participant AA).

In the early stages, the activities of digitalisation in the South African bank were not smooth as they encountered internal and external communication problems, mainly because the IT department would make changes to the system and fail to inform the branches. Whenever clients had a challenge or the system was not working, clients would visit the branch for assistance. The branch staff felt pressured as they had to explain to clients that the system was offline but that they had no control over it. Participants agreed that a lack of communication was a challenge, as the IT department depended on branches to inform them when the system was down. On the other hand, the branches were expecting IT to inform people at an approximate time when the system would be restored to assist them in keeping clients informed. Participant OO had the following to say about communication challenges and role redefinitions made in the early days of digitalisation to improve communication.

The IT department relied on branches to update them on what was happening on the ground, especially when something was not going right, and there was no real-time response. IT would become aware of the challenge after branches called to find out why clients could not access their monies. It was a reactive approach as the branch would act after clients started complaining; branches would inform the IT department, and communication would be sent out to clients. These days IT and branches collaborate when the system fails, and communication is two ways (Participant QQ).

Participant QQ mentioned that IT people within the bank were responsible for ensuring the system was up and running; as a result, they often worked long hours through the evenings to ensure system stability. Participant AA stated that when the system was not working correctly, operations staff always took the heat, although they had no control over the system. IT people did not deal with external clients as they were responsible for managing and building a substantial platform.

> *The expectation was that IT communicates with branches and clients. So, what they would do is, before the system goes offline, the IT department was supposed to send an email to branches informing them that the system was down, instead of waiting for branches to call and clients to complain before they act. The IT department would email that the system was down after receiving communication that told them something they already knew (Participant OO).*

The South African bank improved its internal communication on system failure as the findings revealed that everyone had to keep the communications channels open to deal with the problem sooner before it escalated, including those not at a leadership level, which was not the case previously. The inclusive, proactive and collaborative approach to communication was carried out to ensure that employees and clients were informed of what was happening. A message had to be cascaded down to branch staff and clients to inform them that the system was down and how long it would take to fix it, to put clients at ease. Clients of the South African bank became aware of the problem as the bank acknowledged the issue and confirmed that they were working on it; this allowed clients to find other alternatives.

> *We have to understand the context in which this operates. Currently, we have about 22 million clients, almost eight and a half million, transacting in a digital space. Looking at the context of the offline situation, we have migrated over 21 million clients, onethird of the population banking with us. We needed to understand how the offline situation posed a risk to the company as it impacted client experience and painted a picture that the bank was always offline. Internal and external communication changed, improved, and there were strategic changes to our systems. We have managed to mitigate risk with built-in security measures in our IT platforms, enabling us to carry this clientele base over the next 15 to 20 years (Participant EE).*

There were also changes regarding crisis communication in the bank. When it came to disruptions of external-facing and customer-related technology to enable transactions by clients, things became complicated for frontline employees who were dealing with clients. When there was a service disruption, these employees had to pass the same message to almost all clients. Participant QQ stated that clients did not understand why the system was not fixed timely. Clients felt that consultants did not want to help them.

> *It is not that we were unaware of the issue and not working on it. It is just that we needed clients to be patient with us. We needed to keep the communication channels open until the problem was resolved or sorted out to put clients at ease. If we kept communications open and our staff were always available to keep the clients informed,*

that kept some clients calm as they were part of the process. The challenge starts the minute we do not communicate and do not make ourselves available to keep the clients abreast of the development. Immediately, comments would start coming up on social platforms about the bad service, the bank not giving them their money, and all other related things. It is important to point out that we have continuously improved as a business in keeping our clients informed by giving them an update (Participant KK).

Participant NN raised that the IT department was not adhering to turnaround times when things were reported. It used to take the department a long time to respond and resolve problems. The challenge was that branches were not reporting issues on time, as they were expected to inform the helpdesk when they realised there was a challenge or maybe something on the system was going wrong. Branches were reporting when they realised that there was nothing, they could do on their side to work around the problem. These incidents made the bank aware of an IT skills shortage and that the server was not good for the brand; it needed to be resolved. The bank introduced a quality monitoring department that constantly examined the systems and analysed their performance. Participant NN stated that when they realised there were warning signs on the system, it became a team effort to resolve the issue. The monitoring team moved resources to where needed to ensure the system was stable with less downtime. Operations staff were focusing on serving clients, resulting in less stress in branches. As digitalisation progressed, managers could support and help their teams instead of dealing with client complaints due to system problems.

5.2.1.3 Nature of competitive activities of business-related change

As the third sub-property, the "*nature of competitive activities of business-related change"* is about competing as a simple business, in that employees do not have to know many products. When the client visited, the branch consultant would identify whether the client existed or was new. When an existing customer visits the branch, they would want a top-up or a new loan. When it is a new client, the consultant is required to position different types of loans and leave it to the client to choose. When the bank was competitive and attracting more clients by offering simple, accessible and diversified products, it became a challenge for the South African bank, as expressed by Participant GG.

Previously, we only issued loans; it was a simple process, and the client did not need a card to access their loans. As the bank started offering more products like opening accounts, clients visiting the branch to transact still had to issue new loans, convert the existing loan clients, and everyone who had a loan had to switch banks in order to access their loans. The bank attracted many clients as they could get loans on the same day. When they qualify for a loan before leaving the branch, the loan will be available, including those banking with other banks (Participant GG),

As a result of technology, accessibility to a variety of banking services in this South African bank was simpler for clients than at other banks. The competitive advantage was that when clients applied for the loan, they got it on the same day. Participant FF added that when they opened an account, it was quicker

than other banks. At another bank, it used to take up to 25 minutes as the banks were not using biometrics then. When the client gets the card, it will be activated, and they can start transacting immediately. As the bank started offering simple and diversified products using technology, the time spent by consultants to open an account dropped as clients could use remote onboarding. Participant FF revealed the nature of customer convenience as a competitive advantage as follows:

> *The time to open a savings account has drastically dropped; we used to take 10 minutes, even 12 minutes, to open an account. Now, with remote onboarding, it has dropped even more. It takes plus or minus 5 or 6 minutes (Participant FF).*

Technology enabled clients to transact independently, and the results showed less activity in branches as the branch served a few clients who had to see the consultant inside the bank. Relocating some transactions to self-service terminals and using remote banking apps helped the South African bank improve the client experience for both those transacting digitally and in person. Consultants had a meaningful conversation with the clients to communicate the features and benefits of the products available to the clients, clients had a choice of service while the bank continued to understand the possible ways of improving the work experience of employees as well as customer experience of using the bank as reported by Participant RR in the quotation below:

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> *The consultants served few clients; they had more time to have fruitful conversations with clients who needed that person-to-person interaction. Clients had options for service; those who were always busy had no time to go to the branch, and digitalisation catered for those clients. It also helped the bank understand our internal and external opportunities to improve client experience (Participant RR).*

The positive consequence of competing as a diversified business was that the bank simplified banking and created convenience and access to banking and non-banking services for clients. It enabled the bank to operate as a one-stop shop. The competitive advantage was that the bank already had a client base, and it became easier to add a new product offering to what the clients already had with the South African bank. The bank already had a relationship with its clients, which was the basis for changing any product and reinforcing in-house convenience. The bank was acquiring backroom and customer-facing new technology to add more products as needed. The bank offered more diversified products to clients, which improved the bank's performance as reflected by participant BB.

> *Digitalisation has had an excellent impact on the business; it is one of the reasons the bank continues to grow even today. We are one of those banks that are seen as very simple. Our strategy is transparent and ensures nothing makes the client uneasy (Participant BB).*

The way digitalisation changed the strategy of customer recruitment and service to digital created unintended sales cannibalization and stress for staff in branches, regions and business units of the bank

Moving clients of South African bank to transact in a digital space reduced pressure on employees but created a new challenge as operations staff struggled to reach their in-branch sales targets as fewer clients were visiting the branches. As most clients transacted digitally, fewer clients were visiting the branches, making it difficult for them to achieve sales targets. The South African bank continued to grow as clients transacted on digital platforms, which negatively affected branch and regional level sales targets as fewer clients visited the branch, as reflected by Participant NN:

> *Digitalisation increased the levels of employee stress; bear in mind that branch networks are sales hubs, so every branch has sales targets that they need to deliver on, and with clients transacting in the digital space, there are reduced opportunities for us to achieve our sales targets, which hurts the branch's profit. If branches are not making their sales targets, obviously those branches cannot meet profit targets (Participant NN).*

As the bank was diversifying its products, it attracted many unbanked clients, which helped the bank increase the number of clients, but also started facing new challenges. Participant AA stated that the challenge was that some clients could transact on remote banking but were still visiting the branches, and some were still struggling. The other challenge is that the bank had many clients who wanted to access the product but were struggling. The branch staff of the South African bank spent more time educating clients on transacting digitally, which created problems initially, but would bear fruit later.

> *As clients kept coming to the branch to transact manually, the bank realised the need to educate them on digital platforms, as it was not costly and less stressful. They save on petrol money, taxi fares, and time standing in long queues until they faint. A client was standing in a queue last week, but the queue was not long. They saw the client collapsing, and when they tried to assist the client, the client died; however, they said the client was not well. So, if the client was at home transacting on the phone, although we cannot predict when the person is going to die, he was going to be at home at least when it happened (Participant SS).*

System instability was also an unintended consequence of diversifying the products and rapid growth, which the IT system and server could not handle, especially on busy days. The system would crash, leaving clients with no access to money. The clients of the South African bank would complain, impacting the bank's image negatively, as recollected by Participant KK.

> *Sometimes, the system would crash when many clients transacted simultaneously. It had a negative impact on client service as they were unable to transact. It gave the company a bad reputation, and clients lost trust in the bank. System failure was a challenge, especially when the client wanted money for something urgent that could not wait. So, the same thing that was supposed to do good for our clients negatively impacted them (Participant KK).*

5.2.1.4 Redefining Customer Value

The activities comprising the sub-property, "*redefining customer value",* addressed the customer pain points at the South African bank. The findings revealed that customers needed banking that is simple, easily accessible, and affordable. The South African bank addressed customer pain points using technology to create customer convenience. Nowadays, customers do not always have to visit the branch to transact; they can transact anytime and anywhere through remote banking. The bank also has a solution for those clients who prefer to see the branch, as they can transact on the self-service terminal.

> *As a bank, we finally realised that we have always wanted to provide banking that is simplified, accessible, and affordable to our clients. Digitalisation has enabled us to offer products to our clients using the digital platform, making it more affordable for them to do banking (Participant BB).*

Digital technology enabled the South African bank to create value for customers by offering bank services at an affordable rate. Participant BB exemplified this view of value to clients as follows:

> *On our digital platforms, we have three transactions that are free when clients access through digital channels like printing bank statements, getting notifications, and internal transfers but not only that, but there are also transactions like debit order disputes costing five rands only on remote banking, whereas clients are charged fifty rands in the branch. Although there was a drop in fee income to the bank, they saved more on the client side and could use that money for other things (Participant BB).*

The South African bank rewarded customers for excellent banking behaviour to encourage them to transact on digital platforms instead of visiting the branch. The more clients transacted independently, the more comfortable they became and were able to operate their accounts fully independently. Technology helped clients gain freedom of transacting anytime and anywhere. This dimension of customer value was captured by Participant HH in this way:

> *Clients can now apply for credit on their phones, and business owners can apply directly from the business support centre, which will call them to finalize their credit application. They will get credit for that product, not the branch (Participant HH).*

Digitalisation was becoming customer-centric by addressing clients' pain points through improved accessibility of bank services. The findings revealed that most people who used the bank to deposit their salaries started work at 8h00 and finished at 17h00. Traditional banks would open at 9h00 when people were already at work, which meant those who wanted to transact needed to make proper arrangements to visit the bank, as it would close at 15h30 while people were still at work. Digitalisation enables customers to access banking services 24/7, and conduct banking without visiting the branch, as elaborated by Participant QQ:

> *Our clients are the working class, students, and self-employed people who have less time as they are busy working, studying, or running their businesses. In most cases, these customers get occupied with the things that are the highest priority in their lives: work, school, or self-employment, usually maybe 8 or 9 until 3 or 4. Other customers were not able to leave work to go to the branch. As the bank, we had to find a means to be accessible to them. The one thing that can make us successful for someone occupied throughout the day is extending the trading hours so they can go to their bank when they leave work. For example, security guards work 12-hour shifts; a person starts around 7, knocks off at 17h00, and can only change shifts on Sundays. They are off on Sunday, and banks are closed. This person probably does not have time to visit a branch. They can use Sunday to go to the bank. When we look at people who work from 8:00 to 4:00, the banks are closed when they finish work at 4. Maybe a person got an authorized debit order that ran on their account, and they need to reverse it, or they suspect fraud on their account. They do not have the money to call the office then; they need to go to the branch but cannot as the banks close before they finish work; as a result, they will be forced to wait for the weekend while living in fear of their accounts. The bank might lose that client as they can move their money to another bank. The use of technology has addressed those fears (Participant QQ).*

Although the South African bank used digital technology to create value for clients, the pain points of clients in rural areas were not fully addressed. Participant II highlighted a gap between clients in urban and rural areas. There were more challenges in rural areas regarding clients being illiterate, slow in understanding certain things within the product, and fearful of the accessibility of bank products through technology. Staff working with those clients needed patience. Digital banking services were much more accessible in urban areas, especially among the clients who had devices compatible with remote banking and were familiar with the dynamics of technology and digitalisation. There were always pop-up messages informing clients of any changes, updates, or anything the bank needed the client to consider. It was another way of educating clients, keeping them informed, and assisting them in gaining confidence when transacting digitally, but those in rural areas were not enjoying that benefit.

External customers valued the clarity of the benefits of using newly introduced digital technologies. The findings revealed that managers had to ensure that teams of staff understood the reason for every action and how it would benefit the customer. When employees have a good understanding of products and technologies, they get more confident in conveying the full benefits to different external clients using different types of digital technologies.

> *Firstly, as a bank, we had to ensure that our employees understood what digitalisation is and what banking in the future will look like. This will make them see the necessity to educate clients about the benefits of transacting on digital platforms (Participant BB).*

External customers valued the clarity of benefits, as participant KK mentioned that digitalisation made things simple for clients as it gave them time to do other things that they would not have been able to

do if they were going to transact at the branch, especially at month's end. Previously, clients had to wait in long queues before getting assistance. With digital technologies, clients were happy that they could transact digitally and save on taxi fares or petrol when driving to the branch. Banking on digital platforms gives clients time to do other things, as reflected by Participant TT.

> *The bank had to educate its clients to ensure they enjoy the benefits of transacting digitally. When clients are knowledgeable, they can transact on their own. It is less likely that the same client will come back to the branch every week to increase the limit or do a transfer, and even when they change their phones, there is no need to come to the branch. Setting up a remote banking app on the new phone and continuing banking is easy. Years ago, the bank focused on having more branches to reduce branch queues. However, that has changed, as few clients need assistance nowadays, and most can access remote banking without assistance (Participant TT).*

Although the bank focused on ensuring that clients enjoy the benefits of transacting on digital platforms, there were issues with clients who had smartphones and were still dependent on consultants to transact. The staff were not communicating properly about the benefits of transacting on digital platforms to clients, as they feared this would lead to their job loss, as shown in the quotation below:

> *In the beginning, people were not too comfortable doing stuff digitally. Demonstrating things like saving a beneficiary on the app and using the beneficiary's cell phone number gave them a sense of comfort and more confidence to transact independently. We have seen a massive migration of clients from visiting the consultant for assistance with simple day-to-day transactions to transacting independently. Many employees were not educating clients as they were afraid of being replaced by technology. Digital technology was viewed as a job destroyer (Participant NN).*

The clients kept visiting the branch, although they had remote banking on their phones, as they did not know how to use it and its benefits. The bank had to change the employee reward system to drive the proper employee behaviours supportive of digitalisation. The bank used the balanced scorecard to set clear expectations of what employees needed to deliver to drive the customer value of digitalisation. Training, e-learnings, and quizzes were used to ensure that employees, as internal clients of the bank, knew the products' features, which made it easy, comfortable and competent for employees to explain the benefits of using the products to clients as revealed by Participant FF:

> *At the beginning of each quarter, we had to contract staff using a balanced scorecard based on targets. Targets are for the region, the branch, and the individuals. So, when contracting using a balanced scorecard, we discuss the expectation from that individual for the quarter and then break it down to monthly targets which included the appropriate behaviours to ensure many clients transact digitally. At the end of each month within the quarter, we do mock performance appraisals to check performance (Participant FF).*

Although digitalisation simplified work for employees, at the beginning of the implementation process, there was no clear and exhaustive communication on what to expect along the journey and how to deal with each problem. When staff faced challenges, leaders had to apply their minds to resolve the issues since digitalisation was a new phenomenon. They had to keep staff motivated, especially when the system was down. Even though digitalisation reduced pressure from employees, it brought much uncertainty that leaders had to deal with and assured the staff that whatever challenges they were facing were in preparation for better opportunities. This was exemplified by Participant RR:

> *Initially, I think the bank handled the issue very poorly. There was no communication between the people dealing with the clients and the support team. They used to give a vague explanation of what happened, and the people in the branches were heavily stressed because of what they had to deal with and answer clients but did not have the answers. After pushback from operations to technology, there was much more transparency regarding what was happening. Afterwards, whenever there was a major problem, it was followed by clear communication about the problem, how it was, and who was responsible for resolving it (Participant RR).*

5.2.2 Revising elements of the existing strategy to integrate digital technologies to offer more products and value-added services to clients

Table 5.2 below presents the second property of formulating a digitalisation strategy by top executives to create value for customers, which is labelled "*revising elements of the existing strategy to integrate digital technologies to offer clients more products and value-added services"*. The activities in this property focus on the nature of revised elements of strategy and the nature of integrated digital technology and value-added services.

Table 5.2: Revising elements of the existing strategy to integrate digital technologies to offer more products and value-added services to clients

Broad activity: Formulating a digitalisation strategy by top executives to create value for customers			
Property	**Sub-property**	**Dimensions**	
Revising elements of the existing strategy to integrate digital technologies to offer more products and value-added services to clients	Nature of specific elements revised in the existing strategy	Elements of existing strategy revised incrementally	Radically changed elements of strategy
	Nature and variety of digital technology integrated	Digital technology integrated to enable internal process and people	Digital technology integrated to enable external stakeholders

Source: Researcher's construction

5.2.2.1 Nature of specific elements revised in the existing strategy

The first sub-property labelled as the *nature of specific elements revised in the existing strategy* is about the elements of the existing strategy, revised incrementally or radically. Participant CC mentioned that the top executives of the South African bank decided that to survive in the volatile environment and remain relevant in the future, it needed to incrementally change its approach to a digital-first engagement and solution. The bank changed its long-term goal to be a digitally led best bank globally. The bank revised how to deliver products and services to clients by integrating technology. Leadership also gradually improved the systems and used simpler ways to serve clients and reduce redundancy by switching from traditional banking to new, faster, and better methods, as summarised by Participant NN.

> *Firstly, the top executive revised the organisation's long-term legacy and vision. Where do they want to see the organisation in the next five years, and how can they build a system that will improve clients' lives and simplify the lives of employees? For example, they wanted to build the best bank in the world. They needed a clear picture of how they would achieve the results, who would be involved, and what was needed, hence the digital approach (Participant NN).*

Revising existing processes assisted the bank in identifying internal areas that needed improvement. Participant CC mentioned that the bank improved its process gradually so that the system guides the employees on the products the client might need. The system also suggests the conversations that the consultant should have with the clients. It ensured that consultants did not waste time positioning products that clients did not need and increased branch efficiencies. In revising the strategy, Participant CC had the following to say regarding the incremental significance of digital and data-driven customer centricity.

> *The system guides the consultants on the kinds of conversations that they need to have with the clients. We have the best system; we profile the clients before they come to us. As part of digitalisation, the system tells us what the client would be interested in or the products needed to focus on when talking to the client. In most instances, we were getting it right using the data; that is how processes and systems support our business growth* (*Participant CC).*

The South African bank had to find its competitive advantage, differentiating itself from other banks. The strategic challenge was that other banks were already ahead in terms of market share. Participant NN stated that top executives in the South African bank realised the strategic importance of valuing convenience, affordability and accessibility as part of revising and enhancing external stakeholders in terms of customer experience arising from using digital technologies as reflected by Participant BB.

> *When you look at digitalisation, it has helped us with many things; the digital platform made it more affordable for our clients to do banking. Affordability accelerated the process of digitalisation adoption to enhance customer experience. Our app has three free transactions: statements, app notifications, and internet transfers. Transactions like debit order disputes cost only five rands on the app, whereas clients pay more in a*

branch. Digitalisation improved accessibility as clients could access banking wherever they are. The changes in strategy were taking a different direction of aligning with emerging customer priorities (Participant BB).

5.2.2.2 Nature and variety of digital technology integrated

In the early stages of digitalisation, the South African bank integrated biometrics technology to improve internal processes and ensure the consultants deal with the account's rightful owner. When a client visits the branch to transact, the consultant will compare the photo on the client's identity document, the photo on the system, and the client's face. The consultant used to take the client's photo every time the client performed a transaction at the branch as confirmation that they were at the branch on that particular day. The photo on the system should match the ID photo and the client. Participant JJ underscored the on-going centrality of biometric security for clients and the bank to improve internal processes and protect employees from helping scammers transact on client accounts.

We took a client's picture when performing a transaction. People cannot dispute a transaction; taking a picture of a client on a specific day confirms that the client was in a branch. So, there is no way the client can say they were not in the branch; it is more of a security feature. So yes, the camera taking pictures assists with the confirmation that the client was present and performed the transaction (Participant JJ).

Digital technology was being integrated into various activities such as backroom operations, finance, risk and bank security, HR which were inward focused while also focusing on customer-facing activities. Biometric security technology was linked to external systems and technology such as the Department of Home Affairs for client verification. For example, when signing the contract, the client would put a finger on a fingerprint reader to sign, and the consultant would do the same, as the contracts needed two signatures on each page. Biometrics reduces the risk of opening fraudulent accounts and prevents people from using other people's identities to open accounts, as each person has unique fingerprints.

The bank introduced biometrics as a risk management tool to mitigate risk. Each transaction performed in the client's account inside the branch needed approval by the client by placing their finger on the fingerprint reader. The consultant assisting the client also had to place the finger (Participant JJ).

Participant FF explained that the South African bank improved its internal processes to the extent that it could serve external customers in the overseas market. Clients could open and activate accounts in a virtual space and transact digitally. The clients could get a virtual card equivalent to a physical card. The client could use a virtual card while waiting for a physical card but could not use the virtual card at the ATMs. The client could order the card online once they arrive in South Africa, collect the physical card from the branch, or request a delivery to the nominated address. Digitalisation enabled the South

African bank to engage with external clients without the need to visit the branch as reported by Participant RR.

> *We are talking about the clients who do not have time to engage with anybody, but they want a quick and efficient solution where they come in and out without any delays, and that is where digital migration has a more profound impact on the client. When clients need to hold a physical card, they can get it from the branch or order it online (Participant RR).*

5.2.3 Identifying some products and services that can be delivered on digital platforms

The property of identifying some products and services that can be delivered on digital platforms has one sub-property of the process used to identify products and services for market delivery through digital platforms. When the South African bank started transitioning from traditional banking to digitalisation, the top executives were leading the way, pointing the digital direction to follow. Participant NN mentioned that Senior Managers in the South African bank were not part of the strategy formulation but played a key role in identifying some products and services on digital platforms. Senior Managers received feedback from their heads of departments, who directed them at what they needed to communicate to their teams. The bank's CEO leads the bank and points the direction. Table 5.3 presents identifying some products and services that can be delivered on digital platforms, property with its sub-property and dimensions.

Table 5.3 Identifying some products and services that can be delivered on digital platforms

Property	**Sub-property**	**Dimensions**	
Identifying some products and services that can be delivered on digital platforms	Process used to identify products and services for market delivery through digital platforms	Top-down process	Bottom-up process
		Extent of inward focused	Extent of external stakeholder consultation

Source: Researcher's construction

5.2.3.1 Process used to identify products and services for market delivery through digital platforms

The sub-property reflects that at the beginning of each financial year; the top management invited all managers to attend the presentation of a strategy for the new financial year. Top management was visiting each province to present and cascade the South African bank's strategy to the other layers in the organisation. In these conferences, managers were getting an overview of what must be delivered that year and why. All managers got a message from top management to reduce the risk of misinterpretation

of digitalisation process and outcomes in the South African bank. At the beginning of every year, digitalisation was a top-down process as reflected by Participant II.

> *At the beginning of every financial year, top management gave us a strategy to implement in the new financial year. They detailed what we need to achieve and how we will do it. So that is consistently communicated very clearly from the beginning of the financial year. We knew what it was that we were working towards in the year ahead and how we were going to get there. It was a series of conferences that took up to two or three months to ensure that information communicated across the company was clear (Participant II).*

The findings revealed that top executives in this South African bank mainly focused on how to identify sources of products and services for market delivery through digital platforms in the new financial year. Top management used the conference platform for integrating top-down review of progress and bottomup communication to shape new and collective directions going forward. Putting the strategy implementation drivers under one roof to prepare for the year ahead ensured that all leaders understood the bank's goal. Managers knew what they needed to do to achieve the bank's goals digitalisation strategy across different functions, impact and roles of different stakeholders. Managers could ask top managers to get more clarity. The conference was also used as a platform to reward good work, present the results achieved in the previous financial year and discuss challenges faced by the business and big wins. Top Management explained what the bank needs to achieve, what each division must do to contribute to the South African bank's objectives, and how. After the conference, managers knew what the bank expected from them and had to pass on information to their teams and provide feedback. Below is what Participant FF had to say about the conference and the top executive's approach to facilitating the identification of products and services for market delivery through digital platforms.

> *The bank uses platforms like conferences to communicate with managers. So that message gets cascaded through during that setting or platform, and then it needs to be filtered through to the branches. As leaders, we are responsible for ensuring that the message gets filtered to the branch team members. Digitalisation, core idea, and opportunities to review already introduced technologies, challenges and also new technologies necessary to address problems and tap new markets were often discussed and shared in conferences and later clarified through branch visits by top executives (Participant FF).*

After the conference, managers would return to their regions to unpack what was discussed. Managers brainstorm the best way to filter information to employees to ensure they all understand. Managers break it down according to the department and devise a plan to achieve the expected results. Once they start to implement the strategy, it changes; it becomes a bottom-up process. Employees provide feedback to top executives through their managers on what needs to be changed. Technology made feedback and communication easy within the South African bank. The most common method adopted by senior

managers was virtual meetings, which made it possible to communicate the same message to their teams in a fast and convenient manner. The opportunity of identifying and grouping transactions to be moved from consultants to the Self-service terminal involved bottom-up interactions with frontline staff, such as consultants, which consequently highlighted the need and role for Bank Better Champion (BBC) to assist those clients who were struggling to use digital technologies and self-service terminals.

> *Bank Better Champion directed all transactions that do not need a consultant to the self-service terminal and all clients who do not have a smartphone, or if there are faults on the smartphones, to the Bank Better Champion. It eased pressure on consultants, reduced queues inside the branch, and reduced the waiting period before being serviced by a consultant. Minimize the number of existing clients coming to see a consultant. Minimize the number of existing clients coming to see a consultant, as clients assist themselves. It allowed consultants an opportunity to acquire new clients (Participant NN).*

This strategy of consulting with the staff, which was inward-focused, assisted the bank in identifying some products and services that could be delivered on digital platforms. Employees interact with clients, assisting them with transacting daily. As part of helping the external stakeholders, the branch staff asked clients questions to establish their real needs and preferences. The strong client engagement helped the employees identify products and services that clients preferred accessing on digital platforms. The branch staff knew that customers could easily make transactions without visiting the branch, as reflected by Participant PP.

> *Listening to our staff helped as they interacted with clients daily. They came up with good suggestions of things they think can and cannot work and gave reasons. It lightened the work of product owners or product developers. The product owners would develop the product and take it back to employees, as the users could pinpoint glitches before it goes out to the market. Basically, that was how we identified opportunities for digitalisation by sharing our plans with our staff (Participant PP).*

5.2.4 Top executive deciding to invest in technology by acquiring the best system, such as Amazon Web Services, enabling the bank to use data to improve decision-making

The property of a top executive deciding to invest in technology by acquiring the best system, such as Amazon Web Services, has a sub-property of the degree of banking and non-banking technology investment. Table 5.4 below presents the property labelled as a top executive decision to invest in technology-enabled staff to collect data when assisting clients. It also enabled consultants to understand clients' banking and non-banking needs and offer them what they need. Digital technologies were directing the consultant to specific aspects of the client in the system when engaging with the client.

Table 5.4 Top executive deciding to invest in technology by acquiring the best system such as Amazon Web Services, enabling the bank to use data to improve decision-making

Broad activity: Formulating digitalisation strategy by top executives to create value for customers			
Property	**Sub-property**	**Dimensions**	
Top executive deciding to invest in technology by acquiring the best system such as Amazon Web Services enabling the bank the use of data to improve decision-making	Degree of banking and non-banking technology investment	Core Bank-related technology for bank data	Non-banking technology supporting core banking activities

Source: Researcher's construction

5.2.4.1 Degree of banking and non-banking technology investment

The South African bank came from an environment where everything was spreadsheet-based, including reporting. All-important reports needed to run the business were generated from a spreadsheet. Participant CC added that the bank had to change from being spreadsheet-based to doing things differently with the aid of data and informative digital technologies such as Power BI.

> *Digitalisation is just one resource that helps us understand our business better. PowerBI system enables us to see behavioural changes, how we drive the revolution, and how our people drive it. For example, if the bank introduced a new product. When checking on the system, it shows whether there is any behavior change to clients who visited the branch previously without calculating manually or using a spreadsheet (Participant LL).*

Previously, there was no system integration, such that relationship managers in the bank had to use different platforms to manage portfolios, and clients had to use different platforms to manage their relationships. The bank used an OnBase system that did not give all clients' details in a holistic manner. Employees had to navigate through different systems before having a full view of the client. The participant UU mentioned the integrative power of new digital technologies for banking acquired by the bank, which gave employees a full view of the client relationship management on the platform, see client offerings on Salesforce, and see client details.

> *The bank changed its systems, and we had to learn a new system as it focused on innovative and simpler ways of banking. Previously, we were using a much more traditional system that wasn't equipped to handle the masses they were currently dealing with. So, we moved from opening accounts on the OnBase system to using a system called Salesforce, allowing us to manage the client relationship better. We were using different systems to manage the portfolio. Salesforce is a three-in-one core system used in the bank. It is a three-in-one because one can manage relations on the platform, see client offerings on Salesforce, and see client details. It gives a holistic view of the*

clients. Basically, we are technically managing at one point instead of using three different systems to access one client (Participant UU).

Salesforce as a core banking system gave staff a one point of contact and a holistic picture of what the client is doing, their business type, their contact details, and their offering with the bank. The new banking system assists staff in using data to understand clients' needs and to predict what they will need in the future. Staff were using Salesforce to identify opportunities to cross-sell and opportunities where the employees could assist the client better. Using integrative digital technologies, the bank was enabling the customer-facing employees to build well-informed long-term relationships with clients using Salesforce and assisted onboarding of clients.

The bank introduced Assisted Onboarding, which we call AOB, which has been incorporated into Salesforce. AOB is a system used to open accounts, so before. Previously, we used OnBase to open accounts and submit credit applications, but now, with Salesforce, you can use AOB to open business accounts much quicker and more efficiently, which alleviates the time you spend opening the accounts and helps with clients' experience. Clients also use remote onboarding called ROB to onboard themselves (Participant CC).

Whether the client was onboarded through remote onboarding or assisted onboarding, all the customer information was accessible to employees on Salesforce. Any employee of the bank could open the client's account and get a full view of what is happening in the account, which means anyone in the bank can identify the client based on the information on the system. Table 5.5 below presents top leaders introducing a culture of using data to help create an integrative understanding of clients' needs and make better decisions properly**.**

5.2.5 Top leaders introduce a culture of using data to help understand clients' needs and make better decisions

Table 5.5 Top leaders introduce a culture of using data to help understand clients' needs and make better decisions

Broad activity: Formulating digitalisation strategy by top executives to create value for customers			
Top leaders introduce a culture of using data to help spacing understands clients need and make better decision	Cultural change to data driven ways of understanding clients and decision making	Data-driven decision enables better delivering on clients' needs	Data-driven decision resulting in poor delivery on clients' needs

Source: Researcher's construction

5.2.5.1 Cultural change to data-driven ways of understanding clients

The property of top leaders introducing a culture of using data to help understand clients' needs and making better decisions was manifested through a single sub-property of cultural change to data-driven ways of understanding clients and decision-making in the bank.

Digitalisation enabled the bank to make decisions based on clients' data in the system to improve the clients' experience. Data assisted the bank in establishing clients' spending patterns and suggesting possible products to clients to meet their needs.

> *Regarding data governance, the bank has specific requirements that must be met. It is crucial to have the right technology and skilled people. Digitalisation is something that's going to continue as it moves from stage to stage. It is exciting that we continue to succeed with our strategy, as we need to modify and improve it when we see a need. Remember, this is a data-driven environment. It can change at any time depending on the behaviour of the client that we serve, so data-driven decision making is becoming a norm (Participant CC).*

The South African bank used data to identify clients' spending trends and patterns. It assisted the bank in understanding clients' behaviour and designing products that meet their needs. Data also suggests what the client will need in the future. Consequently, consultants were becoming proactive and emphasising the value of data when dealing with clients. Data available because of technology enabled the bank to shift from decisions not informed by data to an emphasis on the use of data to identify the customers' financial needs and understand the footprint of where the client goes to transact, as revealed by Participant HH.

> *We were able to identify a regular trend in the client's behaviour in whatever the client is doing in the bank account. We give clients tips on literally everything if we see that the client makes many cash withdrawals. We advise clients that withdrawing money is more costly than card swipe and cash back. The client pays much less when he swipes the card, and giving our clients tips was one of the ways we applied to ensure that our clients' banks were better and benefited from banking with us, as we wanted to save our clients' money (Participant HH).*

The efforts for employees to provide personalised and tailored banking services to clients were reliant on knowing customers' financial needs, matching the client priorities and avoiding the pressure of a blanket and uninformed approach, knowing that customers' financial needs match the blanket as illuminated by Participant CC in the quotation below.

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> *Before, we were not basing all customer decisions on data. No, but digitalisation helped us make better decisions that suit clients' needs. It is all about personalized products tailor-made for that client because of what the data is saying. The client's data enabled us to understand the client's footprint, where the client goes to transact, make better decisions, and offer a tailor-made product to each client that addresses that client's needs. [Umm} Digitalisation helps us understand what is happening as we can demarcate the type of client personas and how they behave. This understanding guides the consultant on how to deal with each client going forward and what to do to help clients have a better experience with the bank (Participant CC).*

5.2.6 Top leadership identifying the calibre of Human Resources needed and the set of skills such as data engineers needed to enable the bank develop products to be delivered on digital channels

The property of top leadership identifying the calibre of Human Resources needed and the set of skills, such as data engineers, needed to enable the bank to develop products to be delivered on digital channels has two properties, namely (i) the people aspect and (ii) structure change presented in Table 5.6 below. As top executives of the South African bank acquired new technology focusing on new opportunities to improve operational performance and customer experience, the bank was facing the need for new skills necessary to deliver on the digital channel. In the bank, structure changes focused on changes in the internal organzsational structure to meet internal needs, triggered by digitalisation and the new way of business operation internally and delivering the products and services externally to customers using digital channels**.**

Table 5.6 Top leadership identifying the calibre of human resources needed and the set of skills such as data engineers needed to enable the bank to develop products to be delivered on digital channels

Broad activity: Formulating digitalisation strategy by top executives to create value for customers			
Property	**Subproperty**	**Dimensions**	
Top leadership identifying the calibre of human resources needed and the set of skills such as data engineers needed to enable the bank to develop products to be delivered on digital channels	People-aspect	New skills necessary to deliver on digital channel internally	New skills to deliver on digital channel to compete outside on the market
	Structure change	Digital-influenced change of internal organisation structure to meet internal needs	Digital influenced change to deliver to different external customer segments on the digital channels

Source: Researcher's construction

5.2.6.1 People aspect

The sub-property of people emerged as key in the transition to digitalisation, creating many job opportunities and a need for new skills necessary to deliver on the digital channel internally and on the market. The bank needed many people with IT skills, like product owners, developers, and business analysts. Digitalisation opened an opportunity for internal clients who had IT skills and were longing to apply and move to the IT department. These new appointees with IT skills came up with new ideas that led to system improvement and internal operational changes. The South African bank realised there was a shortage of people with IT skills. The bank understood the challenge it faced, mainly when there was an increase in transactions like month ends or high promotional dates, for example, Black Friday. On Black Friday or the end of the month, the bank's transactions were increasing, and this forced the system to go offline. The strategic solution to this recurrent problem was considered by top executives

and employees to be new infrastructure and people who would be able to make use of that reliable banking technology infrastructure, as reported by Participant DD.

> *Black Friday was one day when many transactions would go through the system. It gave the executive team and all of us some indication, some insight into the expansion we were required to do from a capacity point of view. It became clear that the bank had an IT Skills shortage, and the infrastructure failed to handle volumes (Participant DD).*

The recurrent system failures made the executive committee of the South African bank realise the need to acquire new cloud technology and architecture systems, such as Amazon Web Services (AWS), Salesforce, SAP, and other programs, to assist the bank in serving different clients better. The South African bank acquired the best technology to eliminate the system problem and ensured that IT people focused on building new products to increase revenue rather than fixing recurrent problems with the system that kept breaking. The South African bank appointed many people specifically for the IT department in the past two or three years to ensure they use the best systems to develop the best products for the bank. Participant MM expressed that the bank had improved from the negative publicity about the system instability to an upgraded and relatively quicker system, as reported by Participant QQ.

> *There has been an improvement in the system, which is much quicker now. We have the right people as well. Whenever an IT-related problem impacts on the app or the system, the response time is much quicker. That is why I would say we can never say the system is 120% stable with the same token. I know we cannot experience such a breakdown as the one we had in August 2022 again. I do not think that will happen anytime soon (Participant QQ).*

5.2.6.2 Structure change

The second sub-property of structural change depicts a digital-influenced change of internal organisational structure to deliver service to internal and different external customer segments on the digital channels. Digitalisation enabled the South African bank to restructure its department, especially when the functions of the departments were similar or services were no longer needed. When the workplace banking division was closed, staff migrated to business, and other staff members were seconded to the merchant sections. The bank was in the process of integrating merchant services into business banking. Staff in the South African bank in the merchant services department who were assisting clients with card machines were no longer necessary and had to be reallocated to business banking, as clients were onboarding themselves online, as recollected by Participant UU.

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> *Nowadays, clients can get the products themselves online. Clients can now onboard themselves, open an account, and buy a merchant device on their own, which is part of the things we used to be part of our clients. Once they finish onboarding themselves,*

they get a YouTube video showing them how to set up the device, in the emails they get with the login details. The device box has a pamphlet showing them how to use the device. There is no need for the merchant team to visit the client anymore, which means less work. The bank is moving staff in this division to business banking before the end of this year. The clients will be equipped to do everything themselves and have already started doing that. I know that the main thing that the company is trying to do is to make things easier for clients when they are on board themselves. So that is what I know in terms of the changes that are happening (Participant UU).

Digitalisation came with opportunities for staff of the South African bank to learn new skill sets and bursaries to study. The finding revealed that more employment opportunities in the South African bank were created for people working in the business support and client care centres because the company needed more people to be available to offer real-time assistance to clients transacting digitally. Although the company created such incredible opportunities, it depended on each individual's desire. The bank did not force anyone to go and study. These changes did not happen overnight, giving existing staff enough time to decide whether they need to acquire new skills. Participant JJ had the following to say regarding digitalisation as a job creator with opportunities for employees to change departments and careers, based on individual readiness for digital changes in the bank.

It was about how a person adapts to the environment and readiness to take advantage of digitalisation opportunities and change. So, if a person is not adaptive to embrace technology, which presents opportunities, unfortunately, the problem sits with that employee. As much as one can say, technology takes jobs, but it creates jobs for people with particular skills. There is no way a bank can run without people; instead, the number of people needed at a time may be reduced. As the bank grew rapidly, it created more job opportunities for people to grow (Participant JJ).

5.2.7 Top leadership partnering with other service providers to ensure that clients get products and value-added services such as airtime, electricity, and insurance products under one umbrella

The property of top leadership from the South African bank partnering with other service providers was to ensure that clients were getting products and value-added services such as airtime, electricity, and insurance products under one umbrella. This property has a sub-property of activities key in facilitating partnership for bank service provision and partnering with non-banking service providers for clients
The property and sub-property top leadership, partnering with service providers, are presented in Table 5.7 below. The variety of partnerships ranged from technology-related partnerships and partnerships which enabled the South African bank to collaborate with other services to offer more non-banking and value-added services to clients.

Table 5.7 Top leadership partnering with other service providers to ensure that clients get products and value-added services such as airtime, electricity, and insurance products under one umbrella

Broad Activity: Formulating digitalisation strategy by top executives to create value for customers			
Property	**Sub-property**	**Dimensions**	
Top leadership partnering with other service providers to ensure that clients get products and value-added services such as airtime, electricity, and insurance products under one umbrella	Facilitating partnership for service provision	Partnering with other service providers for clients to withdraw money from retail shops such as Checkers, Pick n Pay, and Boxer Cash and carry	Exclusive focus on traditional banking products

Source: Researcher's construction

5.2.7.1 Facilitating partnership for service provision

The sub-property of facilitating partnership for service provision was about non-banking service providers engaged to create convenience for the clients of the bank. Previously, clients had to withdraw money to buy groceries at retail shops such as Checkers, Pick n Pay, and Boxer Cash and Carry. Participant EE mentioned that nowadays, customers do not have to withdraw cash to purchase anything but can swipe their cards and have an option for cash back at various retail outlets. There are no charges for swiping cards, and it is also cheaper to purchase with cashback than to withdraw cash to reward the client for good banking behaviour.

> *The bank had to create convenience for all its clients around simplicity, client service, and shopping at Checkers, Pick n Pay, and Boxer Cash and Carry. We realised we had to move into a digital space where clients can transact and do things in their own time and space, not restricted to working hours. It resulted in substantial growth within the bank because we would be on board with clients at any time, even at midnight. It automatically extended our operating hours. By moving into a virtual space, we could rope in many partners where we could sell and get other products for our clients. People transact in a virtual space where they buy via Take a Lot or buy a Lotto on the app (Participant EE).*

Participant NN stated that the Payments Association of South Africa (PASA) came on board to enable transactions through Payshap, a real-time clearance facility that does not require a bank account. A person can get paid a salary without opening a bank account. The employer can use the client's cellphone number to pay an employee's salary or wage. Below is what participant NN had to say about inter-bank partnership and digital payment innovation reliant on partnership.

> *PayShap is something that was missing in the South African context for a long time now; the Reserve Bank brings in something that has set the foundations for enabling South Africa to go more digital (Participant NN).*

Notably, the South African bank's one-stop service convenience enabled clients to do banking, apply for insurance, get a SIM card, and buy data at the bank at affordable rates compared to what was offered by other service providers. Participant FF recollected on the value to clients derived from a non-banking partnership to enhance service.

> *When a client buys data on remote banking, it displays a notification showing a lower price for the data. The aggressive pricing that a bank introduced gave the network providers no choice but to compete with pricing as well. When there is a price war, the consumers always enjoy the benefit (Participant FF).*

The nature of the variety of banking and non-banking products and services that were easily accessible but also affordable to clients through remote banking under one umbrella was highlighted by Participant JJ.

> *Technology allows us to offer our clients more value for money. We can provide a variety of accessible products such as airtime, insurance, lotto, vehicle license, and Showmax. Most of the products we offer are at an affordable rate that is better than what is available on the market. Partnering with other service products has improved our product offering by adding an affordable, easily accessible variety of value-added services, value-added services such as insurance, home loans, and voucher products under one umbrella (Participant JJ).*

5.3 BRANCH MANAGERS FACILITATING THE ADOPTION AND USE OF DIVERSE TECHNOLOGIES IN BRANCHES TO SERVE CUSTOMERS BETTER AND FASTER

The second broad category of activities labelled *" branch managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster*", has four properties, namely (1) introducing a Queue Management System to manage and control queues in branches; (2) introducing and promoting the self-service method for clients to transact independently; (3) launching and promoting internet banking and remote banking, and (4) changing from using ATMs to DNRs. These properties have sub-properties and have dimensions. Branch managers in the South African bank were responsible for facilitating the implementation and use of the technologies to ensure that clients receive the best service. Table 5.8 presents properties, sub-properties, and dimensions of the broad category of "*Branch Managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster*".

Table 5.8 Branch managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster

Broad Activity: Branch managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster.			
Property	**Sub-property**	**Dimensions**	
Introducing a Queue Management System to manage and control queues in branches.	Controlling and managing the flow of clients in the bank hall	Less time spent in branches by clients	More time spent in branches by clients
Introducing and promoting the self-service method for clients to transact independently	Degree of self-Service capability	Clients transacting independently	Clients needing Human assistance
Launching and promoting Internet banking and remote banking	Degree of customer capability and convenience to transaction a computer	Clients able to transact on their own and enjoying convenience of transacting remotely	Clients unable to transact on their own and not enjoying convenience of transacting remotely
	Enhance convenience by upgrading to remote banking	Reduce the number of clients visiting the branch as they can transact digitally	Increase the number of clients visiting the branch as they cannot transact digitally
Changing from using ATMs to DNRs	Branches depended on cash in transit to replenish ATM	Less dependent on cash replenishments to function	More dependent on cash replenishments for more functionality

Source: Researcher's construction

5.3.1 Introducing Queue Management System to manage and control flow in branches

The first property labelled *Introducing a Queue Management System (QMS) to manage and control the flow of clients in branches,* is illuminated by controlling and managing the flow of clients in the bank hall. Participant FF defines Queue Matic as a ticket system used in branches that allows a client to select a product and issue a ticket to the client. The services that took a long time to finish, like applying for credit, were grouped together. QMS helped Branch Managers allocate resources correctly daily to ensure clients do not wait long before getting served. Table 5.9 presents the property, sub-property and dimensions of introducing a Queue Management System to manage and control queues in branches.

Table 5.9 Introducing a Queue Management System to manage and control queues in branches

Broad Activity: Branch Managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster			
Property	**Sub-property**	**Dimensions**	
Introducing a Queue Management System to manage and control queues in branches.	Controlling and managing flow of clients in the bank hall	Less time spent in Branches by clients	More time spent in branches by clients

Source: Researcher's construction

5.3.1.1 Controlling and managing the flow of clients in the bank hall

The property of introducing the Queue Management System has a sub-property of controlling and managing the flow of clients to create order and influence the amount of time spent in the branches. When the client entered the branch, he or she got a ticket that allowed him or her to sit anywhere in the branch without standing behind the other client who came before him or her. The ticket number and the time the client arrived at the branch are displayed on the screen. The clients had an idea of the waiting period, which gave them time to do other things instead of sitting in the branch waiting for the consultant to call the ticket, leading to clients spending less time in the branches. Participant FF expressed how Queue Matic was among the initial technologies in the ban to ensure efficiency of operations.

> *We started seeing digitalisation when the bank introduced biometrics, then (Umm) remote banking, which is the app, and then we introduced Queue Matic (Participant FF).*

The South African bank had to introduce a queue management system to manage queues better than using chairs. The Queue Matic system assisted in controlling the flow and managing queues in branches. When the client entered the branch, they would choose the 'need option' on the device and get a ticket. Once the ticket is issued, the client is free to sit anywhere in the branch, and the ticket number is displayed on the screen, giving an estimated time for service. The dashboard displayed the time spent by the client in the branch since the ticket was issued. The system was helpful to the Branch managers in monitoring the number of people in the banking hall without counting them. Usually, branches allocate more resources to serve clients who need products that take a long time to serve. The client can estimate the time it will take before being served. The system was giving the client freedom to do other things within the branch. The client could press a ticket for a deposit while waiting or print a statement on the self-service terminal. Participant II elaborated on the significance and use of Queue Matic for resource planning by branch managers and improved customer experience.

Queue Matic helps to plan for the week. The branch manager focused on the primary needs and available resources. The branch manager would assign different profiles to them. So, if there are, let us say, nine consultants. Five can call the one-on-one, which is credit, and the four call transact, which is the easy transactions where the client would only spend 4 to 5 minutes and then leave the branch. Well, when I got here, we had chairs, so the clients were using the chairs, and it was compulsory to follow the same route. The first person on the line will be the first person in the chair when that person stands up to go to a teller, and then everyone will move to the next chair. A year later, we introduced the Queue Matic system, which I believe was the first bank in the nation. Queue Matic system is the device that issues tickets for clients to choose seats instead of having one line and one person next to each other (Participant II).

Introducing Queue Matic was one of the good moves to ensure that clients do not spend much time in the branch, as managers were having a tool that helped them to ensure that staff can still take their time off and leave with no negative impact on client service.

I will give you an example. People had to take leave or time off. According to labour law, it is their right to take leave, but managers are unsure of the trends and whether it would be busy on specific days. So, based on experience, we could predict trends, but our judgment was not always accurate. Now, data analysis is probably almost 90% accurate when we say that the day, based on the data, will be busy, and we need eight employees, maybe 12 employees, to be available to serve that demand. It always works well with that data it pulls through from Queue Matics because it indicates that on that day, the branch served 400 clients or 200 clients (Participant JJ).

Queue Matic provided data crucial to Branch managers' planning, as it shows trends of what happened in previous years on that day. Managers at the South African bank can make decisions based on that data, not on predictions. Every time clients visit a branch, the system prints tickets that tells a story about what happened in previous years, how many clients the branch served and indicates the type of products needed and allocates staff accordingly.

The positive aspects of the critical attributes are that we minimised the queues at the branches, and [you know] we minimised the costs for the client in terms of transactions being done remotely versus in the branch. Finally, we realised that as a bank, we have always wanted to provide simplified banking that is accessible and affordable to our clients. (Participant BB)

5.3.2 Introducing and promoting the self-service method for clients to transact independently

The second property of introducing and promoting the self-service method for clients to transact independently was manifested in the sub-property of the degree of self-service capability. The subproperty degree of self-service capability has the dimensions of clients transacting independently and, in some instances, transacting through the assistance of consultants. The clients with no remote banking had an option to use self-service terminals. Using a self-service terminal was quicker as a dedicated resource directed clients to the correct queue and assisted those who could not help

themselves on the self-service terminal. Table 5.10 depicts the property, sub-property and dimensions of introducing and promoting the self-service method for clients to transact independently.

Table 5.10 Introducing and promoting the self-service method for clients to transact independently

Property	**Sub-property**	**Dimensions**	
Introducing and promoting the selfservice method for clients to transact independently	Degree of self-service capability	Clients transacting independently	Clients needing assistance

Source: Researcher's construction

Participant II recalled how enhancing the degree of self-service capability was a key milestone in the digitalisation of the bank.

> *Another critical incident in the bank was the introduction of a self-service terminal for quick transactions. A self-service terminal is a device inside the branch where clients can access their accounts without the help of a service consultant. The client can make any quick transaction, such as increasing card limits, printing statements, proof of account, and transfers. Self-service terminal was a quicker and independent way of transacting, although there was a person to assist in case you are new to this type of service (Participant II).*

Over the years, the South African bank upgraded to include more functions on the self-service terminals and made it more user-friendly, although some clients still required assistance. Participant AA mentioned how the bank was in pursuit of a 360 turn, as the bank wants clients to transact remotely. The bank aims to increase the number of self-service terminals in each branch. Participant NN mentioned that most people who used self-service terminals did not own smartphones and could not access remote banking; some clients visited the branch to see the consultant transact on the self-help device. Self-service terminals improved customer service in branches.

5.3.2.1 Degree of self-service capability

Self-service terminals improved the degree of self-service capability. Clients were not waiting in long queues to see a consultant, as clients had the option to use a self-service terminal. It would take a few minutes to transact to the self-service terminal, which also improved the flow of clients in the branch.

> *I think even now we have got things such as the self-service terminal, which is a selfservice terminal where a client could go to the branch, especially when the client had a phone incompatible with our online banking. When clients visit the branch, they do not have to wait long to see the consultant. The client can use the self-service terminal instead (Participant GG).*

The self-service terminal enabled clients to assist themselves quickly with minimal or no staff intervention. Participant CC recalled that previously, the consultants were expected to assist clients with all transactions. Some transactions took a long time to finish, and clients had to wait even if they wanted to print statements, which was only a few clicks.

> *Opening a savings account used to take about 13 to 15 minutes. The branch will have clients who want to increase the limit. Increasing the limit takes 3 to 4 minutes. It was unfair to treat those who wanted to open savings accounts the same as those who only needed to increase the limit (Participant CC).*

Clients do not have to wait in long queues to see a consultant. Self-service terminals (SST) helped when clients had no access to online banking. They can do inter-account transfers, print statements, or pay third parties using self-service terminals. Bank Better Champions were identifying clients' needs at the door and directing those who needed quick services to the self-service terminal and dual note recyclers; only those clients who needed services not on the self-service terminal were referred to the consultants, according to Participant JJ.

> *Self Service Terminal is for quick transactions such as printing bank statements, increasing the limit, and making a transfer. The client can come into the bank and leave immediately for those transactions. So, it saves clients' and employees' time by eliminating those quick transactions (Participant JJ).*

According to participant FF, human intervention is still necessary and available to clients in certain circumstances, illuminating the co-existence of digital-first engagement and strong in-person engagement. The South African bank was not doing away with human interaction because it is where it is today, because of in-person client engagement. Participant LL emphasized the value and role of personalised service and strong client engagement as unique features that had differentiated the bank from other banks and helped the bank acquire new clients and retain existing clients in the South African banking market.

> *It is quality versus quantity. The bank was going digital yet still wanted to keep face-to-face interaction; as a result, the bank still has branches and is opening more branches. Employees must know that their services are still needed, as the bank firmly believes in personalized service. The economy that the bank is serving requires that the branch network meet the needs of clients. Some clients prefer face-to-face interaction, especially for transactions they feel are very important. The bank understands that not everyone will migrate as quickly as expected. When dealing with robots, there is no personal touch, as there are no emotions on a digital platform. Those who prefer efficiency go digital. Some clients want to talk to someone who can show empathy and allow them to express themselves freely. So, face-to-face is also needed (Participant LL).*

There is a dedicated resource to assist all those clients who cannot transact on their own. There are those clients who need personalized service but do not trust themselves to use technology. The Bank Better Champion was always available to assist those clients more quickly than waiting for a consultant. The Bank Better Champion used to identify the client's needs and direct the client to the correct queue. A blanket approach to digitalisation did not work as clients of the South African bank were not at the same level of technology proficiency. It shows that even though the South African bank was focusing on moving clients to the digital space, it sustained and left open the option for clients who felt like interacting with someone from the bank to do so, as reiterated by Participant EE.

> *As human beings, there are times when we can interact with machines when transacting on our own. However, there are times when we need to have a face-to-face conversation with the consultant or an employee of the bank as a touch point. We realised there would be times when it would be straightforward for the client to do a transaction in a digital space. However, there will also be times when the person needs a face-to-face discussion with an individual, either to resolve a problem or for the person to explain the specific procedures within a bank. For example, I was trying to transfer R 50,000, but it went to the wrong person. OK, I did not want to talk to a machine, but I wanted to speak to someone one-on-one and touch base with somebody who can help resolve the problem without waiting 20-30 minutes on the call while the machine tries to assist. So, I do not see the banks or businesses moving totally to digital platforms, as we need both. We need the human touch as we need trust, interaction, and engagement between two human beings and technology to help empower people in a virtual space. So, eliminating employees is not something that we see as a priority. The human element is needed as people respond with their hearts, not their heads. It becomes a relationship covered not over 5 or 6 years but for 15 to 20 years, creating a client base that sticks for a long time (Participant EE).*

5.3.3 Launching and promoting internet banking, mobile banking, and remote banking

The broad category of the activities captured as the *"branch managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster*" has a third property related to the activity of launching and promoting internet banking and remote banking. Launching and promoting Internet banking and remote banking are typified by two sub-properties: depicting the degree of customer capability and convenience to transact on a computer and also enhancing convenience by upgrading to remote banking. The launch of internet banking, mobile banking, and remote banking has two sub-properties as displayed in Table 5.11.

Table 5.11 Launching and promoting internet banking and remote banking

Broad Activity: Launching and promoting internet banking, mobile banking, and remote banking			
Property	**Sub-property**	**Dimensions**	

Launching and promoting Internet banking and remote banking	Degree of customer capability and convenience to transact on a computer	Clients transacting on their own at their convenience	Clients unable to transact on their own and convenience remotely
	Enhance convenience by upgrading to remote banking	Reduce the number of clients visiting the branch	Increase the number of clients visiting the branch

Source: Researcher's construction

5.3.3.1 Degree of customer capability and convenience to transact on a computer

The first sub-property of the degree of customer capability and convenience to transact on a computer revealed that the South African bank launched Internet banking in 2008, which enabled clients to perform certain transactions on a computer without visiting the branch. It was a great move coming from an environment where the South African bank believed that to perform any transaction, a client needs to be assisted by a bank staff member. Participant BB revealed that the bank has been driving digitalisation as an ongoing process to enhance customer capability and convenience through upgraded technology and a technology-based approach to banking, as reported below.

> *When I look at the journey that our digital platform or digitalisation has taken, it is quite interesting because we started with internet banking, which is web-based with a desktop or a laptop, and this we did in 2008, whereby there was a download that will go with it. The clients were given the token to generate a PIN to either log into the internet banking website itself or approve transactions (Participant BB).*

(i) Internet banking

Internet banking was intended to assist employers with employees' banking with a South African bank. Employers commonly used internet banking to make payments to suppliers and pay salaries and wages without leaving the comfort of their offices. Participant EE revealed that most internet banking users liked the platform because they had to use a token, providing an additional security layer. Clients used the token to generate an authorization code; the users needed a token to finalize transactions. Participant FF stated that some clients still preferred Internet banking because they felt it was safer than remote banking, due to the token.

> *When the journey started in 2008, we did not think about internet banking, but we knew it was going to happen. We never thought that there would be digital-only banks that would enter the space in the South African banking market (Participant FF).*

Although internet banking created convenience for clients, there was limited capability confined to the availability of a computer and a connection to access internet banking. Clients with no computers could not access the platform and had to personally visit the nearest branch to use the workstation. Participant FF pronounced the limited capability while illuminating how the bank considered mobile banking to be more inclusive, as indicated by Participant II.

.... but now, if you think of it, we have many branches based in rural areas. So, some clients needed internet banking but had to go to the branch and access it on the branch workstation…We have taken this product away from standard computers, not necessarily completely, but we introduced it on a mobile device, as most people have smartphones (Participant II).

(ii) Mobile banking

The introduction of mobile banking was key in enhancing the degree of customer capability and convenience to transact with the South African bank. Participant OO expressed that the most important aspect for mobile banking was the SMS updates as a mechanism for clients to monitor their money in and out of the account:

When we first introduced 'notify me', because when I joined the bank, it was fairly in its infant years. So, a simple thing, such as an SMS update on the account, was not there yet. I remember we would struggle to get clients to bank with us because they wanted SMS messages to monitor their accounts. Clients would always complain about how they would monitor the money in their accounts if they did not get SMSs (Participant OO).

The South African bank listened to its clients and responded to their needs by upgrading from internet to mobile banking with SMS to gain customers who resisted or were excluded by internet banking. The bank introduced mobile banking in 2009, a revised version of internet banking. Mobile banking was more easily accessible on a cellphone than internet banking, which was accessible only on a computer. The bank added more features to this product, such as checking their balance, making transfers, and buying electricity and airtime as reported by Participant BB.

Mobile banking was USSD-based, accessible by simply dialing a short code on the phone. The client could perform basic transactions like checking balances and transferring money between accounts. (Participant BB).

5.3.3.2 Enhance convenience by upgrading to remote banking

The second sub-property of enhancing convenience by upgrading from the internet to remote banking was evident in the South African bank. Remote banking had more features than mobile and internet banking, as clients could perform almost all transactions. Remote banking was easily accessible on smartphones and involved a series of upgrades and an inclusive approach, as clients were still permitted to use previous versions, which were not switched until 2020, as reported by Participant BB.

Then, as we started to develop as a bank with our leaders, obviously seeing that there is a need for us to become more digital, we then launched our first app[remote banking], which we called 'Track one' which was in June of 2014 and the app started with basic transactions as well being able to view your account, get bank statement, be able to do transfers, be able to buy airtime and gradually grew. In 2019, again, the leadership

team, through various engagements, needed us to upgrade from that simple Track 1 app to a Track 2 app, a super app that would allow us to create an ecosystem of services to serve our clients. Nevertheless, even though we moved to this new app, we allowed our clients to continue using the old one, and we only switched off that one in July 2020 (Participant BB).

Participant JJ attested that while moving clients to digital platforms was the bank's focus for more than five years, the bank has always been conscious of some clients still in need of quality and strong inperson engagement or service in the branches. Remote banking assisted the South African bank in reducing strain from branches and creating convenience for strong client engagement for those in need of in-person services of the bank.

Remote banking is just an app on your phone. It took four to five years to develop remote banking. With remote banking, the client can do almost all types of transactions in the comfort of their home without going to those long queues. However, we cannot dilute the service quality based on the type of service channel used. All our clients need strong and quality service in the branch or on the digital channels (Participant JJ).

Remote banking was a solution to the growing loss of quality customers of the bank. According to participant DD, the challenge of the South African bank was losing quality clients who were unwilling to wait in long queues. When realizing that the branch was full, these clients would leave and visit banks with few clients. The bank had to find better ways to move the majority of the existing clients to the digital platform while creating a space for new clients and those clients who could not transact digitally due to a variety of impediments.

We needed to find a way to minimize existing clients' trips to the branch and to open an opportunity to acquire new clients, move the majority to digital channels and create room for strong and meaningful engagement with those who cannot transact digitally due to impediments. Any new quality clients seeing those long queues would turn away, and the staff in the branch understood that the bank needed to grow, and one of the ways to grow the bank was to acquire new clients (Participant DD).

One dimension of the sub-property of enhancing convenience by upgrading to remote banking is increasing the number of clients visiting the branch. Participant HH mentioned that as the bank moved its services and products to digital platforms, encouraging clients to use the product eased the burden on branches. Branches witnessed an increase in the number of low LSM clients and digital immigrants starting to visit the branch, and customer service also improved. Remote banking allowed the staff to focus on new clients instead of chasing the queue. The bank needs new clients to grow the business. Clients realise that remote banking has created convenience as they are able to interact with the bank anywhere, anytime, independently. Digital platforms enabled the bank to do business with clients it would not have previously and tapped into a new market. The clients overseas could open accounts in a virtual space and get a virtual card, as indicated by Participant HH.

> *Clients were transacting digitally; it does not necessarily mean we have seen a decrease in our clientele. [Yeah], we saw a huge increase in our clientele because the truth is, right now, we are at a point where everybody wants to do things from the convenience of their own home. So, we are seeing an increase in that space because clients understand that they can do shopping and banking while sitting at home or in the office. It is much more convenient as people can transact and do different errands simultaneously. Another increase to bank visits was seen among those scared and doubtful of security on technology platforms (Participant HH).*

The South African bank could allow people to send cash to people who did not own bank accounts, and made clients believe remote banking was about allowing clients to walk around with their bank in their hands and perform almost all transactions on their smartphones without visiting the branch.

> *The app created greater convenience for the clients because when looking at the difference between accessing banking on the computer and now just having a phone in your hand, The excess of the app created better convenience for the client, and by informing the clients that through the app, were walking with the bank in their hand because there were many available features, and that has extended the number of transactions that were able to do or able to conduct [uh] on the app in comparison to your mobile banking. So, the app offered the clients more convenience (Participant DD).*

Although remote banking created convenience for many clients, Participant FF raised the issue that the older generation felt the app was unsafe. Most of them preferred internet banking and thought anyone could get to their phone and gain access to their account. Employees had to educate them about the importance of protecting their PINs. Most of them felt that internet banking was more secure because it generated a one-time PIN to authorize each transaction.

> *Mostly, the older generation was struggling, and they were not hearing anything about using the app and felt remote banking was not secure enough. They were uncomfortable with the app. Some continued using internet banking (Participant FF).*

The other dimension of enhancing convenience by upgrading to remote banking was to reduce the number of clients visiting the branch. Remote banking created convenience as more clients used remote banking instead of visiting the branch. The first manager interviewed, who has been in a senior manager position for over seventeen years in this bank, revealed that the bank adopted digitalisation as a strategy that brought solutions to reduce long queues and introduce convenience to clients, enabling them to bank anywhere at any time. Digitalisation gave managers in the South African bank more time to focus on managing and supporting their teams. These long queues were not good for the brand. The bank had to find a solution to reduce these queues.

> *The starting point in digitalisation is remote banking or 'the app', as most people call it. Let us start with the good things about the app. The bank is generally notorious for long queues inside and outside. It still is even today, but at that time, specifically by introducing the app, we saw a drop, especially inside the branches, (be)cause with the app or remote banking, clients started having a bank in their pockets. They started doing almost everything they came to the bank for, reducing queues (Participant FF).*

Digitalisation contributed to the solution of the South African bank regarding the challenge of long queues by reducing the number of clients visiting the branch, as clients could do most transactions on remote banking (app). The app created an opportunity for existing clients to transact outside the branch. The staff had to educate clients to ensure they could transact independently without visiting the branch. Participant GG echoed this:

> *The big one is the app because, with the app, clients do not need to visit the branch; they have the bank in their hands. Clients can do everything on the app; they need to understand how to use it. We had to focus on client education for clients to gain trust and reliability of the banking app (Participant GG).*

The South African bank opened a new department that served clients who were transacting remotely. When clients encounter problems, they could contact the same department and get assistance. The negative aspect is that branches still have targets to meet, challenging clients to visit the branches, and it becomes difficult to optimise those clients. When the clients get assisted remotely, the branches do not get credited. Branches get credit for only what they have done. On the other hand, the staff focused on educating and driving clients to digital space.

> *The biggest challenge with us now is that those quality clients are no longer coming into the branches; at the branch level, they are trying to optimize performance, but clients are transacting through the websites or using the app. (Participant AA)*

The other dimension of creating a convenience sub-property is “clients transacting at the branch.” Participant CC stated that remote banking accommodated people who own smartphones, as it was accessible on smartphones. To be inclusive in its customer service, the bank had to find ways to cater for clients who did not have smartphones or had smartphones but could not transact for themselves; Participant OO revealed how the bank was committed to serve not only clients who were comfortable with digital-first engagement but also the loyal clients from disadvantaged backgrounds who had been loyal customers for a long time.

> *As the nature of the clients that we had back then were people from a disadvantaged background, they could not utilize the app that much (Participant OO).*

Participant FF felt that remote banking discriminated against people who did not have smartphones. However, most of those clients contributed to the bank's growth as the company started from humble

beginnings. In those days, few people had smartphones; this was a challenge as it partially solved the problem of the long queue; however, people kept coming to the branches.

> *In 2012, we went live with our app, and the introduction of the banking app changed our banking world. At that point, the bank was still serving the core market. So, 'core markets' refers to clients from "Lokshin" [Township]. [Yeah], that is the core market. So, clients did not understand all these things about apps, and most did not even have phones to download the app. The bank started targeting millennials. They needed to open accounts. Some of them were employed and already owned their first Android phone. So, with that one, we could see many clients (Participant MM).*

The other frustration in enhancing the use of remote banking was downloading and activating the app, as data was needed. Some clients did not have data on their phones and had no money to buy data. The branch was unable to assist those clients without data. It was a challenge as it was part of contracting, and staff had targets to meet. To address that issue, the bank installed Wi-Fi in all branches. There was an improvement in the number of clients who had remote banking on their phones. The staff were encouraging clients to download the app on their phones.

> *Obviously, most clients got an app; every account opened came with an app for those clients who had smartphones, but people never utilised it, which resulted in them coming back to the branches to do unnecessary transactions (Participant AA).*

As staff focused on downloading the app to meet their target, it became clear that most non-tech-savvy clients were not comfortable completing transactions on digital platforms.

> *The challenge in the current South African landscape is that, as much as you may provide platforms and opportunities for people to transact remotely, there is a clear, distinct problem between the various segments of the client base. So, there are youths who are tech-savvy and willing to adopt, as well as middle-aged clients who have access to technology because these people use things like Facebook and WhatsApp. What happens with that clientele is that they have a sense of accountability as a lot of these other groups do not trust themselves to do certain banking, things like a transfer on their own, and a lot of them worry that if they input the wrong account number or something like that, felt like were going to lose the money, which is generally the case (Participant NN).*

Managers in the South African bank had to devise a plan to increase remote banking usage to reduce branch traffic. Senior managers had to ensure that Branch managers drive remote banking usage in branches. The bank added it to be part of the contracting (balanced scorecard) to accelerate the implementation process. Employees had to educate clients by demonstrating how to transact using remote banking. One of the accelerators of remote banking was COVID-19, as people could not move around and had to consider other options. According to participant EE, COVID-19 was a contributing factor that forced clients to transact more in a digital space. People could not come into a brick-

andmortar building because of the regulations around COVID-19, so they were expected to assist clients remotely. COVID-19 caused one bank to move all products to the digital space to ensure they were accessible to clients. Participant BB revealed that.

> *When COVID-19 hit our shores in 2020, it helped us to have clients adapt more quickly to the digital platform because then people were forced to be at home and not move around. Clients started becoming more tech-savvy and used our platform more than before (Participant BB).*

5.3.4 Changing from using Automated Teller Machines (ATMs) to Dual Note Recyclers (DNRs)

The fourth property of changing from using an Automated Teller Machine (ATM) to a Dual Note Recycler (DNR) was part of the digitalisation strategy. This property has one sub-property of branches dependent on cash in transit to replenish ATMs with limited functionality to deliver service, compared to DNRs with more functionality to support digitalisation better. Participant II underscored that DNR has functions which are mainly useful for cash withdrawals and deposits by clients at any time, even when the branches are closed.

> *So, not only does DNR serve as an ATM to dispense cash, but it takes cash as a deposit. So, it means that the client can use the device without interacting with the person to make a deposit, and then it recycles that deposit. The money deposited is dispensed to another person who wants to make a cash withdrawal. So that is why we call it, or it is called a dual note recycler (Participant JJ).*

The use of DNR improved customer service as there was no need to wait for cash in transit to replenish cash as clients continuously deposited cash in the DNR. With the convenience of DNR there is no need for tellers/cashiers inside the branch to take deposits, as clients can make deposits without human intervention at the DNR. Participant PP revealed this.

> *The needs have evolved with time, and we are now at a point where we no longer have any cashier areas in the branches. Clients make deposits using DNRs, and clients use the USSD and the app for digital transacting (Participant PP).*

Table 5.12 depicts the property changing from using Automated Teller Machines (ATMs) to Dual Note Recyclers (DNRs, sub-property and dimension key in implementing digitalisation as a strategy.

Table 5.12 Changing from using Automated Teller Machines (ATMs) to Dual Note Recyclers (DNRs)

Broad Activity: Branch Managers facilitating the adoption and use of diverse technologies in branches to serve customers better and faster.

Property	Sub-property	Dimensions	
Changing from using ATMs to DNRs	Branches depended on cash in transit to replenish ATMs	Less dependent on ATM functionality to deliver service	More dependent on DNT functionality to deliver service

Source: Researcher's construction

5.3.4.1 Branches depended on cash in transit to replenish ATMs

Branches of the South African bank relied on cash in transit for ATM replenishment. Previously, banks introduced automated teller machines to replace the tellers. Participant II expressed that ATMs have less functionality, as these machines' primary function is to dispense cash and for clients to check balances and transfer cash within accounts. In a different way, DNR performed some of the tellers' duties by allowing clients to withdraw and deposit cash, check balances, print statements, and transfer funds.

Participant DD revealed that branches had to wait two to three days for cash in transit to replenish the ATM whenever the ATM ran out of money. The bank would have cashless ATMs around the country as the branches would still be waiting for cash-in-transit to come and replenish the ATM. The clients used to be frustrated as this inconvenienced them, and sometimes they used other banks' ATMs, which was costly. Participant JJ echoed that.

> *Part of the challenge with the ATM was that once it ran out of cash, the bank relied on a third party to come and replenish the ATM. There was a risk element in that. There was a cost factor the bank had to incur. When ATMs ran out of cash, cash-in-transit companies had to replenish the ATMs, and they did not do it for free but at a cost. So now the DNR finds a balance over there; it acts and serves as an ATM to dispense cash, but it also takes cash deposits. Thus, there are limitations if dependent on ATM for service to clients (Participant JJ).*

Using cash in transit is also risky. Participant DD stated that whenever cash-in-transit visited the branch, it carried a risk, as there was always a possibility of robbery. Although protection measures were in place, they did not guarantee the safety of the staff. Changing to DNR reduced cash-in-transit trips to branches. One dimension of changing from using Automated Teller Machines to Dual Note Recyclers is that DNR has more functionality, saving clients time and money. The use of DNR reduced queues and the waiting period inside the branch before being served by a consultant.

5.4 HUMAN RESOURCES FACILITATORS DEVELOPING PEOPLE ON HOW TO TRANSACT ON DIGITAL PLATFORMS AND ACHIEVE INTERNAL STRATEGIC PERFORMANCE

The third category of activities labelled as " *human resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance"* was manifested through four properties, namely (1) HR trained employees on new products, such as term loans, insurance, savings, and services, which are new payment methods and online banking to be offered to clients, and (2) Branch managers were dealing with employees who wanted to maintain the status quo and resisting the change (3) managers used a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates, and (4) incentivizing employees who met their quarterly target for good performance. This broad category of activity reveals how learning and capability development, incentives and performance management enhanced employees' knowledge and ways adopted to ensure management gets buy-in from employees. Table 5.13 presents the broad category of human resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance, its four properties and sub-properties.

Table 5.13 Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance

Broad Activity: Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance			
Property	**Sub-property**	**Dimensions**	
HR trained employees on new products, such as term loans, insurance, savings, and services, which are new payment methods and online banking to be offered to clients	Enhancing employees' capability and knowledge	Competent employees for digital activities	Less competent employees for digital activities
Branch managers dealing with employees who wanted to maintain the status quo resisting the change	Leading with a "why"	Ways to get buy-in from employees	Ways to deal with reluctant employees
Managers use a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates	Driving crossfunctional digitalrelated change through BSC	Keep employees across functions focused on company goals	Keeping employees only in one function focus on company goals
	Driving multilevel implementation digital-related change through BSC	Different employee levels driving digital related change through BSC	Driving of digitalrelated change through BSC restricted to few employee levels

Incentivizing employees who met their quarterly target for good performance	Motivating employees to improve performance	Appropriate and aligned incentive driven behavior and performance	Inappropriate and misaligned incentive driven behavior and performance

Source: Researcher's construction

5.4.1 HR trained employees on new products, such as term loans, insurance, savings, and services, which are new payment methods and online banking to be offered to clients

The first property of HR trained employees on new products (e.g., term loans, insurance, savings, and services), which are new payment methods and online banking to be offered to clients, has the subproperty of enhancing employees' capability and knowledge. The property concerns the HR learning facilitators negotiating with the senior managers regarding a suitable time to offer training to the staff. HR would identify a knowledge gap and design training to address that gap. HR conducts training sessions to enhance employees' knowledge and ensure they have the necessary skills to accomplish their tasks. The two dimensions of this property are competent employees and less competent employees for digital activities. The findings revealed that the company invested heavily in training and development to empower its employees and ensure they were well-equipped with the skills needed. Table 5.14 presents the first property of human resources facilitators, developing people on how to transact on digital platforms and achieve internal strategic performance.

Table 5.14 HR trained employees on new products, such as term loans, insurance, savings, and services, which are new payment methods and online banking to be offered to clients

Broad Activity: Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance			
Property	**Sub-property**	**Dimensions**	
HR trained employees on new products, such as term loans, insurance, savings, and services, which are new payment methods and online banking to be offered to clients.	Enhancing employees' capability and knowledge	Competent employees for digital activities	Less competent employees for digital activities

Source: Researcher's construction

The findings show a big focus on educating employees and clients to ensure that they were empowered, and it was an ongoing process. In terms of employees, the bank used different platforms, starting with Firm Foundation, which all recruits had to attend before signing off to assist clients. As the company continuously changed its products and services, it had to ensure that there was a proper plan to train employees, as highlighted by Participant CC.

The bank is very big in empowering people and ensuring they are skilled enough before they can even start assisting clients. The bank spent a lot of money ensuring that people received training and had the right skills, and that is how we overcame some of the resistance that took place (Participant CC).

The bank focused on formal training and also used an informal approach to ensure employees understood their expectations. Participant EE revealed that managers had to ensure they knew what the employees were doing and could demonstrate to employees by leading from the front. It was to show employees that they were not alone but had full support from management, as managers were leading from the front and gave managers a complete idea of what was happening in the field, and they could offer advice based on their experience. Managers were always visible; as a result, they could quickly identify any bottlenecks in the branch and assist when needed to identify the root cause of the problem. Branch managers had no offices, which shows they were always available to serve.

5.4.1.1 Enhancing employees' capability and knowledge

The first sub-property of enhancing employees' capability and knowledge hinges on how the bank has to conduct formal learning to enhance employees' knowledge of products and technologies being launched. The dimensions of this sub-property were competent and less competent employees for digital activities in the bank. Employees had to prepare well in advance so there was enough time to clarify uncertainties before implementing the strategy. People were able to revisit some of the formal learning areas that were unclear. Participant RR expressed that timing was one factor that was a challenge when launching new products and ensuring employee competence and support for the product. It was essential to consider how soon the bank would launch a product or install new technology in terms of not being too early or too late, as people might not have enough time to acquire enough knowledge. Planning and understanding the deadline or launch date helped to plan on time, but there was not enough time to do a refresher course before the official launch date. Managers of the South African bank had to close specific gaps, clarify uncertainties in the process, and ensure that everyone was knowledgeable, skilled, and ready for the launch. Participant A was explicit that when people are well-trained, they become confident and willing to tackle challenges; as such, it was imperative to avoid a lack of knowledge and unfounded resistance by employees.

Senior managers led the process by taking training sessions with their branch managers to discuss how they would drive the strategy implementation process and identify what the bank wants to drive specifically. So, it was largely a leadership intervention. Regarding their managers, the branch managers needed to go back to their branches and do one-on-ones with all consultants or employees in the branch. Branch managers had to do the training and follow-up training to understand the learning gaps, explain why the bank was driving digitalisation as a strategy, and ensure that those gaps were filled and there was little or no resistance (Participant A).

Participant II mentioned that all recruits had to complete a six-month training program before being signed off. The training starts on the first or second day of employment. The training focused on educating recruits about the company culture and products. The training journey continued as there are refresher courses that employees must attend occasionally, as highlighted by Participant CC.

> *The bank has introduced a training program since 2006, so it is not just implementing a strategy. Training people is critical for bank activities in general, and this strategy specifically. So, the bank has taken staff to various projects and training sessions where they were taken out of the work environment to get training to come up to speed with the technology and experience the benefits themselves before they can speak about these to clients (Participant CC).*

Existing employees had to attend the Team Learning Session (TLS) to introduce new products, services, or any training employees needed in the bank. The South African bank had set aside the weekly time on Wednesdays at 8h00 for learning. Managers had to ensure that all staff attended the Team Learning Session (TLS) as it was a compulsory session to inform teams about new developments in the bank. The bank had to ensure that employees get the same message at the same time to ensure that there is no misinterpretation, as expressed by Participant FF.

> *Whenever the bank introduced a new development or product, there was always an extensive training course called Team Learning Session (TLS). We had an in-house training course every Wednesday starting at 8h00. We call it TLS (Participant FF).*

Participant HH illustrated that a Team Learning Session (TLS) required the whole group or team to sit in one room to attend. The team needed to review material, watch videos, or attend a Microsoft Teams call together. The week's discussion and who the presenter is determines the method of communication. The presenter used Microsoft Teams when the presenter was at Head office. Employees had to ensure that they dial in on Microsoft Teams at 08h00. The bank also used this time to get updates on any products launched, how they work, or any other important matters. Participant EE had the following to say about the timing, mode of learning, focus and team approach to capability development for digitalisation.

> *We can log into the system while on the call; we would go on that platform, type, and give feedback. Whenever a bank introduced a new product, the training and development team arranged TLS. It was to inform the staff that the bank would introduce a new product, explain how it works, discuss expectations from staff, and explain the benefits. TLS happens every Wednesday (Participant EE).*

The team used to send the training material to branches before the training. The branch managers had to review what was discussed after the TLS to check if all members had the same understanding. It allowed team members to get more information about the implementation process. Managers had to

discuss the possible challenges and solutions during the implementation process. After completing the team learning session, everyone had to go through e-learning.

The learning and development team used to upload e-learning on the system. Each individual had to go through e-learning to fully understand the topics discussed during TLS. Each e-learning session gives details on what is going to happen. E-learning is an electronic learning session that provides more information about the implementation process. Participant PP underscored the variety of efforts in the bank to enhance employee capability.

> *Well, we have gone through many learnings, weekly discussions, campaigns, and projects where we have engaged the employees in terms of discussing the benefits of transitioning to digitalisation, how it simplifies work, how it makes things much easier, and basically, we managed to teach employees how to make technology work for them and not against them (Participant PP).*

Participant OO explained that the bank created a platform to assist staff members with questions not raised during TLS. Although branch managers had to answer the questions, they could not answer all of them. When an employee needed more information about the topic, searches on the platform and answers were populated. Employees had to complete e-learning, and after completing it, they had to do a quiz.

> *Communication of correct and accurate information by an employee to a client is critical for the client experience. We would answer questions when the employees got stuck or needed clarity, but we also observed how this solution was delivered. Identify what they were doing right so we could amplify it and use it as an example for those struggling. That entire process would ensure that by the time the client gets the product in their hands, we have covered all knowledge gaps, all demonstrating gaps, to ensure that the client does not get frustrated, nor does the employee get frustrated because of gaps in the product (Participant RR).*

Whenever the company introduced a new product or service, the bank invited interested employees to be part of the pilot team. Participant LL reported that the team had to use a product or service and share their experience or challenges of utilizing the product. Any challenges should be resolved before sending the product to the market. The South African bank's approach to developing new products was to introduce the product in stages. This ensures that when the product reaches the final stage, it is ready to be utilized by the client.

> *After that, we had to ensure that our employees were confident and, in a position to engage our clients, position this digitalisation adaptation to them, and at the same time, provide them with the necessary knowledge and skills to become competent in carrying out this initiative. This meant that when they were engaging with clients, they could demonstrate in real-time how the app works (Participant BB).*

Participant II expressed the view that the South African bank started piloting the product internally after that move to a particular client segment to see how the response is; when the bank has dealt with teething problems, it starts training all employees on the new product, explains how it works and better positions it to clients. The bank regards employees who have completed all the training successfully as competent to educate clients. This strategy of piloting digital initiatives with employees first played a crucial role, giving the employees real experience of how these platforms work. Participant LL said that it made it easier for staff to move clients to digital platforms and have quality conversations with clients, as they understood the full spectrum of the product. Employees had to provide management with client feedback about the product. Staff were also encouraged to send comments using the internal communication media port.

The first dimension of the sub-property of enhancing employees' capability and knowledge was competent employees for digital activities. Employees had to attend team learning sessions and all training. After completing e-learning, employees had to complete a quiz to test their knowledge. According to Participant FF, the questions were formulated based on information from e-learning. The pass mark was 90% and above. Employees had to achieve 90% or above to be considered competent to deliver the message to clients. Unlike Team Learning Sessions, employees were not supposed to attend the quiz as a team. Each consultant had to do the quiz independently. Participant QQ stated that employees had to be able to explain what they had learned to other people. Leadership used to go around the branches, validating that employee understood what was expected of them. When attending the morning sessions in branches, leaders created clarity, shared best practices from other branches, observed what people were doing, and supported the staff.

> *After completing the formal learning, we had to take measurements to validate whether the learning had landed correctly. One of the ways to do that is to check understanding by ensuring the learner can share that information with the teacher to explain or clarify their understanding. Another way one could do it was to observe when employees were interacting amongst themselves, and we call it shared learning, where we allowed people to debate their understanding of the product. The debate enables those who have missed certain learning parts to get clarity during the debates or discussions. We then moved over to the stage where we rolled out the solution to clients (Participant QQ).*

The second dimension for the sub-property of enhancing employees' capability and knowledge incompetent employees. Participant RR stated that employees who failed had to go through the material again and repeat the quiz until they achieved 90% or more. When an employee fails to complete the elearning and quizzes, managers intervene to understand the root cause of the problem and propose a solution. Participant II highlighted that when there were any challenges, the leader had to identify gaps, do coaching to close the gap instantly, observe again to check the implementation process, and confirm

whether the gap was closed to ensure that failing employees had improved and were at the same level, as reiterated by Participant RR.

> *A barrier to implementing the learning and development strategy was that those who delivered the learning were not fully knowledgeable. It is necessary to check that those delivering the learning are knowledgeable about the product. Trainers need to be competent in the content themselves. It is essential to ensure that people who do the installation of technology or deliver the learning can answer the most difficult questions, such as when they receive pushbacks from employees. Preparing in advance and ensuring that those who need to deliver that learning are fully confident and competent is crucial. It made the process quite challenging when those delivering content face questions during installation and cannot answer certain questions themselves (Participant RR).*

5.4.2 Branch managers dealing with employees who wanted to maintain the status quo, resisting change

The second property labelled Branch managers dealing with employees who want to maintain the status quo and resist change has the sub property leading with a "why" which is critical in shaping ways to get buy-in but also deal with reluctant employees. The results showed that branch managers had to deal with resistance to change from employees, as there were different contributors to resistance to change, such as fear of the unknown, fear of losing their job, or lack of confidence. Most employees were unsure of what digitalisation meant to them. Some employees of the South African bank embraced change; others were resistant to change. Managers had to assure the staff that digitalisation would create more opportunities, not replace them. The bank supported those employees with the necessary skills and wanted to move to other departments. Table 5.15 presents the second property captured as Branch managers dealing with employees who wanted to maintain the status quo, resisting the change.

Table 5.15 Branch managers dealing with employees who wanted to maintain the status quo, resisting the change

Broad Activity: Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance			
Property	**Sub-categories**	**Dimensions**	
Branch managers dealing with employees who wanted to maintain the status quo resisting the change	Leading with a "why"	Ways to Get buy-in from employees.	Ways to deal with reluctant employees

Source: Researcher's construction

Participant GG revealed that employees resist change when comfortable with the status quo.

> *Resistance will always be there when there is a new development or anything new. As human beings, everyone, even we as leaders, sometimes becomes so comfortable with what we used to do that we do not want to change. Working for a company like this bank, which is constantly evolving, we are used to it, but there is still resistance (*Participant GG).

Participant PP said that resistance to change was noticeable among employees who had been with the bank for a long time. It was a struggle to change their mindset and make them understand the importance of educating clients to transact digitally instead of using cash. They believed that traditional banking was fine by continuing to do things the old way. Participant CC supported the above assertion as follows:

> *You know, change is not easy for anyone; one can get resistance when implementing something, but remember, our business is significant when it comes to the leadership principles like leading with the why, which means we cannot implement until people understand. Why do we have to implement a new strategy? What does it mean for the client? What does it mean for the employee? How is this going to help us to be better? A challenge like resisting change was one of those that we had to manage. Ultimately, it is about ensuring people are on board with this change as a leader (Participant CC).*

It was noticeable that different reasons led to people being resistant to change. Most were uncomfortable because they were worried about their job and unsure about the impact of digitalisation on their job, and whether it would lead to job losses. Others felt they were incapable of executing what the business had embarked on. The company prioritized empowerment by conducting different training types in phases to understand their role better. Participant GG underscored that leaders had to ensure that people had a clear picture of what to do for the implementation process to be a success.

> *When changing or implementing something, one can expect resistance from the staff. So, as leaders, we had to channel our minds and ensure that we were positive and excited about the change and then implement it that way down the road. A clear picture is important, but with digitalisation many things are unpredictable (Participant GG).*

When people resisted change, the leaders did not fight them but tried to understand why people resisted change. Participant LL explained that most people resist change because they lack understanding. Leaders had to accept that some people would resist change, and others would be in denial. Leaders had to allow people to go through that stage, but ensured it was not lengthy. The most important thing was to create and reinforce a clear and collaborative approach to changing execution.

> *Change is like a relay in which one person runs the race and gives it to the next person who should run. That is how we managed to change because everyone needs to play their part so that the change is successful. Everyone involved in the change needs to understand why things are being done in a certain way (Participant CC).*

5.4.2.1 Leading with a 'why'

Participant II explained the importance of making people understand why the company is introducing this product instead of giving instructions without explanation. He provided an example of when a bank introduced new SIM cards.

> *Imagine if I were to go to my managers and say we have new SIM cards, sell them. The target for each branch is 20 SIM cards per month. Instead of explaining the product the bank is introducing, why is it introducing this product, who is the target market, and how will it benefit the clients and the branch? What is the expectation from management, and why? When there is a clear understanding, getting buy-in from managers to send it to their teams as received from their seniors becomes easier (Participant CC).*

When leaders give a clear picture to people, it becomes easier to get to the ground. When people understand why something is important and how it benefits the client and the community, it is easier to manage as they are willing to go the extra mile. It is easy to get buy-in from employees when they feel like they are part of the organisation. The benefit is that when there is buy-in, people can withstand the challenges of the implementation process and conquer. The advantage of leading with that "why" is that it addresses the staff's questions about the implementation process as the goal and objectives are clear. Participant EE emphasized leading with the "why" to ensure people understand why the company must change before implementing.

> *It is effortless to get a buy-in from the teams. A leader always needs to lead with the "why." In case the leader does not get it right from the beginning, it will take forever to get back in, and that is how I managed to get buy-in from the team, and that is how I still, even today, manage to get buy-in regarding any changes introduced or strategy that needed implementation. I always led with the" why". The team understood the reasons for the change. Once you get that right, everything falls into place automatically. A leader must constantly communicate, engage, check for understanding, recommend, and over-communicate (Participant FF).*

The branch managers were also dealing with employees who wanted to maintain the status quo. The bank invested in empowering people to ensure they have the necessary skills before doing their job. Employee empowerment positively impacted on employees as it was not about people meeting expectations or just implementing the change but empowering them. Employees became more confident in executing tasks and raised questions for more understanding. Participant CC revealed that leaders needed to give more clarity when implementing a new strategy. Everyone had to play their part to ensure the implementation process was successful. Managers ensured that people understood why things were done in a certain way, which assisted managers in running the implementation process smoothly. There were challenges, but they managed to overcome them as they had buy-in from the staff quickly. It becomes difficult and time-consuming when the leader has to police the staff. Implementing the company's growth initiatives became easy as the employees were well-informed. They proactively provided feedback from the ground when things were happening rather than waiting for a leader to

check if everything was on track. Participant EE complained that strategy implementation comes with challenges.

> *It is a massive role to deal with a very young workforce. To get buy-in, we had to position the "why.", whatever actions we do within the bank, we would always lead with the "why" to ensure there was understanding and to get buy-in. Once the employees were comfortable with the product, they could teach the clients in that space. It becomes much easier with less resistance, and employees can reach more clients than we would have previously (Participant EE).*

The more employees understood what digitalisation meant for them, the better. Managers started to see less resistance and more acceptance. Productivity improved, and employees became champions as they led the change. The performance met and exceeded expectations as employees brought information from the ground and shared it with specialists who could attend to the issues, bottlenecks, and any other challenges, and that was when the change became very smooth. When there were gaps, employees came up with suggestions and possible solutions.

The second dimension of 'dealing with resistance property' is that employees were reluctant to educate clients on transacting on digital platforms. Initially, the staff hesitated to drive clients to the digital space as clients could transact independently, and employees were worried they would lose their jobs.
Participant DD stated that managers had to ensure employees understood that there would be no job losses; instead, digitalisation created more opportunities. Employees understood that human interaction will always be needed, no matter how digital the bank becomes.

> *There is a saying that a personal touch will always be needed, regardless of the transformation. There will never be a point where, let us say, in the branch, the bank is moving or retrenching about seven staff members, and the branch is left with three because of digitalisation. It will never happen like that because machines cannot connect with clients on a human level, which is what we are mostly all about. For any client we serve, the most important thing is to connect with and understand the client's needs and be in a better position to support the client. A machine will take instructions and give an answer based on the instructions submitted (Participant II).*

As part of dealing with reluctance, managers realised that it was essential to clarify to employees why the bank decided to go digital. Branch managers had to explain the organisation's objective to lay a solid foundation. Inviting questions from the staff to understand what informed reluctance and address the real problem was equally important. Participant RR underlined that when people resist something, there is often a lack of understanding, or people do not see how they stand to benefit, as was expected to convey the message to the clients. Managers had to close those gaps and explain to employees why they must do it and how it would benefit the customer. Managers were to explain to employees the impact of digitalisation on the company's profitability and how the headline earnings per share increase would

help them. Managers had to discuss with the staff the importance of increasing the company's market share and the extent of its impact on the existence of the organisation. Managers had to explain how growing the organisation's revenues would improve the employees' lives.

5.4.3 Managers use a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates.

The third property, labelled managers` use of a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates, is manifested through two sub-properties, namely, driving crossfunctional digital-related change through BSC and driving multi-level implementation of digital-related change through BSC.

This is about how managers in the bank were breaking down the strategic goals into small, manageable, and individual-level goals for each staff member on what to deliver. Table 5.16 below presents activities related to the property of how managers were using a balanced scorecard (BSC) as a tool to set clear expectations and shape performance behaviours of their subordinates, its sub-properties, and dimensions.

Table 5.16 Managers use a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates.

Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance			
Property	**Sub-property**	**Dimensions**	
Managers use a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates.	Driving cross-functional digital-related change through BSC.	Keep employees focused on company goals across functions.	Keeping employees only in one function, and focusing on the company goals
	Driving multi-level implementation of digitalrelated change through BSC	Different employee levels driving digital-related change through BSC	Driving digital-related change through BSC restricted to a few employee levels

Source: Researcher's construction

5.4.3.1 Driving cross-functional digital-related change through BSC

The first sub-property revealed how contracting served as a tool in the bank to measure and shape staff performance regarding changes across functions. Employees signed contracts with their respective line managers to set goals for the new quarter to ensure that employees know what was expected of them in each quarter in terms of digital-related changes, as reported by Participant HH.

> *Balance Scorecard was key in setting employee expectations because everyone needed to know what to deliver in terms of business, risk management, customer service, sales growth and digitalisation. How was it going to impact the performance appraisal? Contracting using a balanced scorecard was very important because managers could not expect employees to do something they did not know they needed to do. So, contracting sets expectations on what is needed each month or quarter. Employees had to achieve targets to have a good score on performance appraisal. So, it sets clear expectations on the goals that the individual had to achieve (Participant HH).*

Business managers were allocating targets to regional managers while regional managers cascaded these to their teams. Regional Managers divided their targets among branches according to their size. Branch managers divide the branch target equally among the branch staff. Managers entered into contracts with their people. Contracting directed people towards the bank's objective as it improved commitment from employees to understand the importance of delivering on expectations. Everyone understood what to focus on, when and how it would contribute to a bigger target. Participant GG emphasised the goal setting, the way BSC forced the bank and its employees at different levels and across different functions in the bank to plan in a coordinated and cohesive manner.

> *The bank had set goals and then broken them down into quarterly, monthly, and yearly. So, we all drove the same goal to achieve one objective. The company had one big target, and then it was split among us as leaders. We split it amongst our branches, and the branches are assigned to different functions and individual employees. Setting expectations and driving people towards the objectives of digitalisation was necessary; people would not be committed without a contract (Participant GG).*

Setting expectations also helped employees to stay focused, and the South African had a clear, measurable goal regarding digitalisation. It was easy for managers and employees to check on a monthly or quarterly basis whether the business unit was on track. When not on target, a leader had to know where the problem was, quickly address those challenges, and bring the business unit back on track, as the results contributed to the bank's results.

Participant GG illustrated that at the beginning of the quarter, everyone had to start planning, know precisely how to achieve the target, put action plans in place, and be ready to work towards the target. Employees were always looking for better ways to improve their performance. Managers used to get targets upfront on the quarter's final month before the beginning of a new quarter. Employees would set up the objectives for the coming quarter. Each leader had to meet with their people to discuss targets.

5.4.3.2 Driving multi-level implementation of digital-related change through BSC

The second sub-property focuses on how the bank was driving the implementation of digital-related change at different levels with the aid of BSC. The dimensions of this sub-property relate to how different employee levels or a few and restricted levels of employees are engaged in driving

digitalrelated change through Business SC. In terms of level, Participant BB exemplified that each employee serving as a consultant was contracted to download a specific number of remote banking apps. In the bank, every employee had a target relevant to their job and knew the importance of delivering on expectations. As for branch level employees, they ensured every client visiting the branch with a smartphone got a banking app. At a certain stage of digitalisation, employees were more interested in helping clients download the app, but did not educate them on how to use the banking app. As a result, the bank had many clients who had an app but were not using it. Less app usage was a challenge to the bank because branches still had many clients who could transact on the bank application but were still visiting branches. The bank acted by changing the weight of performance targets from one product to another at the end of the quarter, depending on what performance targets and behaviours they wanted to drive.

Management realised that downloading the banking software did not fix the problem of people not transacting digitally despite having an appropriate phone and app. The South African bank changed the Balanced Scorecard to include a remote banking app usage, which had more weighting on the BSC performance rating to change employee behaviour and focus on increased usage of the app. Suddenly, after the new performance contract, there was an increase in clients checking balances, but they were still not using the app to transact. The bank had to change the contracting document again, specifying the type and number of transactions that the client needed to do on the banking app on different days. After that, employees started focusing more on educating clients and ensuring they understood how the app worked and actually used it independently as reported by Participant DD.

> *The bank incentivised the branch staff when the clients were utilising the app, so there was an improvement in app usage. The setup of the bonus structure led to significant growth (Participant DD).*

Consultants went to the extent of giving clients a courtesy call to check if they still remembered how to use the app. The more clients practised transacting independently, the more comfortable they became. Balance Scorecard played a crucial role in ensuring that the implementation of remote banking as part of the digitalisation strategy was a success, even though it was an ongoing process. Participant KK had the following to say about how the balanced scorecard ensured changes at the organisational, branch, regional, and every employee was cohesive in driving remote banking and successful client usage.

> *Balanced scorecard ensures we are on track to achieve a target that we have set for ourselves because, without our employees as a company, we would not achieve the targets we wanted to achieve to grow and deliver on the promise we made to our shareholders (Participant KK).*

There was constant discussion emphasizing actions to improve performance appraisal scores and what more was needed to reach the set targets. Participant DD mentioned that contracting drives employees towards achieving the committed targets. It continuously measures and keeps track of team performance. It helped the company drive the implementation of a digitalisation strategy that led to company growth, which is a promise to shareholders.

> *The company benefits if everyone understands what they are working towards; it becomes easier to achieve the required results. Imagine if the company provided tools and resources and expected staff to help clients without guidance; they would do whatever they felt was relevant. Contracting helped ensure everyone understands and works towards achieving company goals (Participant GG).*

Senior Managers had to implement their action plans, contributing to the business strategy. The action plan also served as a guide that drove the region in the right direction and kept employees focused. When the plan did not deliver the expected results, they had to change it and learn from the winning teams by sharing ideas. Employees were rewarded for good work directly linked to remote banking and other clearly specified targets for digitalisation from time to time.

5.4.4 Incentivizing employees who met their quarterly target for good performance

The last property of human resources facilitators developing people depicts the sub-property of how incentives were used to drive employee behaviours towards digitalisation in the bank. The findings showed that the bank introduced a team award (TA) to drive the implementation process of new strategies and to improve productivity. Participant FF revealed that the employer identified the priority in each quarter. The key performance indicators included what the bank was driving at that time and had a bigger weight on team awards. The bank rewarded employees for delivering on the bank's expectations. Employees used to fix their eyes on the reward, and as a result, many employees met and exceeded their targets, and the bank achieved its objectives. Employees worked hard to get team awards and focused on qualifying for a good bonus. Team awards supported the implementation process and led to yearly bank growth. Table 5.17 presents the properties of incentivising employees who met their quarterly target for good performance towards digitalisation.

Table 5.17 Incentivizing employees who met their quarterly target for good performance

Broad Activity: Human Resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance			
Property	**Sub-property**	**Dimensions**	
Incentivizing employees who met their quarterly target for good performance	Motivating employees to improve performance	Appropriate and aligned incentivedriven	Inappropriate and misaligned incentive driven behavior and performance

		behaviour and performance	

Source: Researcher's construction

Participant DD explained that the Team Award (TA) was incorporated into the contracting document. The team award weighting depended on what the bank was driving. Team award indicators were not always the same; whenever the bank introduced something new and realised there was resistance from employees, the bank would include it in the Team Award. The findings revealed that the employees would focus on that key performance indicator as they knew they would be rewarded. Once the business is confident that everyone is used to the idea, it will introduce something new and follow the same process.

5.4.4.1 Motivating employees to improve performance

The reward system drove the proper behaviour within the staff because they were rewarded according to performance. Participant HH expressed that everyone was committed to ensuring successful strategy implementation and promoting teamwork. Senior managers were there to oversee and support their teams to deliver the expected results. Participant GG revealed how Managers supported staff by conducting branch visits and had an opportunity to talk to the employees individually.

> *Team awards were great as employees would get extra cash for monthly commitments or whatever need, like extra cash to reduce debt or go on holiday. Most people loved team awards as they served as another stream of income. Team Award excites people as they love money. People drove themselves towards achieving their targets. Before things changed, we knew we would get 30% of our gross remuneration package (GRP) every quarter. We would work towards achieving it and ensure that we get it. So, that helped the bank to achieve its objectives. Managers supported support in many ways, such as visits (Participant GG).*

Participant BB explained that initially, the bank rewarded employees for each client who took up remote banking but realised there was no service improvement as clients kept coming to the branch and were not using the app. The bank changed the reward method. Employees started applying their minds by assisting clients in downloading and showing them how to use the banking app. The new reward method was linked to the clients using the banking app, which drove employees to demonstrate to clients how the banking app works. Staff called clients to check whether they were still using the product and took them through performing transactions again when needed.

Participant DD expressed that as more clients move to digital space, the more rewards employees receive, and the annual salary increase depends on performance. As the staff pushed for team awards and annual increases, sales increased, resulting in bank growth and successful strategy implementation. The dimension of incentivising employees who met their quarterly target for good performance is

appropriate and aligned with incentive-driven behaviour and performance. All those employees who worked hard and did quality work received their reward. The bank pays incentives in the first month of the new quarter. To earn more money, the team needed to put in more effort and could see progressive results, as reported by Participant BB.

> *The bank had an employee team award. The reward was for each team member in a branch for assisting the branch in reaching targets in their respective KPI (Key Performance Indicator). The rewards were calculated as a percentage of their salaries, ranging from 5% to 45%, multiplied by three, meaning that employees could get up to 130% of their monthly guaranteed remuneration as a reward bonus. Each quarter, we achieved excellent results from these initiatives. Employees were highly motivated after receiving their incentives to improve their lives. We have heard stories of people who built their homes, went on to study, started their own families, and used these same rewards to pay off their debts (Participant BB).*

Participant DD concurred that the bank payment structure was mainly linked to performance. In this case, as the bank wanted to move its clients to digital platforms, team awards assisted the bank in getting employees to deliver on the bank's objectives. When the organisation's results were good, that meant better employee and team bonuses, which pushed employees even more to drive the bank's strategy as evident in the quotation from an interview with Participant GG.

> *As people knew that there was an incentive at the end of their hard work, especially monetary value, that was a strong motivator. The bank designed a team award structure for people to meet or exceed expectations. It promoted teamwork more than anything. The team award brought the understanding that the bank's growth is not dependent on one or two individuals but needs the whole team to work together. The team award structure helped to instill the behaviours of a cohesive team. If I can call it small groups, when all small groups work together towards one common goal, they begin to fit towards the bigger objective of an organisation. The team award structure, more than anything, aims to motivate employees so that they not only deliver on the set expectations but also work as a team to put in extra work to exceed expectations. Equally important is fostering teamwork in branches so that branches understand that they need one another to grow and ultimately become profitable organisations. (Participant RR).*

Participant AA mentioned that clients utilise the app for different services like applying for credit online; as applications go through the Business Direct department, branches do not see those clients, and as a result, they struggle to reach their targets. Participant GG also reflected on both the positive and the downside of team awards in the banks as follows:

> *Although team awards were beneficial, there was also a downside, as they sometimes limited people to some extent. People started strategizing towards team awards. When the team award comes out, staff would come together and strategize how they will achieve it. Staff focused more on team awards, whereas we were driving performance as leaders. For example, a branch would work in month one and hit two months'*

> *targets, and after that, they would chill the whole month. When we ask about performance, they will remind us that they have achieved their target. This approach was a disadvantage to the bank and the clients as the focus was to optimize our clients (Participant GG).*

The second dimension of the sub-property illuminates some of the inappropriate and misaligned behaviours which emerged because of incentive driven behavior and performance. Participant RR recalled that some employees performed well for two months and took a break in the third month, as they had already achieved their targets.

> *Leaders need to have clear goals. The team must understand that the goal they have set for themselves requires consistency. Once that is in place, people understand that they cannot behave in a certain way for only a short period and expect to reach the desired goal. The structure is excellent (Participant RR).*

Participant SS also felt pessimistic about team awards, stating that employees needed to perform on everything to grow the bank. Team awards drew specific attention to key performance indicators while leaving out some aspects of client service. People focused more on what was expected of their behaviour in the team award structure (TA) to get money. Staff were addicted to team awards; they would stop performing if the bank removed the team awards. Participant SS suggested that the bank should introduce a bonus, not a team award, as it is not good for growth. To grow the bank, the banks need to perform well in everything. The key performance indicators on the team award structure are not the same as those of every contracting employee. People were focusing more on the key performance indicators (KPIs) of the TA structure to get money.

5.5 TOP LEADERS PROMOTING STRATEGIC ALIGNMENT THROUGH INTERNAL COMMUNICATION

The fourth category of broad activities in implementing digitalisation depicts how top leaders were using communication in directing and controlling strategic alignment in the implementation process of digitalisation. The property of this category relates to employees maintaining clear communication of success stories, challenges in their department, addressing misalignment and reinforcing strategic alignment during the strategy implementation process.

It has one sub-property, which consists of different methods of communication for enhancing alignment through shared success and challenges at the departmental level. The bank used different communication methods until everyone got the message and checked for understanding. Table 5.18 below presents property, sub-property and dimensions related to the activities of employees maintaining clear communication to enhance the degree of strategic alignment at the departmental level in the bank.

Table 5.18 Employees maintaining clear communication of success stories and challenges in their department during the strategy implementation process

Broad Activity: Top leaders promoting Strategic alignment through internal communication			
Property	**Sub-property**	**Dimensions**	
Employees maintaining clear communication of success stories and challenges in their department during the strategy implementation process	Enhancing alignment through shared success and challenges at the departmental level	Alignment within a department	Misalignment within the department

Source: Researcher's construction

5.5.1 Employees maintain clear communication of success stories and challenges in their department during the strategy implementation process

This property reveals that communication has been vital to the success of strategy implementation, as there was clear communication from top management down to the Bank Better Champion bank used different approaches to communicate and ensured that all employees knew the bank strategy. Employees were able to share success stories and challenges in their departments during the strategy implementation process and team meetings. The importance of the message determined the process of communication used. The bank used emails, conferences, virtual meetings, face-to-face meetings, or one-on-one communication. Top management had meetings with the heads of departments, who were to cascade the information down to the staff. Participant FF showed that the bank used different methods of communication to ensure that everyone received the message, and line managers were responsible for ensuring that their staff were always aware of the new developments happening in the organisation.

> *It depends on the importance of the message. Sometimes, it will go from top management to all operation managers, business manager operations, and regional managers. Regional Managers need to cascade the information to the Branch managers. Branch managers had to relay the information to the branch staff. It depends on the severity or the extent of the importance of that message that needs to go through to the staff. So, it is not always the same way (Participant FF).*

5.5.1.1 Enhancing alignment through shared success and challenges at the departmental level

The sub-property of enhancing alignment through shared success and challenges at the departmental level focuses on the nature of strategic alignment or misalignment evident in a department. Commonly, digitalisation created consistent standardisation across branches, which reinforced strategic alignment, and improved performance as everyone gets to attend simultaneously to the same communication using the same vehicle. For example, all those who need to attend a particular presentation or meeting would receive an invitation. Invitees were expected to dial in at the time stated on the invite; it helped everyone get the same message at the same time, which was key for strategic alignment within the department

and cohesion as a bank. Participant KK had the following to say regarding standardised communication for strategic alignment in the bank.

> *Internally, we have seen a very nice, consistent standardization and alignment when running the business. Furthermore, it is because we have adopted a new style when I think about the communication side of things. Previously, we had to email documents to branches to get discussed on Wednesday morning, as Wednesdays were used for training (Participant KK).*

In terms of the role of Microsoft Teams, Participant GG stated they had to travel to different places for meetings and disciplinary inquiries before the introduction of this communication technology in the bank. When the disciplinary inquiry took longer than expected, the manager had to spend more time there. Microsoft Teams removed the need for such travel to various places to participate in disciplinary inquiries. It saves time travelling and money on accommodation bookings. Participant HH expressed that managers no longer need to move and be out of the business unit to attend meetings. Microsoft Teams enables people to be on one platform to discuss urgent matters. When something urgent needs attention, the manager can invite the managers from different places to attend, and after the meeting, they can continue to work.

Misalignment within the department is the dimension of the sub-property of enhancing alignment through shared success and challenges at the departmental level. Previously, the bank relied on sending emails to branches to communicate. The branch manager had to print, interpret, and discuss with the team during the Team Learning Session (TLS). The biggest challenge was that sometimes, there was no clear understanding; each manager conveyed a message to staff according to their interpretation. There was a risk of misinterpretation of the message or loss of true meaning. When managers lack understanding, it could lead to different interpretations of messages, as recalled by Participant RR.

> *Formal communication, like emails, may lay out the plan for what will be rolled out. People must be well onboarded onto this new product, process, or idea and receive clear information about what needs to be communicated to clients. There were instances when misinterpretation of messages resulted in people doing different things, which was not helpful (Participant RR).*

Although top management tried to keep communication channels open, rapid changes occurred without prior communication. Participant QQ gave an example of the changes in remote banking that were not well communicated to the staff and the clients. For example, the clients were confused when they opened a remote banking app to check balances, and it would reflect the available balance. The following day reflects the available and current balance that used to confuse clients. Furthermore, the addition of that set-up change was made without the operations staff's knowledge, which was

problematic and suggested a lack of alignment and coordination in the way some of the digitalisation improvements were introduced to clients and staff.

> *Sometimes key internal communication was overlooked when introducing improvements to existing app or technologies. Another extra truth is that the team needed to understand how it would benefit them and the client. So, we had that discussion with my branch manager's team, discussing how we would relay the message and then covering the possible questions that might come up from the branch staff and how we can tackle those questions (Participant FF).*

5.6 BRANCH STAFF EDUCATING CLIENTS TO TRANSACT ON DIGITAL PLATFORMS INDEPENDENTLY

The fifth broad category of the activities to implement digitalisation in the South African bank focuses on Branch staff educating clients to transact on digital platforms independently. This activity has the property of enabling clients to transact by guiding them by navigating the digital platform, which was evident in the dimensions of clients who were enabled or unable to transact independently at any time. Table 5.19 presents branch staff educating clients to transact on digital platforms independently, including their property, sub-property, and dimensions.

Table 5.19 Branch staff educating clients to transact on digital platforms independently

Broad activity: Branch staff educating clients to transact on digital platforms independently			
Property	**Sub-property**	**Dimensions**	
Enabling clients to transact by guiding them in navigating the digital platform.	Clients' capability to perform transactions on their phones wherever and whenever	Clients are enabled to transact independently anytime	Clients unable to transact independently

Source: Researcher's construction

5.6.1 Enabling clients to transact by guiding them in navigating the digital platform

The property depicting how employees had to educate clients to ensure the bank achieved its goal of moving clients to the digital space, is very key in illuminating the way digitalisation was implemented in the South African bank. Participant NN explicitly stated that the employees were not only dealing with tech-savvy clients who could use technology confidently, but also those who were not tech-savvy and feared everything digital. Employees had to find the right approach for each client, especially those who were not tech-savvy and felt they would lose their money when transacting digitally. Participant SS concurred that transitioning to digitalisation was a challenging and not wholesale journey, which treated every client of the bank in the same way, as they viewed digitalisation differently. Some clients

viewed digitalisation as a threat because they complained that someone would steal their money, while some clients blamed bank staff for losing their money, as reported by Participant QQ.

> *Fear of losing money was very great. Educating people on how to use the app reduced queues in branches as the only time clients will ever visit the branch is when they have lost their cards, want to apply for credit, ask something that they do not understand on their phone, or when they need something that needs to be done strictly on one on one (Participant QQ).*

Participant BB explained that the team knew their reward was linked to the number of clients signed up for remote banking and the number of onboarded clients. The most important key performance indicator was that clients had to utilize the remote banking app. The staff realised the importance of educating clients to use digital platforms, and as a result, they developed an action plan to ensure that clients use the app. The branch devised a solution to demonstrate how the app works to clients.

> *Employees had to ensure that clients were transacting on their own by not touching the client's phone, but guiding them on how to use the remote banking app. The bank's remote banking app is simple, straightforward, and user-friendly. We have also tried to ensure that all our technology has the same interface, whether at the back or front end. When the client needed assistance with a remote banking app, a call centre agent could see what the client saw (Participant EE).*

The consultants gave clients their contact details (business cards) to ensure they could assist and were accessible to clients. Participant NN underscored that employees needed to ensure that clients could transact independently; they did not wait for the clients to call but took the initiative to contact them to check how the app was treating them.

> *In the beginning, people were not too comfortable doing stuff digitally. Demonstrating things like saving a beneficiary on the app and using the beneficiary's cell phone number gave them a sense of comfort and more confidence to transact independently. We have seen a massive migration of clients from visiting the consultant for assistance with simple day-to-day transactions to transacting independently. (Participant NN)*
> Employees had to understand that some clients were not confident enough to operate in the digital space and find ways to deal with resistance from clients, especially when things went wrong, like transferring funds to the incorrect account number. The bank had to put measures in place to mitigate the risk to ensure that the clients get two to three prompts and must confirm the amount and beneficiary details before finalizing the transaction.

> *It was all about educating clients; we had a Bank Better Champion (BBC) assisting clients at the door so that queues did not negatively impact the service inside the branch. So, we have been actively educating clients to utilize digital platforms for several years. It is aligned with the current service constraints in the branches, particularly the long queues. When looking at the long queues when a quality client drives past the branch that is street facing or walks past the branch in the mall, there are these long queues of SASSA and pension clients outside our branches, specifically*

on paydays and at the beginning of the month, they will drive past the branches. These long queues forced the bank to try and find ways to minimize these queues. It has been a long ongoing process because [you know] what it is like, you educate a client today, when they get back home, they are nervous about transacting remotely and feel they might make mistakes. So, they come back to the branch, so it is ongoing education; eventually, the clients become familiar and confident with utilizing the remote platforms, and that is when they start transacting remotely. There has been a focus on educating clients in the branches, and we have been focusing on that for a long time now (Participant AA).

5.6.1.1 Clients' capability to perform transactions on their phones wherever and whenever

The last sub-property of the client`s capability to perform transactions on their phones anytime and anywhere was critical to enable clients to transact independently and digitally anytime. When a client buys airtime from time to time, employees demonstrate how to buy time on the banking app. When clients visit the branch to make transfers, employees would show them how to load the cell phone or account numbers for regular beneficiaries. Participant FF explained that the consultants were expected to check the type of transactions the client was doing more frequently and demonstrate those transactions to the clients.

We told our clients to activate the banking app as it was a wonderful tool to help them bank better. Getting them to use it was still a huge challenge and a huge frustration. We needed to demonstrate how to use it, but before demonstrating, we had to activate the remote banking app, which needed data. So, that was one of the most frustrating incidents we had when digitalisation was introduced. Nowadays, it is easy because we started having Wi-Fi in our branches, making it much easier to assist clients (Participant FF).

The bank ran campaigns with above-the-line marketing to educate clients. The campaign had demonstrations and tutorials teaching clients how to transact digitally. According to Participant A, employees had to list steps to follow to resolve challenges when encountering a problem.

There has been training and guidance in terms of digitalisation. We even did above-theline marketing for our clients to assist them in understanding remote banking. We had many advertisements highlighting transactions that can be done on the app. We were touching base daily with clients to ensure that they understood how to transact digitally, giving them reasons to move to the digital platform, how it works, and how it will benefit them (Participant A).

Participants mentioned that the staff were also using clients' queries as an opportunity to educate clients about the importance of transacting on digital platforms independently to save time and helped them understand that transacting in a digital space required mitigation of risks. Participant II had the following to say about clients' capability to perform transactions on their phones wherever and whenever.

> *Unlike the banking system, the self-service terminal and the remote banking were enhancing the capability to act independently, anytime and anywhere. There are probably fewer clients or less footprint coming to be assisted by service consultants. Our clients have these options where they can transact on their own, at their own convenience without depending on the consultant to help them (Participant II).*

When the client encountered a challenge while transacting in a digital space, the client would visit the branch for one-on-one engagement. Staff had to dedicate their time to serving the client without rushing the conversations, as there were no queues. Some clients preferred to be assisted by a consultant. When the client insisted on seeing a consultant, the consultant would assist the client, but this was negatively impacting the branch service statistics as revealed by Participant HH.

> *Digitalisation made clients in control of their banking. The opportunity for clients visiting the bank to assist them with transactions is that they can transact remotely and get the benefits from the bank without visiting the branch. Spending time in the bank is not good, as this time could be utilized on something else. By being in the bank (Participant A).*

Participant QQ expressed how digitalisation was not only giving control to individuals to plan their own time, monitor their transactions, but also made banking simple, easy, transparent and accessible to many clients.

> *Digitalisation had an excellent impact on the business; it is one of the reasons the bank continues to grow even today. We are one of those banks that are seen as very simple. Our strategy is transparent and ensures nothing makes the client uneasy (Participant CC).*

As a strategy to encourage clients to transact more on digital platforms, the bank introduced a reward system. Participant JJ stated that the consultants had to inform clients about the benefits of digital transactions. On the 10th of every month, clients used to get money on a separate account based on the transactions conducted on the remote banking app.

> *Regarding the global account, we started creating Live Better, a reward program we had never had. Clients were being rewarded for using remote banking (Participant PP).*

Participant AA said Live Better Benefit was a reward program for clients with good digital banking behaviour. Most clients who did most of their banking digitally used to get up to 0.5% cash back on all their debit card purchases and up to 1% cash back on all their credit card purchases.

> *I think the Live Better program played a huge role in accelerating the use of the remote banking app, as clients would do one transaction and end up doing more. I also think that educating clients about the rewards program played a significant role in ensuring that clients understand the importance of utilizing an app (Participant GG).*

The challenge was that clients had to meet specific criteria to qualify for the Live Better reward. Some clients did not meet the requirements and did not qualify for the benefits, as they depended on bank staff to assist them.

> *The negative side of this very same Live Better is that clients compared it with those of other banks, and obviously, others were not satisfied, as some clients did not meet the criteria to benefit from this Live Better. The requirements were that the clients must have at least one product, three debit orders, and perform five digital transactions in that month to qualify. When clients did not meet the criteria, they did not get the rewards (Participant BB).*

5.7 OPERATIONS MANAGERS USED A TEAM OF BRANCH AND REGIONAL MANAGERS TO REVIEW, MODIFY, AND INCREASE OPERATIONAL AND PROCESS EFFICIENCIES

The sixth category of broad activities engaged in the implementation of digitalisation as a strategy revealed how branch and Regional managers were reviewing, modifying, and increasing operational and process efficiencies. The sub-property of managers observing employees serving clients to establish the average time needed to serve each client shows a pragmatic basis for initiating an intervention to increase efficiencies or maintain the status quo. Table 5.20 presents the activity and sub-property related to how Operations Managers use a team of Branch and Regional Managers to review, modify, and increase operational and process efficiencies in the different activities of the bank.

Table 5.20 Operations Managers using a team of Branch and Regional Managers to review, modify, and increase operational and process efficiency

Broad Activity: Operations Managers use a team of Branch and Regional Managers to review, modify, and increase operational and process efficiencies			
Property	**Sub-property**	**Dimensions**	
Observing employees serving clients to establish	Internal process review for	Initiation of intervention to	Maintain the status quo for
the average time needed to serve each client, to improve efficiencies	operational efficiency gains	increase efficiencies	efficient internal processes

Source: Researcher's construction

5.7.1 Operations Managers using a team of Branch and Regional Managers to review, modify, and increase operational and process efficiencies

As digitalisation unfolded in the bank, there was a need for clarity on what could be sources for operational and process efficiency in the internal activities using digital technologies. Participant CC highlighted the importance of teams of managers close to the coal face reviewing and ensuring that there were the right resources, skills and processes to support the ongoing translation of digitalisation

into real-life changes. Teams of branches and regional managers were pivotal in managing operational changes for the success of strategy implementation. Participant CC said the following to reflect the role of branch and regional managers, the slow progress in achieving digitalisation and the necessity of reviewing plans, budgets and processes on the digital journey.

> *I saw that not having the right resources had a big impact on the process; it was more of slowing down the process and the plans put in place. It is not that the bank did not achieve its goal, but it took longer than we had planned. For example, when budgeted for ten people to be able to take the project to a higher level, but only get five due to skills shortage, it strains the current resources and takes a long time to achieve the results. The branch managers and regional managers as managers on the ground were reviewing resources and the realities on the ground to identify bottlenecks and inefficiencies, changing them where possible as quickly as they could (Participant CC).*

In the South African bank, there was an overhaul of processes called Continuous Process Improvement (CPI). The bank started looking at the whole process, including each transaction's time (e.g. duration of opening the savings account, applying for credit, and other products) to remove inefficiencies as highlighted by Participant DD in the quotation below.

> *The bank started to re-look at the bank processes. The reason for this activity was to go through the process of removing the inefficiencies. One of the measurements that was applied was how long it took to service the client. For example, once the client takes the ticket, how long did they wait before being served? Once the client arrived at the consultant's desk, how long did it take to sit at the desk being served? The focus was on the time the client waited to see a consultant and the time spent with the consultant. The bank identified individuals who were perhaps taking longer to service clients with the same token, and individuals who were working faster than others. We had to understand why others took longer and how others could get through those transactions more quickly, and we had to find the balance between the two. At the same time, ensure that all clients get the best service and that the consultant communicates all the benefits available for each product. Clients who leave the branch are fully informed and understand their product better (Participant DD).*

5.7.1.1 Internal process review for operational efficiency gains

As the system guides the employees on the products the client would like, it reduces staff workload. Employees have more time to engage clients; it is all about offering them tailor-made products. Personalized service helped the bank to maintain and retain clients. Digitalisation has taken some of the workload from employees and removed inefficiencies in branches. Understanding how long it takes to issue each product helps the bank plan better and allocate resources accordingly.

> *It also helps with understanding the internal and external opportunities in the business because clients were migrating to other banks. It was an opportunity for management to learn from migration. One of them was to find ways to create interest in those clients who were no longer banking with us. Establish the information we need to communicate to clients occasionally, so they see the need to come to the branch and engage with the*

staff. When clients visited the branch, it allowed us to understand what other needs we could offer this client. The focus was to improve efficiency, improve the quality of conversation between clients and consultants, and improve client experience (Participant RR).

The results revealed that the clients could check whether they qualify for the loan without visiting the branch; that process generates a lead in the system and sends it through to the credit divisions. This service is more convenient for people who could not get to branches either because they were in hospitals or for any other reason preventing them from getting to the branch.

In simple terms, the bank's strategy for digitalisation is about creating efficiency and improving client service experience by allowing clients to transact and handle their banking affairs (Participant NN).

Participant LL stated that moving from traditional banking to digitalisation simplified and shortened several processes (e.g. opening an account or applying for credit) as employees no longer doing things manually (e.g. calculating the loan amount that the client qualified for) as these were done by the system), which enhanced operational efficiency and customer service quality.

Digitalisation has reduced the workload. We have some digitalized transactions or transactions that do not need human intervention; although some of the steps are still there, they have been shortened as most of the processing happens in the background. Therefore, the employees do not have that much workload, and they are expected to go through different steps to assist the clients. Digitalisation has also taken some of the workload from the employees. They have more time to engage with the clients, focusing on quality as it is all about quality engagements with the client, where they do not have to worry about fiddling around the system (*Participant CC).*

The bank had a governance department that ensured that all services and products offered to clients were not only efficient and smooth through the use of digital technologies but also in line with all regulations in the bank and the banking industry, which is heavily regulated. Participant KK stated that the bank had to focus on quality and offering the best service to clients, helping clients to improve their lives by ensuring that staff have quality conversations to build long-lasting relationships with clients in line with regulatory requirements.

We are a bank that follows rules and regulations to protect clients and our business. We are talking about the clients who do not have time to engage with anybody, but they want a quick and efficient solution where they come in and out without any delays. The efficiency of the service, accessibility and shorter transaction times are where digital migration has a more profound impact on the client. Digital applications of virtual cards are about convenience and accessibility. When clients need to hold a physical card, they can get it from the branch, come to the bank, and ask for the part, too (Participant RR).

5.8 RISK MANAGEMENT AND OPERATIONS ENGAGING IN CLIENT EDUCATION TO ENHANCE SAFE USE AND PROTECTION WHEN USING TECHNOLOGY-ENABLED BANKING

Lastly, the broad category of activities relates to risk management and operations' engagement in client education to enhance safe use and protection when using technology-enabled banking with the South African bank. This broad category of activities has the property of risk management, which centres on putting measures in place to protect clients against cybercriminals (e.g. activities such as smishing and Phishing). Table 5.21 presents a broad category of risk management and operations engaging in client education to enhance safe use and protection when using technology-enabled banking, its sub-properties and dimensions.

Table 5.21 Risk Management and Operations engaging in client education to enhance safe use and protection when using technology-enabled banking

Broad activity: Risk Management and Operations engaging in client education to enhance safe use and protection when using technology-enabled banking			
Property	**Sub-property**	**Dimensions**	
The risk management department putting measures in place to protect clients against cybercriminals	Role of Branch staff in the customer risk management	More educated clients to protect themselves against smishing and phishing done by cybercriminals	Less educated clients and vulnerable to smishing and phishing done by cybercriminals

Source: Researcher's construction

5.8.1 The risk management department putting measures in place to protect clients against cybercriminals

The property of risk management was to put measures in place to protect clients against cybercriminal activities. Participant EE expressed that the most significant threat was from a cyber risk perspective, and various forms of internal and external fraud. The biggest challenge was fraud syndicates, who would scam clients using the bank's loopholes. The government and other regulatory bodies (e.g. South African Reserve Bank, Payments Association of South Africa) were critical in ensuring client protection through regulations in terms of digitalisation and governance in the digital space. For example, banks started working on a liquid or electronic signature, but it came into law in 2017 after the government and the South African Bank were convinced that clients were sufficiently and properly protected from forgery. Participant RR exemplified some of the ways in which clients were defrauded as follows:

> *The consultant would assist the client in activating an app and educating the client on how to use the app. When the client gets home, a child or whoever lives with the client takes the phone transfer and utilizes all the funds in the account. The client returns to the branch, and when investigating, it is easy to identify that funds were transferred to*

the account of the person known to the client; sometimes, the client becomes a victim of card skimming (Participant GG).

The participants revealed that one of the reasons clients were hacked was because of the four PIN combinations. It was easy for fraudsters to access this information because most clients would use their date and month, the year they were born, or 1234. The bank changed from a 4-digit to a 5-digit PIN, driving clients to think of a different number than their date of birth. Participant EE said the bank also ran campaigns encouraging clients to use random numbers instead of choosing numbers in a particular sequence. Participant HH revealed the activities engaged by the bank to enhance security, ensuring that clients' accounts were not easily accessible to fraudsters.

There were always gaps, and we educated our clients to ensure they understood how phishing, vishing, and smishing work. Most of the time, people gain access to the account when the client gives them some information. We wanted to ensure that their money was safe and that cyber criminals did not compromise their credentials. We encouraged clients to use random numbers instead of choosing numbers in a particular sequence. So, we tried to ensure that our clients were banking fully informed about the risk (Participant HH).

In a slightly different vein, Participant RR elaborated how client violation of security protocols resulted in the experience of fraud, as reported below:

There are cases where the client would receive phone calls from strangers as if they were calling from the bank to assist him or her with the changes in remote banking. When the client opened the remote banking app, the fraudster would ask the client to do something that would give the fraudster access to the account, without the client's knowledge. Then they would steal clients' money. When clients protect their information, the scammers will not get access to the account in any way (Participant RR).

As clients expose themselves by responding to the fraudsters' trap by sharing their information, like email addresses or clicking on links, scammers could hack their accounts. The bank enhanced security features but had to ensure that clients were well-informed and knew how to protect themselves from fraudsters. The bank went on a digital risk drive involving forensic, credit, risk, and operational teams to educate clients on risk exposure and risk protection.

5.8.1.1 Role of branch staff in customer risk management

The sub-property of the role of branch-level staff on customer risk management was to empower clients with knowledge of risks, risk exposure and types of risks to watch out for and avoid. The bank had to educate its clients to understand the importance of protecting their privacy and not sharing information with anyone. Staff had to educate clients that fraudsters usually gain access to the account if they give them the information. Sometimes, clients were robbed by family members and close friends. Participant

LL was explicit that the challenge was mainly because clients were violating security protocols that were designed to protect them, such as sharing the PIN, which often results in the client losing money.

> *There are many clients for whom we found out that family members robbed them. The client needed to understand that for someone to perform a transaction, they must know the PIN. The account holder violated one of the rules by sharing the PIN with other family members. All parties have a responsibility to protect the account information (Participant LL).*

Some people do everything accordingly but still become victims of criminal activities. The bank has a responsibility to protect its clients against cyber criminals. Clients always had to be vigilant and protect their personal information, such as PINs and passwords, and not share them with anyone. Clients were also informed not to click on unknown links, especially if they did not know the sender. The bank put measures in place to protect its clients. Participant RR elaborated that the bank was enhancing security controls to protect client money, as exemplified below:

> *There are security measures in the systems, and certain actions occur when the system senses that the client is making an unusual payment request for a selfie. When a suspicious transaction happens, the account becomes suspended, the transaction declines, and the client gets a message to visit the branch (Participant RR).*

Risk protection and management were not limited to client education and enhancement of security on the banking system. Efforts to enhance risk protection extended to include all employees. Participant MM indicated the internal effort to educate staff and heighten their risk protection behaviours, but also external efforts directed at clients as follows.

> *When we started moving digital, there were also risks involved in digital; we started creating a space where people could learn about digitalisation. So, every single month, we had e-learnings to mitigate risk. The IT department also sends a phishing message to find out if the person can identify the email that is not from the bank but is a phishing message. We also educate clients on remote banking, prompting them to follow a link to ensure they are informed of the risk of transacting using digital channels and can protect themselves against cyber-attacks (Participant MM).*

5.9 CHAPTER SUMMARY

This chapter has presented comprehensive results depicting the seven broad activities, their properties, sub-properties and dimensions engaged by the South African bank to implement digitalisation as a strategy for banking services and products according to senior bank managers. In the implementation of digitalisation at the South African bank, this study has revealed that there were seven different broad activities. These broad categories of activities engaged in by different stakeholders of the bank included: (1) formulating digitalisation strategy by top executives to create value for customers; (2) branch managers facilitating the adoption and use of diverse technologies in branches to serve customers

better, and faster; (3) human resources facilitators developing people on how to transact on digital platforms and achieve internal strategic performance; (4) top leaders promoting strategic alignment through internal communication; (5) branch staff educating clients to transact on digital platforms independently; (6) operations managers using a team of branch and regional managers to review, modify, and increase operational and process efficiencies, and (7) risk management and operations staff engaging in client education to enhance safe use and protection when using technologyenabled banking.

Overall, the activities reveal that digitalisation was not exclusively about emphasis on digital-first engagement but also strong in-person engagement of clients with some consultants and Bank Better Champions in branches to support clients, especially those unable or unwilling to transact digitally. The results presented in this chapter have answered the research question of what activities were engaged in by a South African bank to implement digitalisation as a strategy for banking services and products, according to experienced senior bank managers. The next chapter will focus on factors which influenced the process of identifying opportunities for digitalisation as a strategy, and also how operating a digitalisation strategy impacted the internal and external stakeholders for banking services and products.

CHAPTER SIX
FACTORS THAT INFLUENCED THE PROCESS OF IDENTIFYING OPPORTUNITIES AND THE IMPACT OF OPERATING DIGITALISATION STRATEGY ON DIFFERENT STAKEHOLDERS

6.1 INTRODUCTION

This chapter presents findings on two objectives, namely, the factors that influenced the process of identifying opportunities for digitalisation and also how operating a digitalisation strategy impacted the internal and external stakeholders. The results are grouped into nine broad categories of activities: (1) restructuring for efficiencies and remote operations; (2) reducing long queues inside and outside branches; (3) system instability due to large volumes of transactions; (4) employees informed digital change; (5) cashless security style of operation; (6) aligning human resource for digital activities; (7) customers informed digital change, and (8) opportunity to review strategic relevance of suppliers in enhancing and progressing digitalisation in the South African bank. These first eight categories focus on factors that influenced identifying opportunities for digitalisation in the bank in this grounded theory study. The last category of broad activity, (9), focuses on findings revealing how operating digitalisation strategy impacted different stakeholders, such as customers, leaders, employees, and suppliers.

6.2 RESTRUCTURING FOR EFFICIENCIES AND REMOTE OPERATIONS

The first broad category of activities on factors that influenced the process of identifying opportunities relates to restructuring for efficiencies and remote operations. The increasing use of digital technologies revealed possibilities for a more efficient structure and operations within the bank with the aid of digitalisation across different functions of the bank. This triggered a change to the organisational structure to improve operational, HR and marketing efficiencies, which was pivotal in influencing the process of identifying opportunities for digitalisation. Restructuring for efficiencies and remote operations has the sub-property of the type of restructuring that was done in the bank. Table 6.1 presents the properties and dimensions of restructuring for efficiency and remote operations.

Table 6.1 Restructuring for efficiencies and remote operations

Restructuring for efficiencies and remote operations			
Property	**Sub-property**	**Dimension**	
Integrating departments for efficiencies	Type of restructuring	Working remotely, reporting to the head office	Integrated with other divisions in the region

Source: Researcher's construction

6.2.1. Integrating departments for efficiency

The property of integrating for efficiency in the South African bank was about transitioning from traditional banking to remote working, or the integration of some departments and staff into existing divisions or regions. When the COVID-19 pandemic struck, it accelerated the process of digitalisation. It also changed the way of work as people were working from home and could not move around to prevent the spread of the virus. After COVID-19, regional offices in the South African bank were closed, staff had to continue working remotely, reporting to head office, others were sent to branches, and others were seconded to divisions with a backlog as recollected by Participant XX.

> *The reason why we went digitally mainly is because of COVID-19. We had to close the regional office, so we had to work from home remotely, and because of that, everything had to be digital. Regional offices were eventually phased out (Participant XX).*

As COVID-19 accelerated the use of digital technologies, the bank realised that some departments were no longer relevant. The bank started restructuring to improve efficiency. Regional departments like marketing and HR, where people do not need to be at the office but can work remotely, were asked to work from home. By closing the regional offices, the South African bank saved money on renting the building, paying for water and electricity, parking, and buying stationery and groceries. Instead, the bank ensured that technology enabled staff to work better and faster remotely to achieve bank objectives. Participant VV focused on integration within but also across departments as part of enhancing efficiencies within the bank activities:

> *When I started 11 years ago, I was a marketing promotions manager for a region. The primary function was experiential marketing, focusing more on sponsorships and brand visibility. We were more involved in positioning the brand at specific events such as Sports Days and Wellness Days. So that was the kind of marketing we were involved in when I started 11 years ago. When COVID-19 happened in 2020, the regional office was closed. Managers started reporting to the Head office, and others moved to other departments, most of them to operations (Participant VV).*

As the South African bank started restructuring, departments, such as workplace banking, were negatively impacted. The workplace banking team was responsible for visiting different employers, including the private sector and government, to assist employees in opening bank accounts, investments, setting up remote banking, and applying for credit. Although the staff use different devices to assist clients in opening accounts, e.g., laptops and mobile phones, the employees still help to be in front of clients to assist them. Participant WW talked about restructuring in terms of change in working mode, dissolving some sections and integrating staff into new roles and existing divisions, but also total removal of the regional layer in the structure in the way the bank changed due to digitalisation and capturing the opportunity to be lean and better.

> *The regional office was closed during COVID-19, and everyone worked from home. Managers changed reporting from regional to head office, and staff migrated and dissolved into different positions in the province. This was delaying the organisation. In contrast, others dissolved into various roles, which is what initially happened. The workplace banking division was absorbed by business banking, and merchant services moved to business banking; however, it still operates as a division. However, the bank is in the process of dissolving the division. (Participant WW).*

COVID-19 showed that most clients of the South African bank knew the products offered by this South African bank and could access them through digital channels. Previously, clients were more dependent on things like radio advertisements and representatives visiting their place of work or malls. Nowadays, banks are marketing through social media, such as Facebook, websites, and above-the-line marketing. People are aware of the products offered at the bank. Participant UU stated that there was no longer a need for the workplace banking team, where clients could get the products or services online.

> *The workplace banking division focused on external sales. The team had to go to different places to do presentations, even government departments and private companies. The department was closed in 2020. I have been a manager in the workplace since 2012. The workplace division closed after COVID-19. So, we got moved to the business banking space. The business realised that it had achieved its purpose. The team was not needed anymore with the power of social media marketing to draw people to come themselves (Participant UU).*

Employees in the South African bank had to admit that other job functions cannot be paired with digitalisation. The branch used to have a cashier area in every branch dedicated to assisting clients who wanted to make cash deposits and print statements. The bank closed the cashier area and moved all that service to a DNR, which means the clients can make cash deposits without being assisted by a South African bank staff member. People assisting at the cashier terminals did not lose their jobs. Instead, they were placed in other positions within a bank and allocated tasks like dealing with the applications submitted by clients online. They also assisted with other duties; the bank moved some transactions to the self-service terminals. Participant KK observed that as some clients did not know how to use selfservice terminals, some employees were reassigned to purposely assist these clients who needed help.

> *Remember, most of our clientele comprises the core market; some still need assistance. We had to ensure there was always someone available to assist. Digitalisation is not replacing people but creating new types of jobs. The HR department was busy recruiting and facilitating the development of employees to take up new digital-related opportunities. HR also restructured its means of operations, which became more integrated and efficient as they had new and better technologies to use when recruiting and training staff (Participant KK).*

6.3. REDUCING LONG QUEUES INSIDE AND OUTSIDE BRANCHES

The second broad category of activities on factors that influenced the process of identifying opportunities relates to the urge to reduce long queues inside and outside branches. Operational inefficiencies, bad customer experience, loss of clients and lack of client desire to wait for a long time for services opened the eyes of top executives and employees to the opportunity to address this problem through a digital approach to banking. This category was typified by the property revealing the style of handling queues, which would be evident in short and long queues waiting for service.

The rapid increase in the client base led to long queues and employees being unable to serve all clients simultaneously. The high demand for products and services increased the number of clients visiting the branch. The South African bank attracted many clients by diversifying and offering more products. The bank witnessed many clients joining the bank within a very short period. There was also an increase in pensioners opening accounts to receive their grants. The bank was not expecting an influx of grant and pension recipients, and as such, there were no plans in line with growth. The South African bank had to find a better way to reduce the queues in branches and ATMs without chasing or discriminating against any client. Table 6.2 presents the property, sub-property and dimensions of reducing long queues inside and outside the branches.

Table 6.2 Reducing long queues inside and outside branches

Reducing long queues inside and outside branches			
Property	**Sub-property**	**Dimensions**	
Style of handling queues	Clients had to wait in long queues before being served	Long queues	Short queues

Source: Researcher's construction

6.3.1 Style of handling queues

The above table depicts how the South African bank responded to an increase in the number of clients by opening more branches and trying to cater to clients visiting the branch. The bank also appointed more people as it continued opening more branches. On the other hand, the number of clients kept increasing, and there were still long queues inside and outside branches. The staff struggled to serve all clients, putting pressure on employees. Participant WW was explicit that the bank realised that opening more branches was not a solution, and the best option was enabling clients to transact independently without visiting the branch.

> *When I look at what has been happening since I joined in 2010 up until 2017, there was rapid growth in the number of branches that the bank was opening, and the appointment of people in the organisation also increased as we needed to meet the client growth. It was not surprising that we were having long queues inside and outside our banks (Participant WW).*

Digitalisation created a huge change and variety in the efforts of reducing queues by introducing DNR to cater for the withdrawal and deposits of cash by clients. The South African bank also introduced a self-service terminal where clients did not even have to queue but could quickly come inside the branch to make a transfer, increase limits, and do any simple transaction, as illustrated by Participant CC.

> *Reducing queues was the driving factor that pushed the bank to digitalisation. The bank had to ensure that it reduced the queues to continue growing. Remember, when we have*

these queues, we lose clients while serving others, as other potential clients would go to our competitors. We were unable to serve every client who needed our service. Some clients turned and went elsewhere as they were unwilling to wait. As the bank, we had to identify opportunities and things we could do to change the situation. For instance, we identified all transactions that should be done with the consultant and separated them from those that can be done on the self-service terminal. We stationed a Bank Better Champion to assist clients who needed help (Participant CC).

The South African bank identified an opportunity to transition to digitalisation and address the problem of long queues of clients waiting for service. Participant FF underlined that there was an opportunity to meet the needs of clients who were looking for quick and convenient banking, such as remote banking, which allowed clients to transact wherever they were without visiting the branch, reducing branch traffic.

When the bank introduced remote banking and self-service methods, we saw a drastic decrease in the number of clients inside the branches, as clients had a bank in their pockets. Clients started banking on their phones, which reduced queues in branches (Participant FF).

The opportunity of introducing clients to alternative ways of using their bank accounts to make payments without physical cash was key in reducing demands and queues for physical cash withdrawal. Participant PP mentioned that the bank benefited as clients used their cards more than cash, and it became easier for the bank to identify clients' spending patterns and offer them what they needed. Staff also encouraged clients to swipe their cards instead of withdrawing cash, which was cheaper than withdrawing cash from the ATM. Participant QQ explained how the idea of enhancing clients to the bank better promoted the pursuit of more partnerships with online and non-banking services providers, which did not require clients to visit the bank as follows:

Since digitalisation was introduced and the bank partnered with the retail shops, we have been increasing the number of new branches, but now at a much slower pace. The bank still employs people, but the reason is different. We are focusing more on handling issues that clients cannot do on the app and educating our clients continuously on what they can do on the banking app to bank better outside the branch. Swiping at retail outlets reduces the number of people on the que to withdraw cash (Participant QQ).

6.3.1.1 Clients had to wait in long queues before being served

While pursuing a digital approach to banking, the South African bank had long queues, especially of the clients who could not perform transactions independently but had to visit the branch to transact. In the era before digitalisation, all transactions were conducted by the consultant at the branch. At times, the consultant would take too long with a client, which meant other clients had to wait even longer; other clients could not wait and went to other banks. Participant PP focused on how clients without any alternatives had to wait for service in long queues, but this changed when digitalisation brought more options for transacting with the bank.

As clients had no other options but depended on consultants to assist, this contributed to long queues. The bank had to move to digitalisation to create space in branches as the consultants cannot serve all clients simultaneously, which is why our clients can now apply for loans on the banking app, so they do not go to the branch but apply remotely. So, those are things that we have been trying to do to deal with the challenge of having all of these long queues (Participant PP).

Participant EE revealed that the South African bank experienced a rapid increase in pensioners. For example, there was a time when the bank onboarded over 2,000,000 clients within a short time, leading to long queues. Below is how Participant DD agreed that most of those clients in the long queues believed they had to withdraw their money from the bank, even after the option to withdraw from retail shops was available.

We have almost 22 million clients of our bank. This is not a small number. But the truth is that the long queues created negative sentiment. Well, one of the challenges at the time was the number of clients coming through to branches, making it challenging to provide efficient service to our clients. That was why we realised we needed better ways to serve our existing clients as the bank was growing. We needed to find a way to minimise our existing clients from coming through to the branch to allow an opportunity for the bank to acquire new clients, because any new quality clients seeing those long queues would turn away (Participant DD).

When the branch was full, consultants tried to offer the best service to clients but focused on reducing queues and not giving full attention to clients in front of them, as they wanted to move the queue. Participant HH revealed how the focus on a digital approach by the bank met subtle resistance from clients who had been with the bank before technology was introduced in the bank and had grown with the bank over the years from its humble origins.

Yes, we had long queues as most of our old clients were used to being served at the bank and not via a phone. We are always trying to tell them they do not need to come here, as they can do everything on their phone, get the same experience, and it would be more affordable than coming to the branch. Some fear technology, some have network problems, but these are clients who have been loyal to the bank since its humble origins (Participant HH).

Most low-income clients still believed cash was king and preferred to withdraw cash before depositing it for their loved ones. Others needed cash for taxi fare or to buy from spaza shops. Participant PP expressed the view that long queues were a challenge as clients were queuing for different reasons, most of which would be easily transacted using remote banking.

The challenge we had was long queues in the branches. We were trendy for long queues, and one of the contributors was the type of client we were serving at that time. When we started, we used to have long queues inside the branch, coming to deposit and

outside the bank for withdrawals. Nowadays, the queues are at our cash devices for depositing and withdrawing money. However, some branches are still highly flooded with clients waiting to be assisted by the consultants to open accounts and for day-to-day banking, but we still have long queues, mostly on our cash devices (Participant PP).

6.4 SYSTEM INSTABILITY DUE TO LARGE VOLUMES OF TRANSACTIONS

The third broad category of activities is on factors that influenced the process of identifying opportunities related to system instability due to a large volume of transactions. This depicts not only the negative impact of system disruptions to clients, the bank and employees but also the mode of addressing system instability and the trigger for the opportunity to acquire a new, reliable and stable banking system as a solution. This broad category was manifested by the sub-property depicting the mode of addressing system instability in the bank by upgrading the old system or changing the whole system to improve operational performance and client experience. Table 6.3 below presents the property, sub-property and dimensions of system instability due to large volumes of transactions.

Table 6.3 System instability due to large volumes of transactions

System instability due to large volumes of transactions			
Property	**Sub-property**	**Dimensions**	
The form of system change	Mode of addressing system instability	Upgrading the old system	Change the whole system

Source: Researcher's construction

6.4.1 The form of system change

The property of the form of system change reflects how the South African bank was striving to keep the systems stable and fully functional to allow clients to transact with the bank. When many clients transacted simultaneously, the system would go offline, leaving clients without access to their money. Although an increase in the number of clients led to market growth, it had a negative impact on the bank's existing system, as it could not handle the volume of transactions that had to be processed at the same time. Participant DD highlighted that the South African bank had a challenge with server capacity and had for a long time relied on incremental system upgrades but could not meet the client demand.

One of the challenges we experienced was an issue of capacity on the server, as we were experiencing significant growth. We could make upgrades here and there, but that was not a lasting solution. The bandwidth on the remote banking could not deal with the number of clients we were onboarding and those transacting on the app. The bank had to increase its capacity to accommodate more clients. Above all, there was a need for a better system than being fixed with an old system (Participant DD).

The findings revealed that as the South African bank increased its capacity to accommodate more clients, It upgraded the system by building and developing it while operating. This incremental and gradual form of change or action led to system failures that impacted clients negatively, as they could not withdraw their money. Participant KK revealed that the biggest challenge was that the system was centralized, which meant the whole system would shut down when one part was not working. The clients could not do anything when the system was offline but had to wait until it was back online.

> *Sometimes, the system would crash when many clients transacted simultaneously. It had a negative impact on client service as they were unable to transact. It gave the bank a bad reputation, and clients lost trust in the bank. System failure was a challenge, especially when the client wanted money for something urgent that could not wait. So, the same thing that was supposed to do good for our clients but negatively impacted them (Participant KK).*

Participant PP concurs that the upgrades in the background sometimes triggered system instability. Whenever there was an upgrade, the system tended to slow down or go offline more often. Nothing worked when the banking system was down, not the app or the cards. Clients had to wait until the system was up and running. In most cases, when the clients' cards decline, the clients would run into the branch.

> *I noticed that we used to have system issues after the system updates, leading to unhappy clients and lost trust in the bank. Clients used to come to the branches, hoping to get help, but because the system was down, we could not help clients. Although the bank was technology-driven, we had to return to manual mode, which was one of our biggest challenges. Sometimes, we would have a BankServ problem that affected all the banks and a system issue because of the volume of transactions. The number of transactions processed was too high on certain days (Participant PP).*

The updates triggered many difficulties as they tried to fix something, which would turn off other things that were working. Participant QQ reiterated that the system used to be down on busy days when clients needed their money the most. It became a norm such that clients and staff knew there was a high possibility that the system would be offline on paydays and holidays like black Fridays. System instability puts the clients and frontline staff in a difficult situation, as indicated below by Participant DD).

> *Black Friday was one day when many transactions would go through the system. It gave us insight into the expansion we were required to do from a capacity point of view. It became clear that the bank had an IT Skills shortage, and the infrastructure failed to handle volumes. We dreaded month end and Black Fridays (Participant DD).*

Participant FF mentioned that the bank had many system glitches, especially in the early stages of remote banking. In a reactionary effort, the South African bank sorted out those glitches a few months after it was introduced.

> *We had instances where the remote banking app and the banking system were down. People could not withdraw money and pay for goods and services. It caused reputational damage, and it is irreparable. More often, on month ends, when it was busy and for some reason, the systems went offline, or the app went offline, and those clients in the branches took it out on the staff; the staff had no control over what was happening. When the various platforms were not working, it became odd for the staff. They had to try to calm those clients down. The clients threatened and swore at the staff, and that environment at the branch can become quite heated and not a nice place to be (Participant AA).*

Previously, the branch staff could not assist clients when there was load shedding, and they used to wait for electricity restoration to continue serving clients. Nowadays, the branches have backup power. The branches also allowed clients to connect to Wi-Fi and continue banking. Participant SS mentioned load shedding and power failures as the challenges that contributed to system instability.

> *The current situation with electricity in South Africa, called load shedding, has contributed to our system going offline. The system depended on electricity; when there was no electricity, staff could not assist clients. When we had power failures or load shedding, we relied on having power, negatively impacting our operation, as we could not assist clients if the system was offline. The bank ensured that there were generators and lithium batteries as backups for the power. Although many good things came with digitalisation, we could go back to paper-based documents to check when things were not on the computer and when something was needed urgently (Participant KK).*

A major incident occurred in August 2022 when the bank was offline for two days. Participant SS mentioned that when the South African bank was offline, the IT team and CEO did not sleep; they worked around the clock to ensure the system was back online. Senior Managers had to go to the branches on Saturday to support their teams. They also had to get people from overseas to come and assist. Participant AA described the bank's downtime as a result of the remote app, mobile banking, and banking system not working. Nothing was working; some clients visited the branch, but consultants could not assist them as they could not access the banking system or perform any transactions. It greatly impacted the whole bank as clients could not access their money, receive notifications, or check their balances. It was a challenging time for the South African bank. Participant QQ clarified that the bank only managed to resolve the issue on the 6th of August 2022, after two days of blackout, by fixing the system in stages and expanding its capacity. The IT department fixed one part of the system after the other. On the third day, clients could deposit funds on the DNR as the balances appeared on the app and the banking system. After that, clients could make transfers and keep adding until the whole system was restored. They just broke the banking system into parts and then fixed it one by one until the entire system was together and fully operational. Participant DD reported about the fear and uncertainty of clients who were more concerned about the safety of their money.

> *The one incident I will never forget was when we lost two days. I cannot remember the year offhand, but I do remember that we lost two days when clients could not transact on the app. Clients were very irritated and frustrated as they walked into the branches. Unfortunately, branches had to deal with those angry clients because they would either call the branch or make their way to it (Participant DD).*

The impact of system glitches was very severe on the clients. As the business was still growing, it needed to build trust, and clients had to be more confident about the safety of their hard-earned money. The findings revealed that frequent system glitches also had a negative impact on the brand itself, as some clients changed and used the bank as their secondary bank, as there was no guarantee that they would have their money when they needed it. The staff also felt the heat as they had a target to meet when clients switched to other banks, making it difficult to achieve their target and get team awards.

> *Some clients eventually moved over to competitors with a better, more stable platform because our business was growing, and with such large numbers, the actual systems were struggling to cope. We were upgrading it all the time to get that stability eventually. This took time to correct (Participant AA).*

System instability negatively impacted the brand reputation regarding the organisation's publicity on social media. Participant DD mentioned that the organisation usually gets good publicity; however, during that incident. The bank was on social media for the wrong reasons, as clients shared their bad experiences. When clients could not access their money, that impacted them negatively, and they ended up voicing their frustrations on social media. It became even more challenging for clients when the system was down, and branches were closed, as clients could not even access branches to get assistance.

> *I recall that on social media platforms like Twitter, the organisation was rated number one for bad service during those times. So, there was negative communication on social media, and to a certain extent, there were comments such as South African bank clients need to get themselves a real bank. Those types of comments floating around were purely from clients who were dissatisfied with the service they were receiving from the bank. Sometimes, a bad experience could be good because it creates awareness when everyone talks about this brand. There might be people who were unaware of the brand but suddenly became aware and started researching it, then probably started understanding more about it and why the organisation is experiencing these issues (Participant DD).*

6.5 EMPLOYEE-INFORMED DIGITAL CHANGE

The fourth broad category of activities on factors that influenced the process of identifying opportunities related to digital change, informed by employees. Employees in the bank were very crucial in pointing out areas that needed improvements, change and opportunities for innovations in back-room and customer-facing activities, which could benefit or progress the digital approach to banking that was being implemented in the South African bank. The property of this broad category of activities was the

source of insights for digital change, while the sub-property was about the quality of interaction, informing the digital change. Table 6.4 presents the property, sub-property and dimensions of employees' informed digital change.

Table 6.4 Employee-informed digital change

Employee-informed digital change			
Property	**Sub-property**	**Dimensions**	
Source of insights for digital change	Quality of interaction	Engage employees to gain insights (interactive)	Disengaged mode of getting insights (non-interactive)

Source: Researcher's construction

6.5.1 Source of insights for digital change

The above table regarding the source of insights for digital change reflects the quality of interactions in the interactive engagement of employees for the purpose of gaining insights on change. As branch staff deal directly with clients, they have a better understanding of the clients' needs. Employees were able to identify customers' challenges when transacting with the bank. In this study, the bank used the branch employees' insights to its advantage to understand possible client needs and how to improve the client's experience. Participant QQ elucidated how periodic and focused engagement of product developers with branch staff was key to gaining ideas and feedback not only for branch-level needs, but also feedback on products for clients, pilot testing of new products, and engaging branch staff in discussion of scenarios regarding digitalisation.

> *The research was done through branches; people responsible for developing new products or services would come to the branches asking questions. Branch staff are very helpful when pilot testing new products before the product is taken to the market. The Product developers and managers would present different scenarios and ask for our opinions. I think that was a survey to gain insights into what the branches need, and based on the feedback we provided, they made decisions. There were also engagements with branch employees to get ideas for new products (Participant QQ).*

The South African bank engaged employees as a source of insights for digital change, enabling them to identify their pain points and possible sources of improvement in the internal-facing and external-facing processes and operations. Participant CC identified how the top executives engaged in a two-way communication to gain insights from employees on specific areas, such as transactions they felt could be moved to digital space, and IT people started separating transactions and moving some transactions to a self-service terminal, as suggested by employees. Participant NN highlighted the role of employees as a source of insights for change on customer-facing activities regarding transactions, identifying products to be done via self-service, remote banking and why strong client engagement was still necessary for those clients unable to transact digitally.

> *The top executives of the bank engaged in two-way conversations with employees to understand transactions that take consultants' time but could be moved to a self-service terminal. The bank needed insights from those at the coalface to ensure that there was always enough capacity when it came to assisting clients who could not transact digitally because of a variety of impediments. The importance of changing things, even internally, on the systems that we use to assist the clients within the turnaround time, was helpful in improving client service. The bank was monitoring the service that we render to the clients and the time taken. The branch level employees know the pain points of their client and have great insights (Participant NN.*

Whenever the bank introduced a new product or service, the bank invited key employees who interacted with clients closely to be part of the pilot team. Participant QQ reported that the team had to use a product or service and share their experience or challenges of utilizing the product before it is refined for use by clients on the market.

> *Staff piloting is when staff get an opportunity to use the product before it goes out to the public. Pilot testing was important to build up the employees' confidence in the product itself and the new processes being introduced. Employees understand the product better and become confident to take it to the clients. As we use it, we will have many questions about the product. Those questions will trigger product improvements or other things the developers did not consider that need fixing. Staff piloting leads to the enhancement of the features of the product (Participant QQ).*

6.6 CASHLESS SECURITY STYLE OF OPERATION

The fifth broad category of activities on factors that influenced the process of identifying opportunities related to cashless security style of operation with the two properties of (1) challenges with cyber risk and (2) open accessibility for staff and clients was enhanced by digitalisation. Bank technology was useful as employees' businesses and clients started to operate in a cashless fashion using different methods of transacting digitally, which increased exposure to cyber risks. While the cashless style of operation removed some of the risks associated with the use of cash and the need for security guards at bank premises, it also triggered new types of security implications, risk exposure and challenges unique to the remote, mobile and cashless context of banking. Table 6.5 presents properties, sub-properties and dimensions of the cashless style of operation.

Table 6.5 Cashless Security style of operation

Cashless Security style of operation		
Property	**Sub-property**	**Dimension**

Challenges with cyber risk	Nature of risk exposure due to technology	Protect the bank and business as institutions from cyber risk	Expose the bank and clients to cyber risk
Open accessibility for staff and clients enhanced by digitalisation	Impact of enhancing security measures	Limited risk exposure	Wide risk exposure

Source: Researcher's construction

6.6.1 Challenge with cyber risk

The property regarding the challenge with cyber risk is related to the sub-property of the nature of new risk exposure due to technology. While the cashless security style of operation was positive for digitalisation by enhancing accessibility, flexibility and remote banking, it came with cyber security challenges on the digital platforms, risk of unauthorized access to sensitive data of the bank and its clients, leading to its loss or theft, harm to the bank's reputation due to cyber incidents, which can affect customer trust, legal repercussions and fines resulting from non-compliance with data protection regulations and operational disruption due to malware. The challenge was that the bank had to ensure that the networks were well-secured from intruders or attackers in cyberspace. Cybercriminals try everything within their means to crack the internet and mobile banking system. Participant UU mentioned that although the bank acquired new technology to enhance operational performance and allow clients to onboard themselves and transact digitally, it also exposed individual and institutional types of clients to cyber risks and cyber-attacks. Participant NN acknowledged that while digital-enabled banking technology enhanced accessibility and flexibility of using the bank, it also came with a variety of risks, including cyber risks, which may originate anywhere (e.g. external or internal).

> *Technology always comes with cyber risk. There are scammers who steal bank card information when you swipe your card. There are always fraudsters in any industry looking for gaps in how they can benefit from every activity. The clients who are individuals or businesses can onboard and set up the card machine themselves, but there is always the risk of being defrauded in cyberspace, or the card can be copied, especially in restaurants. People like to use fake cards or even hardware in the retail industry. It is always good for clients to know what to do if something happens or they suspect fraud. Before remote onboarding, we used to educate them about those things. I do not think they know what to do if they suspect somebody is using a fraudulent card. Risks can originate anywhere–externally from viruses or third-party vendors with weak security posture or internally from rogue employees, internal sabotage or the failure of lax security practices such as not regularly patching software in the bank, careless employees clicking or responding to strange or hacker emails unknowingly (Participant NN).*

As many clients were opening accounts remotely without visiting the branch, there was a weakness in not properly vetting to ensure that the person opening the account is the actual owner of the Identity document. At that time, there were no biometrics for the bank to verify the identity with Home Affairs.

As a result of the security weakness, some bank accounts were opened for the wrong reasons, such as cybercrime and money laundering. To address this problem and limit the exposure to risk, the bank had to stop the remote onboarding process for a while and send all the clients to the branch while enhancing security features to protect the bank from being fined by the Financial Sector Conduct Authority. Participant WW had the following to reveal the continuous monitoring and collective efforts of the bank to enhance its protection and that of clients.

> *Technology enables the bank to onboard any simple structure business to open a business account through Remote Onboarding (ROB) as long as they have the required documents. We do not know the exact intentions because there is no face-to-face interaction or personal experience with the clients. So, they noticed that some accounts opened were not for business transactions but for money laundering. The good thing is that the risk department quickly picked up and stopped the process and tried to put more measures in place now in terms of security to ensure that it does not happen, as it poses a risk to the bank. The good thing is that it was identified early. It is a good thing to put more security measures in place… to try and ensure that the accounts opened remotely are not fraudsters and clients who want to do money laundering (Participant WW).*

Participant QQ mentioned that there was a need for the bank to focus on cybersecurity and protection against data theft and unauthorized access to networks and devices. The South African bank had to ensure that all employees were aware of the importance of protecting the bank against cyber-attacks.

> *As we started using digital technologies, there was always a risk to our data and client information. IT people started creating a space where people can learn about how to mitigate risk on the internet and emails to protect the bank and its clients. Every month, we have a learning on how to mitigate the risk, and the IT department also sends a phishing message randomly to find out if the system user can recognize it as a phishing message. Employees who click on the phishing email without realizing the IT department sent it, will be expected to redo training. We also educate clients on WhatsApp. Notifications will pop up on the remote banking app, creating awareness (Participant QQ).*

Bank employees have access to clients' data and use it to make decisions. Employees need to protect clients' information. When the clients' information is sent to a third party due to negligence without the client's permission, the bank can be fined for failing to protect client information. HR had to ensure that employees receive training on the *Protection of Personal Information Act (*POPIA) from time to time, as pointed out by Participant MM.

> *It is important to note that we cannot reveal client information to anyone else except the client. We cannot send or share the clients' documents with anyone if the client does not permit us to do so. We are guided by the Consumer Protection Act (CPA) to protect our clients. We must ensure that transacting digitally does not engage clients in unfair business practices and that clients are provided with clear information about services and fees. So, we will need to ensure that our employees comply with the protection and privacy of clients. Remember the POPIA Act (Protection of Personal Information Act); as the bank, we must adhere to the data protection regulations, ensuring that user data*

is securely collected, stored, and processed, as we need to protect client information (Participant MM).

6.6.2 Open accessibility for staff and clients enhanced by digitalisation

Previously, the South African bank used to be highly protected as it kept cash. When one visits the branch, one has to pass through security checks. Participant WW said the bank had security guard officers in branches to ensure safety. The rotating door allowed one person to enter the bank at a time as a security measure. Participant FF mentioned that ATMs used to be inside the branch for security purposes, and cash-in-transit staff had to enter the branch to replenish the ATM. The branch had to close, and clients who could not wait for cash in transit to finish would leave the bank and return later. Participant WW hinged on how the door would be locked, the consultants would continue assisting clients inside the Branch with their needs, but mindful of the existing security risks posed by armed robberies that are always after cash-in-transit to steal it.

There was a need for security at the bank all the time because there was cash inside the branches. The cash in the branches puts the bankers, clients, and managers at risk. With digitalisation, the bank no longer accepts cash inside the branch, eliminating the risk and ensuring staff and client safety. On the bank premises, the exposure to risks regarding cash was low. The exposure to risk moved away from the bank premises more to the ATMs and remote bank (Participant WW).

As the branches no longer deal with cash, there are no longer security guards on the premises of the branches, but the risks and risk exposure for the bank and clients have increased in cyberspace and on digital channels of transacting with the bank.

6.7 ALIGNING HUMAN RESOURCES FOR DIGITAL ACTIVITIES

The sixth broad category of activities on factors that influence the process of identifying opportunities relates to aligning human resources for digital activities. It pronounces the role of aligning activities related to human capital development to digitalisation in a digital era. It has two sub-properties, namely (i) type of recruitment and (ii) type of learning and development to acquire, develop and align human capital-related activities with digitalisation in the bank. Digital technology simplified recruitment, as it used to be a long process involving much paperwork. It also presents how learning and development delivery has changed to align with sections, such as recruitment. Table 6.6 below presents the property, sub-property and dimensions of aligning human resources as the broad category.

Table 6.6 Alignment mechanisms were used.

Broad activity: Aligning human resources for digital activities		
Property	**Sub-property**	**Dimensions**

Alignment mechanisms were used.	Type of recruitment	Appoint new external people with IT skills and others. Paper-based process	Internal reassignment of people with IT skills and others Digital-based process
	Type of learning and development	Digital channels and processes of training and development	Non-digital channels and processes of channels of training and development

Source: Researcher's construction

6.7.1 Alignment mechanisms were used

The property of alignment mechanisms reveals that recruitment and training were key in the domain of human resources. The bank acquired a new system to streamline the human resources process, especially recruitment and training. HR-related matters and processes were integrated so that they were accessible to relevant HR staff via the system called SuccessFactors. Participants reiterated the importance of good alignment in HR as all employee queries were being directed to *Hello HR*, making it easy to keep them together. Participant YY had the following to say regarding the use of technology, which made the alignment within the HR functions seamless.

> *Previously, HR platforms were different, but now SuccessFactors is the go-to shop. For instance, SuccessFactors is used to log HR queries, and the onboarding process must be completed on SuccessFactors. So, there have been phases in the adoption of SuccessFactors. One of these came after the actual launch of SuccessFactors, which mainly focused on the payroll function at the time. Previously, HR used to have a different mailbox, but now there is only one (Participant YY).*

The HR system keeps all the employee records from the recruitment process together. There is no need to print candidates' documents and pay for storage as the candidate applies online; all documents, training, and salary slips are stored there."

6.7.1.1 Type of Recruitment

The type of recruitment is a first sub-property, which has the dimensions of appointing new external people, as well as internal reassignment of internal employees. The opportunity to shift from paper to digital-based recruitment processes was key in the domain of digitalisation of HR activities. Digitalisation has triggered a variety of opportunities to appoint new external people with IT skills, as well as openings for internal reassignment of people, mainly those with IT skills. Previously, when departments had a vacant position, they would request HR recruitment to get the right candidate to fill the IT position internally. HR would send advertisements on career sites or the internal intranet. Participant YY mentioned that candidates would apply through the website, email, or fax their CVs. The process was costly to the bank and to the applicants. All short-listed applicants were expected to come to the office to take the test. HR used paper to print CVs for all shortlisted candidates and print all tests for the candidates. When the candidate passes the tests, HR would do risk assessments, print

them, and put them together for filling. Participant XX reflected on how digitalisation opened the opportunity to shift from paper-based to a digital process of recruitment, which was faster and with storage for employee details.

> *We had to create different recruitment folders for each candidate and make three copies of each document: one for the head office, another copy sent to the payroll department, and the third one saved on the O drive. The process was paper-based. All documents, including tests and risk assessments needed, would need to be printed and put into a folder and kept in a storage room where we would keep all the confidential information locked away. The new system of SuccessFactors stores a lot of details about applicants. CVs can be scanned quickly, and shortlisting can be done based on the key criteria set for a job. This is different from the paper-based and slow process of shortlisting internal and external applicants (Participant XX).*

Aligning the recruitment process has been ongoing, but became more digital, streamlined, and integrative during the process of digitalisation. Previously, applicants used to fax CVs to HR and then moved to emailing to specified contacts. Afterwards, it introduced USSD, where applicants did not have to send emails; instead, they could apply via USSD, where the applicant had to answer questions; the answers would then populate a document with the question and answers for each applicant. HR People would go through that document to separate the successful from those who were unsuccessful. HR would send out regret letters to those who were unsuccessful and call those who were successful. The system was upgraded and could send automated SMS to all unsuccessful people; however, they still had to contact them telephonically to provide feedback to those individuals who made it further into the process. Participant YY focused briefly on the transparent, progressive and integrated nature of the new upgraded HR system, which is different from the old paper-based method of recruitment:

> *There was a time when people were using the USSD code, similar to how one would use it to buy airtime. In the old days, the candidate would send the USSD code linked to the job they wanted to apply for. The applicant will be prompted to capture the ID number and, after capturing the ID number, will be expected to answer a couple of questions. When the candidate meets the minimum requirements, they will be invited to write a psychometric test. The new system is faster, transparent and integrated so that an HR employee can see every stage of the recruitment process. The opportunity to change from paper-based to digital recruitment was due to the digitalisation process; otherwise, we would still be backwards (Participant YY).*

The opportunity for the HR department to transition from traditional to simplified, transparent and integrated HR processes occurred after the bank introduced new technology. Participant XX had the following to add on HR processes, providing a single view of all HR sections.

> *When we went digital, everything changed; we moved into the new system that does most of the work for us. Nowadays, everything is linked to one system, So, a link would be sent out to the candidates who need to complete the assessments online. When they are successful with the assessments, they go through a video interview as well, and then*

the manager will view the video interview and see if that candidate is the right fit (Participant XX).

Although the system does some work, human intervention is still needed. Once the system has completed all the screening, CVs, and assessment results, it will be moved to the next phase. So, the system does not do every single thing. Participant QQ elucidated on how SuccessFactors, as a system, entailed that the recruiters had to go into the system and view the CV to confirm if the candidates were meeting all the criteria. Once the recruiter is satisfied that the candidate ticks all the boxes, the application is moved into the assessment folder, where the system automatically generates the assessments to be sent to the candidates.

The SuccessFactors simplified our work; however, there are disadvantages as we do not meet the candidate face-to-face during the interview. The challenge is that after everything has been done, when meeting the candidate, they do not match the look and feel of the bank. The only opportunity to see the candidate is during a video interview (Participant QQ).

6.7.1.2 Type of Learning and Development

The type of learning and development is a second sub-property, which has the dimensions of digital and non-digital channels and processes of training and development. The need for trained human capital was key to supporting the process of identifying opportunities for digitalisation. For a long time, learning and development facilitators used non-digital channels and processes to conduct training, which was predominantly face-to-face. At this South African bank, it was traditional for training to start immediately after the appointment. All recruits from different provinces had to fly to the head office to attend training, which used to take three weeks. Although the technological devices were used during the training, everyone attending the training had to be in the same venue.

Training probably starts on the first or second day of employment. I think we have one of the best curricula. The overall training course took about six months, and after that, he/she can get sign-off. It was face-to-face training of staff from different parts of the country (Participant II).

Participant II mentioned that the training continues up to six months after the recruits get signed off. The manager had to monitor progress and identify all the gaps through continuous observation. When needed, the manager must have one-on-one meetings and coaching sessions with struggling employees.

Managers had to keep checking to be aware when the team encountered challenges. When there were challenges, the leader had to identify gaps, do coaching to bridge those gaps instantly, and then observe again to check progress. Lastly, confirm whether the gap is closed to ensure everyone is on the same page (Participant II).

Participant YY said the learning and development team started doing things differently after 2020. Firstly, they had to cancel all already booked workshops, training, flight tickets, and the venue, as people would not be able to attend even though the learning and development department was already transitioning to digitalisation. COVID-19 accelerated the process as they had no alternatives but to find innovative ways to use technology to continue training even during COVID-19.

> *We had to find creative ways to digitize learning content or workshops. We had to devise innovative ways to use technology to train people. The learning and development team took a different approach by conducting training through Zoom. At first, the team had challenges as they were used to face-to-face training. The more the team used Zoom, the more proficient they became at using the system as they could navigate and learn more features, which assisted in presenting their training, but at a later stage, the bank introduced Microsoft Teams. We were using technology to facilitate our workshops online on Zoom before moving to Microsoft Teams. So, we had to learn how to use Zoom for some time, as it was new. There were whiteboards that one could use. The facilitator could do breakaway rooms and simulate the real-life environment (Participant YY).*

Previously, Wednesday meetings were dedicated to training. Participant CC reported that the learning and development team would email pre-work documents to branches for discussion or training on Wednesday. Each branch used to have its meetings, and the branch manager would conduct the training. Nowadays, when the learning and development team needs to train staff, everyone who needs to attend must join a meeting via Microsoft Teams to ensure that everyone in the organisation gets the same message; there is no room for misinterpretation.

> *Digitalisation has improved and changed the way this bank does business. The learning process is continuously challenged as we are expected to learn, do better, and do things differently. The business introduced SuccessFactors, the system used for all HR-related queries (Participant A).*

Since the bank introduced SuccessFactors, there has been an improvement in how the learning and development team delivers training. Participant EE stated the team had to access e-learning on SuccessFactors. Everyone needed to go through e-learning to understand the topics discussed during the team learning session fully. Each e-learning module gives details on the new products that will be introduced. E-learning is an electronic learning session that provides more information about the implementation process.

6.8 CUSTOMERS INFORMED DIGITAL CHANGE

The seventh broad category of activities on factors that influenced the process of identifying opportunities related to digital change informed customers. Thus, customers were critical in shaping the type of change necessary to progress digitalisation. The property of this broad category of activities

hinges on the South African bank's engagement with customers by keeping an ear to the ground to understand the client's real concerns. Managers' involvement and technological advancement helped to identify opportunities. Table 6.7 below presents the broad activities of customer-informed digital change, the property of Keeping an ear on the ground and its dimensions.

Table 6.7 Keeping an ear on the ground helped the bank meet the clients' needs

Customers informed digital change			
Property	**Sub-property**	**Dimension**	
Keeping an ear on the ground helped the bank meet the clients' needs	Managers' involvement and technology advancement helped to identify opportunities	Reviewing clients' complaints to improve the banks' products and services	Maintaining the status quo

Source: Researchers' construction

6.8.1 Keeping an ear to the ground helped the bank meet the clients' needs

Branch managers listened to employees who were interacting with the client day in and day out in a branch environment. Participant KK stated that identifying the clients' needs was the first step; when staff were engaging with clients, they had to understand the need behind the product and why the client needed it. Understanding the clients' real needs helped the bank identify existing product gaps, improve existing products, and design the product to meet the client's needs. Participant OO gave an example of a client who understood how to utilise the banking app and was very excited and suggested more features that could be added to the product. The finished product was taken back to the client to show the final product. Participant OO revealed how excited a client was, realising the bank listened and applied their suggestions to innovate and improve products and services.

> *Involving clients was a benefit on our side because it helped us to improve the clients' banking experience. On the operations side, our numbers increased as we got more clients from other banks. Our clients continued pointing out things they wanted us to add and why we needed those features. We pride ourselves on innovation, listening to our clients, and ensuring we give them what they ask. Clients helped us build the remote banking app, and we kept updating it as needed until it became what it is today, making digital transactions flawless and our clients' lives easy (Participant OO).*

6.8.1.1 Managers' involvement and technology advancement helped to identify opportunities

Managers' involvement and technological advancement helped identify opportunities. The branch manager had to select a few clients randomly before they left the branch to find out about the service. Participant LL explained that the aim was to understand whether the clients received everything they needed. All new clients had to meet the branch manager, which made clients feel important and valued. The manager would ask them about the service and their experience to identify areas for improvement.

When the client receives good service, the manager will dig deep to understand what was good about the service and share good practices with the team. Participant BB reflected on how intentionally branch managers were in getting feedback from participants, which was key for improvements informed by the client.

> *What was very interesting, and I do not think it has been done in other banks, was that line managers in our bank's operations were required to work in branches on the floor, serving clients at least one day a month. It gives a real sense of the real-life experiences of what is happening in branches and what employees are experiencing. Based on all information collected through employee feedback and managers assisting on the floor, identifying client challenges and growth opportunities were some of the factors that influenced our need to go digital. We engaged with clients who reverted to understand the reasons that led to them leaving the bank. Feedback from clients who no longer use this bank helped us understand what made these clients change banks (Participant BB).*

The branch managers were also engaged in reviewing clients' complaints to improve the bank's products and services. Participant EE stated that the bank had to consider the complaint of clients working in the mining sector who spend most of their day underground and have no time to transact with the bank. The pursuit of a solution to ensure that clients from the mining sector could do their banking even after the bank was closed was based on feedback and the expression of dissatisfaction from clients, as reported by Participant EE.

> *There are different sectors in South Africa; some of our clients working in the mining sector spend most of their day underground. The branches predominantly trade from 8 to 5. We closed before they got to a physical brick-and-mortar building. So, there was an uproar as those clients did not enjoy the benefits of using the bank because they could not get to the branch on time. The bank had to create convenience for all its clients around simplicity and client service. We realised we had to move into a digital space where clients can transact and do things in their own time and space, not restricted to working hours. It resulted in substantial growth within the bank because we would onboard clients at any time, even at midnight. It automatically extended our operating hours. By moving into a virtual space, we could rope in many partners where we could sell and get other products for our clients. People transact in a virtual space where they buy via Take a Lot or buy a Lotto on the app (Participant EE).*

6.9 OPPORTUNITY TO REVIEW THE STRATEGIC RELEVANCE OF SUPPLIERS

The eighth broad category of activities on factors that influenced the process of identifying opportunities related to the opportunity to review the strategic relevance of suppliers. The role of the supplier in the digitalisation process was a key property in shaping the opportunity for a continued or new supplier relationship based on relevance and enhancement. As the bank transitioned to digitalisation, there were some suppliers who emerged to enhance the shift from paper and cash-based to paperless and enhanced digital operations and customer service by the bank. Some services and products (e.g. paper) that the digital non-compliant suppliers were rendering were no longer relevant or were less required. The bank identified opportunities for initiating and developing new relevant supplier relationships to assist the

bank in accomplishing its digitalisation objectives of delivering products on digital channels. Table 6.8 presents the property, sub-property and dimensions of the nature of strategic relevance of broad activity.

Table 6.8 Nature of Strategic Relevance

Opportunity to review the strategic relevance of suppliers			
Property	**Subproperty**	**Dimensions**	**Property**
Nature of the strategic relevance of the supplier	Role of the supplier in digitalisation	Supplier relevant and enhancing digitalisation	Supplier relevant and enhancing digitalisation

Source: Researcher's construction

6.9.1 Nature of strategic relevance

The sub-property of the role of the supplier in the process of digitalisation was manifest in the dimension of how a supplier was relevant and enhancing digitalisation processes and activities. The bank had to review the strategic relevance of suppliers, as some suppliers played a vital role in the bank's functioning. Previously, the bank could not function without paper, which played a critical role in enabling the bank to print contracts and other needed documents in the branch. The opportunity to reduce operational costs was also key in the review and change of some suppliers to progress digitalisation. Participant DD reported on the strategic relevance of paper suppliers as the bank had to buy boxes of paper from the suppliers, and each loan contract, bank account opening, addition of mobile banking and app access documents for a client consisted of many pages, which was costly.

> *The client would spend a lot of time in the bank, signing documents for account opening, adding mobile banking, and granting access to the app. Sometimes, that same client was also looking for credit. So, when looking at those aspects, contracts must be printed and signed for all four offerings. I think one thing I have failed to mention is that the signing process would be both the consultant and the client, and each product has a number of pages that need to be signed (Participant DD).*

The branch had to keep signed client contracts for at least five years after that, which could be destroyed, meaning the bank had to pay for extra space to keep contracts, as branches do not have enough storage space. Participant GG focused on how operational costs were reduced by digitalisation through the removal of expenses related to paper and storage, which had a negative impact on the companies supplying the bank with storage boxes and paper.

> *I think the bank is saving millions of rands, and the branch is benefiting as they are no longer buying stacks of paper to keep in the branch for printing, and also, there was no need to move boxes to the storage every month. I know the advantages of keeping the contract because I joined the bank long ago. Previously, we saw that the numbers did*

> *not look healthy. We would go through those old contracts packed in boxes, start with the old ones, and phone those clients to take the products. For example, we knew it could be paid in full when an old client came in for a loan or transaction a couple of years or months ago. We would give those clients a courtesy call to come in. We no longer keep boxes in the branch, but it is good that we do not have them because many good things have come out of biometrics (Participant GG).*

The bank introduced biometrics, which helped employees and clients save time when signing contracts, as there was no need to print, fetch the contract from the printer, and check if all pages were signed correctly. Biometrics prompts the new clients to enrol??? their fingers when using it for the first time. The use of biometrics resulted in a reduction in the amount of paper needed in the branch.

> *We have gone paperless; our contracts are signed with fingerprints and stored electronically. So, back-office space is no longer required to store paper and contracts (Participant PP).*

Notably, using e-signatures allowed the bank to store all contracts in the cloud without needing to print contracts. Less paper was needed as a result of digitizalization in the South African bank. Signing these documents was time-consuming as the client had to read, sign, and initial each page. Participant DD echoed how biometrics reduced the time spent by the client in the branch signing and initialing each contract page for the products taken. There was no risk of skipping pages while signing.

> *We were the first bank to introduce biometrics, which was part of the paperless strategy of the bank. To reach that milestone as an organisation that is going paperless, we had to ensure that we met the necessary legislation or approvals. So, to ensure that it is legal, the client is approved to sign through biometric means via their fingerprints (Participant DD).*

6.10 THE IMPACT OF OPERATING DIGITALISATION STRATEGY ON DIFFERENT STAKEHOLDERS

The third research question in this substantive grounded theory study focused on how operating a digitalisation strategy in the South African bank impacted the internal and external stakeholders. With this research question in mind, the ninth broad category of activities related to the impact of digitalisation strategy on different stakeholders has three properties, including (i) the type of impact of operating digital technologies on internal clients, (ii) the impact of operating digital technologies on customers, and (iii) operational efficiency and revenue generation arising from operating the digitalisation strategy in the South African bank. It shows that the impact of operating the digitalisation strategy was both internal and external, opening up opportunities for employees with IT skills. Table 6.9 below presents the impact of digitalisation on different stakeholders as a broad category with three properties.

Table 6.9 The impact of operating digitalisation strategy on different stakeholders

Category of broad activity: The impact of operating digitalisation strategy on different stakeholders			
Property	**Sub-property**	**Dimensions**	**Property**
The impact of operating digital technologies on internal clients	Uncertainty exhibited by employees fear of losing jobs	Opened opportunities for IT employees	Closed opportunities for Cashiers and brand ambassadors
	Simplifying work for leaders and increasing efficiency.	Style of being more in touch with their teams	Detached style of leading teams
The impact of operating digital technologies on customer	Customer exposure to cybercrimes	Customers were losing money	Enhance clients protection
	Increasing usage of smartphones	24/7 service	.8-5 service without smartphones
	Handling of customer complaints	Easy and speedy rating of handling complaints	Difficult, delay rating of handling complaints
Operational efficiency and revenue generation arising from operating the digitalisation strategy	Changing demand for cash in branch	Less fees for cash-intransit activities due to digitalisation	More fees for cash-intransit activities due to lack of digitalisation
		Reduced cash-in transit trips to and from the branch to replenish ATM	More cash-in transit trips to and from the branch to replenish ATM
	Diverse digital revenue streams	Digital revenue from non-banking (e.g., licensing, lotto, electricity)	Digital-related banking services

Source: Researcher's construction

6.10.1 The impact of operating digital technologies on internal clients

The first property labelled the type of impact of operating digital technologies on internal clients focuses on the opening of opportunities for IT employees, and the leadership style of being more in touch and spending time with their teams. In operating the South African bank using digitalisation as a strategy, digital technologies were useful to reduce traffic at branches, as clients had the option to transact independently. While technologies reduced pressure on employees, they also created new pressure to meet targets. The first sub-property hinges on the uncertainty exhibited by employees' fear of losing their jobs. The second sub-property is related to simplifying work for leaders to increase efficiency and team performance. Table 6.10 presents the type of impact of digital technologies on internal clients when operating digitalisation strategy in the South African bank.

Table 6.10 The impact of operating digital technologies on internal clients

The impact of digitalisation on different stakeholders			
Property	**Sub-property**	**Dimensions**	
The impact of operating digital technologies on internal clients	Uncertainty exhibited by employees' fear of losing their jobs	Many clients visiting the branch	Few clients visiting the branch
		Open opportunities for IT employees	Close opportunities for Cashiers and brand ambassadors
		Positive impact	Negative impact
	Simplifying work for leaders to increase efficiency.	Style of being more in touch with their teams	Detached style of leading teams
		Enabling more time for leading teams	Less time for leading teams

Source: Researcher's construction

6.10.1.1 Uncertainty exhibited by employee fear of losing jobs

The first sub-property hinges on the uncertainty exhibited by employees' fear of losing their jobs. As the bank offered digital technology as an innovative way to get new clients, most of the existing clients were no longer visiting the branch. This created uncertainty among employees as there was fear that they might lose their jobs. As the bank transitioned to digitalisation, some roles, such as cashiers, brand ambassadors, account managers, and team leaders, became obsolete. However, digitalisation opened up opportunities for IT employees, Bank Better Champions, and call centre agents to assist clients transacting on digital channels when they encounter problems.

With digitalisation, some employees were worried, thinking they would lose their jobs or get retrenched. Participant KK confirmed that retrenchments were not an option for the South African bank as departments require new skills.

> *As the bank implemented the digitalisation strategy, employees interpreted it as something introduced to replace them, thinking they might not be needed. The bank opened up opportunities to those who wanted to study. Employees were given bursaries to study new skills relevant to the future. So, digitalisation also created more opportunities for employees. No one was retrenched, instead more people joined the bank to take up new jobs (Participant BB).*

Previously, moving from one department to another was a difficult and complex process, but digitalisation has opened employee opportunities to move to other departments. The bank also offered bursaries to employees who were qualified. This was reiterated in an interview with Participant II.

> *I had a succession plan to become a regional manager. However, I was required to have tertiary qualifications to be a regional manager. I applied for a bursary and admission to a tertiary institution. I was accepted. The bank gave me a bursary. I completed my degree, and then opportunities came, and here I am now (Participant II).*

In a similar vein, Participant AA was explicit that digitalisation opened up opportunities for employees to invest in upskilling themselves and grow within the bank to assist with the responsibilities needing specialised skills to continue driving the digitalisation initiative.

> *So, in terms of employment, there was no initial risk of people losing their jobs due to digitalisation, although branches do not see as many clients as they used to. Digitalisation has created new ways of doing things, such as applications submitted by clients on digital platforms. When they get rejected by the system for whatever reason, they get sent to branches to address the issue and send the application back to process until it reaches the final stage. This process requires human intervention, which shows that human intervention is always needed. Many of our clients are not proficient in transacting digitally, and it will take time to educate and migrate them totally to the digital platform (Participant AA).*

Pairing the human element and digital part helped to drive digitalisation by teaching clients how to transact on digital platforms effectively to their best benefit. Participant LL stated that the efforts of the South African bank to implement the digitalisation strategy did not yield an exclusively digital approach, but rather a combination of human intervention typified by strong face-to-face client engagement and digital technologies for digital transactions and operational efficiency.

> *As a bank, we have adopted a 'digical' approach, which is a mixture of digital and physical elements of providing services to different clients, as they do not have the same needs and challenges. It is the best strategy, as there is still space for those who want a personal touch. While banks' technologies prioritize those who want to interact using digital, it is also careful to reinforce the human touch for those who are happier interacting with other human beings. Yes, some prefer efficiency and things delivered digitally. We cannot choose one and leave the other clients. The challenge is in integrating the two, which is not straightforward (Participant LL).*

6.10.1.2 Simplifying work for leaders to increase efficiency

The second sub-property of the impact of digital technologies on internal clients was about simplifying work for leaders to increase efficiency and team performance. Digital technology has simplified and made leaders' work in terms of team support, monitoring and improving service provision easy. Previously, leaders in the bank spent most of their time in different places and on the road. Leaders were

less in touch with their branches as they visited different branches or regions to understand what was happening. It was time-consuming and costly. Even during branch visits, leaders would not have enough time to spend with the staff, as they would be busy serving clients. Participants illuminated how digitalisation made the work of leaders in the bank simple.

> *Digitalisation made work simple for us as leaders; we can clearly understand what is needed in each branch without being there physically. When we get to our teams, we can spend time with our people, provide better service, and be available to them. Digitalisation helped us to direct our energy where it is needed instead of being directed by a plan only (Participant TT).*

Participant PP revealed that digitalisation made it easier for managers to lead their people. Managers could generate a report showing what happens in each manager's space. Managers use data to make decisions to analyse reports, get pointers that guide them in which areas need improvement, and also understand what actions yielded the required results. It becomes easier to determine whether people are doing the right things. It allowed the managers to give support where needed. They can also identify possible challenges beforehand, which promotes growth instead of dealing with problems that could be avoided.

> *Digitalisation has simplified our lives. Even how we receive our reporting now is simple; our emails are not flooded with reports every morning. We have a portal where we can go and view all the reports, which are updated centrally daily. All authorized users can select the report they are interested in at any time (Participant PP).*

6.10.2 Impact of operating digital technologies on customers

The third property related to how operating digital technologies impacted clients, benefited them, and the challenges they faced. There are three sub-properties which depict how digital technologies improve customers' experience, increasing the usage of smartphones and the handling of customer complaints. Many clients transacted on digital platforms, which led to an increase in the use of cell phone banking. Table 6.11 below presents four sub-properties and dimensions of the impact of digital technologies on customers.

Table 6.11 Impact of operating digital technologies on customer

Impact of digitalisation on different stakeholders			
Property	**Sub-property**	**Dimensions**	
Impact of operating digital	Digital strategy improving customer experience	Convenience for clients	Inconvenience for clients

technologies on the customer	Increasing usage of smartphones	24/7 service	8 to 5 service without smartphones
	Handling of customer complaints	Straightforward and speedy rating of handling complaints	Difficult, delayed rating of handling complaints

Source: Researcher's construction

6.10.2.1 Impact of operating digital strategy on improving customers' experience

With the impact of operating a digital strategy on improving customers' experiences in mind, the first sub-property depicts how operating a digital strategy improves customer experience. Operating the digitalisation strategy invoked questions among top executives about how increasing the distribution network of over 850 branches was not adequate. As such, operating a digitalisation strategy was about enhancing customer experience by putting the bank in the client's pocket through remote banking. Participant HH reflected the magnitude of change and the nature of the impact of remote banking, which made banking simple, accessible 24/7, and more convenient through transactions done on smartphones.

> *When we started using digital technologies, our clients enjoyed using remote banking. Most of our clients are not technologically savvy but cannot live without their banking app because of the convenience of doing their banking on their own time at the tip of their fingers. Remote banking makes it easier for clients to transfer money to their loved ones or make any transaction. So, operating the digitization strategy has impacted them positively because they do not always have to spend money to come to the bank to get things done (Participant TT).*

In operating the digitalisation strategy, digital solutions benefited the urban customers more than those in rural areas, where there was a variety of challenges, and most people are not tech-savvy. Some rural communities are still disadvantaged as they do not have total exposure to technology and its current evolution. Digitalisation's full impact was not fully realised, as not all communities enjoyed the benefits. There were instances when some clients did not have the money or the means to get the devices to download the app, and those people did not experience the benefits of using remote banking like other clients in urban areas. Participant QQ stated that most clients in those areas use mobile banking, which has limited functionalities in terms of what the client can do; as such, they are missing out on the full benefit of the digital approach to banking pursued by the South African bank.

> *I believe digitalisation initially impacted clients negatively because it was a change they were not expecting or used to. Our clients were largely reliant on service consultants assisting them with their banking. So, initially, it was a challenging concept for clients to understand: why do they need to transact using the banking app? Why do they need to do their banking on their cell phones? We explained "why" and went through the steps, showing them how easily and positively it can impact their lives; the sentiments changed. We saw that our clients were actually happy to be assisted on the app because when they come to the bank, they are not asking to get to a service*

consultant anymore. They asked a service consultant to show them how to do it on the app so they do not have to come into the branch for a simple transaction next time (Participant QQ).

The impact of operating the digitalisation strategy was also evident in terms of the costs of transacting on digital platforms, which are less expensive. Nonetheless, transacting digitally also had negative impacts on clients, reiterated in terms of cybersecurity exposure. When operating in a digitalisation strategy, some clients faced the challenge of their bank accounts being hacked and defrauded in a digital space. Furthermore, some clients were victims of phishing, smishing, and vishing. Clients received messages that drove them to reveal personal information, such as pins and passwords. The other challenge clients face when transacting, especially elderly clients, is that as they grow older, their eyesight becomes impaired. They struggled to put their personal identification numbers. Participant BB recalled how some clients were defrauded and suffered a loss of money from their bank accounts as the bank operated the digitalisation strategy.

I could also mention fraud because new technology opened gaps, and fraudsters exploit it. Our clients were still adapting to this new technology, and they were tricked by fraudsters who found ways to trick them into creating their usernames and passwords through various methods like cyber-attacks, telephonic texts, or even in person. Fraudsters were stealing money from these clients (Participant BB).

As the number of clients who were victims of fraud and card skimming increased, the number of client complaints also increased and posed a reputational risk to the bank, which came about due to digitalisation. In some instances of fraud, clients believed that branch staff leaked their information to fraudsters. Managers had to deal with each case of fraud separately to understand the cause of the loss of money by clients of the bank. The bank was not obligated to reimburse the client's money when the loss was due to the clients' negligence. To reduce the negative impact of fraud on clients, the bank was trying to enhance the security measures of its operations using the digitalisation strategy. As the South African bank operated the digitalisation, there was pressure to invest more in educating clients about protecting themselves against fraud.

6.10.2.2 Increasing the usage of smartphones

The second sub-property regarding the impact of operating the digitalisation strategy focused on the increased usage of mobile phones to transition to digital platforms of the bank and making purchases using electronic payments. Participant BB mentioned that operating the digitalisation strategy was about mobile banking being accessible on mobile phones to interact with the bank anywhere and at any time.

The locking of SIM cards to one network accelerated and encouraged migration from the older network infrastructure of 2G to 3 G and a newer version called 4G to 5G. The phones were in the hands of more South Africans, making it possible for banks to also participate in digitalisation (Participant BB).

In operating the digitalisation strategy in the South African bank, mobile banking was accessible through mobile devices, giving more clients access than Internet banking. In reflecting on the impact of digitalisation on clients, Participant LL stated that the use of mobile phones by clients increased as more accessible products were available and that these could be performed directly on their phones without visiting the branch.

> *Initially, clients would get an SMS whenever money was received, or a payment was made from the account. Mobile banking was further improved; clients could buy airtime and perform other transactions when they needed airtime on their phone, and later, we introduced the digital banking app* (*Participant HH).*

The power of digital communication channels used by the bank is also another area in which the bank has an impact on clients. Participant QQ had this to say regarding the impact of the powerful digital channels as part of executing the digitalisation strategy in the South African bank. The impact of the use of various forms of digital communication by the bank was to improve service quality, security, and empower clients in terms of financial literacy.

> *The bank embraced the use of WhatsApp chat for client care, interacting with its customers, meeting them where they are most comfortable and providing efficient, personalised support. Very important security tips to clients, tips on how to manage finances better, were communicated easily to clients using WhatsApp. We were using social media as well to communicate with clients broadly. This was our way of enhancing financial literacy and empowerment, but also security alertness. We wanted to be a reliable digital and financial partner on the clients' financial journeys (Participant QQ).*

Participant BB had the following to add regarding the variety of digital communication channels used by the bank and the growing need to communicate with clients and enhance familiarity with changes in products, and security tips arising from operating with digital technologies.

> *Digitalisation opened up many communication channels for use, which was good as our clients were kept abreast of changes in the bank, products, and also received timely security tips. We also received feedback from social media from engagement with our clients in the branches through other complaints and feedback platforms. Reviewed comments on social media and acted on comments from clients (Participant BB).*

6.10.2.3 Handling of customer complaints

The last sub-property regarding the impact of operating digitalisation focused on the proliferation, variety of fraud-related issues and handling of customer complaints. Clients were positively impacted by the way regional managers and branch managers were active in hearing complaints and trying to address them as quickly as possible in an interactive and consultative manner. In the early days of

digitalisation, the bank engaged in a campaign of persuading all clients using the bank as a secondary to switch their salaries from other banks to this South African bank. The bank would use a digital tool to analyse the collected data to identify the most common trends that caused some of the clients to decline and prefer not to move from their banks to bridge that gap. Gradually, the bank was becoming more concerned with client problems and using technology not only to identify problems but also to address some of them. The Regional Manager and branch managers adopted a straightforward, interactive, consultative and speedy rating of handling complaints. Participant KK reflected on how the bank used to identify, probe and address client problems in the South African bank.

> *The bank had a system that picked clients randomly and sent an SMS asking them to rate the service received. The rate was between one and three. One means the service was excellent, and three means the service was poor. When the client rates the service as poor, the client will receive a second SMS apologizing for the poor service asking the client to elaborate on the issue. The client had to provide details about what the client did not like about the service. The client's response would be sent to the regional manager. The branch manager and the regional manager would meet to attend to each complaint and understand what the clients are complaining about and what actually kept them attached to their banks. Once the root cause of the complaints was identified, they had to provide feedback to the client and deal with the root cause. When the client visited the branch and did not get the best service from the consultant, the manager would try to understand what transpired from the consultant's perspective and contact the client (Participant KK).*

In terms of roles, responsibility and the proactive approach to handling complaints when operating the digitalisation strategy, Participant BB reflected on what the complaints department was doing in dealing with complaints. Commonly, complaint handling involved the regional manager and the branch mindful that it was the Regional Manager's responsibility to contact the client to understand the real problem and investigate the reason the branch did not solve the client's problem, identify things that they can do differently moving forward, and also understand if there are any gaps and how the business can close those gaps. Digitalisation promoted a more collective, interactive and simple approach to dealing with client problems in a cohesive manner with clear roles and the necessity of follow-ups. Participant NN elaborated on the strategic importance of a proactive approach to using the activities of handling complaints not only to ensure service quality and recovery, but also to identify long-term needs of clients to be more competitive as a bank.

> *The regional manager and a branch manager would discuss the root cause of the complaint with the branch manager. The regional manager had to check whether the client complained about the bank, the product, the branch, the individual service consultant, or service delivery. After that, the regional manager would contact the client for more details on the real problem and decide the best solution to address the complaint. When there is a need for service recovery, they would invite the client to the branch to satisfy the client's needs. The main goal was to end up with a satisfied client, which is really positive for both the client and the bank. The bank had to find ways to*

ensure that it was not left behind regarding innovation, and some innovations came about from conversations with dissatisfied employees. They challenge the status quo and do things differently. It also helped the bank look at the future and identify the client's needs for the next 5-10 years. The bank planned for what the future client would need five years ahead. Bringing a new approach to the market also helped the bank identify opportunities for digitalisation. This was possible because managers were no longer focusing on fixing the negative effects of system failure but rather enhancing service quality to clients (Participant BB).

In operating the digitalisation strategy, the bank was engaging internal players such as consultants and branch managers, and external clients in consultative conversations for identifying the negative impacts but also opportunities for digitalisation that led to the bank's success.

6.10.3 Operational efficiency and revenue generation

Operating the digitalisation strategy impacted internal stakeholders as well. The last property of operational efficiency and revenue generation reflected how operating in the digitalisation strategy was beyond efficiencies in IT and involved several functions. The first sub-property of operational efficiency and revenue generation hinges on changing demand for cash in branches, while the second one relates to the diverse digital revenue streams that emerged due to digitalisation and had an impact on the bank, employees, and clients in various ways. The use of digital technologies such as electronic payments in retail shops, and Dual Note Recycler reduced the demand for cash. Table 6.12 presents the properties of operational efficiency and generation of revenue, which reflect the impact of digitalisation.

Table 6.12 Operational efficiency and revenue generation

Impact of digitalisation on different stakeholders			
Property	**Sub-property**	**Dimensions**	
Operational efficiency and revenue generation	Changing demand for cash in branches	Lower fees for cashin-transit activities due to digitalisation	More fees for cash-in-transit activities due to a lack of digitalisation
		Reduced cash-in-transit trips to and from the branch to replenish the ATM	More cash-in-transit trips to and from the branch to replenish the ATM
	Diverse digital revenue streams	Digital-related banking services	Digital revenue from nonbanking services

Source: Researchers' construction

6.10.3.1 Changing demand for cash in branches

Operating the digitalisation strategy by the South African bank impacted the need for cash by clients and the dwindling need for cash-in-transit services by the branches. With the emphasis on activities of operational efficiency and revenue generation, the sub-property of changing demand for cash was

evident, with implications on security costs regarding cash-in-transit services to the bank. Participant TT, who has not used the card to withdraw any money in the past year, believed there is less demand for cash by clients and the bank as well. Cash-in-transit companies needed to diversify their services to remain relevant as the number of clients transacting digitally with the bank was increasing, affecting the need for cash. Previously, cash in transit used to take a long time before replenishing ATMs. The bank had to find other solutions to resolve this operational challenge affecting the accessibility of service due to a lack of cash. In executing the digitalisation strategy in the bank, DNRs were introduced to allow clients to deposit and also withdraw cash. Although DNRs decreased the demand for cash-intransit services, Participant MM expressed a different opinion, saying that although clients used DNR for deposits and cash withdrawals, the bank still needs cash-in-transit services for specific reasons besides withdrawal and deposits.

> *We still needed cash in transit even though we have adopted a digital approach to banking. In some instances, the cash deposited by clients is not clean. The bank needs to take it to the Reserve Bank. Sometimes, cash clients cannot deposit their cash anymore as the DNR rejects it. The deposited cash will always need to be recycled, so we will always need the cash in transit, but not as much as when we did not operate the digitalisation strategy (Participant MM).*

It is noteworthy that operating the digitalisation strategy in the South African bank was not just about encouraging customers to move away from cash transactions to cashless digital banking. It also entailed the bank dealing with a massive demand for cash in rural areas to service client needs. Operating the digitalisation strategy of the bank entails being holistic and mindful of the exclusionary impact of the digital approach, specifically in rural areas where people do not have great cell phone connectivity and some are unwilling and scared to transact digitally. Participant AA elaborated that moving these rural clients from using cash to a cashless digital approach will take some time, as people need cash for things like taxi fares for kids when going to school, or for buying groceries from a spaza shop.

> *Digitalisation will not negatively affect cash in transit in the short term, especially in the rural areas. Cash is needed in the rural areas for taxi fares and groceries. There is still such a demand for cash on our devices, especially at the end of the month, even though we have the Dual Note Recyclers recycling cash. Although some clients are depositing cash, our DNR still runs out of cash, which shows that cash is still largely king. As a strategy to try to discourage people from using cash, the bank increased cash deposit and withdrawal fees, but it is punitive to those experiencing barriers to transact digitally (Participant AA).*

As the bank was executing a digitalisation strategy with a digital approach, it negatively impacted cash in transit by reducing the number of trips to ATM cash replenishment in certain areas where clients were predominantly transacting digitally. Participant DD mentioned that implementing a digitalisation

strategy did not impact the demand for cash-in-transit services in all areas in the same way, such that there was a need for a selective and case-by-case approach.

> *There were some urban areas where cash was used by not as much as before the digitalisation strategy. This means that cash in transit would actually run at a loss in areas where clients mostly conduct transfers or largely conduct all their banking services on the banking app. As few withdrawals are happening in those ATMs, there is cash lying there that does not generate any interest. There were fewer trips for cashin-transit companies to go out and load those ATMs (Participant DD).*

6.10.3.2 Diverse digital revenue streams

Identifying and reinforcing diverse digital revenue streams for the bank was a key part of executing the digitalisation strategy in South Africa. The sub-property of diverse revenue streams related to how digitalisation facilitated the provision and client access to a variety of digital, non-digital, banking and non-banking services. This sub-property had the dimensions illuminating the variety and number of services which the bank introduced, related to banking but also non-banking services through partnership to add value to clients. The bank also considered getting clients to use the bank as their primary banking and had to provide more support for primary banking clients. Participant JJ talked about the diversification in revenue sources within the banking products by increasing the range of offerings to clients, which helped the bank survive challenging times.

> *The economy over the years has taught us that change is just within the blink of an eye. So, it would be best to have multiple income streams. So, the bank is continuously introducing new products. In terms of product range, we introduced insurance and funeral cover, to be precise, and recently business banking, which is another offer to global businesses (Participant JJ).*

Participant JJ said that increasing the number of products and services positively impacted the bank's bottom line and market share. At first, clients wanted SMS updates, as it helped them to know when their salaries were deposited. Most clients wanted mobile banking as it enabled them to check balances at any time, which was new for them as they were used to checking balances at the ATM or the consultant's workstation. Participant OO had the following to say:

> *When we first introduced 'notify me, ' it was fairly in its infant years when I joined the bank. So, a simple thing, such as an SMS update on the account, was not there yet. I remember we would struggle to get clients to the bank with us because that is one thing. They would always complain about how they would monitor the money in their accounts if they did not get SMSs (Participant OO).*

Participant FF mentioned that the bank was not only focusing on generating revenue from banking products but also on nonbanking products through effective, productive and legally sound partnership arrangements.

> *Currently, clients can use remote banking to buy vouchers, Airtime, electricity, Insurance, and so many things. A client can buy vouchers for their friends as a birthday gift or for lunch. One client can transfer a voucher; the other client can produce a voucher and get lunch (Participant FF).*

The digitalisation strategy not only affected the clients' accessibility to diverse products and services via digital but also impacted the purchase behaviours. Participant JJ reflected on how the digital approach to banking impacted the clients' purchase behaviours and gradually shifted the view of some clients away from cash transactions to digital transactions.

> *Clients can access almost all products on digital platforms, such as buying prepaid airtime and electricity, playing the lotto, buying vouchers, renewing licenses, and sending cash, and clients can do SARS e-filing. Cash is no longer necessary for me as you became a target for petty thieves (Participant JJ).*

6.11 CHAPTER SUMMARY

The chapter has presented results on two research objectives of this study. The first part has focused on factors that influenced how the bank identified opportunities for digitalisation of banking products and services in the South African bank. The findings are explicit that the bank engaged in eight broad categories of activities, which influenced how the bank identified opportunities for digitalisation in the South African bank. These activities are the (1) restructuring for efficiencies and remote operations; (2) the urgency and efforts to reduce long queues inside and outside branches; (3) system instability due to large volumes of transactions which had negative effects on the bank reputation, employee welfare and poor service to clients; (4) informed digital change which relied on insights from employees; (5) cashless security style of operation which revealed opportunities for better and secure digital approach to banking; (6) aligning of human resource for digital activities supported by integrated HR technologies and processes (7); and (8) opportunity to review strategic relevance of suppliers to terminate, renew or start new relationships with suppliers relevant to progress and support digitalisation in various functions of the bank.

The second part of the chapter has presented findings on the impact of operating digitalisation strategy on different stakeholders, namely customers, employees, and suppliers. Digitalisation created new opportunities for employees and others outside the bank with digital skills. It enabled clients with digital literacy to transact digitally from anywhere at any time. More importantly, operating the digitalisation strategy requires provision of employee and client education on fraud, cybersecurity and improving IT security features to enable a secure client experience on digital platforms. At the same time, operating

the digitalisation strategy excluded clients in rural areas with poor network coverage, as well as those not comfortable with new technology, mainly digital immigrants from the full benefits of digital approach to banking. Participants pinpointed challenges of digitalisation strategy, such as employee and client resistance, exposure of the bank and its clients to cyber risks, difficulty of adopting an exclusively digital approach, which would be exclusionary and the exit of some dissatisfied employees. The bank had to put measures in place to emphasize continued strong client engagement with digital immigrants, rural clients, and those with barriers to transacting digitally. Digitalisation created the need to integrate the dual approach of banking characterised by a strong focus on digital-first engagement for those with digital literacy and digital natives on one hand and strong client engagement crucial to retain and grow the market of the digital immigrants and those who chose not to transact digitally with the South African bank on the other. One of the clients aptly summarized the nature and manifestation of digitalisation strategy in the South African bank as a 'digical' approach typified not exclusively by a digital approach but rather a mixture of digital and physical elements which entailed strong face-to-face client engagement sensitive to embrace varied and different clients, including those unable or unwilling to transact digitally. In this study, the findings in Chapter Five reveal activities engaged in by a South African bank to implement digitalisation as a strategy, and Chapter Six focuses on factors that influenced the process of identifying opportunities for digitalisation as a strategy and how the way the bank operated digitalisation strategy impacted the internal and external stakeholders. These two chapters on results provide the building blocks for the substantive grounded theory in this study. The next chapter presents the substantive grounded theory generated in this study of the implementation of digitalisation as a strategy for banking services and products according to the views of senior bank managers in a South African bank.

CHAPTER SEVEN
DIGITAL WAVE OF DRIVING SIMPLIFIED MULTIPLE VALUES OF BANKING SERVICES TO STAKEHOLDERS IN A SOUTH AFRICAN BANK

7.1 INTRODUCTION

The main objective of the study was to develop a substantive grounded theory elaborating on how a South African bank implemented digitalisation as a strategy for banking services and products according to the lived experience of senior managers. Given the results reported in chapter five and six, the current chapter builds on these results to present the developed substantive grounded theory, which is labeled "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank,*" which depict sensitive digital-first engagement as a strategic approach to banking services by a selected South African bank, which also intentionally pronounces strong client engagement to accommodate any clients with unique impediments to transact digitally. The five-stage substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank* is induced from the views of senior managers of the selected bank regarding the implementation of digitalisation as a strategy in their bank, which started in 2008.

This chapter starts by presenting an overview of the developed substantive grounded theory before discussing the constituent elements of the process of driving simplified multiple values of banking to varied stakeholders. This is followed by a presentation of the four interrelated stages and activities of different stakeholders, which relate to how top management and employees were (1) identifying digital enabling opportunities, (2) how the identified opportunities assisted management in enacting multiple values for varied stakeholders and how senior managers in the bank were (3) managing complex digital consequences in VUCA and also (4) transforming key challenges into new forms of value. The chapter elaborates on interactions between these four stages and activities related to change readiness for digital change, communicating change styles, change pathways, and change results to internal and external key stakeholders in the sensitive digital-first engagement as a strategic approach to banking services by a selected bank while not leaving behind any clients with unique difficulties impeding them from transacting digitally. The chapter concludes by presenting the overall consequences of implementing digitalisation as a strategy in the South African bank.

7.2 OVERVIEW OF THE GROUNDED THEORY OF THE DIGITAL WAVE OF DRIVING SIMPLIFIED MULTIPLE VALUES OF BANKING SERVICES TO STAKEHOLDERS

The substantive grounded theory, which is labeled as "*the digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank",* elaborates a five-stage process of digitalisation in a South African bank involving four distinct and interrelated activities of (a) identifying the digital enabling opportunities, (b) enacting multiple values for varied stakeholders, (c) managing with complex digital consequences and (d) transforming key challenges into new forms of values key in the pursuit of digital-first engagement as a strategic and sensitive approach to banking services mindful of the power of strong client engagement to accommodate the unique needs and address the impediments of those clients unable or unwilling to transact digitally. The overall consequence relates to the various activities that manifest the multiple and simplified values enjoyed conveniently and flexibly by multiple stakeholders of the digitally transformed bank and "*digical"* approach to banking being used the South African bank. Driving value in the developed theory means a significant force or influence leading to noticeable change, simplification, and impact, which initially started as a concern for system failure in the operations and IT domain. It eventually became a significant, organisation-wide effort affecting every aspect of the bank (e.g. Risk management, HR functions, IT, marketing, operations, suppliers, Organisational structure and employee roles, modes of client engagement). It is evident in this study that top managers transitioning the bank to digitalisation led to noticeable change, as customers could transact without visiting the bank, something that seemed impossible to many customers decades ago.

In the developed theory, the process is viewed as a planned, gradual, and meticulous wave of digital changes in various activities because of the top executive's energy and commitment, which initially focused on the system failure and the need for the bank to address the operations and IT problems. Ultimately, this initial digital push resulted in ripples of digital changes by employees in other functions, the digital-enabled engagement and empowerment of employees and clients in different parts of the bank, which grew to transform to a digital-first engagement while accommodating other clients still in need of more human touch when transacting with the bank in South Africa. The idea of waves can be applied to any technological, economic, social, or political change. As waves of change move through society or organisations, they bring new ideas and technologies that alter our lives in obvious and subtle ways. The wave metaphor is a powerful tool for understanding the dynamics, scale, and complexity of digital change and resistance, identifying potential tipping points, and how the bank prepared or grappled with the digital change to ultimately realise the overall consequence of simplified multiple values of banking services to varied stakeholders through a sensitive digital-first engagement as a strategic approach to banking services by a selected South African bank.

The process of driving simplified multiple values of banking services to varied stakeholders was not operating in a vacuum. The process was affected by patterns of activities that were key to identify opportunities for digitalisation, opportunity for creating change readiness for digital change, communicating change styles, change pathways, and change results to internal and external key stakeholders to ultimately reinforce digital-first engagement on the one hand and strong client engagement on the other as a dual faced strategic approach to banking services by a selected South African bank.

The initial phase of the process of driving simple multiple values of banking services to varied stakeholders of the South African bank involved top management observing and experiencing the adverse effects of poor system performance, long queues of customers, clients switching to competing banks due to poor service, and distressed employees dealing with unhappy clients whenever the system was down. The dissatisfying circumstances for customers and staff and the reputational damage to the bank were some of the triggers and pointers to the bank's need for system and technology change. The above issues were the tipping points of a critical moment in a complex situation where a slight influence or change produces a sudden and significant effect. It is the point at which an issue, idea, or product gains considerable momentum, often triggered by a factor in a specific context. A wave has a starting point that causes disturbances and ripples, which create transformation as it transfers energy outward. As each particle of a material receives energy in the wave from that initial push, in this example, the digital push, it bumps into the particles next to it, which bump the next ones, and so on, creating change and reconfigurations. With the tipping point in mind, top executives in the South African bank had to identify digital enabling opportunities to address service-related problems and simplify banking operations. Thus, identifying technology-enabling opportunities was the initial stage of the process, which gained momentum and spread like a wave, driving simple multiple values of banking services to various parts of the banking value chain, and affecting stakeholders of the bank in different ways.

The second stage entailed enacting values through activities supporting the sensitive digital-first engagement across the various aspects of the banking value chain. For example, customers enjoyed banking services anytime and anywhere, and employees were able to interact with fewer customers in the queue and engage in cross-functional interaction using more integrated and efficient digital tools. There were opportunities (e.g., digital, IT, and HR up-skilling, partnership within and outside the banking industry) that were pursued to change the business model from a simple to a diversified financial business enabled by digitalisation. Managers in the South African bank had to ensure that they paid attention to the consequences of digitalisation on the bank's different internal and external stakeholders. This reveals the internal and external opportunities to create and deliver value to stakeholders wherever necessary. For example, innovative technologies created value for employees by reducing the time spent on each task, as the bank introduced new products and gained new knowledge,

which made employees more efficient and productive. External stakeholders, such as customers, were no longer expected to be at the branch to be able to transact, and bank fees on digital platforms were more affordable to appeal to a broader market segment. Shareholders, as another stakeholder, benefited as the bank reached more new customers, which increased profitability. More importantly, there was the challenge of not exclusively focusing on value to clients, as enacted with the South African bank digitally, but also those with barriers or who are happy to be assisted by consultants in the branches.

The third stage in the process of driving simplified multiple values of banking services to stakeholders was about senior managers and employees in the South African bank grappling with managing the complex digital consequences of transitioning to digital, which was enabling customers to transact independently through digital technologies, resulting in new forms of risks, such as cybersecurity. At the same time, other clients and staff resisted digital technologies. Digital-first engagement appealed predominantly to digital natives familiar with digital technologies, as they have grown up in the information age. At the same time, it was worrisome for digital immigrants who grew up before the information age, typically before the invention of the internet. Each of these types of clients had their respective views of value from a bank pursuing sensitive digital-first engagement in a complex environment with clients manifesting different needs.

Managers in the South African bank had to find ways to educate and protect customers against ITrelated cyber risk and fraud, and deal with resisting employees and clients. The sensitive digital-first engagement as a strategic approach had to accommodate clients with unique impediments to transact digitally (e.g., clients in rural areas with no network, digital immigrants) and require more of a human touch to transact with the bank. Managing complex digital consequences entailed dealing with the potential exclusionary effects or risk of leaving out some clients, such as digital immigrants, the old, and pensioners, in pursuing digital-first engagement if there was no sensitivity and accommodation of clients with challenges to transact digitally. Thus, managing the consequences of combining a strong digital approach on one hand and strong face-to-face client engagement on the other was complex in the bank.

The fourth stage in the process of driving simplified multiple values of banking services to stakeholders was about managers in the South African bank focusing and concentrating on transforming key and unique challenges into new forms of value for the various stakeholders of the bank in pursuit of a digitalfirst engagement while being careful not to leave out clients with difficulties to transact digitally and in need of more reliance on the human touch in their transactions with bank. Employees used digital tools to work and communicate effectively within and across departments. Top executives in the South African bank were using customers' and employees' insights to identify opportunities to create better

digital solutions for clients. There was a big focus on the selected bank employees to educate customers to transact on digital channels. Using digital channels created convenience for customers and reduced pressure on employees by simplifying banking activities and processes (e.g., identification using biometrics). Several activities previously done by the employees were now made available through quick self-service delivery (e.g., printing statements and balance inquiries). Cashier terminals were closed as customers had to use a Dual Note Recycler (DNR) to make deposits, transfer funds from savings accounts /loan accounts, and withdrawals.

Lastly, simplified and multiple values of banking services to stakeholders were the overall consequences of pursuing sensitive digital-first engagement as a strategic approach to banking services by a selected South African bank, accommodating clients with unique digital impediments. In the substantive grounded theory, simplified value describes something made more understandable, accessible, convenient or easier to use by making it less complicated and more efficient through digital engagement than before (e.g., Queue Matic (Q Matic), making it easier for branch managers to manage the flow of clients in branches, enabling effective planning and staffing in response to demands in the branch). Top management also introduced biometrics, which helped to reduce paper in branches, and it also protected the bank and its customers against fraudsters as the system was linked to Home Affairs, which required the customer to place their finger on the fingerprint reader to transact safely. Notably, this way of transacting was also helpful to illiterate clients. Simplifying refers to removing unnecessary obstacles and details to change the process from being complex and challenging for users to becoming easier and effective. The customers' accounts were locked and had to be opened with the account owner's finger. Digital technologies kept track of all changes made to the account and who made those changes, as every action on the customer needed to be authorized by the customer's fingerprint. The bank introduced a new banking system, which turned complex processes into simpler ones by shortening the process, as most checking was taking place in the background. It became quicker to serve customers as there was no need for employees to do the checks from different systems, such as the CIPC (Companies and Intellectual Property Commission) to check if the bank is registered or the credit bureau to check the customer's credit conduct, as these were integrated into the process. Simplifying tasks that could be challenging for staff was an ideal opportunity for intelligent technologies to allow clients to interact with the bank 24/7 using remote banking. Although the use of intelligent technologies created convenience, at a later stage, it was a complex and demanding task for senior managers as they had to manage complex digital consequences arising from digital integration, restructuring, and streamlining of activities (e.g., closure of offices such as regional offices, sending staff to other sections, branches, and other departments, change of reporting lines as some managers started reporting to the head office, new forms of risks and cybersecurity). The adoption of technologies enabled the South African bank to put together different sections, enhanced collaboration, and a holistic view of issues (e.g., recruitment,

learning and development, and payroll, which were previously construed as separate, were now accessible on the same email address on SuccessFactors). Having simple, integrated, and straightforward systems was essential because it made it much easier to manage and for employees to interact across interrelated functions. Figure 7.1 below presents the five-stage digital wave of driving simplified multiple values of banking services to stakeholders.

Figure 7.1 The theory of the digital wave of driving simplifies multiple values of banking services to varied stakeholders in a South African bank.



Source: Researcher's construction

7.3 FOUR FUNDAMENTAL ACTIVITIES REVEALING THE PROCESS OF IMPLEMENTING DIGITALISATION AS A STRATEGY FOR BANKING SERVICES AND PRODUCTS

The following section will discuss each stage of the five-stage process of driving simplified multiple values of banking services to stakeholders in the South African bank in favour of sensitive digital-first engagement in the various activities of the selected bank in South Africa. First, there is a description of each interrelated and constitutive component of the theory of the digital wave of driving multiple values of banking services to stakeholders, starting with the variety of activities in each stage. Second, there is a presentation of the patterns of dynamic activities affecting the stages as the process progresses toward the overall consequences.

7.3.1 Stage one: Identifying digital enabling opportunities

In the process of driving simplified multiple values of banking services to varied stakeholders of a South African bank, the first activity of identifying digital enabling opportunities at the corporate level was initially done through the reactionary, top-down process of top management of the bank seeking solutions to the dissatisfying conditions for customers, staff and the bank, especially during peak times and days of the month. This was a strategic reaction to the critical moment and a tipping point in a complex situation in the bank. Notably, there was a collection of incremental disruptions **(e.g.,** system failures, disruptions to service and frustration of employees and clients as stakeholders, bank reputation damages) over the years, culminating in the strong trigger for a significant and irreversible digital transformation journey in the selected bank in South Africa. The collection of events building up to a tipping point in the bank grew intolerable for the bank and the top executives in delivering banking services.

This study revealed that the South African bank's contextual tipping moment or boiling point initially triggered a strategic top-down reaction for identifying digital enabling opportunities. When the bank started transitioning to digitalisation, the CEO and top executive were leading the way, pointing out the contextual reality or circumstances comprising the tipping point and the digital direction to follow to become a “digitally-led best bank globally.”

However, there was a subsequent shift to a more proactive and bottom-up approach in identifying digital enabling opportunities through different sources, such as research, employees, and customers' insights. Notably, bottom-up and proactive efforts were to identify operational and micro-level opportunities in digitalisation. In this study, the tipping point, literally as the point at which the bank tipped over, is characterized by a combination of an initially predominant top-down process and subsequently a consultative bottom process of identifying digital enabling opportunities for new services, technologies,

and ways of internal functioning and clients' interactions with the bank preferably through digital-first engagement.

In identifying digital enabling opportunities as part of the digitalisation of the selected bank, top executives, managers, and employees were engaging in four key activities of exploiting and exploring opportunities that included (i) exploiting for easy digital access through digital channels, (ii) exploring affordability of access and market reach, (iii) digital for current and future operational excellence, (iv) customer insights as digital change drivers. This section explains each aspect of the bank's activities related to identifying opportunities for digitalisation, depicting a tipping point moment when a system started to shift, often irreversibly, from reliance on systems unable to process large transactions, persistent failure, and predominance of human touch when transacting with the bank to digital-first engagement mindful of the need to accommodate those clients still in need of human touch due to a variety of impediments to transact digitally.

7.3.1.1 Exploit opportunities for easy digital access by customers and staff through digital channels

In exploiting opportunities for the digitalisation of banking services, the focus in a South African bank was more on maximizing the benefits of known strategies or resources and realizing efficiency and optimization. At the strategic level, the South African bank changed gradually from adding one more banking product at a time from a simple business model where the bank was offering loan products (e.g., transactional account as the primary account with everything linked to it, increase in credit offer) to a diversified business financial services model by increasing the number of products offered to customers (e.g., insurance, remote banking, mobile banking non-banking products such as prepaid electricity, airtime, cash send, vouchers and bill payments, lotto, vehicle license, and show max and increase revenue streams through the use of digital technologies. Previously, banking was accessible on brick-and-mortar during the branch's operating hours, 08h00 to 17h00. The challenge was that most people could not go to the bank as it operated during working hours only. With limited banking hours, customers had to wait for weekends or lunch breaks to visit the bank. To address the challenges of clients, the bank had to exploit easy digital access as an opportunity for simplified and accessible banking by putting the bank in the client's hands so that customers can easily access banking using different methods, such as remote banking apps, self-service methods, and debit card purchases. Digitalisation enabled clients to reclaim their banking powers and enjoy convenience, self-control, and flexibility by transacting independently anytime and anywhere. The challenge in South African banks is that some customers do not own smartphones, and others have smartphones but still prefer to visit the branch; the bank provides self-service terminals in every branch for those clients to transact.

At the tactical and day-to-day operational level, employees of the bank were identifying opportunities for some products and services that could be delivered on digital platforms. For example, Quick services such as printing statements and balance inquiries were moved to the self-service terminal. Opportunities for digital-enabled processes also resulted in the closure of some functions within the bank. For example, the cashier terminals were closed, and customers had to use a Dual Note Recycler (DNR) to make deposits, transfer funds from savings accounts /loan accounts, and make withdrawals. These opportunities for changing how the bank operated reduced the pressure on employees as they had to serve a few customers who were unable to transact on digital platforms.

At the operational level, the branches of the South African bank introduced a Queue Matic system to control the flow and manage queues in branches. At the branch level, management checks the number of customers in each branch. Digitalisation also presented opportunities for adaptive and responsive leadership styles reliant on data to make effective operational decisions to support the availability and access of banking services. For example, if there was one busy branch and other branches within the vicinity were quiet, senior managers were empowered with data and the authority to make an informed decision to move staff from one branch to another to assist. At the employee level, digitalisation was beneficial in addressing workload problems by getting other people from other branches to assist in serving clients. More importantly, digitalisation expedited processes so that customers did not have to spend much time in the branches to access services. Queue Matic assisted managers with planning to ensure that staff could still take their time off and did not negatively impact client service.

It is also noteworthy that the process of digitalisation in the bank included the introduction of internet banking, which is accessible via laptops. As such, those who did not own laptops had to visit the branch. The bank realised that internet banking served a specific segment of customers, and the balance of customers who did not own laptops were still visiting the branch. It also introduced mobile banking, which is accessible on any cellphone, but customers can use it for basic transactions only. Thereafter, the bank introduced remote banking, offering customers more banking services. The use of digital technologies helped the bank attract high LSM customers. Digitalisation changed employees' focus within the bank's operations; instead of spending time on transactions such as accepting deposits, they focused on tasks that would help the organisation grow and retain customers.

The study reveals that while the emphasis was on identifying opportunities for digital-first engagement with the South African bank, it also embraced the digital needs of clients who wanted to visit the branch to transact. In catering to customers who preferred to visit the branch, the bank introduced a self-service terminal in each branch. Self-service terminals improved the degree of self-service capability using technology. Clients could go straight to the SST to transact without waiting for a consultant. The selfservice terminal enabled clients to assist themselves, as there was minimal staff intervention when

clients transacted, saving employees' and customers' time. It is pivotal to underscore that the bank`s process of digitalisation recognized the need for varying levels of human intervention. Humans are still available to clients who need that service, but it is more expensive than transacting through digital channels. In this regard, the focus was not exclusively on identifying opportunities for digital-enabled and remote access to services but also on accessibility to those who needed human interaction, as they must transact with the bank and meet their needs. In exploiting digital opportunities, the focus was to maximize the bank's current resources and capabilities to achieve short-term goals and incremental change and generate immediate profits.

7.3.1.2 Explore the affordability of access and market reach

In addition to exploiting opportunities, maximizing the benefits of known strategies or resources, and gaining efficiency, there was also the exploration of new opportunities and the experimentation with different digital options in the South African bank. This entailed exploring transacting on digital channels, which were cheaper than in the branch (e.g., clients were enticed with three free transactions, such as statements, app notifications, and internet transfers*).* Transactions like debit order disputes cost only five rands on the app, whereas clients pay more in a branch. It was noted that digital channels were cheaper, prompting the bank to attract or push more clients to adopt or start using digital technology, which did not require bank staff to assist them, leading to lower overheads. In this way, digital technology enabled many customers to transact and at their convenience, even after hours, compared to traditional banking, as customers depend on the consultant's availability for assistance. When a client visits the branch to be assisted by a consultant, it is expensive as the consultant can serve a certain number of customers, generating less income, and the bank has to pay staff from the same income. Digitalisation enabled the bank to offer services at a cheaper cost than the price charged in branches, and some transactions were free of charge to encourage customers to transact on digital platforms. Consequently, the bank was seeing the possibility of fewer branches and staff saving costs and allowing the bank to reward clients for transacting on digital platforms by charging lower fees. In exploring opportunities for affordable accessibility of banking services through digital technologies, the bank focused on creativity and innovation. It took risks in how value was being created and delivered to customers.

Internally, the pursuit of digital ways to enhance affordable access to good service by clients through digitalisation entailed new job opportunities for employees. There was an emergent need in the bank for specialised skills, abilities, and digital capabilities to pursue the new re-position of becoming a " digitally-led best bank globally." As a result of this ambition and need for digital capabilities, the managers were reaching out for global products and talent. In the selected bank, the banking system used was acquired from another country. Whenever there was a system problem that the bank technician could not resolve, they had to contact the foreign supplier. Employees did not have to relocate, but they

could work on the system where they used technology, which was cost-effective. This exemplifies the bank's need to explore opportunities for technology partnerships to provide the tools and platforms it needs to achieve affordable access for its clients.

Proactive opportunity creation as part of digitalisation enabled the bank to reach customers it could not go to before transitioning to digitalisation. Before digitalisation, many customers who worked in areas that were not closer to branches could not apply for products that were only accessible in the branches. Technology enabled the bank to reach those customers as digital technology broke geographical and physical boundaries. Those customers could contact the bank cost-effectively via WhatsApp or use remote banking to apply for credit or open bank accounts even when they were overseas. Previously, the bank used to have long queues, and working people did not have time to wait in long queues; as a result, they ended up going to other banks where there were no queues. Digital technologies allowed the bank to move those customers to the digital space and improve customer service delivery. The bank effectively combined exploitation and exploration of opportunities, which helped generate short-term benefits of digital technologies while investing in long-term growth and innovation. By leveraging its current strengths and resources while also exploring new opportunities and ideas, the bank pursued digitalisation as a strategy in a rapidly changing business environment.

7.3.1.3 Digital for current and future operational excellence

While digitalisation was a strategic reaction to the deterioration of customer service, it gradually evolved to encompass the integration of digital technologies into many aspects of the South African bank, fundamentally altering how it operated and delivered value to customers and interacted with stakeholders. As a result of digitalisation, managers in the bank were no longer spending time on the road traveling from one place to another to meet with staff at the branch level. Managers could have more than four meetings in one day via Microsoft Teams and continue working after the meeting. With digitalisation, managers have time to spend with their teams and engage in meaningful conversations with them so that they can plan their days better. As managers were not always travelling for face-toface meetings, they had ample time to interact with employees without leaving the office or the branch before and after the meeting. On the other hand, employees had time to engage with their managers without negatively impacting clients as they served customers. Digitalisation enabled managers in the bank to gain more access to what is happening in branches through data available via digital technologies. The opportunity to use data from digital tools and systems was key for managers at the senior level. Data-enabled managers and employees to adopt a focused and data-driven approach instead of a blanket approach when dealing with branches or regions. For example, the bank manager could pick branches in rural areas struggling to sell remote banking. In contrast, the other branches did not display that trend, which points out what must be addressed explicitly in each branch, respectively. Adapting quickly to changing market conditions is a hallmark of operational excellence in the digital age. Digital tools

facilitated a more granular understanding of operations, process bottlenecks, and inefficiencies in real time, enabling rapid optimization. This dynamic approach to process improvement was a departure from traditional periodic assessments in traditional banking with no digital technologies (e.g., monthly performance reviews).

Before digitalisation, there was a high demand for cash, but digitalisation moved the South African bank to a cashless environment in line with the needs of the digital banking environment. Similarly, there was a huge demand for paper in different departments in the bank, like operations and HR, before digitalisation. The bank had to buy paper and pay to store contracts, as financial institutions, according to the Financial Intelligence Centre Act (FICA), were required to keep the clients' contracts for at least five years. The introduction of biometrics and the acquisition of new infrastructure enabled the bank to save all customers' information on the cloud, resulting in less demand for paper as clients used fingerprints to sign, and the contracts were stored in the system. The bank was operating paperless; this impacted the non-digital-enabled suppliers, such as paper suppliers, negatively, and digital-enabled suppliers positively.

The South African bank was driving customers to transact on digital platforms and wanted all customers to transact through digital channels in the future to improve operational efficiencies. One of the participants mentioned that the bank adopted a "*digical"* approach, referring to the model of combining digital and physical aspects of banking in pursuit of a digitalisation strategy in the selected bank in South Africa. While pursuing digital technology to enhance client independence and digitally enabled engagement, remote banking, and shifting away from interacting with the bank on a face-to-face basis, there was still a need for a personal touch. For example, although some clients had smartphones and access through remote banking, they were still dependent on consultants to transact. The clients kept visiting the branch, although they had remote banking on their phones, as they did not know how to use it and its benefits, especially in the early days. The South African bank had to change its staff reward system to drive the appropriate behaviours in line with the digital-first engagement as a strategic approach to banking. Various ways were used to ensure banking staff were promoting digital-related services, including using the Balanced Scorecard to set clear expectations on what staff needed to deliver in terms of promoting the adoption and use of digital technologies by clients. To support and empower employees in pursuit of digitalisation as a strategy, employees were given product training, e-learning, and quizzes to ensure they were knowledgeable about products and technology features, making it easy to explain the benefits of using the products to clients.

The shift from dependence on human interactions to transacting digitally and independently in a South African bank was slow, especially in rural areas. This was partly because of network problems, a lack of compatible technology, and many pensioners who lacked digital literacy and confidence. Digitalfirst

engagement with the bank was affected by those customers who still preferred face-to-face interaction. The bank was sensitive and did not embark on the journey of closing down branches, as it still had to cater for customers who still wanted to visit the branches. However, branch staff had to educate clients to build understanding, knowledge, and confidence in digital banking options. Face-toface meetings with clients, assistance to transact digitally, and pop-up messages informing clients of any changes, updates, or anything the bank needed the client to consider were key in client education. For example, in the early days of the self-service terminals in the branches, employees called the Bank Better Champions, who primarily assisted those struggling to use the new technologies.

Regarding security, risk, and client protection, the bank integrated client and employee education on cybersecurity and fraud, and reinforced biometric technology to improve internal processes and ensure that the consultants were dealing with the account's rightful owner. Before digital technologies, the consultant used to take the client's photo every time the client performed a transaction at the branch as a confirmation that they were at the branch on that particular day. The photo on the system was expected to match the ID photo and the client. This changed with the introduction of biometric technology, enhancing security and client identification processes to limit fraud and assure clients that their money was safe.

As alluded to earlier, the South African bank had a challenge with system instability on paydays and busy days like Black Friday and the end of the month. The system problem was partly a result of senior management increasing the number of products that still used the old system. For example, the server failed to process the large volume of transactions, which led to the system being down for 48 hours, resulting in the bank losing many customers. Many customers lost trust in the bank as others thought that one day, the bank would be down forever, and they would lose their money, which was a reputational risk. There was also poor inter-departmental communication between operations (IT) and branches on technical disruptions, which stressed staff at the branches without clear explanations or answers to give to disturbed clients in the branches unable to transact with the bank. Changing and improving internal crisis communication was critical to enhance transparency regarding what was happening, clear communication whenever there was a significant problem, and clarity on who was responsible for resolving it and how long it would take to address it.

The persistence of system instability due to an overload of transactions and growing client dissatisfaction made top management realise the strategic importance of acquiring new infrastructure, which enables the provision of banking services to customers with no fear that the system will be down for days. The use of digital technologies also assisted the bank in reducing queues inside and outside branches, which created value for customers as there was no need to wait. As more customers are using digital technologies, bank operations have improved as a result of the process of digitalisation.

Digitalisation created the opportunity for client behavioral changes and infrastructure redesign of the banking space. Some employees also had opportunities for role redefinition due to technology adoption. For example, customers who wanted to make a cash deposit used the cashiers available at the cashier terminals to assist them. As a result of digitalisation, the bank moved the cash services to the DNR and closed the cashier area, which reduced the queues inside the branch. In a different vein, the role of Cashiers changed as they were allocated other tasks to improve efficiency in the bank. To further enhance operational excellence, the bank partnered with retail shops where clients could transact, which was instrumental in reducing queues at the branches and the demand for cash. When customers use cards instead of cash, it becomes easier for the bank to identify clients' spending patterns, helping the consultant identify customers' needs when visiting the bank in the future.

While pursuing digitalisation in the bank, there were also opportunities for operational excellence in strategic HR. For example, special attention and incentivising of targets related to client adoption of technologies shaped employee work behaviours, while digital tools for performance management systems enhanced how employee performance was evaluated. For example, the Balanced Scorecard system and talent acquisition software, automation of repetitive hiring tasks, digital-enabled screening of CVs, and interview scheduling freed HR professionals to focus on candidate experience and strategic initiatives. Digital tools executing routine HR tasks helped shape current performance and highlight opportunities for future operational excellence in the bank.

7.3.1.4 Customer and employee insights as digital change drivers

While the bank's top management team initiated the strategic digital change, customers and employees were critical in identifying, suggesting, and evaluating strategic options for better value creation for customers and employees. For example, listening to the staff helped the product development process. Product owners or developers were developing the product based on employee feedback and taking the product back to employees who interacted with clients to pinpoint glitches before it went out to the market. Joint thinking and collaboration in devising the solutions set the tone for the connected solution, as well as the importance of being on the same page and ensuring bank-wide buy-in of digital solutions and processes among employees in different parts of the bank.

Clarity and consensus on what the bank and each department were trying to achieve together were fundamental for different actors to share and cascade not only the circumstances in the tipping context of the bank but also gauge how to contribute to the solutions that the bank was trying to achieve over the years. Previously, the bank offered clients simple business financial services but changed to diversified financial services through a reactionary approach by the top executives. Feedback from employees showed that clients started demanding more products, such as funeral cover, which drove

the bank to increase its offering. The bank used different methods to gain customer insights, including the bottom-up approach of relying on staff feedback, customer complaints, and suggestions. Customerfocused or centricity was evident in branch managers who had to meet every new client to provide feedback about the service and give suggestions if there were any. Social media was another channel for getting customer feedback and insights regarding the digitalisation process. The bank received customer insights from social media by reviewing and acting on customer comments. After visiting the branch, clients would receive a short survey to rate the service. When the customer gives a low rating, the client would be prompted to provide more information. For example, branch managers, branch staff, and product developers were key in engaging branch staff as people in contact with clients, trying to understand the common challenges that clients always complained about. The employees interfacing with clients had sound knowledge of the transactions on the system that could be moved to the digital space to improve the overall customer experience. In this regard, the bank created a platform where employees could express themselves and share their experiences. Employees would give suggestions on areas that need improvement. Staff were invited to surveys regularly. This information shaped how the bank delivered its products and services through digital channels and contributed to its growth. Operations Managers formed a team of branch managers responsible for reviewing the existing processes to increase operational and process efficiencies. The business revised all its existing processes to identify gaps and areas that needed improvement. The team focused more on operations staff, and the team observed branch staff while serving clients to establish the average time required to serve each client and improve efficiency. Some of the transactions took too long, and the bank had to find ways to shorten the process. Some of the transactions were moved to digital platforms. The first stage of the process of driving multiple values to varied stakeholders was initially triggered by the way customers were dissatisfied with the service experience due to system failure and instability; it also entailed internal analysis of opportunities to do better with the integration of digital tools in existing or new activities or processes. The power of contextual conditions and circumstances is evident in IT and system failure, distressed employees, reputational damage, and customer switching behaviours to competing banks, tipping the bank over to pursue digital enabling opportunities for the bank. Understanding the contextual dynamics of tipping conditions in the bank by top executives and employees was essential for the impetus to drive meaningful digital change. Given the above discussion, the initial stage, which triggered the driving of simplified multiple values of banking services to stakeholders, typified the tipping environment. Identifying digital enabling opportunities was a critical stage and strategic response, setting the strategic digital framework, orientation, and direction of the bank toward addressing system instability and reputation among clients.

7.3.2. Stage two : Enacting multiple values

Enacting values was predominantly about widening efforts and activities of translating the identified opportunities into various forms of value of the digitalisation process across the back-office operations

and customer-facing processes in the banking value chain in favor of digital-first engagement by internal and external stakeholders. More importantly, the second stage of driving simplified multiple values of banking services to stakeholders labelled as *"enacting multiple values*" was marked by a shift from identifying digital enabling opportunities to concrete actions to gain the actual simplified and multiple values of digital-first engagement. Much of the energy in this stage of the digital wave was directed at four key activities, which embraced (i) enacting the internal-external dimensions of value, (ii) performance-related value of digital technologies, (iii) IT infrastructure-related value, (iv) realignment of HR activities, and (v) empowering bank employees and enhancing internal processes through digital technologies. In pursuing these various activities of value creation, managers and employees felt pulled in many different directions, with competing demands from IT, operations, marketing, HR issues, and performance.

7.3.2.1 Enacting the internal-external dimensions form of value

The study revealed the value arising from digital technology, which was considered necessary by internal and external stakeholders. Digital technologies created value for external stakeholders looking for simple, easily accessible, and affordable services. The South African bank was creating convenience using technology, which enabled clients to transact anytime, giving them time to do other things instead of visiting the branch. Digital technologies helped customers improve their banking as they saved on unnecessary costs. There was an opportunity to save time and reduce costs by transacting digitally.

The system's efficiency, effectiveness, and reliability were important for employees as internal stakeholders. Digitalisation reduced the stress and burden of employees dealing with dissatisfied clients whenever the system was down. The bank acquired new IT infrastructure and tools to enact and make customers aware of the value of a reliable, consistent, customer-focused, and digital-friendly system, replacing the old one. It was a gradual change as the bank had to keep the system running. The bank's challenge was the capacity of the server, which failed to process a large volume of transactions, resulting in system instability. As the bank kept improving its system, it improved customer experience as customers valued the ability to transact even on busy days and holidays without fear that the system might go offline.

Employees, as internal stakeholders, also benefited from using digital technologies, which enabled the branch staff to use data to make decisions. Employees were enabled to identify clients' real needs. Branch staff confidently encouraged clients to use digital channels, such as remote banking and selfservice terminals, when transacting, allowing the bank to access clients' transaction history and customers' behavior. The banking system was critical in analyzing the clients' transactions and providing employees with suggestions and product options that might suit the client's needs. Knowing clients' needs beforehand assisted the consultant in identifying clients' bad or good behavior and educated them

accordingly. As clients transacted on digital channels, the pressure on employees to serve many clients was reduced. Managers had time to engage their teams and were able to identify employees' challenges. Previously, it was difficult for managers to pull staff from serving customers, as it delayed the process, especially since the bank was chasing volumes. Branch managers were able to have a one-on-one meeting with their team members to have a clear picture of what is happening in their space and give a report to senior managers, who will filter it up to top management, as most customers were transacting via digital channels, which improved bank performance.

7.3.2.2 Performance-related value of digital technologies

In the bank's digitalisation, digital technologies played a great role in creating and enhancing performance-related value in pursuit of digital-first engagement. As the number of clients increased, the bank had to introduce a mechanism to manage client flow inside branches. The queue management system assisted the bank in managing the queue flow inside the branch by grouping the clients with similar needs. It also gave clients an estimated amount of time spent in the branch. The queue management system was an incremental innovation, typically built on existing knowledge of using chairs to manage the flow, queue, and sequence of clients.

The queue technology helped clients to plan their time better, as they could do other things while waiting to be served. Managers' work was more manageable as they could retrieve reports reflecting the number of clients who visited the branch the previous year on the same day. These figures guided the managers to better plan the number of people needed daily to ensure that enough resources are available to serve clients. The queue management system enabled the branch to separate clients according to their needs to ensure that those who want quick transactions do not spend much time in the branch. It simplified banking for internal and external clients by managing the flow of clients as a key to improving performance.

The adoption of digital technologies enabled the bank to introduce innovative and self-service opportunities for clients to transact digitally and more creative and secure features. Using biometrics added value to the branches, making client identification easier and reducing the risk of assisting fraudsters transacting on customers' accounts. Existing clients did not have to carry identity documents or any proof of identification when visiting the branch. Biometrics was a tool used by the bank to protect clients against scammers. Digitalisation simplified banking as the consultant and client sign by placing their fingers on biometrics. The consultant does not have to waste time moving up and down, collecting printed forms from the printer, and signing all those papers by hand. Digital technologies catalyzed secure and innovative banking services and processes, such as biometric technology. The executive committee had to change the infrastructure to improve customer service and create value for stakeholders. The bank managed customers safely, whom they were unable to reach previously and

attracted high LSM customers, which helped to improve the bank's performance. There were also radical and fundamental technologies, such as Salesforce, which transformed how bank employees worked. Another example of radical technology by the bank was Amazon Web Services, which demonstrated the power of scalability as a server to process and store a large volume of transactions. Radical innovations in the bank were acquired to bring organisation-wide and long-term changes to the bank.

7.3.2.3 IT infrastructure-related value

The acquisition of new infrastructure allowed the bank to offer banking and non-banking products and improve back-office and customer-facing processes. While technological adoption improved the process capabilities of the bank, it was not enough to achieve a sustainable competitive advantage over competing firms without the ability to introduce new products to the market. Through partnerships, the bank offered clients products such as insurance, electricity, and telecommunication, and the products were underwritten by an insurance company. Clients were getting different products under one umbrella, and the bank had to ensure that the products offered were more affordable to attract many clients. Thus, there was value in front-end information technology targeting customers and end-users (e.g., in the form of paperless transactions, convenience and accessibility, cashless branches, and ATMs).

The speed and manner of processing internal reports improved with the introduction of technology. For example, the introduction of Power BI made it easy for managers to get timely business and financial reports in various forms. With digitalisation, managers no longer had to save the reports for each day. Power BI enabled them to assess the report that they needed at any time. These reports helped managers to understand their business better. Managers could access the reports that were authorized to be accessed at their level, as well as reports that were key to running their business. More importantly, managers could see the behavioural change and the causes of those changes to identify the gaps that needed attention in their business unit. Thus, there was a positive shift in the bank from dependence on a spreadsheet-based system, which would generate the report overnight, to producing real-time reports available whenever required. For example, the Excel-based reporting required a team to send the generated reports to different stakeholders every morning.

IT infrastructure-related value was also evident in the power of technology in making banking backoffice functions faster, easier, and reliable for our customers. Digital technology created solutions to several operational challenges, resulting in system efficiency, speed, and timely access to reports, as well as the value emanating from the integration of several distinct systems to promote cross-functional collaboration and end-to-end process transparency. For example, the lack of digital integration, cooperation, and transparency within the systems was evident when the business banking team used to have a different system, one that was used to store customers' records. Still, it could not be used to issue new products. Bankers used separate systems, CIPC, to check whether the business is registered and

the Experian system to check the customer's credit history. Notably, relationship managers also used different platforms to manage portfolios, while other bank employees used an OnBase system that did not give all clients' details. Due to a lack of digital integration, employees had to navigate different systems before thoroughly viewing the client. In this regard, enacting IT-related value was about the bank acquiring the systems, giving bank employees a holistic view of clients and their respective records. For example, the Salesforce system reinforced interconnections of different parts of the bank while giving employees a single point of contact to get a holistic picture of what the client is doing, their business type, contact details, and their offering with the bank. The new banking system also assisted staff in using data to understand clients' needs and predict what they will need. Staff were also using Salesforce to identify opportunities to cross-sell and opportunities whereby the bank could assist the client better. This enabled the bank to build meaningful and long-term relationships with its clients based on a holistic understanding and data. Technology ensured opportunity identification, holistic and integrative processes in dealing with clients, and enabled bankers to call, send emails, and issue new products. Efficiency and speed were also evident in how employees could quickly do background checks on Salesforce, which used to take as long as they had previously been done manually. The necessity of systems thinking was evident in promoting a holistic approach that focused on how a system's constituent parts interrelated and how they worked overtime within the context of larger systems within the bank. No department in the bank was an island, necessitating business-wide and department-specific needs to intersect in pursuit of systems thinking and digital improvements in the bank.

The introduction of digital technologies (e.g., SuccessFactors for HR) marked the birth of a data-driven culture. For instance, the Salesforce system was pivotal for the bank as it started to use data to identify clients' spending trends and patterns, understand the clients' behaviour, and design products that meet the clients' needs. The bank and employees were more proactive when dealing with and advising clients about their possible needs to improve customer experience. Technology enabled the bank to use data to identify the customers' financial needs even when the clients were away, simplifying how to deal with the clients. Digitalisation made it easy for the bank to give clients tips to bank better. At the same time, consultants were empowered with data to personalize the service based on an individual client's needs rather than the blanket approach.

The IT infrastructure-related value was also evident in the shift of focus of the IT team from technology crisis management (e.g., fixing the system that was constantly breaking) to developing new products that would add value to customers and generate profits for the bank. The decision by the top executive to invest in technology by acquiring the best system, such as Salesforce and Amazon Web Services, which provides a scalable server to process and store a large volume of transactions, allowed developers

to design and add new products while the system was running. There was no need to pay for storage as Amazon Web Services (AWS) provided a storage solution (e.g., the bank could store big files securely). The bank embraced WhatsApp chat for client care as a powerful instant digital communication channel. Overall, acquiring new infrastructure enabled employees to use data to improve decision-making, which benefited customers, reduced storage costs, and helped employees to establish customers' spending patterns easily and suggest possible products for clients. As a result of digitalisation, the bank's IT infrastructure-related value transformed the back-office operations, which improved customer-facing processes.

7.3.2.4 Re-alignment of HR activities

The process of driving simplified and multiple values of banking not only required improving customerfacing processes but also transforming back-office operations, such as HR. Enacting values by realigning HR activities was about resource-re-configuring activities, efficiency of integrated digital technologies and system, creating job opportunities for many people inside and outside the organisation, facilitating and incentivizing the adoption and use of diverse technologies in branches to serve customers better and faster, and also an integration of HR activities and functions. There were instances of new competencies and skills required to support the digital-first engagement in the bank. For example, the bank needed many people with IT skills, like product owners, developers, and business analysts, and people to work in the business support and client care centers, as clients needed real-time assistance to transact digitally. In this way, digitalisation opened an opportunity for internal clients who had IT skills and were longing to move to the IT department. In a different vein, digitalisation necessitated the restructuring of some departments and changes in the roles of staff. For example, the introduction of technologies and processes for clients to onboard themselves, open an account, and buy a merchant device on their own nullified the need for the merchant team to visit the client anymore, which meant less work for them. The process of integrating merchant services into business banking resulted in staff in the merchant services department assisting clients with card machines.

Notably, branch managers were key in facilitating the adoption and use of diverse technologies in branches to serve customers better and faster. For instance, they facilitated the introduction of a Queue Management System to manage and control queues in branches and introduced and promoted selfservice terminals for clients to transact independently. Additionally, branch managers were also pivotal in the launch and promotion of technologies for digital transactions with the bank, such as internet banking and remote banking, changing from using ATMs to DNRs. Branch managers were also critical in managing employee resistance (e.g., employees who wanted to maintain the status quo). In shaping employee work behaviors and performance towards digitalisation, managers at various levels were using the balanced scorecard (BSC) as a tool to set clear expectations for their subordinates, reconfigure and reinforce cross-functional collaboration in the bank in pursuit of digitalisation in the form of digitalfirst engagement which was also supportive of clients in need of more human interaction

to transact with the bank. Enacting value was also about how the Human Resources department functioned differently as an integrated entity in support of digital-first engagement. At the same time, the human touch was also equally valuable, especially among employees as they engaged to learn together, engaged in product pilot testing and discussions related to products, opportunities and existing challenges. It is noteworthy that digitalisation ended the practice of recruitment, training, and HR sections running independently in the same bank. The bank`s acquisition of a new system called SuccessFactors enabled all HR sections to have one access point for HR services. More importantly, this reconfiguration created a good alignment in HR, starting from the recruitment process. The bank moved to the new system, where all applications submitted by applicants were handled centrally on SuccessFactors. Digital technology-enabled HR processes, such as shortlisting, have become easier. Additionally, the integration of processes in different parts of HR work created transparency and collaborative work, which was crucial in boosting operational efficiency through the linking of complementary activities. For example, there were instances where HR found an applicant who applied for a branch in rural areas and was declined but realised that the same candidate fits the profile of the branch in the city. Instead of disqualifying that applicant, a video would be sent to the city manager. The use of digital technologies opened up better ways of working while giving more opportunities for applicants because when they do not meet the requirements for one position, they could be sent for another position, which was not the case previously. HR managers expected that after finalizing the appointment, they would have to make copies of the new appointee's documents. For example, one copy was to be kept in the storage, one stored in the drive, and the other one sent to the HR payroll section. SuccessFactors simplified that process. Once the recruitment process has been completed and the applicant has been appointed, it moves to the payroll section and learning and development are able to see SuccessFactors in terms of new appointees who need training. The staff did not have to remember different email addresses, and all HR queries had to be sent to Hello HR, as HR activities were aligned. SuccessFactors made it easy for employees to access their pay slips, and e-learning and performance appraisals were all done at SuccessFactors. In this study, the re-aligning of HR activities through the process of digitalisation illuminates the breadth and depth of change, which was initiated primarily due to system failure and dissatisfactions of clients but also ended up creating value in different parts of the bank, such as HR processes, integration, and operational efficiency.

7.3.2.5 Empowering bank employees and internal processes through digital technologies

In the pursuit of digitalisation of the banking service, employee engagement, enablement, training, and development were the three ways of empowering employees. First, employee engagement in the bank was evident in various ways, including inclusive decision-making and recognition of employees' achievements during conferences in the bank. Conferences were key strategic events in the digitalisation process as they offered space for strategic conversations and strategic thinking, which connected past achievements, current performance, and future direction of the bank. In the selected bank, conferences

were useful in three ways in terms of employee engagement. First, they helped to diffuse and align the digitalisation strategy with the bank's values and purpose across the key functions, as well as to reward and recognise the desired performance publicly. The conference was a strategic space for dialogue, discussion to cascade direction, reviewing progress, and exploring options. Annual conferences facilitated employee engagement in strategic conversations, which transformed business-as-usual into dynamic exchanges of insight, taking the digitalisation of bank processes to the next level. Second, conferences also served as the primary and critical events for strategic renewal (e.g. creating and sharing a digitalisation game plan, modifying processes, revising direction, sharing success recipes or formulas) and guiding all employees in the bank into the emerging era of digitalizing the bank. While the initial conference, which ignited the urge to address the system instability and operational problems, was reactionary and triggered by declining performance, subsequent conferences were more proactive. More specifically, the emphasis was on renewal activities initiated by service users and employees at the operational level to do better using digital processes and technology rather than renewal being triggered by declining performance. The renewal was both a sequence of reactions to environmental change and a proactive stance of continuous standard-setting and influencing digitalisation as the long-term direction of the bank.

Lastly, employee engagement in the bank was very critical in enhancing the emotional connection employees felt toward their work, especially those who were directly part of the refreshment or replacement of attributes and technologies of the bank that had the potential to substantially affect its long-term prospects. At the various operational levels, employee engagement through the provision of feedback and suggestions, pilot testing of processes, evaluation, and development of digital products was critical in creating an emotional and psychological commitment of employees to the bank's digital goals and values. Top executives and senior managers were fostering a positive culture where employees were emotionally invested in the bank's journey of becoming a "digitally-led best bank globally." Recognizing employees and the bank's achievements in annual conferences, sharing, cascading, and aligning the future work with the bank's digitalisation agenda across all the branches was critical in ensuring employee engagement in the bank. The critical role for top executives and managers at various levels was fostering a positive culture where employees felt included in decisionmaking and were emotionally invested in the bank's digital agenda.

The study also deciphered that employee empowerment was also achieved through employee enablement in the bank. This involved providing employees with the necessary tools, resources, and support to perform their jobs effectively (e.g. technology, joint thinking, collaborative communication) in the pursuit of digitalisation. Training and development, offering opportunities for career development and change to drive digitalisation-related behaviors by clients, were a key part of the strategy for employee enablement. As digitalisation created the need for new skills, there were new job opportunities

for employees, while some positions became redundant, necessitating job or role changes for some employees. For example, the bank needed more people with IT skills to ensure the system was stable and had a support team to assist clients who encountered challenges while transacting online. Digitalisation opened opportunities for internal employees to acquire new skills and unlock their potential, especially in IT, as that was the bank's focus. Due to digitalisation, the bank was offering bursaries to employees, which created new job or career opportunities for employees without qualifications to study. It also created opportunities for employees who wanted to grow within the bank because it was not easy to move from one department to another, especially when one did not have the qualifications. The bank focused on formal learning (e.g., all recruits had to complete a six-month training program before being signed off, used Team Learning Session (TLS) and e-learning and quizzes for everyone) to introduce new products and services and set aside time weekly on Wednesdays at 8h00 for learning to educate recruits about the bank culture and products. When people are welltrained, they become confident and willing to tackle challenges. When there is a lack of knowledge, managers often face resistance from their employees. Top executives and senior managers in the bank were acting as enablers, focusing on effective work processes, trusting well-trained employees to take initiative, and providing support when necessary for clients to transact digitally.

Lastly, employee empowerment was about managers fostering a positive culture where employees were well-informed of the annual strategy and changes. The findings show a big focus on employee empowerment through knowledge and the ongoing process of clarifying expectations regarding the process of digitalisation of the bank. As the bank continuously changed its products and services, it had to ensure that there was a proper plan and effective way to train employees. Technical and product training was very important for employees to gain psychological empowerment, which is essential in boosting self-confidence, belief in their own abilities, and taking responsibility for their actions at work, contributing to digitalisation in the bank. Incentives were powerful as a tool for empowering employees to pay special attention to the usage and adoption of digital technologies by customers. For example, performance targets in the BSC were revised to ensure the focus was not on client awareness but rather on the usage of digital technology. This was pivotal not only in clarifying roles, expectations, and responsibilities but also in employee empowerment to pursue the digitalisation process. Changes were made in the BSC-linked targets and incentives to direct employee efforts and focus beyond client education to yield actual client usage and adoption of digital technologies. In the selected bank, employee empowerment was more about granting well-trained employees' autonomy and decisionmaking power, fostering a sense of ownership and initiative (e.g., empowering consultants to advise clients on products and confidently address any problems.

When employees have the knowledge combined with autonomy to make decisions that delight customers, they become empowered, and their loyalty goes beyond transactions. Digitalisation ignited

empowerment through clear communication and support towards the revised employee performance expectations, expansion of performance targets, and a new emphasis on the progression of clients from product knowledge and awareness to actual usage of new digital technology. Employee empowerment in the bank entails clarity of what to expect and achieve, provision of resources, and trust to make impactful decisions in their roles (e.g., bank better champion, branch manager, product developer, and product owner).

The study also explicitly states that digitalisation helped the bank improve internal processes by solving the problem of having many clients visiting the branch. For example, the bank used to have many customers coming to increase balances, change pins, and do transfers. As digitalisation progressed, customers were able to do all these transactions on their own without being assisted by employees, which reduced the number of customers visiting the branch. The introduction of Amazon Web Services provided an improved storage solution. SuccessFactors enabled all HR sections to have one access point, and security processes also improved with the introduction of biometrics. The introduction of Salesforce promoted a holistic approach to faster and more timely generation of business reports reflecting a holistic picture of clients.

However, improvements in internal processes through digital technology also sometimes result in negative consequences for some employees in the bank. For example, having fewer clients negatively affected some staff who had to change roles and engage in new activities where they were needed. With fewer employees in the banking hall, customer service employees and cashiers were expected to assist customers with other transactions that would add value to the business, especially since the focus was more on transacting digitally or accessing the bank through the self-service terminal. In the process of enacting simplified and multiple values to stakeholders, some employees were negatively affected (e.g., re-assigned roles and felt degraded) by internal processes through digital technologies.

7.3.3 Stage three: Managing with complex digital consequences

The third stage in the digital wave was characterized by the emphasis on managing complex digital consequences (e.g., positive and complementary, competing, and accompanied by adverse consequences), mindful of the possibility that creating significant value in one area would destroy it in other activities in the banking value chain during the "*digical"* and a multi-faceted approach.

Predominantly, the variety of digital consequences the bank was experiencing and dealing with, embraced the following: (i) clients enabled and transacting independently anytime, anywhere, while others were heavily reliant on consultants; (ii) improved client experience (rural-urban dimension) through strong digital approach and client engagement mindful of poor digital infrastructure as an impediment; (iii) internal system instability resolved; (iv) strategic performance in terms of opening of

diverse and new digital revenue streams , and (v) improved operations, and service arising from restructuring, changes in processes, more diversified products to clients, and pursuit of convenient cashless banking.

7.3.3.1 Clients enabled and transacting independently anytime, anywhere

Digitalisation simplified banking by enabling customers to access products and services easily through digital channels. There was convenience for clients to bank anytime and anywhere without visiting the branches. Complexity emerged when some clients could transact independently while others needed bankers to assist them. Managers were facing the complexity of balancing the development of organisational and technology-based capabilities on the one hand, while continuously improving the human and personal touch in customer experience to sustain a strong client engagement as a competitive advantage. In the selected bank, digitalisation did not mean a lack of personal and human interactions with clients as the bank started to use data for personalized services. Managers had to ensure that staff replicate the branch experience, especially the responsiveness and empathy, in digital channels, be it in online banking, on mobile apps, or at ATMs.

Managing complexity also entailed a balance between innovation and risk management in the interest of stakeholders and the bank itself to safeguard its reputation in the light of new cyber risks of fraud by customers and external stakeholders on digital platforms. For example, the remote banking channel's promotion of digital-first engagement triggered the pressure to provide more security features than mobile banking. While the bank was delivering a variety of benefits of remote banking in line with the digital-first engagement, there was also a challenge of remote banking, excluding others. Remote banking was only accessible on smartphones.

Managers were facing the complexity of developing and improving the employee capabilities of maintaining the human side of client engagement and relationships with clients who are heavily reliant on human touch while at the same time equipping employees with digital competencies to pursue new clients to grow the business and operate digitally to reduce operational costs. Digital platforms enabled the bank to do business with clients it would not have previously and tapped into a new market. The clients overseas could open accounts in a virtual space and get a virtual card, but the bank also had to manage strong client engagement with digital immigrants, old clients without access to the network, and pensioners skeptical of the technology. In managing the complex consequences of digital banking, managers were forced to gain a broader and exhaustive understanding of not only the positive and desirable consequences but also the exclusionary effects and client exposure to risks on digital platforms. The bank was dealing with the excitement of technology among digital natives to transact digitally from anywhere at any time, on the one hand, and the fears of digital migrants due to digital technologies, on the other. Managing with complex digital consequences entailed a nuanced approach

to client engagement of digital natives and digital immigrants, a careful combination of a strong digital approach and client engagement without losing any clients but gaining new ones.

7.3.3.2 Improved client's experience (rural-urban dimension)

The experience of digitalisation by the bank was not the same among rural and urban clients, especially due to poor digital infrastructure and lack of network efficiency in underserved rural areas without secure wireless access. While innovative technology improved clients' experience by enabling customers to do almost all transactions remotely, the bank was experiencing and managing the risk of financial exclusion arising from digital transformation. In areas with digital infrastructure, transacting on digital channels improved clients' experience, as they could work anytime and still access the bank services even when the branch closes at 17h00, the same time they finish work. Nowadays, clients can apply for loans using a remote banking app during lunch breaks and send documents via WhatsApp. When the application is approved, the money will be in the account on the same day. Digitalisation enabled clients to increase the withdrawal limit and make payments in a short time. Clients were able to save money on bank charges because it was cheaper and simpler to transact on digital platforms.

Although transacting on digital channels improved clients' experience, some clients in rural areas were left behind. More clients in rural areas do not own smartphones; they cannot download the remote banking app. While the bank promotes transacting on digital platforms, these clients cannot, as they have standard cell phones. They can access mobile banking, but it has limited features that require them to visit the branch for other transactions. As client engagement using a digital approach was, in some instances, only available at the branch through self-service methods, it was inevitable for some clients to visit the branch to transact digitally. Other clients had to visit the branch to be assisted by a consultant. Some clients still believe cash is king, and this is nurtured in some rural areas in South Africa where there are no point of sale (POS) machines, and the business practice is to only accept cash. In these areas, it was common for clients to withdraw cash for taxi fares, tuck shop purchases, and kids' lunch money. These are some of the issues that caused the clients to go to branches and ATM/DNR to transact or withdraw cash, even though the bank was pursuing a strong digital-first engagement to simplify banking and enable clients to transact digitally and remotely. As the bank had certain rural-based clients who wanted to go to a branch and certain clients wanted to do everything digitally, the bank needed to cater to both, hence the “digical” approach. In this study, the process of digitalisation entailed not only a strong digital approach combined with a human touch but also strong, personal face-to-face client engagement and relationship to avoid unintended and adverse effects of financial exclusion. As digital services are only as effective as the digital infrastructure supporting them, it is less surprising that the process of digitalisation at the bank had a strong technology partnership covering various aspects of the banking value chain (e.g., internet access, bank systems such as Salesforce, HR systems such as SuccessFactors) to improve not only the experience of external but also internal clients.

7.3.3.3 Internal system instability resolved

The bank was working on the operational systems to increase income streams by offering more products to customers. The bank attracted many unbankable customers when the South African Social Security Agency (SASSA) announced that all grant recipients had to open accounts as they would be paid through the bank. Consequently, this increased pressure on the bank that was in the process of transitioning to digitalisation. When pensioners came to open accounts for their grants, the bank could not chase the customers because they would receive a low income, which also contributed to the number of customers transacting. It led to the server processing a large volume of transactions. The bank experienced system instability on busy days such as paydays, holidays, and month-ends. As many customers would be transacting after receiving their salaries, it puts a massive strain on the system. When many clients transacted simultaneously, the system would go offline, leaving clients without access to their money. It impacted the bank negatively, leading to bad publicity and loss of clients. Top executives realised the importance of acquiring new digital technologies and encouraging clients to transact using digital channels to avoid the system going offline, which led to bad publicity. When the system is down, other customers voice their frustrations on social media. HR appointed people with IT skills to reduce system downtime, which also helped the bank increase the number of products and services offered to clients. Customers can access their money without worrying about the system being down on busy days. In a slightly different way, managers also experienced the complexity of the consequences of operational failure of digital technology in the absence of non-digital solutions when their clients needed them most. In the course digitalisation, managers had to learn the lesson that technology is great when it is working. However, when it fails, there's a need to offer alternatives to maintain operations. The bank also learned that implementing technology solutions while maintaining non-digital means that include a human touch was key for bank resilience to thrive.

7.3.3.4 Strategic performance: opening of diverse and new digital revenue streams

Strategic performance was a result of three key activities, namely, strategic partnership with nonindustry partners, technology partnerships within the industry, diversifying bank services, and improved digital synergies across different tasks and internal functioning of the bank. First, the bank realised that digital transformation and strategic performance would not be possible without working with strategic partners outside the banking environment. Technology enabled South African banks to partner with non-banking service providers to offer more value-added services to clients under one umbrella. On the market, the bank offered varied non-banking services to create an ecosystem (e.g., airtime, electricity, and insurance products) through partnership. Through ecosystem and strategic partnership, the bank was able to offer customers the convenience of buying electricity using remote banking. The bank offered SIM cards, and customers could buy airtime, call minutes, and data at discounted prices from the bank. There were many value-added services available for customers using remote banking, including paying bills and beneficiaries, renewing vehicle licenses, playing the lotto, and making international payments at

anytime, anywhere, at an affordable price. The number of non-banking products offered on digital channels increased, generating more revenue for the South African bank.

Digital technologies allowed the bank to diversify and become a one-stop shop for customers. Providing more products and services assisted the bank in retaining existing customers and attracting new ones. The strategic partnership approach with non-banking partners was critical to strategic performance through diversifying and gaining new digital revenue streams. As the strategic approach with partners outside the industry was new, digitalisation entailed acquiring new strategic competencies to manage a variety of partnerships, identify, evaluate, and build productive relationships with partners to drive simplified value for stakeholders. In a different vein, strategic partnership was also with partners in the industry. Second, the variety of strategic partnerships that enabled the bank to operate and provide value-added services and convenience to clients included complementary partnerships with technology service providers such as AWS and industry technology partners who provided Salesforce and support for systems in other areas of the banking value chain such as HR.

Third, there was also a diversification of banking services to drive strategic performance. Within the bank, the focus was initially on short-term loans. Over time, the bank gradually began to offer longer term loans, starting with a 3-month loan and eventually extending up to an 84-month loan. The bank also introduced credit cards, overdrafts, and housing loans as a way of opening new streams of income. There was also the use of digital social communication in a strategic manner to make digital engagement with the bank easy and affordable in support of new services. For example, customers could apply for credit via remote banking or send a WhatsApp without visiting the branch. When a customer was applying for a loan, they would send a message via WhatsApp. This shows that easy and convenient access to banking products requires not only digital technologies but also a client who is well-informed and educated by the bank to remove any fears or doubts, and also trained and knowledgeable employees enabled by the digitalisation of the bank. Another example of the diversification of services by the bank was that it was no longer focusing on credit only. There were also concerted efforts to encourage customers of other banks to switch their salaries. Employees helped customers switch their salaries and move their debit orders away from other South African banks to the selected bank. However, it was not a smooth exercise as some customers did not want to switch their salaries because the bank was not offering an SMS update, as their current bankers were already offering that service. In the process of digitalisation of the bank, strategic performance also required an agile and responsive approach to improve operations by listening to client complaints and needs. For example, the bank had to respond by introducing SMS updates for customers, which helped the bank improve its performance and attract many customers. Lastly, strategic performance in the bank also emanates from improved digital synergies across different tasks (e.g., the Salesforce system reinforced interconnections of different parts of the bank while giving employees a single point of contact to get a holistic picture of the client).

Another example of synergy was transparency, which is one point of contact and cross-functional interdependencies of all HR sections.

7.3.3.5 Operations and service: Restructured, re-centralized internal organisation and processes, more diversified products to clients, cashless banking

As the bank transitioned to digitalisation management, some functions were no longer relevant, and new functions were needed to support digitalisation management. The bank had to restructure to improve operational efficiencies. Departments such as workplace banking, which used to visit clients in their workplace, were integrated into business banking as the bank managed to acquire many clients during and after COVID-19 using technology. Thus, the workplace banking team was not allowed to move around to visit clients. To improve operational efficiencies, the bank identified functions where staff can operate remotely using digital technologies. The bank closed its regional office after the pandemic, staff started working remotely, and the reporting structure changed from Regional to Head office; others were sent to operations branches and business banking and seconded to divisions with a backlog that needed more hands. As the regional offices were closed, services were centralized, and people from departments such as HR and marketing reported directly to the head office. Centralizing services helped the bank save on some costs. The change of structure helped the bank to improve efficiency and streamline internal processes.

The bank had to diversify its products to grow its business. The bank kept its ear to the ground to listen to its clients and employees. It helped the bank understand the clients' needs and ensured that it offered its clients the necessary products. The bank was driving a salary switch to encourage clients to use South African bank accounts as their primary accounts. This action forced the bank to diversify its products to ensure that when clients switched their salaries, they would get the same service and even more than they were getting from their previous. The bank changed its value proposition by introducing new products and services to offer full baskets to clients. The clients could get different products under one roof and did not have to get other products from competitors. The bank had to ensure that employees were well trained to position those products with clients and could serve all clients needing those products and services, and the system could handle volumes to create convenience for clients.

Digitalisation simplified banking by reducing the demand for cash in some places. Cash is costly to the bank and clients. The clients do not have to spend money traveling to the ATM / DNR to withdraw cash. To withdraw cash from the ATM is also expensive, as the bank charges a withdrawal fee. Digitalisation enabled the bank to put money back into client's pockets. Getting cash in transit to replenish the ATM was also costly for the bank as the bank had to pay for cash in transit for every trip it made to the bank. It is also risky for the employees. The staff did not know when cash in transit would be at the branch, but when they were there, they had to attend to them, and anything could happen while they were still

there. Although there were measures to ensure staff safety, there was no guarantee that nothing would happen, which put the employees' lives in danger. As most clients transact on digital platforms, the need for and use of cash has been minimized. The bank engaged in different activities to ensure that implementing digitalisation simplified banking for clients.

7.3.3.6 Human resources: Digital skills scarcity, new learning systems, Digital HR processes, reskilling of staff to be digital-fit

While digitalisation was progressive, it created the challenge of developing the necessary digital competencies for operational excellence. First, digitalisation opened up opportunities for internal clients with IT skills who wanted to move to the IT department. The bank was offering bursaries for employees who wanted to study for a degree in the IT field, and many employees benefited, while others were promoted after getting their qualifications. Many people with IT skills (e.g. product owners, developers, and business analysts) were appointed to address the digital skills scarcity problem. There was a recruitment drive for different types of IT Engineers. New appointees came up with new ideas that led to system improvement and positive results. The scarcity of experienced people with digital skills was a challenge in the selected bank, but it was also a career change or advancement opportunity. There was an advertisement for internal employees that, when referring candidates such as software engineers and cloud engineers, would get a voucher. HR was also recruiting for the business support center due to an increase in the number of customers transacting through digital channels. As top management invested in infrastructure, they faced the challenge of digital skills scarcity.

Second, the Learning and Development team had to reskill the team at the business support center, ensuring that they had the skills to assist customers who were encountering problems while transacting remotely. Success Factors as a system made the HR digital process more central and incorporated Learning and Development to store all the learning material and tests for staff. Transparency and integration of HR systems enhanced collaboration and interaction of HR staff, working on different and interrelated tasks such as recruitment, training and development, and performance appraisals. Digital HR processes were simpler, enabling the training facilitators to upload e-learning and quizzes to the system. Employees were expected to read the e-learning guide and pass the quiz with 90% or more to be regarded as competent. This new learning system enabled facilitators to save time marking quizzes as every time employees completed; the marks would be available immediately.

Completion of e-learning was part of the key performance areas (KPA). SuccessFactors as a system assisted managers during performance appraisal time as it was easy to navigate the system and retrieve all the information needed. It also helped the managers with continuous performance monitoring when an employee was struggling, doing coaching to close the gap and monitor progress to ensure that all employees were at the same level. Managing complex digital consequences also meant that managers

were dealing with human resources-related activities, focusing on various aspects such as digital skills scarcity, new learning systems, digital HR processes, and reskilling of staff to be digital-fit.

7.3.3.7 New ways of marketing are enabled by digital technology

In the process of driving simplified and multiple values to stakeholders, there were two key issues for managers and employees. First, there was a structural change to the organisation of the marketing effort. Digitalisation triggered changes to the marketing organisation structure, resulting in the centralization of marketing efforts and the positive consequence of reduced operational costs. When COVID-19 struck in 2020, the regional office was closed. Marketing managers started working remotely, reporting to the head office, and other team members of marketing were moved to other departments, but most were sent to operations branches. While this had the positive effects of reduced costs and bureaucracy, there was a need to deal with the adverse effects of employees who were unhappy with this structural change. For example, the role of employees in the merchant team to visit the client was no longer there with the remote onboarding of users. Technological innovation enabled business customers to apply for card machines online and onboard themselves, which was the responsibility of the merchant team. Upon completion of the application, the merchant support team at the head office will send the customer login details via email.

As there was no face-to-face interaction or personal experience with the customers, the merchant teams in the regional office were dissolved. Thus, while digitalisation had positive consequences, it also triggered adverse effects, which had to be managed carefully, arising from restructuring. There was subtle tension between client engagement face-to-face and client engagement enabled by technology, which resulted in some employees from the merchant team being unhappy with the new orientation of marketing activities and focus. Second, the process of driving multiple and simplified values to multiple clients also changed in terms of focus from experiential marketing, assisting with sponsorships, and brand visibility to targeted digital marketing. Before digitalisation, the focus was more on positioning the brand at events such as Sports Days and Wellness Days. In the process of digitalisation, the focus of marketing on events changed to focus more on drawing the audience's attention and reaching many people on smartphones. Technology enabled the marketing team to apply audience-targeted marketing. The potential customers were being targeted with products related to what they were searching for; there were positive consequences from a more targeted marketing than what the team did in the past, which was spray and pray, hoping they would get to the targeted client. While digital marketing enabled the marketing team to target an audience that had the potential to take that product rather than offering the same product to everyone, the shift misaligned with the competence of some existing staff who had to be reallocated or re-skilled, while others left the bank.

7.3.3.8 New forms of risks: Cyber risks and IT-related internal and external fraud

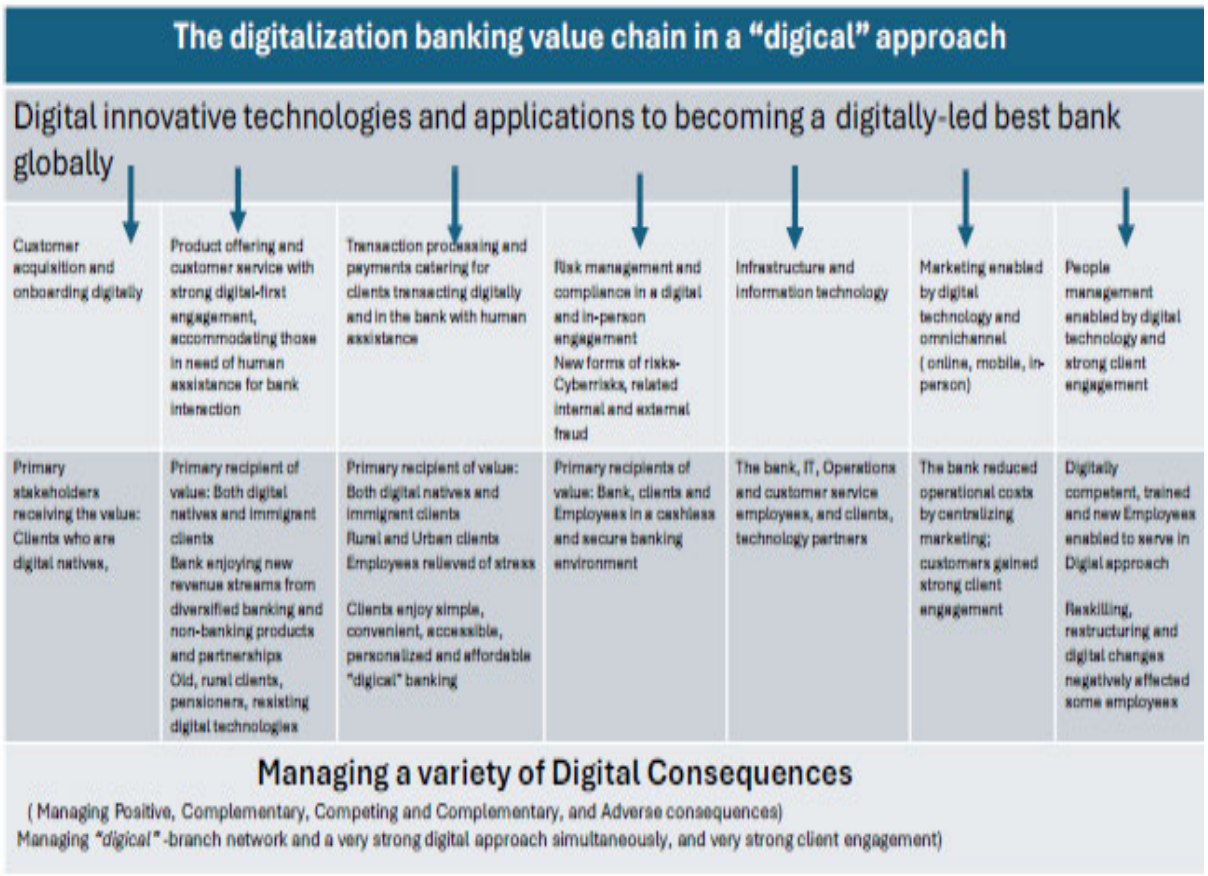
Although digitalisation in the bank accelerated innovation, improved processes, and created convenience for many clients, it also opened the bank to cyberattacks. In managing the bank in the course of digitalisation, there was the complexity of balancing innovation, experimentation, and risks. Scammers saw an opportunity as the bank was using sophisticated technology to attack customers through increased cyber-attacks using vishing, phishing, and smishing. In the early stage of digitalisation, there was an increase in people reporting that their money disappeared from their accounts, especially older people, due to cyber-attacks. While the bank was promoting the favorable benefits of digital-first engagement, there were cyber attacks and fraud scaring clients, posing serious potential for the derailment of digitalisation as a strategy. The bank quickly realised that some of the accounts were not open for the right reasons but to create adverse effects. Risk management noticed the trend early, and the process was stopped. In terms of technology and products, managing complex consequences entailed supporting the developers to put more security measures in place to ensure that customers and the bank were protected.

In a different vein, managing complex consequences also emphasized employee education as they were targeted with baiting and malware to infiltrate and hack the banking systems. Employees with digital competencies and cybersecurity awareness were critical and complemented the process of digitalisation safely. Employees had to learn how to protect customers and the bank against anything that could pose a risk; even after employees had completed e-learning, they had to be vigilant at all times. The IT department would randomly send a phishing message to staff members to find out if the person would be able to identify that this is a phishing message. When the employee clicks on that email, he or she will get a message that he/or she failed the test and has to re-do e-learning. The IT department kept track of how many times the employee failed, which is shared with the line manager to ensure that employees do not just click on any links before identifying the sender.

This study states explicitly that managing the variety of experiences in the banking value by clients, employees, and other stakeholders because of applying innovative digital technologies in the efforts to become the digitally led best bank was very complex, involved various components of the banking chain and was challenging to managers. Managers were dealing with the complexity of digital-first engagement while simultaneously blending the human touch with technology to provide strong client engagement for digital natives as well as digital immigrants, clients in rural areas without access to the network, the old and pensioners skeptical of technology, who relied on consultants to interact with the bank. Managing with complex consequences was about grappling with interrelated activities and consequences regarding customer acquisition and onboarding digitally, embracing product offering and customer service with strong digital-first engagement, accommodating those in need of human assistance for bank interaction, risk management, and compliance in digital and in-person engagement,

ensuring reliable infrastructure and information technology. More importantly, it was also about dealing with new and emerging forms of risks (e.g., cyber risks, related internal and external fraud) and ensuring effective people management and marketing enabled by digital technology, as shown in the *digical* approach in Figure 7.2 below.

Figure 7.2 The scope, stakeholders, and variety of consequences in a banking value chain in a "*digical*" approach



Source: Researcher's construction

At the centre of the complexity of digitalisation was the simultaneous emphasis on a strong digital approach on one hand to meet the needs of digital native and literate employees and strong client engagement, not to lose those unable to transact digitally. Thus, managing the variety of consequences of digitalisation entailed systemic thinking by managers as they were not dealing with consequences pertaining to a digital-first approach only but also strong client engagement as two aspects of the *"digical"* approach. This approach was characterized by a strong digital approach combined with strong client engagement in omnichannel, without leaving any type of client behind in a digital-first engagement. In managing the interactions and complexity of the consequences of digitalisation in the bank, the focus was on the interdependence between the trinity, which embraced front offices (branches), middle offices (call centers), and back offices (operations). Given the discussion, it is clear

that managing the complexity of consequences entails paying attention to the back office as well as customer-facing implications of digitalisation, a variety of changes in different parts of the banking value chain and efforts to reinforce the digital approach- simultaneously combining a strong digital approach and strong face-to-face client engagement.

7.3.4 Stage four: Transforming key challenges to new forms of value

Subsequent to managing complex digital consequences, managers and employees narrowed and concentrated their focus and dealt more with key and critical challenges that were not foreseen during the previous stages, as well as efforts to enhance the scale and reinforce a "*digical*" approach to banking. At this stage, managers were predominantly focusing on the challenge of driving bank customers to the digital space, mindful that some customers still preferred face-to-face interaction. Three key activities in transforming key challenges into new forms of value were the integration of digital technology, financial inclusion, and digital-first engagement in banking in the digital era. It was a smart business for managers to pursue inclusive banking gain scale by catering to younger consumers increasingly demanding seamless, personalized, and affordable banking services on one hand and other clients demanding strong face-to-face client engagement on the other. Increasingly, managers in the bank recognized and underscored the importance of the fact that some of the suppliers were no longer relevant in the digital world, and it was time to change quickly. Additionally, managers had to transform key challenges into new forms of value through the pursuit of balanced and inclusive change with full recognition of the different and competing customer needs while transforming the bank into a digital-first engagement. Other key challenges were about managing internal and external resistance from employees and clients. Streamlining organisational architecture for efficiency and remote banking mode and realigning the strategic relevance of suppliers with emerging digital banking needs. Each of these four key activities in the fourth stage of the process of driving simplification and providing multiple values to banking stakeholders is discussed below.

7.3.4.1 Balancing and inclusive change with different and competing customer needs while transforming the bank into a digital bank

Digital technology adoption by clients with the potential to transact digitally and stop visiting the branch was key in turning challenges into new forms of value to clients and the bank. The bank had to simplify banking by taking clients outside branches and finding ways to move these clients to transact on digital platforms.

The key challenge was to integrate the provision of strong client face-to-face engagement while at the same time transitioning to digitalisation, with most clients transacting in a digital space. The bank had to maintain the balance by not discriminating against those who still preferred to visit the branch. As digital-first engagement grew in the bank, it was very interesting that in some banks, clients who

preferred visiting the branch did not spend much time, as there were no long queues. This inadvertently made it not critical or necessary for some clients to migrate to digital platforms. Pensioners and elderly customers continued to prefer face-to-face interaction as they did not have digital literacy and confidence and felt that they were going to lose their money when transacting through digital channels. Some clients preferred to be assisted by bank employees to be on the safe side. Managers had to find a way to ensure the co-existence of strong client engagement for customers who wanted to maintain a status quo of consultant-enabled transactions on the one hand and those clients with digital proficiency, as the bank was transforming to a digital-first engagement in a "*digical"* model.

Consultants were busy enhancing strong client engagement with clients who were not rushing anywhere and were willing to wait. In a different vein, there were also some clients who did not know they could onboard remotely and thought they needed to visit the branch. Transforming the key challenge of low adoption of digital technology by potential clients was to ensure that the role of Bank Better Champions was to specifically support and explain how remote banking works, assist the clients in completing the flow on their cell phone, take a selfie, and send it to the consultant to finalize the process.

The other key challenge was that the bank had to balance and incorporate changes with different and competing customer needs for strong face-to-face client engagement while transforming the bank into a digital one. The appeal of the four pillars of affordability, simplicity, accessibility, and personalized service attracted many clients, including unbanked clients. The consultants had to spend time with this type of client to assist them, as most unbanked clients preferred face-to-face interaction, and some did not have smartphones. Opening an account took a long time as most of the tasks were done manually by the consultant. The other challenge was that some clients did not know how to use an ATM, sometimes forgetting their PIN and blocking their bank cards. Consultants would spend time helping clients reset their PINs or issue new cards. Existing clients repeatedly visited the branch for simple transactions that were essential to them, like printing statements, transferring funds from one account to another, creating stop orders, or checking their balances. Consultants assisted clients in performing these transactions as the clients could not transact independently and digitally. As the system was slow and unstable, clients had to wait for their turn to be served, which created queues. Each branch had a cashier area for cash deposits. Clients would stand in a queue to withdraw money from an ATM and go inside the branch to the cashier terminal to make a deposit. All these activities resulted in long queues inside and outside branches. Although the bank tried to increase the number of branches to increase accessibility, that did not address the problem as the number of clients grew substantially, which did not reduce queues. These queues chased away quality clients from the bank, who did not have time to wait in these queues before transacting. Long queues were a big challenge for the South African bank as such new forms of value were through assisting and educating clients on how to migrate to digital banking.

7.3.4.2 Managing resistance from employees and clients

In the pursuit of simplified and multiple values of banking for stakeholders, branch managers had to deal with resistance to change from employees and clients. Most employees were fearful of the change, had a fear of the unknown, a fear of losing their jobs, or a lack of confidence. Commonly, some employees were unsure of what digitalisation meant to them. Managers had to assure the staff that digitalisation would create more opportunities, not replace them. The bank supported those employees with the necessary skills and wanted to move to other departments as much as possible.

Employees were key to transforming digital technology's power and value to stakeholders, but this required client persuasion and support to ensure that clients were actually using the new technology. Client awareness of digital technology was key but not sufficient to create value for the bank without clients using it. Another key challenge was that the bank noticed that the reports showed an increase in remote banking product take-up but no change in clients' behavior. The clients were still visiting branches, assisted by consultants, and continued not to use the app. As the key for the bank was for customer-facing delivery employees to educate clients on the use of remote banking, it was critical for performance measurements and incentives to emphasize technology adoption. The bank changed the measurement on the scorecard and put more weight on usage, leading to a jump in online banking usage. The change in weighing measurements on the Balanced Scorecard was key, as some customer-facing delivery employees resisted change by not educating clients. For instance, whenever clients visited the branch, the consultants would continue assisting clients with the banking system without any reference to the digital app. Initially, some employees were reluctant to educate clients as they felt the bank would not need them once clients could transact independently. The bank realised there was resistance from employees and introduced a reward system to motivate branch staff to use digital technology to transact with the bank. The bank rewarded employees for each client who agreed to use remote banking. The incentive was key for some staff to take the assistance of clients in downloading and using the remote banking app on their phones seriously. The incentive was key to reversing the trend of clients who kept coming to branches, as they did not know the benefits of transacting with the bank digitally and safely. When the clients encounter challenges, they had to call client care instead of coming to the branch. As more clients were transacting on digital platforms, employees were afraid that they would lose their jobs. Staff felt that technology would replace them. Managers had to help staff understand the importance of moving the clients to the digital space and how it would simplify their lives by reducing pressure on them. Digitalisation required both employees and clients to learn new things and, in the long run, unlearn what they already know to learn new ways of doing things. Resistance to change was noticeable predominantly among employees who had been with the bank for a long time.

There was also resistance from clients as they were afraid of making mistakes, such as transferring money to the wrong account. The bank charged clients higher fees for transacting in branches to

discourage them, and whenever they visited the branch, the employees would guide them and not transact for them. Leading with a 'why' was the style used by top executives and managers to help employees and customers understand why the bank was introducing particular products instead of giving instructions without explanation. This style requires leaders to clarify or elaborate on the rationale for change. Leading with a "why" was key in addressing employee resistance to change, as it supported the incentives that were introduced for employees. When people understand why something is important and how it benefits the client and the community, it is easy to manage as they are willing to go the extra mile and get rewarded. It is easy to get buy-in from employees when they feel like they are part of the organisation. The bank believed that a leader always needs to lead with the "why" to enhance buy-in and collective support for the adoption of digital techniques.

7.3.4.3 Streamlining organisational architecture for efficiency and remote banking mode

The focus on efforts to redesign or restructure the organisational architecture of the bank was pivotal to streamlining the organisational architecture enabled by digital technology. Identifying departments that were no longer relevant due to digitalisation was key to enhancing efficiency through structural and procedural changes. For example, the department of workplace banking was closed, and staff moved to business banking to streamline activities for a digital-first engagement. Similarly, the regional marketing was also dissolved, and the staff were sent to operations. Regional managers worked from home using digital technologies in their regions and reported to the Head office. HR had to move staff to where there was a shortage. In pursuit of operational efficiency, some employees had to relocate to other places where they needed to learn new products and systems. Streamlining operations entailed identifying and eliminating redundant tasks in the bank, which was essential to reduce the time and effort required to complete tasks and render service to clients. Streamlining improved efficiency and allowed staff to focus on more critical tasks that added value to the bank and its customers.

As many clients were transacting on various digital channels, the client care team was set up to assist clients when they encountered problems. Instead of recruiting new staff for client care, staff from other departments were re-skilled and re-assigned to this section to serve clients who interacted digitally. Another essential aspect of optimizing workflow processes was eliminating redundant steps. The bank was taking unnecessary steps that were adding unnecessary complexity and time.

Another example of streamlining the organisation was the closure of the merchant services team, which specialised in merchant products and business banking products. The merchant team of the bank integrated with business banking to streamline the processes and reinforce interdependencies of activities in the banking value chain. Remote banking enabled merchants to onboard and order card machines independently. By streamlining procedures and eliminating unnecessary steps, the bank was able to operate more smoothly and provide better customer service. The automation of routine tasks was

another crucial aspect of streamlining banking operations. By automating transaction processing, account maintenance, and onboarding of customers, the bank was able to reassign human resources to more complex tasks that require human intervention. More importantly, remote banking not only affected the merchant services team but also took some tasks away from the representatives responsible for onboarding clients.

7.3.4.4 Re-aligning strategic relevance of suppliers with emerging digital banking needs

The process of digitalisation resulted in emerging needs and changes in various ways of doing things in the bank, necessitating a change in banking and non-banking suppliers. For example, before digitalisation, branches could not run without paper. There was a high demand for paper in the entire bank. In the customer service activities, clients had to sign a printed contract when they took any products. Additionally, the bank had to keep boxes of paper to ensure it did not run out. More importantly, the branch had to keep the signed client contracts for at least five years before they were destroyed. In the back-office activities, the bank could not keep contracts in the branches due to limited space. This entailed requiring the bank to store contracts in storage warehouses. New emerging needs as a result of digitalisation made it unnecessary to buy paper and physical storage space, as the bank was becoming paperless. Instead, the bank was engaging digital security suppliers of biometrics, as there was less demand for paper, as clients used fingerprints to sign. The contracts were stored in the system. As the bank was operating paperless, this had a negative impact on the non-digital-enabled suppliers in non-banking sectors, such as paper suppliers. Conversely, there was a positive impact on suppliers of digital technologies and complementary services.

The study also explicitly states that suppliers of security and cash in transit played a critical role, as they were used to collecting and loading cash on ATMs. The challenge with cash in transit is that it sometimes takes a long time to come and replenish the ATM, which inconveniences the clients. The bank replaced ATMs with DNRs, allowing clients to withdraw and deposit cash, which escalated demand for customer-facing technology. There was an increase in the demand for DNRs as they replaced ATMs. The ability of suppliers of banking-related technology to cope with the scale of demand, growth, support, and modernization of digital banking was key for continued relevance. The use of DNR reduced trips for cash in transit to the branches to replenish ATMs, which was relevant to reducing the cost of digital banking. As most clients were transacting on digital channels, they did not need much cash, and the bank was becoming cashless. In a different vein, re-aligning the strategic relevance of suppliers with emerging digital banking needs was also about adding and managing new suppliers of non-banking services to add value to customers (e.g., airtime, insurance suppliers). The pursuit of the four pillars of accessibility, affordability, convenience, and "*digical*" approach influenced a change in the relevance of banking and non-banking suppliers in the pursuit of digitalisation of the bank.

This far, the chapter has discussed the four interrelated stages and activities of driving simplified multiple values of banking services by (a) identifying the digital enabling opportunities, (b) enacting multiple values for varied stakeholders, (c) managing with complex digital consequences and (d) transforming key challenges into new forms of values key in pursuit of digital-first engagement in a ""*digical"* approach of banking manifested by the bank. However, these fundamental activities were positively or negatively affected by a pattern of dynamic activities discussed below.

7.4 DYNAMIC PATTERNS OF ACTIVITIES OF CREATING CHANGE READINESS FOR DIGITAL, COMMUNICATING CHANGE STYLE, CHANGE PATHWAYS AND CHANGE RESULTS TO KEY STAKEHOLDERS

The transition of the digital wave of value from the initial stage to the others was impacted by dynamic activities that interacted with each stage of driving simplified and multiple values of banking to varied stakeholders, as presented below.

7.4.1 Patterns of activities of creating change readiness for digital by different actors

As digital technologies were bringing in uncertainty and disruptive power, change readiness was about the organisation`s or individual`s ability to prepare for and adapt to digital change in the bank. At the stage of identifying the digital enabling opportunities, top managers were trying to create digital change readiness in three key ways, namely, readiness at the organisation, the individual level of employees, capacity, and commitment. In the early stages, change readiness activities included conferences and branch meetings to build digital change awareness and the psychological willingness of affected managers, employees, and clients to cooperate in bringing digital change to fruition in the bank. Change readiness in terms of employee capacity was more about the learning and development team conducting formal learning to prepare and give staff enough time to understand the nature and scope of digital change and address any unclear topics and a variety of fears regarding digitalisation as a strategy. Some employees were uncomfortable with digitalisation and resisted it in one way or another. Other employees were excited and supportive of the change and were engaging in identifying digital enabling opportunities in various parts of the banking value chain. For digitalisation to progress from opportunity identification to enacting values, digital readiness was the degree to which employees were willing to put their energy and effort into digitalisation and the specific behavior in terms of the acceptance of digital technologies in their work. At the individual level, the bank was relying on employees' intentional digital readiness to enable digital transformation, individuals' actual use, and acceptance of digitalisation (e.g., staff, clients, partners).

At the organisational level, change readiness in the bank ensured that there were resources (e.g., IT, human, financial) ready, willing, and able to deliver a successful implementation, integration of digital technology into existing business processes, and realise sustained benefits of digitalisation to the

envisioned end. The top executives' investment in technology, such as Amazon Web Services, enabled the branch staff to understand and evaluate the bank's preparation and commitment to adapt to digital banking. In terms of human resources, readiness activities also included the process of appointing new people with digital skills and developing existing staff on how to transact on digital platforms. For instance, HR had to ensure that the Business Support Centre had enough staff who had the skills to support branches with operations and address challenges and customers when struggling to transact through digital channels. There was a shortage of people with IT skills, like product owners, developers, and business analysts, who had to be appointed by HR had to appoint people with those skills. Top management acquired new infrastructure to ensure that IT people focused on creating new products instead of fixing a system that was constantly breaking down from time to time. The IT team had to ensure that products and services were easily accessible and delivered to customers efficiently. HR also had to ensure that the operations staff was well-trained and ready for change.

Change readiness in terms of capacity included efforts for employees and clients to be provided with the necessary financial, material, human, and informational resources key to creating and sustaining confidence in digital changes. Change readiness entailed taking a critical look at the organisation's resolve, fitness, and capacity to successfully deliver the benefits in the process of digitalisation and initiating appropriate actions to bring the current state of readiness to one of confidence in the long-term success of digitalisation in the bank. The preparation for change was introduced gradually to ensure a smooth transition. At the beginning, the preferred change style was top-down while emphasizing the adaptive change pathway, directed to specific functions such as the Business Support Centre, Information Technology, and Operations departments, before expanding to multiple values to varied stakeholders of the bank.

7.4.2 Communicating with change style and change pathways

Communication played a vital role during the transition process in the South African bank by contributing to individual and collective resolve to implement and sustain a digital change. In the beginning, digitalisation was communicated in a top-down communication style to clarify the change direction and build commitment to digital change led by the leadership of the bank. Communication in the early days was for enhancing clarity of change pathways in terms of the fundamental direction in response to persistent system instability, addressing stakeholder fears, and gaining employee commitment, key to realising the desired outcomes of digitalisation. The identified digital enabling opportunities in the bank were shared through the ritual of an annual strategy meeting at the beginning of each financial year, where the top management invited all managers to attend the presentation of a strategy for the new financial year. Subsequently, the identified digital enabling opportunities were further shared and cascaded through routine visits by Top management to each province in South Africa to present the bank’s strategy. In these conferences, managers get an overview of what must be delivered

that year and why. At the beginning of the year, the top-down process of sharing strategy was achieved through a series of meetings in the provinces by top executives, cascading priorities, and communication for direction and alignment. Up to two or three months were needed to ensure that information communicated across the bank was clear.

The ritual or routine of conferences in the bank digitalisation process was key as a platform not only to reward good work in the previous year and discuss challenges faced by the business and big wins (hindsight) but also for Top Management to share and clarify what the bank needed to achieve, what each division must do to contribute towards the bank`s objectives, and how. The conference was a critical tool for a shared understanding of digital direction to ensure that all managers have clarity on what expectations and priorities to pass on to their teams, and the provision of feedback.

Senior Managers received feedback from their heads of departments, who directed them on what they needed to communicate to their teams as part of the bank's digitalisation process. Some employees lacked confidence and trust in the digital approach, were mindful of the persistent problems of the system, and had negative perceptions of digitalisation as a job destroyer. Top executives were constantly reviewing change pathways not just to align with the situational requirements for digital change, stakeholders, and resources but also with the emerging model of "*digical"* banking (e.g., combining a digital approach with strong face-to-face client engagement in the branches). Managers had to manage the implementation process and ensure that staff not only understood what was expected from them in the digital sphere but also grew in their preparation and ability to implement and support digital change. Some senior managers raised the issue that the strategy was not well communicated to them, as they had to figure things out when their subordinates asked questions. The initial top-down communication methods used in the bank left room for misinterpretation of the message. Previously, the bank used to communicate via email, and branch managers had access to emails. The managers would receive communication and filter it down to the staff. This method of communication led to different interpretations. As a result, there was a lack of consistency as people were doing things according to their interpretations. Sometimes, the message would get distorted before it reached the consultants who must convey it to clients, or an email would be sent to the branch, finding that the manager was busy and did not get time to check emails or skipped that email by mistake, which would mean the message would not reach the intended recipients on time. However, there has been improvement as the bank used different communication methods such as text, video, top management visits and meetings, Branch operational teams engaging employees on aspects for continuous improvement, and the use of employee feedback to ensure a shared understanding of the challenges and envisioned digital change. Consolidating multiple communication systems into one unified platform in various functions such as HR, Operations, and Customer service was key in reducing operational costs miscommunication and enhancing simplified value to varied stakeholders. Combining technologies (e.g., mobile applications

for remote access, back-office integrative communication of systems, SMS, Emails, interoperability communication) resulted in integrated communication, creating a more efficient and productive communication environment for employees, customers, and partners in the process of digitalisation.

Thus, there was a shift from a more top-down communication of change to a more bottom-up, customer centric, and integrated communication driven by employees and users, with ideas emerging from the bottom of the organisation. Notably, during the implementation stage, the communication style of the change pathways became two-way and interactive communication as the employees and customers were digital change drivers of the collaborative and transformational change style in pursuit of digital first engagement. Employees had to provide an update on challenges they were facing during the integration of the technology, and top executives would provide feedback to the staff through their managers. As the bank was gaining wider agreement among managers and staff on overall digital direction, what the bank and the employees were trying to achieve together, progress in implementing the different activities to realise the simplified and multiple values of digitalisation accelerated. More importantly, commitment was evident in stakeholders involved in the change, from the top leadership to the line managers and employees to external partners and suppliers, who were gaining a shared resolve to implement digitalisation. A team-based approach to operational changes was adopted, comprising branch and regional managers to review, modify, and increase operational and process efficiencies. The team reviewed the existing bank processes to identify gaps and areas of improvement, such as determining transactions that IT could move to a digital way of transaction, such as balance inquiry. Customer-centric communication was also pivotal due to new technologies that seamlessly integrated with existing systems and processes, improving personalized and omnichannel experiences in the bank.

7.4.3 Change results to key stakeholders

Improved customer experience, increased employee productivity, operational efficiency, and value of "*digical*" approach to banking were the four types of results related to the process of driving simplified multiple values of banking services to varied stakeholders. First, the results of transitioning to digitalisation were evident in improved customer experiences (e.g., affordable, seamless, accessible, efficient services) when transacting through a variety of digital channels. While the digital-first engagement was a result of digital integration, it also inadvertently pronounced the need for strong faceto-face client engagement and, ultimately, the *"digical"* approach to banking. Second, the operational efficiency of digitalisation reduced workload or pressure on employees as the number of customers visiting the branch decreased, creating a new challenge. While the drive was to promote digital first engagement, employees in the branches were still measured based on the targets of customers visiting branches. Branch employees had to develop innovative ways to get new clients, as the existing customers were no longer coming to their branches but were transacting through digital channels. The digital change created uncertainties among employees at the branch in the early stages of

digital technology adoption. The fear was that when the customers were able to transact independently without visiting the branch, there would be no need for branches and staff. While top management decided to close the cashier area, the emerging digital-first approach also resulted in many new opportunities for people with a new set of skills, such as people with IT skills and call centre agents, to assist clients in transacting on digital channels when they encounter problems. Employees who invested in upskilling themselves had a chance to grow within the bank. To enhance digital engagement, the digital change opened many opportunities, which resulted in the bank appointing new external candidates with scarce skills.

Third, operational efficiency was evident when top executives acquired new technologies that simplified banking for employees, as they were able to access clients' data and use it to make decisions to personalise and digitalise service. Digitalisation simplified work for leaders by making it easier to interact with employees in a hybrid work environment, spending less time travelling to and from meetings, and have timely access to actionable reports based on a clear picture of what is happening in branches and quickly address the problem before it escalates.

When looking at the change results for suppliers as stakeholders, digitalisation added value to digitally enabled suppliers. Alternatively, non-digitally enabled suppliers, such as cash-in-transit companies, faced a negative impact. The digital change had a negative impact on cash in transit, as there was less demand for cash. Driving customers to the digital space also contributed to the fact that customers would transact on the phone without withdrawing cash.

Outside the banking industry, partnerships between the bank and retail shops (e.g., Checkers, Boxer, Pick n Pay, and PEP) were beneficial to customers as they could transact digitally. This removed the need to withdraw money for purchases.

Although changing to digitalisation created convenience for customers, it did not fully serve some of the rural or remote areas and some people who were not tech-savvy or did not have a smartphone to transact digitally. This resulted in digitalisation manifesting and reinforcing " *digical*" way of banking. In a different vein, the process of digitalisation also resulted in an escalation of fraud and a variety of risks. The customer's accounts were being hacked and defrauded in a digital space. There were customers targeted with phishing, smishing, and vishing. Risk management and operations embarked on a journey of educating customers on how to protect themselves against cyberattacks.

7.5 OVERALL CONSEQUENCE OF SIMPLIFIED AND MULTIPLE VALUES TO VARIED STAKEHOLDERS

The last stage in the process of implementing digitalisation as a strategy was the overall consequence of simplified and multiple values to varied stakeholders. From a customer perspective, the theory illuminates that customers valued fast processes with low costs as they were not happy with losing time on long queues, accessibility of products and services anywhere at any time on all devices and at branches, affordability of interactions via online channels, mobile channels, call centers, e-mails and social media (WhatsApp), as well as sense of control and dignity of personal contact and consultative engagement in bank branches. Additionally, clients valued the simplicity of processes and access to a variety of non-banking services at an affordable rate through a variety of partners. In a nutshell, the various forms of value at the customer level can be summarised as affordability, accessibility, convenience and simplicity evident in the theory of driving simplified multiple values of banking services to varied stakeholders in a South African bank. At the centre of this type of overall consequences, simplified and multiple values was the *" digical"* approach, which entailed combining digital customer engagement (e.g., using online social media and digital communication channels, mobile and internet banking self-service terminals and strategies to interact with customers across various digital channels) and strong face-to-face client centric engagement to clients are as well as those unable or unwilling to transact digitally(e.g. relying on consultants to transact). The South African bank adopted the "*digical*" approach, which could not be previously adopted before the digitalisation strategy.

In this study, multiple values refer to one or more of the benefits to customers as external stakeholders (e.g., convenience, flexibility, ease, speed of service, cost efficiency, accessibility) or new ways of using or efficiently delivering banking services in a digital-first engagement which reduced problems faced by employees as internal stakeholders, mindful that some of the clients had unique challenges impeding them from transacting digitally. The benefits or value of the process of digitalisation are not objective and vary between clients, employees, the bank, and partners assisting the bank to provide banking and non-banking services.

At the bank level, addressing the persistent system's instability created not only the benefits of operational efficiency, but also the removal of psychic costs of dealing with unhappy clients and pressure to create bring the system back on time and reduce client inconvenience for many customers and employees negatively affected by service disruptions. Top management acquired new infrastructure, and HR appointed a calibre of IT people who managed to fix the problem of system failures. Customers were accessing banking even on busy days, applying for loans, and transacting without visiting the branch, which created value for different stakeholders.

Varied stakeholders have an internal and external dimension as it refers to the diverse groups or individuals and partners with different interests, needs, or concerns regarding the selected bank. These stakeholders include employees, customers, and partners (e.g. suppliers, retailers, insurance companies, etc.) impacted by the outcomes of the South African bank's digitalisation. At the bank level, the forms of value arising from the process of digitalisation included improved bank reputations as there were fewer problems of system failure, diverse revenue streams, reduced operational costs, integrated digital technologies which enhanced employee efficiency in different departments such as HR, IT, Operations, marketing and also digital human resources to enable digital banking processes and pursuit of the banking vision. There was also collaborative value from partnerships to protect cash-in-transit, support digital systems and enable clients to access diverse non-banking services in a digital manner. The bank was reaping the benefits of a digital-first approach while also reinforcing personal contact and a consultative style of engaged banking for the lower-end mass market.

In the context of this study, the substantive grounded theory developed depicts the five distinct and different stages manifested in the way the selected bank implemented digitalisation, characterised by a preference towards sensitive digital-first engagement as a strategic approach to banking services by a bank mindful of the power of strong face-to-face client centricity in order not to leave behind any clients with unique difficulties impeding them or those not simply willing to transacting digitally. These clients require strong personal contact and a consultative style of service from consultants.

7. 6 CHAPTER SUMMARY

This chapter has presented a substantive grounded theory labelled "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*" which constitutes two key aspects with the four interrelated stages of (1) identifying digital enabling opportunities, (2) enacting multiple values, (3) managing with complex digital consequences, and (4) focusing on transforming key challenges to new forms of value and also the impact on these by three dynamic activities regarding change readiness, communicating with change style and change pathways and key results of digital change experienced by stakeholders which ultimately results in the (5) overall consequences of simplified and multiple values to varied stakeholders. In a nutshell, the theory of "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*" is the pursuit of sensitive digital-first engagement as a strategic *digical*" approach to banking services by a selected South African bank, which intentionally accommodates any clients with unique impediments to transact digitally. At the centre of the process is the *digical"* approach in the banking value chain, which combines the digital approach with face-to-face strong client interaction in the branch to ensure no client is neglected in the digital journey. Dynamic activities of creating change readiness for digital at the individual and the organisational levels, communicating change style, change pathways, and change results to internal and external key stakeholders of the bank are key in progressing

the transitional stages in the process of digitalisation to ultimately result. The substantive grounded theory depicts the overall consequences of simplified multiple values of banking to varied stakeholders as a result of the dual approach to banking, which one of the participants labelled as "*digical"* banking. Lastly, the substantive grounded theory shows the complexity and constituent parts of the process of driving multiple values of banking services to stakeholders. The next chapter discusses the developed substantive theory in relation to previous studies and existing literature.

CHAPTER EIGHT

DISCUSSION OF RESULTS

8.1 INTRODUCTION

The main objective of this qualitative research was to build a substantive grounded theory elaborating on how South African bank implemented digitalisation as a strategy for banking services and products, according to the lived experience of senior managers. It is important to reiterate that in pursuit of the main research objective, the grounded theory study investigated the *activities* engaged in by the South African bank to implement digitalisation as a strategy for banking services and products, according to experienced senior bank managers. Chapter Five has presented a variety of activities engaged by the different actors in implementing digitalisation as a strategy from the viewpoint of senior managers of the South African bank. It is noteworthy that the first part of Chapter Six presented findings on the second research objective of this study. The initial part of the chapter has revealed factors influencing the process of identifying opportunities for digitalisation as a strategy for banking services, according to experienced senior managers of a bank in South Africa. The latter part of this chapter has presented findings on how the way the bank operated digitalisation strategy impacted the internal and external stakeholders. In this way, the first three research objectives were addressed in Chapters Five and Six. These chapters together provide the building blocks for the substantive grounded theory developed in this study.

Chapter Seven has presented a five-stage substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*". This substantive grounded theory has clearly described two key aspects, namely the five interrelated stages of (1) identifying digital enabling opportunities; (2) enacting multiple values; (3) managing with complex digital consequences, and (4) focusing on transforming key challenges to new forms of value and also the impact on these by three dynamic activities regarding change readiness, communicating with change style and change pathways and key results of digital change experienced by stakeholders which ultimately results in the (5) overall consequences of simplified and multiple values to varied stakeholders. As such, the main research objective was met in Chapter Seven.

Concisely, the theory of "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*" is a combination of digital-first engagement and strong client engagement, which is termed as strategic *digical*" approach to banking services by the South African bank. Notably, the findings of this study are discussed in the context of the research aims, objectives, and other relevant theories that were not reviewed in the early chapters (Strauss & Corbin, 1990). Mindful that a theory not only relates to but also extends the current understanding of the research area

being investigated, an exploration of relevant literature will be the focus of the following sections. Thus, the current chapter aims to address the final part of this grounded theory research, which locates the five-stage substantive grounded theory in the existing literature and scholarly work to assess its explanatory power and illuminate how the theory has expanded the existing body of knowledge.

First, there is an attempt to critically discuss the substantive grounded theory generated, grounded in the explanatory power of the literature on business models, dynamics, and strategic innovation. However, while this body of knowledge is insightful, it does not exhaustively cover the people side of digital change and its value. Second, the substantive grounded theory is discussed in relation to the literature on multi-stakeholder engagement and value, which is very insightful but does not reveal the process of change and emotions associated with value creation and distribution. Lastly, the generated theory is discussed from an integrated perspective of change management models.

Strauss & Corbin (1990) are explicit that theories are not produced to exist in isolation from the existing body of theoretical knowledge, but rather to reveal what is generated and extend current understanding of the substantive area under study.

8.2 THE GENERATED SUBSTANTIVE THEORY AND RELEVANT LITERATURE

As reiterated earlier, this study has generated a five-stage substantive grounded theory called theory of "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*," which upholds that it is a combination of the pattern of two distinctive but complementary activities underlying a digital-first engagement and strong client engagement, which ultimately resulted in a strategic "*digical*" approach to deliver simplified multiple values of banking to varied stakeholders of the bank in the South African bank.

First, the study has discovered that there is a variety of seven different and broad activities engaged by the different actors in implementing digitalisation as a strategy at the South African bank. Thus, there were activities related to formulating digitalisation as a strategy by the top executives of the South African bank to create value for customers. Additionally, branch managers in the bank facilitated the adoption and use of diverse technologies in branches to serve customers better and faster.

The people side of digital change is evident in a variety of human resources-related activities to develop employees' ability to transact efficiently on digital platforms and achieve internal strategic performance and integration of HR work, ensure that staff as users of digital technologies were trained and developed adequately, not only to transact on digital platforms, but also to educate clients to transact digitally, independently and safely. The role of engaged digital human resources was central in enhancing operational excellence, customer experience and data-driven decision making.

In the implementation of digitalisation in the bank, top leaders were promoting strategic alignment through internal communication, shared learning, strategic conversation and a team-based approach to address challenges and handle client problems in the branches and departments. As the South African bank transitioned from traditional banking to digitalisation, it was necessary to review, modify, change and digitalize internal processes for operational gains. The study is explicit that operations managers were using a team of branch and regional managers to review, modify, and increase operational and process efficiencies enabled by digital technologies. It is critical to illuminate that this study is clear that the use of technology to transact opened up new types of cyber risks not only for clients but also for the bank. As such, the bank was engaged in activities of risk management at the employee, client and system level of operations. While employee and client education was used to enhance safe use and protection when using technology-enabled banking, the technical side entailed enhancing security features of the systems, internal and customer-facing processes (e.g. biometrics).

Second, this study has also discovered that implementing digitalisation as a strategy in a bank was very complex, multifaceted and involved a variety of key actors (top executive communicating the urgency of change and supporting it, engaged managers and employees, user and consumer insights, technology and non-banking partners in service delivery, regulatory authorities such as South African Reserve Bank, Home Affairs) and dynamic activities in a South African bank. Complexity depends not only on the number but also on the degree of relationship or interconnection of the different elements in the environment. The larger the number of elements that are highly interconnected, the greater the complexity (James, 2017). The density of interactions between different components at the individual, team, partner and business model level (agents, parts, elements, business canvas) in a system represents complexity and produces roles and behaviours that emerge from those interactions in an evolving business model. Chan (2001, p.1) asserts that complexity is traceable to the initial meaning of " weave" or "braid" strands together. The internal dimension of digitalisation reveals how digital technologies and systems enhanced emergent and evolutionary operational efficiency of service provision, performance of employees in various departments, ranging from IT, operations, branches, marketing and HR. In short, digitalisation occurred predominantly in incremental, evolutionary and emergent changes, which eventually had a systemic and fundamental effect on the technical, human and strategic aspects of change in the bank. As such, implementing digitalisation as a strategy revealed the need to grapple with the novelty of change, which triggered unpredictability and the need for digital readiness.

Fourth, this study has revealed that the process of identifying opportunities for digitalisation as a strategy was initially a top-down approach, but subsequently evolved to predominantly a bottom-up, consultative change, which hinged on insights from users, employees, clients, and regulators. Employee insights and client feedback were very essential to identify opportunities or areas for service improvement, pilot

testing of new products and services to be moved to self-service terminals, internet and mobile banking by the bank

It is notable that the system instability suffered by the bank due to large volumes of transactions was an impetus for top executives to get a new system and digital solutions to improve the client experience, restore the bank's reputation and diversify revenue streams through banking and non-banking products and services. While IT systems and digital technologies enabled the diversification of revenue streams, it is decipherable that an effective partnership model was a key aspect of driving simplified multiple values of banking services to varied stakeholders in a South African bank".

Subsequently, the study is explicit that the cashless style of operation influenced the need to identify challenges related to cyber risk and the need for client and employee education on fraud and risks when clients and employees used digital platforms, systems and methods of transacting digitally. While the cashless style of operation removed some of the risks associated with the use of cash and the need for security guards at bank premises, it also triggered new types of security implications, risk exposure and challenges unique to the remote, mobile and cashless context of banking.

The study has underscored that internal and external dimension of digitalisation as key not only to identify digital enabling opportunities but also review and renewal of the strategic relevance of internal processes and suppliers in enhancing and progressing digitalisation in the South African bank. There were also emergent opportunities for the alignment and integration of digital technologies and activities in supporting functions of the bank, such as HR (e.g. recruitment, training and development), crucial for operational efficiency, usage of new IT which required skills and talented new employees to progress digitalisation of the bank. Lastly, the findings of this study have revealed that the bank was *driving simplified and multiple values of banking services to varied stakeholders in a South African bank*, which required a comprehensive and systemic view of the bank mindful that the use of digital technologies impacted on varied stakeholders, such as customers, leaders, employees, and suppliers in different ways. More importantly, the grounded theory which has emerged reveals that the South African bank combined the digital approach with face-to-face strong client-centric interaction to ensure no client was neglected in the digital journey. Overall, the emergent, evolutionary and mixed approach to digital banking labelled as the "digical" banking manifests the physical and digital aspects of banking. The five-stage substantive grounded theory raises questions on the explanatory power of digitalisation to account for a mixed model or integrative banking, which encapsulates the digital dimension for a digitally savvy segment of the market and the strong centric engagement for clients who prefer personal contact or are unable to transact digitally. In accordance with the guidelines of the grounded theory version of Strauss & Corbin (1990), a preliminary literature review was presented in Chapters Two and

Three. It was primarily conducted as a way of stimulating research and identifying possible areas or gaps in extant knowledge that require further research.

In the initial literature review in Chapter Two, the focus has been on strategy implementation. In this chapter, the emphasis was on understanding the nature of strategy, models of strategy implementation, organisational architecture and interdependencies, and how strategy is enabled and impeded by technology, as well as the challenges of strategy implementation in service industries.

In Chapter 3, the focus of the literature review was to gain a multi-dimensional understanding of digitalisation as a process, strategy, and business model. There is also an attempt to clearly differentiate digitalisation from digital transformation, and also understand the essence of Fintech, opportunities, and challenges brought by technological change. It is pivotal to emphasize that the initial literature review in these two chapters served to sensitise or orient the researcher of the study to the phenomena of strategy implementation, and digitalisation as a strategy and process, while skirting the setting of the selected South African bank to avoid any contextual preconceptions from the literature on the bank.

Once theory has been developed in a grounded theory study, the role of the literature review at this stage is to illuminate the value of the theory and how it builds on and contributes to extant knowledge within the field (Strauss & Corbin, 1990). In pursuit of this guidance, the literature discussed in this chapter is in relation to the empirical findings to illuminate the value of the five-stage substantive grounded theory of *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank".* First, the five-stage substantive grounded theory generated in this study is critically discussed from the business model perspectives with a focus on nine building blocks of the business canvas by Alexander Osterwalder (2005), business model innovation by Johnson, Whittington, Scholes, Angwin and Reigner (2017), dynamic capability by Teece (2007) and strategic innovation by Kim and Mauborgne(1998) to understand value innovation in relation to the use of digital technologies not only by the digital savvy segment of the market but also those from the bottom of the pyramid market unable to transact digitally and insist on the preservation of bank branches. The critical discussion of the emergent substantive grounded theory from the business model and business model innovation perspectives illuminates the scholarly deficit in the explanatory power offered by digitalisation as a strategy to account for how the bank was driving simplified multiple values of banking services to varied stakeholders in a South African bank. The five-stage substantive grounded theory of "digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank" invokes critical questions of whether the emergent model in the bank is a result of activities in the digitalisation paradigm alone, the digital transformation paradigm, or the synergy of the two.

Second, the three-stage substantive grounded theory that is developed in this research is critically discussed in accordance with the framework on stakeholder theory and stakeholder engagement to illuminate the dynamic practice of top executives and senior managers in managing interfaces with multiple stakeholders and stakeholder engagement in the course of identifying opportunities for initiating and operating digitalisation as a strategy, which affected different stakeholders of the bank. Participants were explicit on the importance of collaborating with internal and external partners in identifying opportunities for digitalisation and operating the digitlisation strategy. The bank relied on using partners' know-how and technologies to develop a business model through digitalisation. While digitalisation led to an intensified collaboration with some partners (e.g. technology partnership, business partnerships to provide diverse added value products and services), relationships with other partners were terminated due to their lack of digital compatibility.

The review of literature on multi-stakeholder theory is helpful to illuminate the complexity of managing interfaces with diverse stakeholders and inter-dependencies and integration of digital-first engagement and solution on one hand and strong face to face client centric engagement on the other as part of the five-stage theory of *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"*. Lastly, the three-stage substantive grounded theory is discussed critically in relation to an integrative understanding of change management to understand the process, people, and emotional side of emergent and evolutionary digital change.

Given this summary, the next section delves into each aspect of existing relevant literature to critically discuss the findings in this study and illuminate the insights, explanatory power, and deficits, but also new contribution to knowledge by the five-stage substantive grounded theory of *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*".

8.3 BUSINESS MODEL PERSPECTIVE OF DRIVING SIMPLIFIED AND MULTIPLE VALUES IN A BANK

In this section, the findings of this substantive grounded theory study are critically examined and discussed from the perspectives of business model innovation to understand the scope, nature, and complexity of changes in the South African bank.

8.3.1 Business model Innovation: Digitalisation, Digital transformation or both?

In this study, the findings show that each of the nine constitutive components of the business canvas by Alexander Osterwalder (2005) was changed in one way or another, which challenged existing assumptions, norms, and practices of the bank to improve operational performance, IT and bank systems, customer experience, and access to a variety of affordable banking and non-banking services. This resonates with the notion of business model innovation, which refers to the creation, modification,

or definition of a business model's fundamental structure and components to develop new value propositions, capture new market opportunities, and gain a competitive advantage (Bouwman et al., 2017). In examining the nature and scope of change in the components and interrelationships between the nine components of a business mode, it is sound to reiterate that the focus is on nine constitutive components of the business model canvas which includes (1) customer segments, (2) value proposition, (3) channels, (4) customer relationships, (5) revenue streams, (6) key activities, (7) key resources, (8) key partnerships, and (9) cost structure according to Alexander Osterwalder,2005). These are significant as they offer a holistic picture and variety of components to gauge the scope, impact, and focus of the changes that shaped the wave of change associated with simplified and multiple forms of value to varied stakeholders.

One of the interesting findings in the five-stage substantive grounded theory of the *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"* is that digitalisation started with a limited focus on identifying digital enabling opportunities to address the operational problem of system instability and bad customer experience of inaccessible service, reinforcing reputational damage. Subsequently, the limited operational scope and process focus evolved into a comprehensive, strategic, and innovative approach beyond the operational level and departmental domain, focusing on the entire business model to deliver simplified, multiple-value banking services to varied stakeholders in a South African bank. Osterwalder & Pigneur (2010, 2013) conceptualize the business model as a blueprint delineating the pathways through which a business creates and captures value. Commonly, the business model is conceived as the architecture for value creation, delivery, and capture to achieve a competitive edge (Teece, 2018, p. 40).

The most interesting question is how the bank, which focused on addressing specific operational-level problems, ended up with a strategic and comprehensive change, as evident in the substantive grounded theory. A strategy scholar may argue that the vision of becoming the *"digitally led best bank globally"* actually offered a broad compass to employees and managers regarding the needs and pathways for massive organisational and business changes, as substantiated by the substantive theory, which could not be achieved solely through digitalisation.

There are scholars such as (Tschoppe & Drews, 2022) who uphold that digitalisation is the building block for digital transformation. More specifically, digitalisation is narrow in scope, focusing on specific processes and improving efficiency through incremental improvements, which may be taken further to create broader change associated with digital transformation (Schallmo & Williams, 2018). Notably, digital transformation is a further step beyond digitalisation. It is typified by business model innovation, operational efficiency, enhanced consumer experience, and data-driven decision-making (Al-Ruithe et al., 2018).

Brennen & Kreiss (2016) and Unruh & Kiron (2017) emphasise that the levels of focus on digital transformation and digitalisation differ. Digital transformation focuses on embracing change at a broader level and entails reimagining the customer experience, changing the entire business, or reinventing the business model for long-term benefits. While the initial focus in the South African bank was on digitalisation as a strategy, it is possible that the broad vision offered the guidance for the practices of top executives, managers and employees in the bank to initially pursue digitalisation but ultimately evolved to manifest practices which also reveal elements of digital transformation as well in the five-stage substantive grounded theory labelled as the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"*. As specific digitalisation related efforts and digital technologies have an emergent impact on other aspects of the organisation immediately or later, the current study provides insights for strategy practitioners and managers to be open but have a holistic and systemic view of digital changes. This is primarily because it is difficult to predict all the short- and long-term, direct and indirect, and varied impacts of digital technologies. In the article entitled "*Technology and the Soul: The Spiritual Lessons of Digital Distraction",* Hochsch (2022) *asserts* that "technologies took hold because they helped us to achieve what we wanted, and they created opportunities for new things we didn't know we wanted".

In the five-stage substantive grounded theory, the first stage (identifying digital enabling opportunities) in the wave of change was limited to four specific areas, all related to the pursuit of improved system and operational efficiency, within the domain and scope of digitalisation. In this stage, the activities focused on exploiting opportunities for easy digital access to the bank operations and its services by customers and staff through the digital channel, exploring opportunities for affordable access of the bank and market reach, identifying digital technologies for current and future operational excellence, and the opportunity to gain customer insights as drivers of digital change in the bank. It is arguable that the exclusive portrayal of the positive aspects in the nature of opportunities is one of the weaknesses of this theory, as it is silent on the type of threats or harm of technology that the bank was consciously searching for and trying to avoid. Thus, the emergent theory lacks the capacity to illuminate the ethical dimensions of using digital technologies, thereby prolonging the assumption that technology is positive and has no harmful effects. In the second stage of the generated theory (enacting multiple values), the activities focused on creating multiple values, which were broader in scope and subsequently embraced how the bank engaged in value-creating, different, and reinforcing multiple forms of value. For instance, this second stage included activities related to enhancing employee performance through digital technologies, realigning HR activities to meet the new need for digital competence, integrating and streamlining HR activities through technology, redefining roles, and reassigning some employees in the bank. Notably, these value-creating activities were in addition to the IT infrastructure-related value evident in the substantive grounded theory study. It is clear that these activities were not limited to

improving efficiency in a narrow, specific area of the bank, but rather changed how employees worked and the client experience of the bank's digital-first banking. In this way, it is decipherable that there was an emergent shift from narrow to broader changes affecting the internal and external aspects of the business level of the entire bank without an explicitly intended and espoused strategy.

The third stage (managing with complex digital consequences) of the five-stage substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*, depicts the activities of how the South African bank was managing with complex digital consequences, which were seen and unforeseen and had far-reaching while some had short-term effects. For instance, there was a positive client experience of being enabled to transact digitally through mobile banking technology, while the digital divide led to the unintended exclusion of rural clients due to a lack of internet connectivity and power load shedding. Strategically, digitalisation had the complex consequence of combining the digital approach by serving another customer segment, while strong personal contact in client engagement was preferred by those in the lower-end mass market. Notably, these two approaches of the bank to these customer segments were key to offering inclusive banking by not ignoring rural clients and digital immigrants, albeit without a formal strategy. While digital technologies enhanced affordability, product diversity, and digital options for getting services, and accessibility of services from anywhere at any time, they also had negative effects, including the digital divide and the exclusion of some clients without smartphones for mobile banking and access to computers for internet banking. In addition to a lack of technological facilities, it is naïve not to underscore the psychic costs (e.g., added stress and fear that fraudsters can still steal your money when transacting on digital platforms) for those who are uncomfortable and not confident about transacting digitally and independently.

This stage, labelled managing with complex digital consequences, also illuminates the operational efficiencies arising from restructuring from a decentralised to a centralised structure (e.g., no regional offices or marketing in provinces. For instance, there was a shift from experiential and event marketing to direct digital marketing from the head office, which not only reduced costs but also enhanced personalisation of communication at low cost and broad market coverage. Despite these positive effects, the bank and some employees were grappling with the undesirable effects of reassigning and relocating some employees to other departments. For example, structural changes, such as the removal of provincial marketing, the dissolution of regional offices, and the restructuring of some sections, such as merchant sales, enhanced operations but caused some employee displeasure. Cashless operations in branches led to the abolition of cashier roles and their reassignment to other roles within the business division and branches, where some worked as Bank Better Champions.

In a different vein, the managers and staff were also dealing with human resources issues such as scarcity of internal digital competences in the bank, re-skilling of staff to be digital fit, use of a new learning system to build the digital capacity and security behaviours of employees, and clients as the bank transformed into a digital-first approach. The findings, which constitute this stage of the theory, resonate with the view of Chan (2003) that complexity arises from "inter-relationship, inter-action, and inter-connectivity of elements within a system". The effects of different types of digital technologies on bank operations, client experiences, and exposure to new forms of cyber risks and fraud were evident not only in a single section of the business but also across interlinked aspects of the bank's value-creating activities.

The improvement of the bank system, which supported the benefits of affordable, simple, and accessible bank services, was also associated with the complexity of new types of risks in the form of cyber risk and fraud, which could emanate internally from employee carelessness or sabotage or from cyber criminals and fraudsters outside the bank. Turner, Baker & Morris (2018) are mindful that complexity imposes additional burdens associated with coping with change in ways that may not have been considered or viewed as acceptable before.

The fourth stage of the substantive grounded theory is cognizant of the challenges associated with digitalisation. The fourth stage, labelled as transforming the key challenges into new types of value, depicts the means of combining different technologies (e.g., cloud technologies, DNRs, biometrics, self-service terminals, HR digital technologies, remote and internet banking), which opened unforeseen possibilities and offered the potential to create new products, services, and reinvent some components of the business model. These innovations could lead to new forms of company cooperation or to modifications in relationships with customers and employees, with long-term returns. As digitalisation progressed, the bank realised the need to balance the needs of those able to transact and benefit from a digital approach while also providing strong personal contact service in the branch through consultants to meet the needs of a certain segment of the market (e.g., pensioners, rural clients without internet connectivity and power, and those afraid of fraud). The resistance from this type of client reinforced the bank's decision to continue with a blend of digital and strong personal touch, which emerged as the "*digical*" approach. The challenge of operational costs was addressed through remote working, remote learning, and remote meetings, as well as delayed organisational structure. The challenge of digital skills scarcity was addressed by upskilling or reskilling employees to deliver digital capabilities and services. The new digital technologies necessitated a strategic review of partnerships and suppliers to retain and develop new suppliers, progressing the new ways of creating and delivering value to stakeholders while terminating relationships with redundant and irrelevant suppliers for digital operations (e.g., paper suppliers in a digital paperless bank, cash-in-transit security services in areas where there was low demand for cash).

Given the above discussion in each of the stages of the theory, it can be argued that the activities which the bank was engaging in over the years to identify digital enabling opportunities, create and deliver value to varied stakeholders, were not just about converting analogue processes into a digital format, which is the domain of digitalisation. Strategic aspects of the activities included the change to the revenue model (e.g. opening new and diverse revenue streams), change to the operating model (e.g. combining a digital and channel with strong in-person assistance by consultants, change from a simple to a diversified bank, clients transact digitally with the bank anytime and anywhere), and new customer experience (e.g. transact conveniently anytime, anywhere). Succinctly, the substantive grounded theory depicts how the bank's activities enacted multiple forms of value for employees, including more reliable, integrated systems that improved employee performance, and the affordable, accessible, and easy way of banking enjoyed by clients through digital technologies. As digitalisation reshaped the banks' activities, partnership was also critical in the new ways the banks offered non-banking value-added services, which changed the revenue model through product variety available to clients and diversified revenue streams. The customer value proposition focused on an easy, affordable, and accessible digital approach to banking; however, it excluded clients still reliant on a consultant's assistance to transact with the bank. A customer value proposition is the unique advantage or value a business provides to clients. The use of remote banking, the internet, and self-service terminals, and the use of partners for delivering added-value services underscored a low-cost structure and the affordability of service as key elements of the bank's business model, which changed due to digitalisation.

The key activities of the bank included customer relationship and experience through the use of various digital communication channels, such as direct digital marketing, client feedback, emails, WhatsApp, to give financial security tips to clients or apply for a loan, client care centre, and also enabled clients to transact with the bank digitally and enjoy banking and non-bank services. These are some of the fundamental changes which are reflected in the business model modifications. There was also a change in key activities of employees and managers, and digital marketing with the emphasis on promoting a digital-first approach to banking (e.g., remote, mobile banking), client and employee education, and improvement of cybersecurity, and employee and client rewards related to behaviours that reinforce a digital-first approach to banking. Thus, managers were dealing with employee and client resistance to digital approaches to operations and banking service provision.

A profound shift from conventional practices to a digital-first mindset necessitated a change in attitudes, behaviours, and approaches among employees and clients. The focus on digital integration through a new system for the HR function and an integrated system for client relationships reflects a comprehensive, strategic, and holistic approach to the activities engaged to deliver simplified and multiple forms of value to different stakeholders, internal and external to the bank. Notably, these changes encapsulate a comprehensive framework of changes that includes the bank's “value proposition,

market segments, and the value chain activities" essential for the actualisation of the new value proposition of simple, accessible, convenient, and affordable banking.

The results of this study are also explicit that the bank was using data to make decisions on a variety of issues such as the time taken by consultants to serve a client, the number of clients who visited a branch, staffing decisions, anticipating client needs, tailoring and personalizing service, monitoring client financial behaviours, and managing employee performance. Notably, there was a new focus on customer-centricity, a culture of adaptability, and leveraging data-driven insights to make decisions not only to improve the client experience but also to optimise operations and change the business logic. It is evident that this study identified key customer segments: urban and rural clients, digital natives, and those able and willing to transact digitally, as well as those who were not willing or unable to transact on digital channels and relied on assistance from branch consultants. With the nine components of the business model in mind, driving simple and multiple values of banking to varied stakeholders was possible through the integration of a variety of components traceable to the paradigm of digitalisation and also some elements which fall within the paradigm of digital transformation. Table 8.1 draws on a business model perspective to reflect the scope and nature of changes in how the bank operates, all of which are embraced in the emergent grounded theory of driving simplified multiple values of banking services to varied stakeholders.

Table 8.1: Scope and nature of change to business model in driving simple and multiple value of banking to stakeholders

Guiding vision: "digitally led best bank globally."		
	The driver of the scope and nature of change	
Nine components of the business model	Digitalisation paradigm and its relevant aspects with localized impact in the bank	Digital transformation paradigm aspects reinventing the business model of the bank.
Value Proposition (unique value that a business offers to its customers, the products, services, features, and benefits that address customer needs, solve their problems, or fulfil their desires)	Improved system performance and service availability to clients whenever required Accessible and simple banking	Less time to transact, Accessible, digital banking anytime, anywhere Affordable fees for digital transactions and non-banking value-added services, and products
Customer segments (groups of people the business aims to target and serve)	Internal and external digital natives (employees and clients)	Internal and external digital natives (employees and clients)

	Internal and external digital immigrants (employees and clients) Urban-Rural clients Mass market, lower-end market in the bottom of the pyramid	Internal and external digital immigrants (employees and clients) Urban-rural clients, Mass market, lower-end market in the bottom of the Pyramid.
Channel (Distribution and communication channels used to reach and engage customers)	Automated process, digital technologies	Digital, omnichannel Digital banking and nonbanking channels Digital approach and branch as central to the strategy
Customer relationship (Types of relationships a company establishes with specific customer segments)	Use of automated processes and tools for digital client engagement Self-service with automated process Paperless	User of omnichannel (e.g., social media, WhatsApp, email, digital marketing) Personalized and tailored services based on data Combining digital with personal and human touch with clients
Key activities (Most important things a company must do to make its business model work).	Exploring opportunities for affordable access, digital technologies for current and future operational excellence, and opportunities, gaining customer insights as drivers of digital change in the bank. Promoting digital technology use to improve efficiency in specific areas, such as Operations, to eradicate problems of the system being offline, long queues inside and outside the banks (e.g. Queue Matic to manage client flow, consultant workload and staffing, Biometrics to improve security) Employee training, digital	Digital technology, which ultimately *reimagined customer experience* (e.g., DNR, Remote, and mobile banking) *Digital marketing and remote working* led to the closure of the regional office. *Structural change* is evident in the abolition of the merchant department, the reassignment of employees to business banking, the redefinition of roles for employees such as cashiers, and the creation of *new roles* such as Bank Better champions. *New form of system-wide cybersecurity and risk management on the internet,*

	skills acquisition and development Put measures to ensure cybersecurity and deal with the risk of fraud arising from digital technology use	*bank, employee, and client levels.* *New performance targets* and *team rewards* using the balanced scorecard
	Dealing with employee and client resistance to technology and enhancing adoption Shift of employee focus from maintaining frequent system failures to focusing on product development and service quality enhancements	*Simultaneous pursuit of a dual approach to banking,* integrating a digital approach while also pursuing strong client-centric face-to-face services required by some clients in branches. Developing and *managing partnerships,* delivering nonbanking services, and banking technologies.
Key resources (Most essential assets, capabilities, and infrastructure needed to operate the business model)	IT technologies (e.g., Self-service terminals, Remote banking, mobile banking, Systems for HR, operations), Digital human resources, Top executive support, Engaged employees.	Integrated digital technologies, digital human resources, Top executive support, and engaged employees.
Cost structure (The expenses associated with operating the business model)	Minimise the cost of paper for sales and loan contracts, employee recruitment, and contract processes by using digital technology for storage and a paperless approach. Reduce client loss of time/opportunity cost for being in long queues	Reduced operating costs (e.g., closure of the regional office, reduced office costs, remote work, reduced travel and training costs as there were virtual Wednesday training sessions). Reduced marketing costs due to digital marketing.
Revenue model (How the business generates revenue from its value proposition)	Revenue from improved services	Revenue from diversified banking and non-banking services.
Key partnerships (Network of suppliers and partners that make the business model).	Partners for specified impact (e.g., operations technology, digital payments in retail outlets)	Partners for broader business model reinvention or change of the entire organisation and user experience (e.g., digital value-

	Security and Cash-in-transit services	added partners of insurance, airtime, etc.). Developing new partnerships relevant and aligned to the digital business model. Cash withdrawal at partner retailers.

Source: Researcher's construction

It is prudent to conclude that the five-stage grounded theory in this study depicts fundamental and comprehensive changes beyond the limited scope and capability of digitalisation. As such, digitalisation lacks the explanatory power to exhaustively account for both the incremental improvements and radical changes in the business models evident in the substantive grounded theory of driving simplified and multiple values of banking services to varied stakeholders in a South African bank. Scholars such as Omoli (2023) agree that digitalisation focuses on improving efficiency and has a localised impact, while digital transformation involves a comprehensive, strategic shift and innovation or reinvention of the business model.

In the current study, what ultimately emerged in the bank raises two interesting issues, given the nine components of the business model canvas. First, the changes are comprehensive and affect all components, resonating more with digital transformation than with digitalisation.

With the notion of business model innovation in mind, Aagaard (2024: x) posits that

> *Increasingly, firms are creating or are embedded in business ecosystems; they have to negotiate relations with an ever-expanding set of stakeholders that may represent diverse wants and perspectives; and they are facing new, fundamental technological change. Firms need to consider the individual components of business models, value proposition, customer segments, value chain and ecosystem organization, internal resources but they also need to consider how these components are related. Often innovation of one of the components entails innovation of another component. Firms increasingly compete through their business model innovations.*

Second, it is apparent that the digital transformation which emerged in this study was not intentional from the outset. In other words, the reinvention of the business model at the bank was not a deliberate strategy consciously cascaded to the lower levels of the South African bank. Instead, the bank was explicit about improving system operations and efficiency. Omol (2023) posits that simply adopting digital tools is not enough to realise digital transformation, as transformation goes beyond technology.

It entails a cultural and organisational shift that reshapes the very core of how businesses function. A deliberate strategy of digital transformation is critical for clarity of the strategic alignment of technology with vision, culture, and strategy to create real rather than emergent digital transformation and impact without a clearly espoused strategy. Emergent strategy refers to a pattern of action that develops over time within an organisation, often in response to changing circumstances, rather than from a predetermined plan (Bratianu & Bejinaru, 2021). Without any evidence, a formal and documented plan highlighted by participants, this study has unveiled the variety of activities necessary in practice to create a profound shift in how a bank in South Africa operates, engages with customers, and remains relevant in a digitally driven world.

8.3.2 Building digital synergy for "*digical"* to drive simplified multiple values of banking services

Second, the combination of aspects of digitalisation and digital transformation in the five-stage substantive grounded theory of *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"* may also be explained by digital synergy of digitalisation and digital transformation. Digital synergy is the combined effect of multiple digital elements of technologies, which is greater than the sum of their individual effects (Moravec, Gavurova, Hynek, & Rigelsky, 2025). Thus, digital synergy emphasises the benefits of integrating different digital tools, platforms, or strategies to achieve enhanced outcomes (Witell, Snyder, Gustafsson, Fombelle & Kristensson, 2023). A firm's strategic enactment of its business model, through a synergy of activities, serves as a crucible for strategy execution and value creation. In the current study, the five-stage substantive grounded theory of *"digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"* can be viewed as an outcome and reflection of digital integration characterised by four key elements of digital synergy. First the bank was pursuing integration of technologies to improve efficiency through incremental improvements in specific processes or data, and technologies which ultimately changed and re-imagined customers' experiences, Digital synergy in this aspect created a powerful solution to the challenges of the bank, which was later able to add a variety of products, clients and offer multiple digital channels for employees to interact and transact with the bank (e.g. DNR, Self-service terminal, WhatsApp, Mobile and internet banking, omnichannel marketing). Second, the activities ensured that the different back-office (e.g., Salesforce, SuccessFactors) and customer-facing systems worked together seamlessly within the bank. Lastly, the study provides insights on the role of digital synergy in ensuring that the pattern of digital technologies, micro-level practices, and processes are mutually reinforcing and evolve into a holistic approach with organisation-wide support to implementing digital banking. A holistic approach to digital banking in the bank was made possible by using employee and customer insights and feedback, and the involvement of employees in pilot testing and the product development process, which facilitated digital integration across the various backroom and value-creating activities and processes in the bank. The variety of insights informed the overall digital ecosystem and how different elements were interacting across the

different touch points to enhance employee performance, operations, system performance and client experience with the South African bank. Notably, training focused on the technical use of the tools, how digital technology was integrating with existing processes to make people's jobs easier and drive overall performance.

Digital synergy may occur in two keyways. First, synergy between digitalisation and digital transformation occurs when digital transformation objectives are supported by digitalization (Schallmo & Williams, 2021). In the current study, this was not the case as there was no espoused digital transformation objective but rather a vision of the entire bank. Arguably, digitalisation practices and digital technologies were tactical ways or deliverables for the overall vision, which accommodated practices of digital transformation. As the bank used more digitalised processes which generate data, employees moved to data-driven decision-making, allowing for more informed and strategic decisions to create forms of value, efficiency improvements and strategic changes to the modus operandi of the bank.

Lastly, it is arguable that digital transformation was possible because of the buy-in of the whole organisation, but also the absence of job loss sanctioned by the bank, which ensured psychological safety and minimised employee resistance. The paradigm of digital transformation is pivotal to encourage organisational leaders and managers to pay attention not only to the technical and business dimensions of technology but also to its impact on employees as human beings. It also gives insights into the need for leaders and employees to adopt a culture of innovation and adaptability, ensuring that digitalisation efforts are not limited to isolated processes but are instead incorporated into the diverse aspects of the digital value chain. The synergy of digital transformation and digitalisation is a strategic imperative for businesses seeking to capitalise on opportunities and remain resilient in the digital age. The synergy between digital transformation and digitalisation is a potent catalyst for generating significant and diverse value for businesses (Perifanis & Kitsion, 2023) When activities of value creation, capture and configuration informed by the digitalisation paradigm and digital transformation paradigm are combined strategically, they create a dynamic and comprehensive approach that leverages the strengths of each to promote innovation, efficiency, and competitiveness.

While digital synergy brings technology and business together, there is a lack of clarity on organisational ambidexterity. In this regard, ambidexterity refers to the bank's organisational ability to simultaneously implement radical innovation and incremental innovation. The literature has suggested that firms need to be ambidextrous so that exploratory and exploitative innovations can be implemented simultaneously. Organisational ambidexterity demands that an organisation gain new knowledge, develop new products and create new market segments by engaging in exploratory innovations, and on the other hand, they need to build on existing knowledge and expand existing products and services to existing customers.

While the grounded theory has pronounced the need to build human capabilities for digital change, it remains unclear how organisations such as the bank can actually build capabilities of digital synergy and organisational ambidexterity as a critical innovation activity to improve efficiency, synergy between exploratory and exploitative opportunities for digital change and synergy of technology with other non-technology parts of the banks.

8.3.3 Business Model Innovation: Value creation, value configuration and value capture

8.3.3.1 Building business model and capturing value

The South African bank was offering convenience, simplicity, accessibility, and affordability of digital banking services as some of the forms of value to stakeholders. In this regard, the bank used customer insights and feedback to generate new ideas (products/services) or improvements that brought benefits to customers to bank digitally from anywhere at any time. There were also benefits of digital technologies for employees as internal stakeholders, and the organisation itself. More importantly, the South African bank was involved in identifying unmet or unidentified needs and developing innovative solutions that addressed the needs for a better operational system, fast, convenient service and diversified service. In this regard, the most important aspect is not only the target customer segment, but also how their needs were fulfilled and how their problems were solved by the bank. It is notable that the substantive grounded theory also focused on creating value for employees as the crucial stakeholders, who also enjoyed the benefits of using reliable and integrated digital technologies, while partners and providers of non-banking services were getting the economic value of fees and market access. The notion of value creation is also fruitful in revealing how the bank creates value for different stakeholders. Customer value can be generally defined as the difference between costs incurred and benefits received by customers (Makadok & Coff, 2002). According to Bowman & Ambrosini (2000, p 2), the concept of customer value can be broken down into 'use value' (UV) and 'exchange value' (EV). Bowman & Ambrosini (2000, p. 2), assert that use value refers to "the specific qualities of the product or service perceived by customers in relation to their needs" whereas exchange value refers to "price … it is the monetary amount realized at a single point in time when the exchange of the good takes place". Value creation is defined as "creating perceived use value", and value capture is defined as "capturing exchange value" (Bowman & Ambrosini, 2000, p. 4) or value appropriation (Lepak et al., 2007). The business model of the firm delineates the logic of value creation and capture (Zott et al., 2011). Value can be defined as the worth of something in terms of the satisfaction or utility it provides. In other words, it's what customers are willing to pay for a product or service. Value can be created in a number of ways, but it typically boils down to providing more satisfaction or utility than what the customer paid for.

Scholars such as Writz, Pistoia, Ulrich & Gottel (2016) uphold that companies' value creation activities must be aligned with their vision, market position, and customer needs. Customers are seeking market offerings to meet their diverse needs. Creating such offerings and delivering them to the marketplace requires various resources and capabilities, as well as organisational systems or structures to coordinate activities in a cost-efficient manner (George & Bock, 2011). A new product leading to increased revenue creation, as popularly believed, is not just about idea generation, but continues into implementing those ideas and reaping benefits, if any (Diener & Špaček, 2021). The five-stage substantive grounded theory of the wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank can also be critically discussed in terms of the interrelated business model components of value creation, value configuration, and value capture, as outlined by Johnson et al. (2017). The explanatory power of these components of the business model helps shed light on the complex business interrelationships that generate various forms of value for different stakeholders (Rachinger, Rauter, Müller, Vorraber & Schirgi, 2019).In this study, the theory that is generated depicts more complex relationships and partnerships with a variety of actors (e.g., retailers, security providers of cash-in-transit services, insurance, etc.) than the traditional bank and creates value for participants besides the customers(e.g., partners, employees). Value creation in the ecosystem refers to the process by which actors seek to generate value. The study concludes that value creation as a key part of driving simplified multiple values to varied stakeholders hinges on what is offered and how value is created for various parties involved (e.g., consumers, partners) and other participants.

8.3.3.2 Building business model and capturing value

In this study, digitalisation created new revenue streams by leveraging partners that provide nonbanking services and products to clients. The bank was also using the experience gained by employees and clients as insights for new and improved digital processes and banking services, informed by digital data. Value capture focuses on converting the created value into tangible and intangible results, such as profits, market share, profitability, competitive advantage, and brand value (Teece. 2010). Capture refers to a company’s ability to extract some of the value it creates in the form of profits and benefits. It involves implementing pricing, monetisation strategies, and business structures aimed at maximising revenue retention or benefits from the value delivered to customers. Opportunities (e.g., social media platforms, personalisation) offered by digitalisation at the South African bank were leveraged to generate additional revenue and enhance the bank's reputation. Value capture refers to the organisation's ability to capture and extract a fair share of the value created (Bowman & Ambrosini, 2000). Additionally, value capture also involves the strategies and mechanisms to monetise, commercialise, and benefit from the innovative solutions of the value creation phase (Åström, Reim, & Parida, 2022).

The three stages of the substantive grounded theory, namely, (1) the enactment of multiple values; (2) managing complex digital consequences, and (3) transforming key challenges into new forms of value, are key as they depict how the bank captured value. Customers are increasingly demanding flexibility in service delivery, and digital technologies are a means to meet those requirements. The bank relied on a value network of partners, employees, and clients in the process of value delivery for the customer.

8.3.3.3 Building business model and configuring value

In the grounded theory generated, the configuration of digital technologies, employees with digital skills, and partners in a value network were key in driving both simple and multiple values. Value configuration elaborates how various interdependent resources and activities in the value chain underlie the value proposition. The questions of how the value proposition is structured, composition, and selection of resources and activities, but also how they are linked between systems and other activities, are crucial in transforming activities to value (Osterwalder & Pigneur, 2010). In a nutshell, value configuration sheds light on what activities create value, how they are linked, and what participants perform to create value.

Digital technologies were cited as being utilized to intensify customer contact, for example, to provide feedback options for customers on delivered products and services. In addition, the emergence of new mobile communications technologies represents another frontier of innovation, redefining how businesses connect with customers and operate in the digital space (Aagaard, 2024). The questions of how the value proposition is structured, composition, and selection of resources and activities, but also how they are linked between systems and other activities, are crucial in transforming activities into value. While the notion of value creation, value capture, and configuration has illuminated the content of activities in each of these components, it is unclear how partnerships were involved in value creation.

8.3.4 Dynamic capability perspective of driving the business logics of simplified, and multiple value

This study revealed that the sensing capabilities evident in the substantive grounded theory are important for detecting digital-enabling opportunities, technological and market developments, while analysing business operations to learn about the problems and challenges being faced. Opportunities provided by digitalisation were used to exploit aspects such as operational efficiency, digital marketing and communication, integrated HR, personalisation of services, and improved customer orientation. In terms of value proposition, the bank increasingly sensed ways of adding services to the digital banking and nonbanking products via partnerships or offered a variety of options to transact digitally or rely on a consultant for assistance to transact with the bank. Schweizer (2005, p. 6) explained that dynamic capability can be considered as the ability to seize new opportunities and to change the existing business

model by reconfiguring the value chain and protecting knowledge assets, competences, and complementary assets and technologies in order to achieve sustainable competitive advantage

In a nutshell, sensing capabilities are needed to identify opportunities and threats to the business model. Notably, sensing capability relates to strategy when it identifies opportunities with long-term impact that affect the entire organisation and links the internal and external environments (Köseoglu, Altin, Chan & Aladag, 2020). In the current study, seizing capabilities were critical in transformative and exploitative learning processes, which were typified by re-combining knowledge about customers, markets, and technologies used to develop new digital processes, and identifying services to be moved to digital platforms.

Seizing capabilities are required to address and exploit opportunities in the business (Patrício, Costa, Carvalho, Pereira, Dias, & Gonçalves, 2022). It can be argued that seizing on the entire business model level focused on innovation activities by (re)combining elements such as technology, the market, and business knowledge. Seizing opportunities in areas such as process optimisation was pivotal as an internal trigger for process and operational improvements. Digital technologies not only facilitate transactions but also amass valuable data, offering insights to guide improvement and enable ancillary services that traditional financial institutions were slow to capitalise on, such as non-banking services. The bank also seized the opportunity to improve communication and customer contact through digital technologies, integrated digital communication, and social media. According to Calderon-Monge and Ribeiro-Soriano (2023), some firms use social networks such as Twitter and Facebook to establish customer care operations and then use data generated from these interactions to gauge client sentiment in real time. Social networks have become the most influential channel in digital marketing, creating an urgent need for specialists to leverage transformative marketing (Calderon-Monge & Ribeiro-Soriano, 2023).

In the generated five-stage substantive grounded theory, reconfiguration capabilities were useful to design and adapt organisational structures and activities, and represent resources used to facilitate the implementation of digital technologies to improve operational efficiency, digital marketing, and client experience of the digital approach to banking. The reconfiguration capability required the bank to change its activity system, structures, and strategic processes using digital technologies. Decisions were made about new resources, such as employees upskilling or reskilling to have digital skills, old IT systems replaced by more integrated digital technologies to improve employee performance, achieve operational excellence (e.g., bank system Salesforce, HR system called SuccessFactors), and client experience of digital approach to banking by the South African bank. These points stress the need for capabilities to integrate technology and non-banking partners into the business model. Reconfiguring involves selecting and sourcing the core competencies and resources needed and integrating partners

with complementary competencies and resources. The ability to adapt the business model can be considered a dynamic capability in its own right (Teece, 2007). The above finding resonates with the view that dynamic capabilities enable employees and the organisation to influence the building, integrating, and reconfiguring of organisational resources and competencies needed to develop and implement corporate strategies (Teece, Pisano, & Shuen, 1997). In this way, the substantive grounded theory developed in this study is explicit that dynamic capabilities are crucial for strategic decisions and the execution of digitalization and business-level strategy in a bank.

With the finding discussed above in mind, Table 8.2 depicts how business model the dynamic capabilities influenced innovation in the South African bank's modus operandi to adapt and thrive in rapidly changing market where not everyone was receptive to digital-first approach of the bank to create and capture value.

Table 8.2 Integrative view of business model and dynamic capability for digitalisation

	Dynamic capabilities		
Impacted business model element	**Sensing capability**	**Seizing capability**	**Reconfiguring capability**
Value proposition	Identify possible new/ adapted digital technologies, products, and services to simplify, enhance accessibility and affordability, and enable digital banking anytime and anywhere. Investigate digital options to improve communication with customers, customer experience and operational efficiency.	Adapt to digital products and services to exploit/explore digitalisation benefits for clients, employees and the bank. Seize possibilities to improve customer contact through digital technologies, communications and social media. Diversify digital banking channels.	Introducing new digital banking products or services for clients to use digitally. Enhance the existing value proposition. Use digital communication with customers to demonstrate added values.
Value creation	Identify options to increase flexibility, accessibility, efficiency, and convenient digital-first client engagement Identify, necessary employee competence for digital-first banking services Investigate digital technology options,	Use employee digital competences to improve efficiency and client services Support of product development processes, establish collaborations across industry sectors, and between companies' business segments	Utilize employee digital competences to enhance new services Use of established business relations and cross-functional collaborations to generate new revenue streams Use digitalisation to improve internal

	employee and customer insights to support product development processes		processes and operations to support employees in the value creation and product development processes
Value capture	Identify digital possibilities to capture value to the bank, employees and clients Identify possibilities to react to system instability, exclusion of clients unable and unwilling to transact digitally Ambidexterity of	Adapt digital technologies to create revenue with digital products and services Adapt supplier relationships to progress digital approach to banking Adapt partnerships with banking and nonbanking service providers to enhance	Generate additional, diverse, or improve existing revenue streams using digital technologies Constant collection of information on customers and use of data to personalize service and tailors products to customer
	pursuing a digical approach, combining digital first for engaging with the bank, and a strong client-centric face-to-face interaction with consultants in the branch	added value to clients and personalization to generate additional revenue	behavior and needs Reconfigure internal processes through digital integration to enhance operational efficiency

Source: Researcher's own

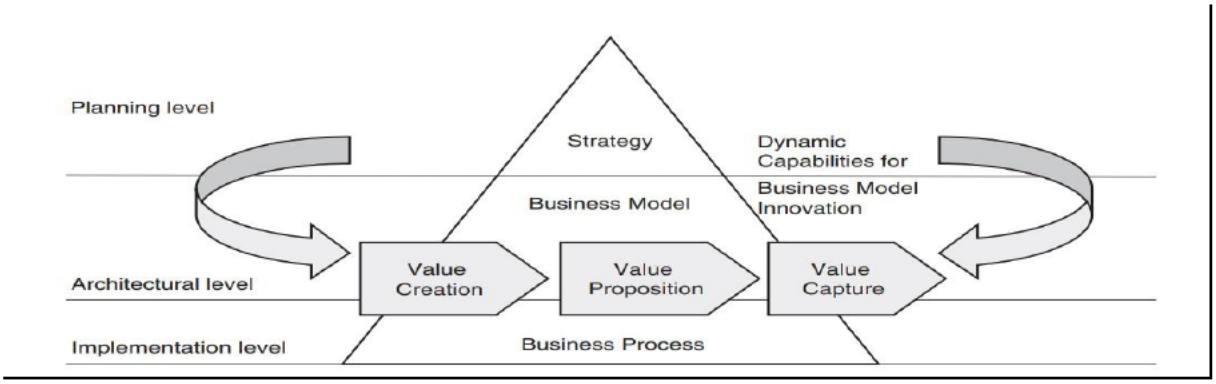
In the efforts of driving simplified and multiple values of banking services to varied stakeholders in a South African bank, sensing capability and seizing capabilities are characterised by their high degree of interaction and reliance on employee and client insights. It can be deciphered that the grounded theory generated in this study has brought the multiple perspectives of strategic practices, micro-level activities of value creating, capturing and configuring of value in the context of dynamic capabilities critical for the bank to become the digitally best-led bank. In the absence of a clearly articulated digital strategy tightly linked to the vision of the South African bank, it can be posited that the business logic in the bank did not entail formal strategic planning exclusively for digital change and technologies. Instead, the theory reflects the integration of micro-level practice, with operational level focus and dynamic capability for the value creation, capture and configuration innovating the business model necessary to drive multiple value to stakeholders, where the connection between the physical and the digital world of banking was salient.

In a slightly different vein, Rachinger et al. (2018) asserts that the business logic triangle offers the perspective to differentiate between the business processes on the bottom and the strategic planning

level on the top mindful that in between lies the architectural level, which is pivotal in creating and capturing value by offering specific value propositions to existing and potential future customers. The old but still comprehensive and relevant definition of strategy by Scholes (2020) is instructive to understand business logic from a strategy viewpoint. In essence, strategy "is the *direction* and *scope* of an organisation over the long term, which achieves the advantages for the organisation through its configuration of resources within a changing environment and to fulfil stakeholders' expectations".

Digital transformation is strategic primarily because it leads to radical changes in business models with long-term effects, while digitalisation is a tactical, incremental change with immediate effects. Not every decision is strategic in nature when it comes to business logic. Strategy considers both the vision or the bigger picture in future and the current contextual reality, requires major resources and relates to significant organisational change, long-term direction, complex decisions dealing with a VUCA environment, and affects the whole organisation. In this regard, the business logic provided by Rachinger et al. (2019, p.1148), which pronounces that strategic planning rather than strategic practices cannot completely explain the strategy practice, oriented and emergent substantive grounded theory which integrated the strategic practices evident in identifying digital enabling opportunities with long term implications, reviewed at strategic annual conferences previous performance and annual plan for the future of the entire bank. Notably, there is no deliberate digitalisation plan or pathway shared with employees except desired digital outcomes. Nonetheless, Rachinger et al. (2019, p.1148) agree that business logic is not simply about strategy and strategic planning, but rather clarity on dynamic capabilities and the link between digital vision, and the means necessary to create, capture and configure value through the implementation of business processes. Figure 8.1 depicts the integration of strategy, dynamic capabilities, and the business model, which shape the business processes in an organisation from a systems perspective.

Figure 8.1 Business logic triangle



Rachinger et al. (2019, p.1148)

The current study is insightful that business logic may also be deciphered based on the patterns of strategic practices that connections between the top executives and strategy, the variety of ways in strategic communication to cascade change to senior managers (e.g. annual conferences) and employees at the branch levels (e.g. branch meeting, regional and branch managers review of processes, BSC targets and rewards, employee training, client assistance by Bank Better Business Champions and branch employees) to create digital change readiness, and value. The study has brought to the fore the level of interdependencies across the various components of the business logic at the strategy level, which may be formal or be based on patterns of strategy practices towards the desired future. The multilevel understanding of the business logic is key to understanding the need for the three-level clarity of the formal strategic planning, business model, and implementation levels, to for the stem-level effects of digitalisation in the bank`s value chain and for the value network. Notably, it is through employee engagement and buy-in and also partnerships that the bank was able to lead change or new products and services, and new business relations. From a systems perspective, business logic pronounces the influence of digitalisation on the bank`s internal structures by reinforcing cross-functional and hierarchical collaborations, strategic alignment with external partners and cohesion of back-office and front-line staff, customer value-creating, value-capturing and value-configuring activities by the bank. While new partners were acquired, there were others that were terminated due to digitalisation. In this way, digitalisation facilitated collaboration among partners across industry sectors (external) as well as internally between departments (e.g. IT, operations, compliance, product development and frontline employees) to progress digitalisation in the bank.

Data-driven business logic was a new enabler but also driver for the way employees worked, managers managed employee performance and the business, while consultants were able to personalise client service and tailor products to client behaviours and predict future needs based on data collected from digital technologies. The finding that digitalisation goes beyond technological innovation to strategically shape the business logic is critical and consistent with findings in the work of Coupette (2015), Kaufmann (2015), Loebbecke & Picot (2015) and Ernst & Young (2011), who stated that the effect of digitalisation can present itself in the form of a reconfiguration or extension of the established business model. From a capability perspective, the ability to build and create the know-how required to seize digitalisation opportunities was seen as highly relevant. However, the aspect of skills required by digitalisation is frequently pointed out as a challenge in employee competence development and digital change management (Bresciani et al. 2021)

Bornay-Barrachina et al. (2023) reminds us that capability is a set of learned processes and activities that enable an individual and organisation to produce a particular outcome, underscoring that capabilities can easily evolve to meet the changing needs of a person’s audience, particularly as the complexities of their role increase (Bornay-Barrachina et al., 2023). The pitfall in the explanatory power

of the capability view of the process of driving simple and multiple values to varied stakeholders in the South African bank is the lack of a nuanced competence-based approach, which clearly categorises the capabilities into task, team and organisational level capabilities. Scholars such as Klarner et al. (2018) encourage researchers and practitioners to identify and decompose capabilities into task-specific, teamgeneric, and firm-specific KSAOs and their relationship to performance and effectiveness. The question of the multilevel and interactional nature of capabilities is pivotal, mindful of the implementation, architectural and strategy planning levels proposed in the business logic by Rachinger et al. (2019, p.1148). From the business model perspective in terms of digitalisation and digital transformation, business model innovation and dynamic capability, it is insightful that top executives, managers, and employees need to be conscious and open that what is conceived as a digitalisation process may end up growing into digital transformation without a conscious plan. Equally insightful is the view that digitalisation has a narrow and limited scope of incremental change, focusing on improving efficiency, while digital transformation has a broader scope of radical change to many aspects of the business model. It is prudent that an espoused digitalisation strategy is used to deliberately guide the scope, type of change to each of the nine components of the business canvass, and nature of change and innovation at the level of the business process, value creation, capture and configuration, but also clarity of the multi-level and decomposed capabilities of digital task-specific, team-generic, and firm-specific KSAOs in the domain of social and human capital for driving simplified and multiple values of banking to varied stakeholders of the bank. Predominantly, the explanatory power of the business model perspective has brought to the fore that the scope and nature of change to each component of the business model canvas can be clearly distinguished from the digitalisation and digital transformation paradigms. However, understanding the three-stage business model perspective is inadequate if it only dwells on the strategic, business model and technical angle of capability alone without the integration of innovative capability.

8.3.4.1 Building business model innovation capability

The five-stage substantive grounded theory of the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*" reveals a digical mode of banking which is not only the complex but also relies on both digital and physical structure and interdependences of different components in driving simplified multiple values of banking services to varied stakeholders in a South African bank.

This resonates with the concept of business model innovation capability. In a nutshell, business model innovation capability involves ongoing design and testing of business model improvements as well as systematic identification of value creation potential and associated risks (Warner & Wägner, 2019). In the current study, this type of capability involved senior managers' novelty orientation, which refers to cognitive practices of searching for new ways of doing things better (Snihur & Zott, 2020). However,

little is known about the specific processes by which a business model innovation capability can be established and enhanced using digitalisation in a South African bank.

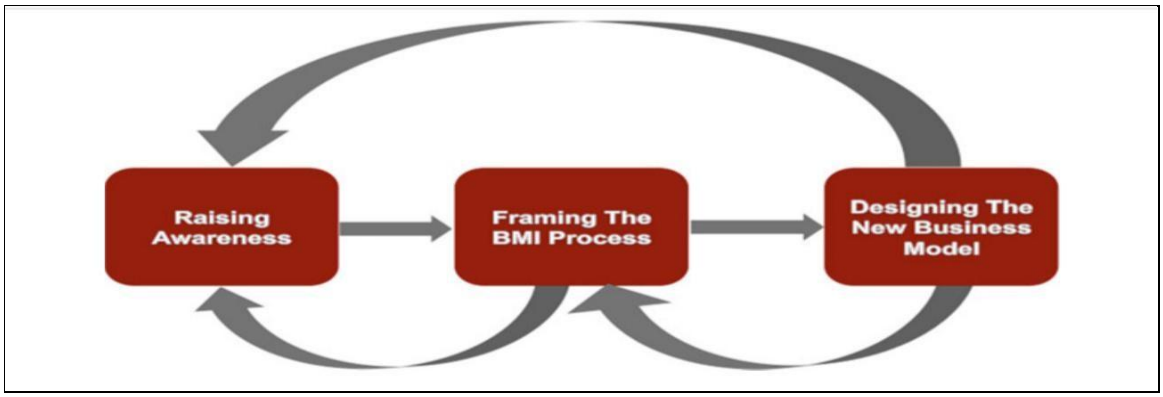
Zott, Amit, & Giesen (2024) proposed a three-phase process framework for building a business model innovation capability, which includes the “awareness stage”, “framing of business model innovation process” and “designing of new model”. In the awareness stage, managers adopt a business model perspective in order to complement their typical focus on products and services, to understand the strengths and weaknesses of their current business models, and to grasp the key dimensions along which they can be innovated (Zott, Amit, & Giesen, 2024).

In the current study, managers were raising their own and organisation members’ awareness of the power of innovation to address the persistent system failures and service disruptions. A shift in mindset from the product to the business model level of analysis needs to be facilitated by strong awareness creating or enhancing communication from top management on the importance of the topic, as well as through awareness-creating or enhancing workshops that explain and illustrate to managers and employees the underlying concepts and that provide clarity on the competitive ecosystem of the firm (Zott et al., 2024).
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In a second phase called the framing stage, managers, as business model innovation designers, frame the design problem that they are facing (e.g. service disruption due to the clash of IT systems). In the third phase, called the design stage, managers need to carry out the creative business model (re-) design and implementation work in a well-defined design process (Zott et al., 2024). The key idea advanced in building a business model innovation capability is that it requires an initial spark provided in the awareness stage, and then gradual development through iterative cycling between Phases Two (framing stage) and Three (design stage) across various business model innovation initiatives. In the five-stage substantive grounded theory portraying the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*”, the pervasive system failure, client bad experience, loss of business and clients and employees' distress arising from the system being offline can be deciphered as part of the spark and the awareness stage, while top executives framed the problem at the bank as operational, IT and system related. This enhanced awareness and framing guided the initial focus of the solution seeking and design effort more towards digitalisation in a specified area of the bank rather than fundamental changes in the model of how the bank created, captured and configured value. Managers’ awareness of the tasks at hand allows them to develop their skills, build the mindset, and refine the processes that form the basis of an organisational capability to perform a particular activity in a reliable and at least minimally satisfactory manner” (Helfat & Winter, 2011). Thus, when carried out repeatedly and mindfully over multiple business model innovation initiatives, a firm can build a business model innovation capability, which can even be viewed as a dynamic

capability (Zott et al., 2024). Figure 8.2 below illustrates the three stages of the framework for developing business model innovation capability.

Figure 8.2 Framework for developing business model innovation capability (Note the various arrows indicate a highly iterative (as opposed to linear) process



Source: Zott, Amit, & Giesen (2024)

In the current study, the business model innovation capability is insightful in understanding the importance of innovation regarding the "who" of the business model of the South African bank (e.g., decisions regarding with whom to partner) and also the value proposition, revenue model, operating model, customer segment, and customer relationship changed in the way the bank operated using digital technologies. Overall, the bank's ongoing design and testing of business model improvements, systematic identification of value creation potential and associated risks pushed many clients away from human interactions with consultants to digital and independent interactions with the bank anytime and from anywhere. The changes in components of the business model highlighted the importance of businesses possessing additional competences and know-how in order to offer new services or solution packages, respectively. Saebi (2014) agrees that companies need to develop dynamic capabilities to be prepared for changes in their business model, especially customer segments and customer relationships. Digital readiness at the organisational, departmental, team, employee, client and partner levels proclaims the significance of preparedness to change the business model and overcome rigidity in the existing business model. It is crucial to underscore that there is a need for "business model change capability, mindful that not all changes may lead to innovation. However, the common pitfall is the absence of clarity on the human capital and social capital necessary for business model change capability or business model innovation capability to be effective in practice. From the social capital perspective, the capability-based view of driving simple and multiple values to varied stakeholders is explicit on the role of strategic partnership but silent on how trust and social norms of reciprocity, and the pragmatic challenges of accessing collective resources through social networks and cooperation.

In this study, the bank's top executive demonstrated ambidextrous capability by holding seemingly opposite ideas: exploring digital and independent banking experiences for tech-savvy clients on one hand and exploiting the strong face-to-face human interaction between clients and consultants in brick-and-mortar on the other. Ambidextrous leadership uses both exploratory ways to deliver new, radical value to clients through digital banking services, while simultaneously exploiting value from incremental changes by improving the existing ways of serving clients in branches through strong face-to-face interactions between consultants and clients. The substantive grounded theory generated in this study is explicit that driving simplified and multiple values to varied clients benefited from the balancing act of serving two distinct customer segments (e.g. urban client with internet connectivity, rural poor clients in the bottom of the pyramid without internet connectivity and power; digital native and digital immigrants) to be inclusive and effective in pursuit of the dual goal of making digital first engagement effective and efficient, and developing new streams while refining the old and existing strategy.

Exploratory innovation involves experimenting with new ideas, technologies, and markets to discover novel solutions and opportunities (Luo, Yu, & Deng, 2024). It is characterised by high risk, high uncertainty, and high potential for reward. The goal of exploratory activities is to create new products, services or business models to drive future growth. On the other hand, exploitative innovation and activities focus on improving existing products, services or processes through incremental innovations and optimization (Faccio et al., 2016). Risks are low, outcomes are more predictable, and there is potential for short-term gains. The goal for exploitative innovation is to enhance efficiency, reduce costs and improve customer satisfaction (Tian, Li & Cheng, 2022). Ambidextrous leadership resonates with the digical approach at the centre of how the leaders and the bank synthesised these diverse forces into integrated, forward-looking ways of driving simple and multiple values to internal and external stakeholders of the bank.

The “digical” approach in the five-stage substantive grounded theory of the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank”*, is not just a digital shift, but also a strategic shift as there is strategic integration of strong face-to-face client giving rise to new modus operandi and partnerships to give clients better experience. In this way, digital technologies are not just an operational tool but a strategic asset bank employees and managers are using not just for operational excellence but also data-driven decisions to predict trends, personalize customer experiences, and drive efficiency (Mbama et al., 2018) innovation play a pivotal role in the evolution and innovation of the banks way of creating, capturing and configuring value in transformative wave. Digital technologies are not merely tools but foundational elements that are reconfiguring the very essence of business models in the banking sector.

8.3.5 Managing strategic value innovation for the digical approach

As aptly summarized by one of the participants, it is apparent that the dual approach to banking evident in this study brings together the benefits of digital approach reliant on digital technologies to transact independently at anytime and anywhere on one (digital dimension) hand and the benefits and assurances of being assisted by a consultant to transact in-person at a bank(physical branch).

The dichotomy of physical and digital aspects encapsulated in the "*digical"* banking coined by one of the participants in this study can be discussed in terms of the concept of strategic innovation logic. Strategic innovation is a deliberate and systematic approach to developing and implementing new ideas, products, services, or processes that drive significant organisational growth, competitive advantage, and long-term success (Dogan, 2017). Strategic innovation involves aligning innovation efforts with the overall strategic goals and vision of an organisation (Farahmand, 2019). One way of explaining the co-existence of digital-first engagement and strong client-centric service, especially for the lower-end mass market at the bottom of the pyramid, is to turn to the concept of the strategic and transformative nature of the innovation initiatives.

8.3.5.1 Combining schools of thought of strategic innovation

In driving simplified and multiple values to varied internal and external stakeholders, this study has emphasized that strategic innovation is not technological innovation but rather a fundamentally new way of competing or a fundamentally different strategy for competing in an industry. Digitalisation as continuous improvement has natural limits, especially since any competitive advantage is temporary (e.g. may be imitated by competitors). Strategic innovation is necessary as a means of creating new markets and new sources of competitive edge.

There are three prominent schools of thought on strategic innovation that are decipherable from the literature and are helpful to understand the grounded theory generated in this study. First, value innovation by Kim & Mauborgne (1997) asserts that strategic innovation is the search for new ways of competing based on customer value in existing industries. The bank in this study simultaneously pursued differentiation and low cost through digital technologies and channels for banking and nonbanking products and services, creating value for the bank, clients and partners. Strategy scholars have construed value innovation as finding a blue ocean (creating an uncontested market) rather than competing in a red ocean (a highly contested market). It may not be obvious that the bank operated entirely in a blue ocean by serving some of the digitally savvy clients in the lower end of the mass market using affordable digital technologies. However, it is explicit that accessibility, affordability, convenience and simplicity were forms of value to clients. Value refers to the benefits that a person receives from a product or service, which contributes to the satisfaction of consumer needs.

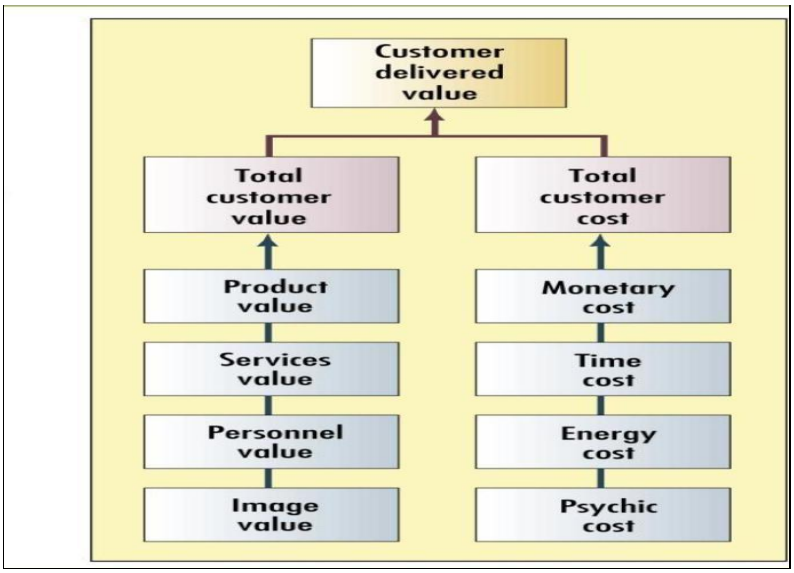
According to Calderon-Monge & Ribeiro-Soriano (2023), research into digitalisation on marketing as a discipline has been centred on the concept of value (e.g. value creation and co-creation) and its meaning for the consumer in the digital world, as well as on its components, digital channels and the use of technology in the omnichannel marketing, or the integration of channels and touchpoints. In understanding value being delivered by the bank to different stakeholders using digital technologies, it is critical to bear in mind three issues (Christensen, 2003). First, value can be both subjective and objective, especially since value is in the eyes of the beholder. On the other hand, the objective view of value is intrinsic in the product or service itself and relates to product or service quality (Amri, Asbari, Gazali, Novitasari, & Purwanto, 2021).

Second, value is comparative, personal and situational as the value varies among people who make the assessment. It is situational in the sense that the evaluation of value may reflect the prevailing circumstances or particular context (e.g. Mobile banking is valuable when there is internet connectivity). Third, value is a preference as clients use or buy services or products to solve problems rather than as an end in itself (Dzyabura & Hauser, 2019). Value is derived from the actual use or consumption of a service or product, not just from the passion for a product. As such, customer perceived value is relevant as the overall evaluation of the effectiveness of products or services formed between customer perceived income and perceived loss (Zeithaml, 1988). Kotler (1998), who is a marketing guru, proposed the concept of customer-delivered value as the sum of all perceived benefits received minus the sum of all perceived costs expended. In promoting the adoption and use of internet and mobile banking, the bank was creating superior customer value in the mind of the customer. However, there were instances when some customers' sense of value differed from the bank's sense of value. For example, clients of the bank were paying attention to the SMS service, which informed clients of transactions whenever taken, not just as a monitoring aid but also as a sense of security. The factors that influence consumer behaviour are very complex. Value innovation and constitutive elements of value may be evident in three platforms, namely the product platform (physical form), services platform (support services such as maintenance, customer service, warranties, training for retailers and distributors), and the delivery platform (e.g. logistics, physical or digital channels used to deliver products or services to customers).

The multiple forms of value in this study reveal that value innovation is not dependent on technology innovation, although technology is key for many innovations. Effective value innovation requires that the organisation is sensitive to what consumers actually buy, as well as consider what they actually consider value in the total product or service offering. Kotler (1998) adopted the definition of customer delivered value, which has two distinct sides. There is the vision of the total value of the customer, which comprises product value (e.g., perceived overall worth or benefits of a product to a customer); service value (e.g. overall worth that a service provides to its users and the organisation delivering it); personnel value (e.g. deeply held beliefs and principles guiding an individual's action, thought and

decision-making) and image value (e.g. reputation and image). On the other hand, there is the total cost of the customer, which is about what the customer is paying and includes price (e.g. costs incurred by a customer for obtaining the product or service), time cost (e.g. time taken for the customer to visit the store and to purchase product); energy cost (e.g. energy spent during the whole process of purchasing the product, and physical cost, equals the difference. Psychic costs come in as well: the stress of having to think about a transaction, mental effort, search costs" of hunting for the product or service (Garcia, Bouret, Druelle, & Prat, 2021). For example, employees serving clients faced mental and emotional stress of dealing with unhappy clients, while clients incurred psychic and time costs of enduring the loss of time in long queues waiting for service by the bank. As shown in the next figure, customer delivered value is the difference between the value obtained from a product of customer possession or service use and the cost paid in order to get the product (Kotler, 1998).

Figure 8.3 Customer delivered value



Source: Kotler (1998)

When marketing activities and their consumption values or principles and beliefs an individual deeply holds dear conflict with each other, consumers will exhibit negative behaviour (e.g. resist digital technology when the value of service is believed to be in personal contact). Value without innovation tends to focus on value creation on an incremental scale, something that improves value but is not sufficient to make a provider stand out in the marketplace. Innovation without value tends to be technology-driven, market-pioneering, or futuristic, often shooting beyond what buyers are ready to accept and pay for.

Second, disruptive innovation is about innovations that change the way in which competition takes place in the industry (Hopp, Antons, Kaminski, Oliver & Salge, 2018). This type of innovation can be new

technologies but is often new business models and ways of doing business enabled by new technologies **(**Kumaraswamy, Garud, & Ansari, 2018). Disruptive innovation is more about disruptive business models rather than breakthrough technological innovation, as they allow attackers to gain the lead over established competitors **(**Calderon-Monge & Ribeiro-Soriano, 2023**).** Lastly, there is innovation at the bottom of the pyramid focusing on the poor young billions of people with considerable spending power, if affordable and suitable products and services can be delivered **(**Muthuri & Farhoud, 2020). It is important that scholars do not see these as completely divergent and unique, as there are some significant overlaps and commonalities, as each of them focuses on innovation. Innovation at the bottom of the pyramid focuses on the billions who live on less than a dollar a day and have spending power.

In the current study, the bank realised that high banking costs and the complexity of banking products made banking inaccessible to the lower-end mass market at the bottom of the pyramid. However, the simplified ways of banking, included the use of SMS for loan applications, and access to banking via ATM machines. The use of SMS messages served to increase banking security by alerting clients whenever a transaction is performed on their account. If a product or service is affordable, acceptable and satisfies the low-end consumers will pay for it.

8.3.5.2 Managing strategic innovation

The current study has highlighted that digitalisation in banking should not only focus on three perspective, namely, (i) strategic impact of digitalisation on business strategies and business models; (ii) customer perspective to explain customer behaviour in selecting and adopting new technologies and services, and (iii) operational efficiency to illuminate the internal organisation and the IT systems. It must also focus on an organisational architecture approach which is innovative, holistic and manage interdependencies and interrelationships between the hard elements as a foundation (strategy, structure, system) and soft (skills, staff, shared values, style) elements of the bank to create internal alignment to influence digital change. The effectiveness of digitalisation as typified by a wave of changes to improve efficiency and customer experience in the bank hinged on the interconnectivity, mutual interdependencies and alignment of the constitutive elements of its organisational architecture to support digital change. Each element has a direct or indirect impact on the others, and changes in one element can ripple through the entire organisation. While the previous focus of managers on structure (who does what, who reports to whom, and the like) was adequate, the VUCA necessitated more focus on the critical questions of coordination and mutually reinforcing interdependence in the organisational architecture vital to pursuing digital change to drive value.

In driving simplified and multiple values to internal and external stakeholders, the study is clear that top executives should also be fully aware of the significance of mutual interdependencies that are crucial for strategic innovation that reinforces efforts to drive value across the different levels and departments

of the bank as an organisation. First, it is arguable that the process of driving simplified and multiple values in this study had a limited operational scope in the bank, which ultimately evolved and resulted in a broad change at the business model level, with the vision of becoming the best digitally led bank globally. Ideally, strategic innovation starts with a clear vision and strategic direction. In the current study, there was a clear vision for the bank in general. However, there was no specific innovation strategy with clarity and alignment across levels and departments on whether the ultimate goal was incremental improvements in terms of operations and customer experience or radical changes to the business model of the bank to drive value even for employees (e.g. less stress from system online, long ques, use of efficient and effective integrated technologies for work) and partners. The grounded theory generated in this study portrays the evolution from an initial and limited focus on improving operations and IT triggered by persistent system failures, which eventually turned out to be broad and radical changes at the organisational architecture level involving hard and soft elements and many components of the business model. It is arguable that while the employees and managers in the bank had a vision, there was no intentional alignment at the operational levels, suggesting that driving multiple values for the stakeholders was a result of multiple emergent innovations, which turned out to collectively form a pattern of innovation. Ideally, a proactive innovation strategy should be clear on the scope and type of innovation and be aligned with the overall strategic objectives of the organisation and engagement banking leverages them at the operational, process and digital technology levels (Ghobakhloo, Iranmanesh, Foroughi, Rejeb, Nikbin, & Tseng, 2024).

Second, strategic innovation should rely on market and customer insights for strategic relevance to the organisation and clients (Varadarajan, 2018). In the bank, there was constant use of feedback and information from employees and clients to ensure a thorough understanding of market trends, emerging technologies, and customer needs and preferences. Gathering market intelligence and conducting customer research helps continuously identify opportunities for innovation and ensures that new initiatives are customer-centric and aligned with the strategic innovation objectives in the organisation. One pattern that is observed in the emergent grounded theory is the need for malleable organisational designs based on digital technologies and agile structures for rapid adaptation to environmental opportunities and threats in the market.

Third, strategic innovation should also take calculated risks and embrace experimentation in the bank, mindful that it is also a heavily regulated environment with a variety of new forms of cyber risks, internal and external and fraud. The bank was heightening its cybersecurity measures, including employee and client education, to ensure digital transactions were secure. Organisations that foster a culture of innovation encourage employees to take calculated risks and provide the necessary support and resources for experimentation (Faccio, Marchica & Mura, 2016).

Fourth, cross-functional collaboration is critical for strategic innovation within an organisation to allow diverse perspectives, expertise, and knowledge to come together and drive ideation and solutions. This calls for breaking down silos and fostering cross-functional collaboration as a norm (SirakovaYordanova, 2024). In a recent systematic literature review entitled **"***The role of digitalisation in business and management: a systematic literature review)*, Calderon-Monge1 & Ribeiro-Soriano (2023) underscore that when digital technologies are installed in an organisation, they interact with organisational and managerial characteristics, specifically with the strategy and the legacy of an organisation, as well as with the resources, the processes, the values, and the culture of an organisation.

Fifth, strategic innovations require proper resource allocation. It involves allocating financial, human, and technological resources to support innovative initiatives (Varadarajan, 2018). Organisations need to prioritise and invest in strategic innovation projects to ensure they receive the necessary resources and support for success. Clearly, the bank had top executive support and allocated resources for various digital-related activities such as digital training, recruitment of people with relevant skills, employee training, customer education and acquisition of digital technologies for backroom and customer-facing activities.

Sixth, this study is explicit that strategic innovation succeeds when it is scalable up or has the potential for scalability and broad impact (Khuan, Andriani, & Rukmana, 2023). The bank had to set targets on the BSC and milestones and incentives for both employees (e.g. team rewards) and clients to adopt internet and mobile banking and stop visiting the bank's branches. These were some of the initiatives to scale up the usage of digital technologies and processes to ensure proper execution to bring innovative ideas to market successfully.

Lastly, the study has uncovered that human capital development was pivotal to enable staff to adapt and perform in a data-driven culture supported by digital technology. Strategic innovation is an iterative process that requires continuous learning and adaptation (Omowole, Olufemi-Philips, Ofadile, EyoUdo, & Ewim, 2024). It involves gathering feedback, measuring results, and using insights to refine and improve innovation efforts over time. Organisations that embrace a learning mindset can adapt to changing market conditions and stay ahead with continuous innovation. While the attempt to elaborate on the findings of this study from the strategic innovation perspective is instructive in suggesting that of the emergent strategic innovation informed by user and client insights on digital and business logic, it is clear that the aspect of multi-stakeholder engagement and partnership which is key to how the bank used digital technologies to create value, is missing.

8.4 MULTI-STAKEHOLDER MODEL AND STRATEGIC ALIGNMENT

Leveraging value in multiple stakeholders' engagement and ongoing strategic alignment of user customers, regulators, and partners' needs is a crucial part of the wave of change in the emergent grounded theory. As such, it is pivotal to delve into scholarly thinking on the nature of managing multistakeholder engagement and strategic alignment mindful of interdependent stakeholders' interests and needs, as different stakeholders affect the interactions and processes in different ways in the course of creating, capturing and configuring value of the bank mindful of the digital, human and strategic aspects (Raha et al., 2021). A study entitled "*Stakeholder Engagement: Past, Present and Future"* (Kujala et al., 2022) argues that stakeholders are those who can affect or be affected by the achievements of an organisation`s goals and activities and that it is a priority for managers to understand how service is delivered and evaluated by different stakeholders. Managing multiple stakeholders is challenging as it not only requires managing the needs and priorities of the different stakeholders but also understanding how the interests and needs of stakeholders are interdependent in that they affect the dynamics of providing banking and non-banking services. The multi-stakeholder approach focuses more on how stakeholder relations have been slowly complementing the economic-based view and the significance of learning about cooperative relationships and collaborative processes, and how their complexity and dynamic nature are very important in strategy execution. While the focus is predominantly on how value is created by multi-stakeholders, it is key to consider how stakeholders capture their share of value in a network of stakeholders in addition to dyadic relations.

Multi-stakeholder collaborations can be regarded as value spaces in which all stakeholders are uniquely positioned, depending on the outcomes they wish to achieve (Reypens, Lievens, & Blazevic, 2016). Multiple stakeholders and stakeholder engagement in the course of driving simplified and multiple service forms part of a substantive grounded theory of "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank".* This theory relates to how middle managers were facing and dealing with the challenges of meeting the needs and expectations of the multiple priorities of diverse stakeholders internally and externally to the South African bank. The stakeholder environment of an organisation comprises multifaceted agreements between the role players (Freeman, 2010).

8.4.1 Multi-stakeholder engagement in a digical bank: Traditional branch not dead yet

Managing and balancing the digital transactional paradigm, emphasising low-cost but high-volume digital transactions and consultative styles of personal contact in branches, emerged as a fundamental and overriding business logic permeating the five-stage substantive grounded theory of the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank".*

In a hybrid model of simplified and multiple values of banking to varied stakeholders, there is an aspect of digital transactional banking that involved dealing with a multitude of digital and impersonal transactions. In the emergent substantive grounded theory, it is noteworthy that the stage of transforming key challenges to new forms of value was challenging as it entailed dealing with resistance and beliefs which some participants hold dearly when it comes to banking. For example, personal costs in terms of perceived loss of control when transacting digitally, vulnerability and exposure to risks of fraud undermined both simplicity and trust, as digital banking was seen as a loss of control and transactional in nature by some clients, especially pensioners. In this way, digitalisation as a tool for financial innovation was seen as robbing pensioners of the dignity of personal contact and having control over their money through an impersonal and transactional approach, which was not in line with their preferred consultative and personal contact at the branch, consultative and personal contact as engagement banking style is a customer-centric approach that prioritises building deeper relationships through proactive interaction and personalised solutions (Chaturvedi, 2024). Engagement banking leverages technology to understand individual financial needs, fostering a sense of partnership between the bank and its customers (Chung, Gomes, Rane, Singh, & Thomas, 2020). In digital-first banking, employees can easily tailor offerings and services to each customer's unique situation based on digital data collected through digital technologies. Clients who transact with the assistance of consultants may not have digital footprints for a granular understanding of spending patterns, financial goals, and risk tolerance. Engagement banking extends beyond mere transactions and entails proactive client engagement and seamless integration of client support across the existing banking systems to make clients feel part of the processes in the bank.

In a study in German entitled "*Digitalisation of the Banking Industry: A Multiple Stakeholder Analysis on Strategic Alignment."* Schmidt, Drews & Schirmer (2017) emphasised three dimensions that are relevant for the process of digitalisation. The study concluded that the strategic perspective, end user perspective, and customer perspective help shed light on how banks create value using digital technologies as they digitalise the business processes. First, the *strategic perspective* includes processes, products or services for specific strategic directions, considering different target groups of customers, business strategy, and IT strategy. Schmidt et al. (2017) labelled this as the external domains in the process of digitalisation. Second, end user perspective include organisational infrastructure and processes" and "IT infrastructure and processes" combined to form the "*internal domains"* In the study by Schmidt et al. (2017), this referred to the *internal end-users* to ensure the internal fit between external requirements and the delivery capability, and the *customer perspective* focused on the description of requirements of different target groups on processes, products or service and current requirements and needs of customers in the banks' process of digitalisation. Next is a critical analysis and an attempt to

understand the substantive grounded theory from the customer, user and strategic perspective of digitalisation in a bank.

8.4.1.1 Customer perspective of the digitalisation process of a bank

The customer-level perspective of digitisation describes and explains how customers select and adopt new technologies and services. The five-stage substantive grounded theory of the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank"* explicitly states that digitalisation is not a one-size-fits-all approach and requires a nuanced understanding of the diverse needs of different clients. In the initial stage of the wave of digital change in the current study, the focus was on ease of digital access, affordability, and service convenience. Notably, the second stage of the wave of change was enacting (creating, capturing, and configuring) various forms of value arising from IT and digitalised business processes. Operational efficiency and system reliability enhanced by IT and digital technologies were major factors influencing the relationship between customers and banks. Customer loyalty improved as operational efficiency and bank reputation improved, reducing long queues and the time cost of banking and enhancing the affordability and convenience of mobile banking.

Mobile banking becomes valuable to customers because it allows them to buy products or services anywhere, at any time (Carrothers, 2015). High fees, ease of account opening, ATM locations, online services, mobile payments, and branch locations are important factors that influence customers' decisions when choosing a bank (Bain & Company, 2014**).** The five-stage substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank* has shed light on a segment of clients who still prefer the branch for interactions with the bank, suggesting that digitalisation should not adopt a digital purist approach**.** Schmidt et al. (2017) concluded that two-thirds of customers in a German study wish to receive advice on complex products at a branch, despite the availability of digital advisors. The study also found that when there is a greater perceived information requirement for a particular process, customers have a lower intention to use the digital process. In other words, the greater the perceived risk in the process, the less likely customers are to use the digital process and channel. These results from a study in Germany may be relevant to South Africa, especially since crime is generally very high, while bank fraud at ATMs and online, and cash-in-transit robbery are common.

As digitalisation not only creates a digital-first approach but also resistance by clients who prefer personal contact in the branch, the emergent grounded theory has captured this in the way the South African bank and clients were dealing with hybrid customer interactions in a digital and physical context. Customers wanted to interact with the bank using online channels, especially for gathering

information and for opening a bank account. On the other hand, customers preferred speaking with a real employee when seeking information about complex products (Nüesch et al., 2015).

The substantive grounded theory of the wave of driving simple and multiple values to varied clients is clear that value from the customer perspective also hinges mainly on customer requirements of a fast process for low-cost service, as clients are not happy with time cost; they express the need for transparent, fast processes and safe products. Clients need products they can access anytime, on all devices, at branches, and through mobile banking, which gives them control of their accounts through SMS messages. From a marketing perspective, and in the context of stakeholder interest and influence analysis, digitalisation changed the value proposition of the South African bank to simplified, accessible, convenient, and affordable banking, using both digital and branch-based client engagement. This study has shown that digitalisation as a strategy is not simply a technology or operational issue, but rather a holistic, strategic management issue for the bank. It is pivotal that the process focuses on different parts of the business model and logic to tackle the challenges of digitalisation. For banks, managers, and employees, the support of digital channels requires responsive changes in structures and business processes (Brenner et al., 2014). Companies are facing challenges integrating innovative services and products into existing business processes and structures due to internal employee resistance, external client resistance, cyber risks, and fraud (Mani & Chouk, 2018). For this reason, the optimization of the banking value chain is still relevant for the digitalisation efforts as indicated in the "digical" value chain activities. One of the key resources evident in the three-stage emergent theory in this study is organisational culture, characterised by high levels of innovation through consultative experimentation, particularly in integrated technology, modification, renewal, and the introduction of business processes. Findings from the current study reveal the need to reduce organisational hierarchies through decentralisation and to act more quickly by using shorter decision processes. The study supports the view that the use of digital technology needs to be coordinated with supporting activities, and it is crucial that the volume of generated information is useful for data-based insights into operations, processes, users, and clients. Calderon-Monge & Ribeiro-Sori (2023) have highlighted the need for future research to uncover aspects of intraorganisational integration which are enablers and drivers of innovation and malleable organisational designs. In terms of channels in relation to customer segments, the emergent substantive grounded theory in this study relied on the omnichannel approach and improved communication and collaboration with customers. The South African bank improved the customer experience through an integrated, coexisting set of digital and traditional communication channels. In terms of the interfaces to customers, the substantive grounded theory of the digital wave of driving simple and multiple values underscores a shift in communication from anywhere and impersonal communication to more personalized and direct communication using digital technologies, which are key aspects in the use of digital communication as part of the tools for digitalisation as a strategy.

Furthermore, the South African bank in this study prioritised customer segmentation and structured the related business processes to support both digital and personal contact, based on client preferences.

Thus, digitalisation in the bank enabled a fine-grained analysis of customer segments and service delivery, and the adoption of a digital business model with a bundle and variety of value, which enhanced affordability, simplicity, accessibility, and personalised service to clients. The foundation of a strong relationship lies in emotional connection rather than just transactions. In the substantive grounded theory, there are efforts to show how the bank used technology to improve connections with clients, but less on the emotional aspects of digital change for the employees and clients mindful that change induces emotions and how to sustain or create the feeling of clients that they are part of the service process, providing them with all the options and information needed to support decision-making.

8.4.1.2 Strategic perspective of the digitalisation process of a bank

One of the strategic issues manifested in the emergent five-stage substantive grounded theory is a shift from complex banking processes to a new long-term direction with a different scope of simplified banking processes and a choice of low-cost competitive advantage. The bank evolved to offer simplified, accessible banking and non-banking services, using simple digital technologies (SMS applications for loans) for the lower end of the mass market, while continuing to rely on personal contact in branches. Thus, strategy scholars such as Scholes et al. (2022) are mindful that strategy work is explicit about long-term direction, strategic position, strategic choices evaluated, and strategy put into action. In the case of the five-stage emergent grounded theory in this study, digitalisation simplified what was overly complex and leveraged technology to reduce costs and pass those benefits to customers. Robson (2025) agrees that South Africa's banking landscape has undergone a fundamental transformation, characterized by a shift from a predominant focus on middle- to high-income customers to the often-overlooked vast low-income market, considered too risky, too costly, or simply "unbankable". The World Bank (2022) identified prohibitive costs of traditional banking and limited access to banking facilities and financial products as significant obstacles to formal financial inclusion for many South Africans.

In terms of market scope, digitalisation enabled the South African bank to innovate and meet the needs of two market segments. These are the youth with disposable income at the bottom of the pyramid to transact digitally, in addition to the traditional segment of digital immigrants who preferred personal contact. Johnson & Scholes (2002) conclude that strategy is not only about the direction, but also the scope of an organisation over the long term, which achieves an advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations.

From a strategy perspective, it is noteworthy that scholarly research discusses revenue streams and cost structures in a bank's business model less frequently (Mthethwa, 2025). In this study, the bank was making strategic choices not only about customer segments, but also value proposition and channels to reflect efficiency, reduction of costs, and the ecological and economic use of resources (e.g re-assigning, re-skilling human resources, restructuring for efficiency, digital channels to process volume transactions fast and reliably). The strategy, in terms of operations, hinged on fast, low-cost transactions conducted on digital channels, as well as on personal contact with clients in branches to enhance customer loyalty in the lower-end mass market, where required. Digitalisation also enabled a culture of experimentation and employee engagement, which were pivotal for ongoing improvements and buy-in to digital changes. In this study, it is evident that the emergent ground theory captures micro-level activities to understand the digitalisation process and strategy, which aligns with the notion of a "bottom-up" strategy, similar to Mintzberg's work on emerging strategy. While there was a vision for the bank in general, there was little intended and deliberate strategy for digitalisation at the organisational or departmental level. Instead, the bank used an emergent strategy, which was more flexible within the parameters of the guiding vision, allowing it to adjust and pursue opportunities or priorities as they emerged. From a strategy-as-practice perspective, it is arguable that the substantive grounded theory generated in this study depicts the micro-level social and business activities, processes, and everyday practice that shape digitalisation and its outcomes in a South African bank and the variety of actors actually driving and simplifying multiple values of banking services to varied stakeholders using digital technology. This view of the theory resonates with strategy-as-practice, where practices are connected to "doing" because they use different types of resources and, through them, many actors interact and enact strategy. Practice as 'what people do' is not simply interpreted as 'reality' or as a concern with objective reality, but rather a focus on a series of activities that depict a pattern of real-life experience and a variety of roles played by different actors enacting or contributing to strategy and doing meaningful and consequential strategy work. With the emergent substantive grounded theory in this study, strategy practitioners in a bank setting executing digitalisation as a strategy have a guide to what really happens in practice, rather than just the formal documents that outline a bank's digitalisation process and strategy.

The increased use of digital technologies within the bank and among clients triggered a cultural change manifested in three key ways. The ways things were done in the bank during the digital process emphasised the need for a dynamic, innovative work environment to quickly address issues and handle customer complaints. To ensure adequate digital skills, the bank fostered a culture that embraced change, continuous learning, and cross-departmental collaboration. Improved employee engagement and quicker adaptation to market shifts were exemplified by employee feedback on product and process improvements, team awards, team learning, and manager support for operational assessment of employee micro-learning. It is inadequate to understand stakeholders evident in the emergent theory in this study simply from the user, customer, and strategic perspective, which pronounces dyadic

interactions, yet the networks and partnerships were pivotal in the modus operandi of the bank as it digitalised processes to enhance client access to diverse and non-banking services as well. The question of how the bank used partnership to create value is important to fully understand the emergent theory.

8.4.1.2.1 Stakeholder network and Managing partnership approaches

The five-stage substantive grounded theory of the wave of driving simplified and multiple values to varied stakeholders of the South African bank has illuminated that a web of complex, stable, and mutually influencing relationships is pivotal in a bank to satisfy internal and external stakeholders' expectations. The bank had relationships with employees, clients, suppliers, and partners, which reveal a stakeholder network. An element that can explain how enterprises really create stakeholder value is the idea of stakeholder networks, in which each stakeholder seeks to understand and harmonise its own perception with those of others, reaching a dynamic balance (Pererva, Kobielieva, Tkachov & Diachenko, 2021). In creating, capturing, and configuring values, it is prudent for managers to manage the interconnected web of stakeholders, which entails understanding interdependence and working to see each stakeholder not in a silo but as part of a connected network of influence with a common objective. Identifying stakeholders based on the networks they are part of can be useful for managers, as it helps them understand how a firm's treatment of one stakeholder influences relationships with others. Managing stakeholder networks means keeping open lines of communication and working on aligning all interests with a common goal. Occasionally, a trade-off between demands from one group and those of another to reach a goal may occur. Stakeholder networks are interconnected groups or systems that involve various parties, such as individuals, organisations, or communities, working together toward a shared objective. These networks facilitate collaboration, information exchange, and decision-making among diverse stakeholders, thereby enhancing problem-solving and innovation. Relational View (Gulati, 1999) holds that relationships are the best way to create a competitive advantage, as they help gain access to resources without paying their full price. The source of a sustainable competitive advantage is the firm's management capability in creating and keeping relationships with the other value chain players. Edward Freeman, in 1984, in his work "*Strategic Management: A Stakeholder Approach",* presents the framework of the stakeholder model, explaining the relationship between companies' external environment and behaviour within this environment (Mishra & Mishra, 2013). Sciarelli & Tani (2016) propose four approaches to stakeholder networks. First, in a dyadic relationship, a manager should define the importance of each stakeholder and respond to the most relevant one. Stakeholders' saliency is a function of the ability to provide valuable resources for the enterprise, to hinder the retrieval of valuable resources from other sources, and, in general, of the influence within the organisation. Second, the Ego-network approach does not focus on each stakeholder but instead focuses on understanding the requests of the whole network of stakeholders with which they have a relationship before defining their strategies.

This approach asserts that managers evaluate all the legitimate stakeholders' requests simultaneously, considering them as a system. Second, the multiple Interactions approach asks managers to consider not only the stakeholders their enterprise is in relation with, but also the interactions between the various stakeholders and the relationships among them. Third, the Complete Network approach focuses on the role of the stakeholder network structure in identifying the stakeholders' issues to address. Freeman (1984) suggests that managers use stakeholder maps to visualise the indirect relationships among stakeholders and urges them to understand how some indirect stakeholders can influence others. The network approach can help managers get a clearer, holistic, and realistic picture of the dynamics driving the evolution of the issues the network will confront the enterprise with. Companies regularly seek partners with complementary capabilities to gain access to new markets and channels, share intellectual property or infrastructure, or reduce risk. Partnerships exist at different scales but share the expectation that participants can achieve their objectives more effectively and efficiently by forming strategic alliances rather than acting independently. The findings of this study reveal that the bank had to be adept at brokering and participating in effective partnerships to deliver a diverse range of banking and non-banking services to clients. The process of driving simplified and multiple values to varied stakeholders of a bank hinges on collaborative advantage and complex relationships between the organisation and stakeholders, characterized by benefits, rights, roles, and interrelations. Partners' disagreements over the central objectives of the relationship, poor communication practices among partners, poor governance processes, and, when market or other circumstances change, partners' inability to identify and implement the changes needed for the relationship to succeed. Strong partners set a clear foundation for business relationships and nurture them. They emphasise accountability within and across partner companies, and they use metrics to gauge success. Transparency during negotiations is the only way to ensure that everyone understands the partners' goals (whether their primary focus is improving operations or launching a new strategy) and that everyone uses the same measures of success. Transparency encourages trust and collaboration among partners, which is especially important given the number of executives across organisations who will likely rotate in and out of leadership roles during the life of the relationship. Partner organisations must build a dynamic partnership and acknowledge that the scope of the relationship is likely to shift over time

8.4.1.3 End-User Perspective on Digitalisation: Internal organisation and IT

Commonly, when we think about customer satisfaction, we often look outward, focusing on product quality, pricing, and support, yet one of the most powerful drivers of great customer experiences begins within the organisation itself, namely the digital employee experience. The banks' employees act as internal users of the IT systems, with a unique internal experience. Digital transformation often sparks anxieties among employees. If the tools they rely on are slow, unreliable, or frustrating, that inefficiency inevitably trickles down to the customer, resulting in hours of lost productivity dealing with IT maintenance issues and angry customers. The end-user perspective is key to gaining a better

understanding of the current status and the challenges employees face in a bank pursuing digitalisation as a strategy. In this study, the end user initially complained of episodic upheaval related to processes and systems that were unreliable and isolated, but this changed to high integration of IT systems across HR, operations, and client relationships due to the digitalisation process.

End-users need additional training to fully understand the new products and services and to gain digital dexterity, which is rapidly becoming a necessity (e.g., using online transactions to personalise customer service, making banking more convenient and efficient). According to Vaidya (2025), digital dexterity is crucial, as the end user or employee's digital capabilities become the differentiating factor that determines whether the enterprise excels or decays into irrelevance. Digital dexterity is about being skilled and adaptable with a range of digital tools and technologies. Consistently, this is deeper than digital literacy as it is not just about knowing how to use software or browse the internet, but rather a deep understanding and being ready and able to learn and apply new digital solutions effectively and swiftly. Businesses that prioritize digital dexterity build workforces that adapt faster, innovate smarter, and perform better.

Inefficient communication breeds confusion, misinformation, and a lack of employee buy-in. Failure to clearly articulate the "why" behind the transformation, its impact on individual roles, and the long-term vision can create uncertainty and fuel resistance. A lack of transparent communication about potential job losses can create anxiety and mistrust. The bank was effective in delivering virtual employee training as a team, using microlearning, providing employees with a series of “mini lessons” every Wednesday. Quiz assessments were conducted after task completion to measure understanding, alongside continuous feedback, support, and progress monitoring by managers. The use of integrated digital tools, such as SuccessFactors, accelerated the execution of many people-related activities (e.g., recruitment, shortlisting, training, performance management) during the bank's digital change.

Putting a user-centred tool in the hands of change consultants and employees is an important step in making the change process more transparent, controllable, and flexible. In this study, the process of driving simplified and multiple values was negatively affected by instances of employee fear of job displacement due to automation or restructuring. Uncertainty about new roles, responsibilities, and required skillsets also contributed to resistance. Employees may also perceive a loss of control, particularly if they feel excluded from the decision-making process. Employees may worry about the need for new skills and fear not being able to adapt quickly enough, leading to job insecurity. The way the bank used employee training and team incentives to promote client use of digital channels (e.g., internet and mobile banking) exemplifies that the positive impact of digital change comes when employees and clients feel empowered to navigate digital tools with confidence. The employees were pleased with productive, standardised, and automated business processes that fostered an integrative,

cross-functional way of working (e.g., cross-functional communication between IT, Operations, and branches whenever there is a system failure).

End-user empowerment has been conceptualised from different perspectives. From a social perspective, ensuring access to devices and knowledge, motivating people and teaching them skills through digital inclusion, and bridging the digital divide are important aspects of end-user and individual empowerment. Psychological empowerment is motivational, active, and participatory, and entails a redefinition of the relationship between humans and technology (e.g., from old, unreliable technology as a source of frustration to new technology as a source of enablement). Social structural empowerment was evident in the provision of integrated digital technologies, which enabled employees to work more effectively, interact and collaborate more effectively, and assist clients and address HR matters.

The end users of the internal organisation and IT are an inherent part of ongoing product and service development, as they provide user insights and feedback during the bank's digitalisation. By strengthening the link between digital employee experiences and customer satisfaction, businesses can gain a competitive advantage. Employee engagement in product development and the pilot testing of new digital technologies is one way to empower employees. Academic research still lacks an informed understanding of how advancements in digital technologies contribute to organisational redesign and changes in the nature of the firm.

The study has revealed that banks should also consider internal organisation and IT systems from the end-user viewpoint as relevant inputs for assessing the current state of digitalisation, product development, and testing before launch. Aligning the strategy and customer requirements with internal operations is fundamental to withstand the pressure of digitalisation and resistance (Ross, 2015). The end-users' perspective is a facet of the digitalisation activities in the banking industry. Studies on digitalisation in the banking industry have predominantly focused on the strategic level, customer perspective, or users separately. Research that is integrative, process-oriented, and that delves into the multi-layered nature of digitalisation to derive new, more granular insights is scarce so far. The results show that internal processes and IT systems need to be ready and strategically aligned with customer requirements to meet the demands of the strategic, customer, and user perspectives of digitalisation.

8.5 INTEGRATIVE MANAGEMENT OF DIGITAL IN A "DIGICAL" MODEL OF BANKING

At the centre of the five-stage theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank* is change. It is prudent to discuss the emergent substantive theory from a change management perspective. However, any attempt to discuss grounded theory in relation to change management is challenging, not simply because there are many different

change management models, some popular and pragmatic, that lack scholarly or academic foundations. More importantly, it is key to acknowledge two pitfalls in the literature on change management. First, literature on change management is prescriptive, fragmented, and lacks an easily accessible consensus on basic management processes and principles of a change management model. Second, the change management models are largely directed at senior managers and executives, advising them on how to best implement planned organisational change. Typically, these models specify a sequence of steps considered applicable across a variety of organisational change interventions.

The question of which models to use in critically discussing the emergent grounded theory of the *digital wave of driving simplified and multiple values of banking services to varied stakeholders in a South African bank* in this study takes cognizance that one common aspect of the change management models is the focus on the process and prescriptive aspects, while being vague on the actual content of the change, in the current case the technology content multilevel perspective of change embracing the individual and organisational level, the emergent and emotional aspect of change.

8.5.1 The Integrative prescriptions of change management from seven well-known models

In the article entitled "*Successful Organisational Change: Integrating the Management Practice and Scholarly Literatures,"* Stouten, Rousseau, & De Cremer (2018) have reviewed seven different prescriptive models of change (e.g. Lewin's Three Phase Process, 1948; Beer's Six Step Change Management Model, 1980, 2009; Hiatt's ADKAR model (2006); Cooperrider & Srivastva's Appreciative Inquiry (AI, 1987; Judson's Five Steps, 1991; Kanter, Stein & Jick's Ten Commandments, 1992 and Kotter's eight-step model, 1996 and 2012), before isolating an integrative understanding of common steps of change across these various prescriptive change models. The ten steps identified across prescriptive models are key to an integrative approach that establishes common steps across popular, practice-oriented change management models.

In a nutshell, these ten steps change management experts prescribe reveal a degree of agreement regarding activities to enable organisational change interventions. At the same time, each specific framework includes distinctive, often unique dimensions. Below is a cursory review of each of the ten change management models, followed by the ten prescriptions of change management used to examine the emergent grounded theory.

First, Kurt Lewin (1948), who was a social scientist and a physicist, developed a three-phase process view of change as involving (1) unfreezing, (2) transitioning to a new stage, and (3) refreezing. Unfreezing includes establishing a change vision and developing a change plan, which is followed by the transition to new systems, structures, or procedures. This transition involves implementing the change and modifying existing systems to support it. Refreezing entails consolidating the change so that

it aligns with other organisational structures and procedures and becomes embedded in the organisation rather than remaining a separate unity. Critical readers of Lewin suggest that he had not only organisational changes in mind when specifying his model, but also a wider array of group and societal changes (e.g., Burns, 2004a).

Second, Michael Beer, who was a member of the Harvard Business School, developed a six-step change management approach that reflects a detailed systems approach to change (Beer, 1980). The model first emphasises the need to join two aspects of change, an accurate diagnosis of the problem situation, which in turn helps mobilise commitment to the change, and secondly, developing a change vision specifying the focus of the change by defining new roles and responsibilities (i.e. establishing teams working on specific issues such as the strategic direction or developing the change planning in different departments). This allows the organisation to base the change on specific, actual problems and involves stakeholders in planning and organising it. Thirdly, a consensus in support of this vision needs to be established, a step that involves communicating the vision to stakeholders. Next, the change should be implemented and spread throughout the organisation through stakeholder involvement. Fifthly, the change should then be institutionalised, which is the integration with formal structures and systems. Finally, the model asserts that change should be monitored and adjusted. It is critical to underscore that change monitoring and adjustment are unique to Beer's change model relative to other models.

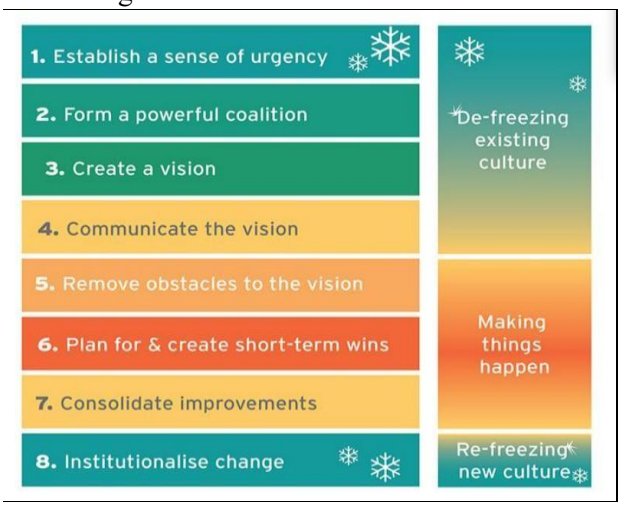
Third, Arnold Judson (1991), a strategic management consultant, developed a five-step change process. These steps include (1) analyzing and planning the change; (2) communicating about it; (3) gaining acceptance for the required changes, particularly in behavior; (4) making the initial transition from the status quo to the new situation, and (5) consolidating the new conditions and continuing to follow up in order to institutionalise the change. Judson, like Kanter et al. (1992), explicitly argues that “no single approach can possibly account for the enormous variability of all the factors present in each unique situation and organisation” (Judson, 1991, p.166). The need to adjust depending on the specifics of the change and organisation.

Fourth, Rosabeth Kanter, Barry Stein, and Todd Jick (1992), Harvard colleagues and change consultants, developed the “Ten Commandments” of prescribing change, which starts with (1) analysis of the organisation and the need for change. This step is followed by (2) the creation of a shared vision and common direction, in which emphasis is put on (3), the separation from the past, and (4), creating a sense that important change is needed. The next step, (5), is that a strong leader role supports the change in order to increase its legitimacy; (6) political sponsorship is sought to create a solid base for the change. The next stage is for (7) the development of an implementation plan. Step (8) is that enabling structures are needed to help implement the change (e.g., pilot tests, training, and reward programs).

Step (9) is that change communication should be open and honest and involve all stakeholders in the change process. (10) Finally, the change needs to be reinforced and institutionalised to incorporate new behaviours in day-to-day operations. Kanter et al. (1992, p. 388) uphold that these ten steps should be challenged in their applicability during change implementation to allow for nuances and contextual factors since "implementing change is an ongoing process of discovery."

Fifth, the eight-step model is from John Kotter (1996), a Harvard University professor who believes that the change process starts with (1) establishing a sense of urgency in which employees are alerted to the fact that change is essential. (2) A guiding coalition is formed, which in turn, (3), develops the change vision. (4) This vision, which specifies how the organisation's future will be different from the status quo, is communicated to employees. It is important to highlight that the first four steps aim to unlock or de-freeze the organisation's existing culture by not just creating a strong sense of urgency for change, but also a guiding coalition to craft and communicate the vision of the desirable future. Making things happen is the next aspect in the steps, as (5), the coalition (and employees) is involved in the change process by developing change plans. (6) The next step promotes short-term wins to reinforce the change implementation. (7) The consolidation stage strengthens and continues the change by making additional changes that were not implemented yet, but need to be taken care of, as otherwise processes in the organisation would not be sufficiently aligned with the initial change vision. (8) The final stage institutionalises the change by integrating it with the organisation's structures and systems. The final step in Kotter's model is about embedding the changes deep within the organisation's new culture. Figure 8.3 depicts how the 8 steps of change by Kotter are captured in terms of defreezing the existing culture, making things happen, and refreezing the new culture.

Table 8.3 Eight-step model of change



Source: Kotter (1996)

Sixth, the ADKAR model by Jeff Hiatt (2006), a management consultant, focused on goal-oriented change management with five key outcomes at the individual level to achieve successful change. Developed. ADKAR is the acronym standing for awareness, desire, knowledge, ability, and reinforcement. (1) "Awareness" involves promoting employee beliefs that change is needed. It involves creating a change vision and communicating it. (2) The "desire" stage entails the implementation of the change vision and focuses on empowering employees to be actively involved in the change. (3) Employee knowledge and skills are developed to support their participation in the change. Finally, in the reinforcement stage, the changes are strengthened and consolidated into the organisation's processes and structures. ADKAR focuses considerable attention on the processes that help employees to serve as ambassadors of the change. It does so, for example, by taking into account their individual needs and the consequences the change might have for specific employee groups.

Seventh, Cooperrider & Srivastva (1987) developed the appreciative inquiry (AI) approach, which situates change in four stages of discovery, dream, design, and destiny. Notably, appreciative inquiry is unique in that it upholds that change starts from a positive view of organisational features that employees feel are successful. In this way, the first stage is (1) the discovery, which involves thinking about what goes well in the current organisation and what factors contribute to this success. (2) The dream stage encourages employees to think about their "ideal", new features that would make the organisation even better. (3) The destiny stage next involves creating change plans in order to enable these "dreams," and execution begins. AI is less specific about how dreams should be implemented, focusing more on developing a shared understanding of what should change and involving stakeholders to become part of and support the change. AI pays considerably more attention to changes in recipient participation than other models do, and frames them as opportunities or positive events for improvement. Taken together, these seven prescriptive models show considerable overlap, particularly in the processes or practices they advocate

Importantly, they tend, with the exception of AI and Beer, to assume a top/down planning process. This top/down focus appears consistent with the typical audience for the writings of these experts, senior executives in organisations. To some extent, these experts do recognise the importance of bottom/up motivation and activity on the part of lower-level employees in support of change, but are less specific on how to enable or activate it. All models are neutral with regard to the nature of the change (a relocation or a merger) and, for the most part, ignore the organisation's and its management's broader history with respect to change.

Table 8.3 Summary of prescriptive change models

Summary of Change Steps	Lewin's Three-Phase Process (1948)	Beer's Six-Step Change Management Model (1980, 2009)	Cooperrider & Srivastva (1987) Appreciative Inquiry (AI)	Judson's Five Steps (1991)	Kanter, Stein, and Jick's Ten Commandments (1992)	Kotter's eight-step model (1996, 2012)	Hiatt (2006) ADKAR
Opportunity or problem Opportunity or problem situation	Unfreeze	Mobilize commitment to change through joint diagnosis of business problem	Discovery	Analyzing the organisation and planning the change	Analyze the organisation and its need for change Create a sense of urgency	Establish a sense of urgency	Awareness
A guiding change coalition					Line up political sponsorship	Form a powerful guiding coalition	
Vision	Transition	Develop a shared vision of how to organise and manage for competitiveness	Dream		Create a shared vision and a common direction Separate from the past	Create a vision	
Communicate the vision		Foster consensus for the new vision, competence to enact it, and cohesion to move it along		Communicating about the change	Support a strong leader role Craft an implementation plan Communicate, involve people, and be honest	Communicate the vision	
Mobilize energy for change		Spread revitalization to all departments without pushing it from the top	Design	Gaining acceptance of the required changes in behavior			Desire
Empower others to act						Empower	

			Destiny	Making the initial transition from the status quo to the new situation		others to act on the vision	
Develop and promote							Knowledge Ability
Summary of Change Steps	Lewin's Three-Phase Process (1948)	Beer's Six-Step Change Management Model (1980, 2009)	Cooperrider & Srivastva (1987) Appreciative Inquiry (AI)	Judson's Five Steps (1991)	Kanter, Stein & Jick's Ten Commandments 1992)	Kotter's eight-step model (1996, 2012)	Hiatt (2006) ADKAR
knowledge and ability							
Short-term wins and positive reinforcement t						Plan for and create short-term wins	Reinforcement
Monitor and strengthen the change process	Refreeze	Monitor and adjust strategies in response to problems in the revitalisation process			Develop enabling structures	Consolidate improvements and produce more change	
Institutionalis e change		Institutionalise revitalisation through formal policies, systems, and structures		Consolidating new conditions and continuing to promote change in order to institutionalise it.	Reinforce and institutionalise change	Institutionalis e new approaches	

Source: Stouten et al. (2018)

8.5.1.1 Step 1: Assess the opportunity or problem motivating the change

Given the common prescriptive steps identified in Table 8.3, the first step is evident in the emergent grounded theory. The emergent grounded theory assesses the opportunity or problem motivating the change. This step resonates with the initial step labelled as "digital enabling opportunity" in the five-stage substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank.*

In several models, an initial diagnosis is key for gathering information to understand the specific problem(s) or change opportunity (Beer, 1980; Judson, 1991; Kanter et al., 1992). Two models (Beer, 1980; Kanter et al., 1992) emphasise that diagnosis is essential should be shared preferably in a group setting. Kanter et al. (1992) also note that while diagnosis is a good start, copying the practices of other companies that have successfully transformed is not. In the current study, top executives assessed the nature, frequency, costs, and consequences of system disruptions for employees, clients, and the bank. However, there is a lack of clarity and disputes in practice models on how planned change should begin, with some models silent on the need for diagnosis or assuming that what top management believes is the problem provides a sufficient basis for action (Hiatt, 2006; Judson, 1991; Kotter, 2012). In this study, the initial focus was not only on identifying digital-enabling opportunities but also on raising awareness of the need for change, the reasons for it, and the risks that come with implementing it and failing to do so appropriately. Lewin's (1948) unfreezing process emphasises the need to question existing views regarding the organisation, but does not indicate how this questioning should be undertaken.

Several models emphasize the early creation of a sense of urgency. Kotter (2012) advocates creating a sense of urgency around a strategic, emotionally exciting opportunity, without specifying how to identify that opportunity. In the current study, emergent theory has elaborated on some aspects of emotional change. This resonates with the importance of the emotional aspect of change for emotional leadership and fellowship in times of change. Kotter (1996) argues that urgency should imply 'boldness' by setting 'excessive' goals, which, even if unreachable, can help to counter employee feelings of complacency, which might hinder change. Problem recognition in this study was a key catalyst for solution-seeking, placing less emphasis on creating a sense of urgent action and a change vision, and more on the need to find ways to move the bank forward.

8.5.1.2 Select and support a guiding change coalition

A key feature prescriptive models share is the role a guiding coalition of organisation members can play in overseeing the change process. This coalition is advised to maintain supportive relationships and ongoing communication with top management (Beer, 1980; Kanter, 1999; Kotter, 2012). Kanter (1999) further suggests that each coalition member has an external managerial sponsor to enhance top

management's buy-in and ensure sufficient resources for the change to succeed. In addition to obtaining critical change support from top management, the other consistent task of the guiding coalition is to communicate the vision. In doing so, the guiding coalition can reinforce the importance of the planned change (Judson, 1991; Kanter et al., 1992; Kotter, 2012). There are differences across practitioner models in terms of the tasks and composition of the guiding coalition. Beer et al. (1990) advocate that this coalition, which can include the management team and a variety of other stakeholders, conduct problem diagnosis and identify alternative solutions. According to Kotter (1996, 2012), the coalition's task is to foster a sense of urgency by helping employees and leaders throughout the organisation understand the reasons for change. The coalition can also help advance a shared understanding of the problem or opportunity the organisation is facing (Hiatt, 2006; Kotter, 2005) by building ties with supporters of change across the organisation and bringing change-related information from the organisation's diverse array of departments and teams into the coalition. Kotter (1996) argues that, to function effectively, the coalition needs to build trust among the changing recipients and use appropriate communication methods. Hiatt (2006) advises that top management be included in the dominant coalition in order to signal their continued support. In contrast, Judson (1992) argues that the originator of the change should only have an advisory role. In the current study, top management introduced the change, provided direction, and was involved directly in change-related decisions beyond developing the change rationale, objectives, and scope. In the current study, there was limited evidence of the role of the guiding coalition in successful change, except for the top executives of the South African bank. In this case, it is possible to consider the top executives as the guiding coalition, especially since they were responsible for conveying strategic news to employees to secure buy-in, reinforce consensus, and aid effective diagnosis, given the diversity of inputs members offer.

8.5.1.3 Formulate a clear, compelling vision of the change

The prescriptive models are explicit on the nature and features of a compelling and motivating vision, which is sometimes separated from the composition of the vision from how it is then communicated. Vision is an expression of the end goal of the change or end state and separates the past from the future. Vision translates opportunity into action and clarifies. where the change process is intended to lead. Common in the descriptive models of change is the assertion that an effective vision appeals to a broad range of stakeholders. Vision needs to be flexible enough to allow for individual initiatives and alternative actions (Kotter, 1996).On the other hand, some models advise avoiding specifying the structures and systems to be changed to avoid inducing resistance. In the appreciative inquiry model, vision is developed by participants in the 'dream' stage, which involves creating a future image of the organisation and its possibilities.

Although models agree on the importance and general nature of vision, they differ regarding who should participate in vision formulation. The guiding coalition should be well placed to elaborate on and expand

the central idea of the change, or even to provide a rudimentary vision statement (Kotter, 2005). Involving a large group of employees to expand on their vision is key to enhancing change commitment.

However, this study has not found any evidence of a specific change in vision by the bank. Formulating attractive goals in pursuing change, which can take the form of a compelling vision, works if individuals accept and are committed to realising them. Although there was no espoused vision specific to digitalisation, employees understood the nature of the change and expressed commitment to it, while those who were uncomfortable had to leave the bank. Individuals differ in their endorsement of a vision, depending on their compatibility with existing beliefs and their view of the favorability of the change it signals

8.5.1.4 Communicate the vision

The prescriptive models of planned change uphold that how the vision is communicated is critical for generating awareness and support for the change (Kotter, 2005). In the current study, it was explicitly stated that the organisational-level vision was aided not only by its accessibility and memorability but also by the extent to which the interests of change recipients were addressed in its communication, including fairness, job security, and future opportunities. Awareness is more easily obtained when the reason for change is external and readily observable (e.g., client loss, system disruptions). Kotter (1996) warns against message inconsistencies in communicating vision (e.g., remote banking promoted as secure while increasing exposure to cyber risks), while management takes luxury trips in private jets. The substantive grounded theory of "*digital wave of driving multiple values of banking services to stakeholders in a South African bank."*

In the current grounded theory study, management was open and transparent in their communication, assuring people that no one would be retrenched. They also rooted out inconsistencies that encourage resistance and incentivised appropriate employee and client behaviours, progressing digitalisation. The focus on the vision was on the end result of system and operational improvements, which were communicated as desired outcomes of using digital technologies for "those involved to believe that their comments and suggestions will be considered seriously.

Change models show agreement that the vision should be broadcast through multiple channels, including newsletters, articles, video, social media, and workshops. An important form of vision communication is executives who serve as role models and signal not only their endorsement of the change but also put words into deeds. Role modelling by formal leaders and visible opinion leaders helps communicate vision in a transparent fashion, so its meaning is clear, and disseminates the form the change might take and the actions to come. One of the key aspects of communication in this study hinged on open and honest communication. Judson's communication should be organised before any

action is taken and should create a complete understanding of the reasons, objectives, benefits, implications, and the timing of the change. Using the vision as a reference point in manager conversations with employees ensures the message spreads and is reinforced.

8.5.1.5 Mobilize energy for change

Mobilising energy for change means planning its implementation across multiple levels of the organisation. Several change models include gathering information at this phase to help plan change interventions, sequence specific change activities, and roll out key change supports (Hiatt, 2006; Kanter et al., 1992). Hiatt (2006) also advises a change and readiness assessment at this point, targeting the number and particular groups of employees who will be impacted by the change.

Change models take different approaches to the timing of assessment and planning. According to the ADKAR model, assessing change readiness involves identifying the impact and success of past changes, the frequency of change (e.g., all-at-once, sequential), available resources, and the organisational structure needed to support it (Hiatt, 2006). This process appears to come relatively late (in the ADKAR's Desire step, right after creating Awareness) compared to Kanter et al. (1992) and Judson (1991). In keeping with the notion of integrating assessment into a comprehensive change vision and guide to change planning, both engage in change planning after the change vision is developed. Kanter et al. (1992) refer to this as the 'roadmap' in which all the specifics of the change are detailed. Beer (1980) suggests a readiness assessment early on, in which the importance of the problem, capability, the values of the key managers, the probability that a 'critical mass' is able to be achieved, the degree of political support, and the competence of the change agent (manager or consultant) are taken into account. Employees in multifunctional and multistakeholder groups also determine what will be changed and how. This involves changes in different systems and processes, such as staffing, leadership, or evaluation procedures. Perhaps the biggest difference across models is the speed with which mobilization is advised. Beer (1980) argues that the pace of change depends on management's readiness (possibly what Judson refers to as preparation) and the resources available. In contrast, Kotter (1996) advocates urgency, advising the creation of crises and high targets that cannot be reached by business as usual.

The current grounded theory study explicitly states that management effectiveness in change management at the bank was positively related to implementation success and negatively related to changes in recipient stress, distrust of technology as a job destroyer, and employee reluctance. More importantly, employees and managers increased their capacity for change and ensured that change interventions targeted skill-building related to the change, that incentives and rewards motivated new behaviour, and that support for engaging in new behaviours was provided.

8.5.1.6 Empower others to act

The substantive grounded theory of the *digital wave of driving simplified multiple values of banking services for varied stakeholders in a South African bank, empowering employees* to act in ways consistent with the organisational-level vision. In doing so, employees' new ideas and ways of working were key to achieving operational excellence, ensuring personal contact was key to meeting the needs of clients who preferred personal contact and a consultative style with a consultant, and also served clients who acted digitally on their own. Empowerment can take the form of coaching and supporting employees to solve problems, removing obstacles to the change, or allowing them to participate (Judson, 1991). Beer et al. (1990) suggest that employees in their respective teams should be responsible for implementing the change and developing their own solutions as problems arise. Kotter (2012) describes how employees can create self-managing change teams that, with management's support, autonomously aim to implement change.

From the perspective of change recipients, empowerment entails creating opportunities for them to act in ways they find positive in order to meet their needs in the context of change. Managers were having frequent conversations with their employees to hear their concerns and objections, rather than neglecting or being defensive when objections were raised, stressing the importance of employees' voices in removing barriers so that employees see opportunities to act in new and valued ways. The grounded theory generated in this study has revealed that group and team-level activities were critical in taking the initiative to provide opportunities for change, recognising that different individuals and groups may become involved in the change. If groups or task forces are involved, it should be clear what their role is and how they link to the rest of the organisation, how their performance will be measured, and when they will disband.

Management needs to encourage employees to propose initiatives and reward them for their efforts, while avoiding reacting defensively to their concerns and ideas. At the bank, managers were helping employees through the change process, staying in frequent touch (e.g., through regular face-to-face meetings) and collecting their feedback. Mobilising energy for change reflects the essential role of motivation at all three levels: individual, group, and organisation, addressed in the grounded theory generated in this study.

Participation enhances employees' change-related abilities by increasing their sense of self-efficacy. Voice indeed has been shown to be a valuable element in encouraging employee cooperation. Energy may be mobilised by inviting individuals to address local problems they identify and by encouraging such initiative within groups and teams.

8.5.1.7 Develop and promote change-related knowledge and ability

Effective change typically involves learning new skills and knowledge. Developing knowledge and skills related to the change emphasises the learning aspects of organisational change and can be linked to both understanding the vision and practising new behaviours, as well as to the change itself. Of the seven prescriptive approaches, only Hiatt (2006) specifies a change step for learning and knowledge, while Kotter (1996) touches upon learning indirectly in his step to empower others to act. Both Hiatt (2006) and Kotter (1996) argue that even employees who are motivated to change can lack sufficient knowledge or ability to do so. Learning is enabled by receiving sufficient support and resources to be able to implement change using new skills and knowledge is facilitated by removing barriers to their application calls attention to potential 'psychological blocks' employees and clients may face when the new knowledge is not compatible with their roles (e.g. clients with a mobile application to transact with mobile banking but still visit the bank, employees aware of mobile banking but not educating clients for fear of job displacement by technology).

Organisations should make sure clients and employees are psychologically ready to develop and apply the required new skills. At the same time, acquiring new knowledge or skills is not the same as being proficient in performing new behaviours. Knowledge can be further developed through training, workshops (e.g., with exercises), coaching, user groups, or incentives for desired behavior. Developing knowledge and ability related to the change emphasises the importance of learning to successfully change and is related to both understanding the desired change state and being motivated to change. Support for clients and employees includes gaining their commitment by enrolling them in training, leader modelling of new behaviour, practice sessions, and early trials to build psychological safety regarding new behaviours.

8.5.1.8 Identify short-term wins and use as reinforcement of change progress

The ten change models reviewed emphasize the importance of conveying a sense of progress (e.g., showing successes the change has brought to make goals and objectives clearer). Evidence of progress should be clearly communicated and visible to many, conveyed in a way that reinforces the change. Kotter uses the term short-term wins, to refer to the setting of short-term goals whose accomplishment can create a sense of accomplishment and progress toward longer-term change objectives. These short-term goals need to be meaningful to employees; otherwise, they might be disregarded. Kotter (1996) states that short-term wins not only positively reinforce the change efforts but also demonstrate that the desired change state can be practically implemented. At the same time, short-term wins help convince cynical members that the change is viable.

It is key to underscore that only Kotter focuses on short-term outcomes. Instead, other scholars, such as Hiatt, focus on progress indicators. Short-term outcomes are change-enhancing activities. An emphasis

on short-term financial outcomes may cause other, less easily monetised but very important activities, whose effects are fully evident after a long time, such as learning or improved communication, to be misunderstood.

Managers need to be mindful of how short-term results that come at the expense of long-term investments in future success can create a false impression of change progress or even undermine change-related activities. A combination of leading and lagging indicators for change recipients helps people see current performance and how it is aligned with future progress. It can be important in change to focus on learning new skills and putting the change in place before actually measuring change outcomes. Metrics that reflect progress on important change mechanisms, such as learning (mastery of change-related knowledge, skills, and abilities), information sharing, and the extent of employee contributions to organisational improvement, may serve as lead indicators for outcomes that take longer to manifest.

8.5.1.9 Monitor and strengthen the change process over time

The need to sustain attention to managing the change and to continue investing in resources by the leader (leader time and effort, staffing, and money) is evident in most change models. remind people of the urgent character of the change and keep the pace moving are highlighted in the models by Kotter (2012) and Hiatt (2006), who are cognizant of the need for continuous reinforcement to sustain change-related behaviour. top management to continue focusing on the change vision and its urgency, while middle management and employees continue working on the specific projects required by the change.

A second aspect of sustained attention is the monitoring and strengthening of the change process by making adjustments in change plans as needed, modification of initial change plans in order to increase the odds of realising objectives (Judson, 1991). Consolidating gains in order to further the change effort and adopting additional changes not identified in the initial change effort are key to enhancing alignment of the change vision. The bank implemented changes to restructure current structures, acquired integrated digital technologies, systems, and procedures in order to better reinforce the change and support employees in the process of digitalisation.

The activities involved in monitoring and adjusting change progress should be shared among both the guiding coalition and other important stakeholders. In the current study, the monitoring of bank operations, employees' performance, and client experience was through data obtained from digital tools. Consultants were also using data from regular employee and client surveys to identify how employees and clients were reacting to the digitalisation-related changes and service. Planning teams can be formed based on the challenges that the monitoring results bring to light in order to tackle these effectively. This can entail revising the change focus over time to address apparent structural or systemic features not

well-aligned with the change (Kotter, 2005). Subsequent implementation activities can also be revised as new barriers are recognized or opportunities to reinforce positive factors emerge (Judson, 1991; Kanter et al., 1992). Only Beer (1980; Beer et al., 1990) calls attention to the need for ongoing auditing or explicit monitoring of the change process over time, providing feedback on progress and opportunities to identify needed corrections and course changes.

Research findings tend to support Beer's advice. Failure to provide sufficient and appropriate resources undermines change implementation, and ongoing monitoring and strengthening of the change is critical to support the change process. Well-timed adjustment to the changes implemented can improve their effectiveness by reducing stress and increasing the change recipient's sense of control. Absence of feedback makes improvements difficult.

8.5.1.10 Institutionalise change in company culture, practices, and management succession

The final step is to incorporate the change into day-to-day activities (Beer et al., 1980). Two aspects are key, according to Kotter (2005). First, making it explicit to employees that performance has improved because of the change. In the grounded theory study, managers consistently explained the results of the change across multiple communication channels, helping employees see the added benefit and supporting the credibility and legitimacy of the changes now in place. Institutionalising the change was done by the bank by better aligning existing structures and routines with the new digical practices, processes, rewards, and performance management systems.

The critical discussion of the grounded theory in relation to change management models illuminates the technology, people, and process side of change. Addressing one of the change management pillars without considering the other two leaves an organisation at risk of committing unforced errors. Too often, organisations think about the people side of change too late, waiting until it's time to implement the change to inform employees what is changing. This causes employees to feel overlooked and underinformed, and this is why people resist change. The grounded theory generated in this study upholds organisations' need for both proactive and reactive approaches to digital change management. By adopting a fluid approach to change management, they build the tools and cultural foundation to respond appropriately to change that can't be predicted. Change management is not linear, and the change management pillars of People, Process, and Technology are not meant to be approached as isolated steps. New technologies may require changes in the process that will continue to evolve after the technical implementation.

As organisations evolve, their leaders must recognise that true transformation goes beyond systems, processes, or technology. At its core, transformation is a human endeavour. Successful transformation is not just about deploying new technologies or redesigning processes; it is about engaging people at

every level. It requires addressing the human side of change, understanding the emotional and psychological dynamics, empowering leadership, fostering a supportive culture, and ensuring clear, empathetic communication. In driving simplified and multiple values to varied stakeholders, it is sensible for the bank to also consider the ethical dimension of new digital technology so that it does not cause harm. The grounded theory generated in this study manifests a human-centric approach to digital change management, which is fully cognizant of business model innovation, dynamic capabilities, multi-stakeholder engagement, and change management as key. Leaders who understand the importance of emotional intelligence in managing change are better positioned to guide their teams through the complexities of a tech-driven world. By leading with empathy, fostering communication, and recognising employees' emotional journey, leaders can ensure that digital transformation not only improves business outcomes but also strengthens their teams. Digital change management initiatives often fail not because of technological hurdles, but because of the human element.

In the light of the above critical discussion of the substantive grounded theory of the *digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank*, it is noteworthy that this theory is complex as no single body of knowledge can exhaustively explain it, hence the need to examine and understand it from various viewpoints such as business model innovation, dynamic capabilities, strategic innovation, multi-stakeholder and change management models. It is key to underscore that the wave of various types of changes which evolved from the initially limited focus on system instability, incremental improvement of operations through digitalisation evolved all the way to dynamic and systemic effort of transforming challenges into a new form of values for the entire bank and diverse stakeholders through evolutionary change arising from digital transformation evident in a "digical" business model of the South African bank.

8.6 CHAPTER SUMMARY

This chapter has located the five-stage substantive grounded theory developed in this study, which is labelled the digital wave of driving multiple values of banking services to stakeholders in the existing literature in the domain of business model innovation, strategic innovation, and dynamic capability to get a robust and complete understanding of the generated theory. While this literature has shed some insights and nuances of the grounded theory generated in this study from diverse perspectives, business model innovation, strategic innovation, and dynamic capability, they have failed to provide a comprehensive and exhaustive explanation of all the different facets of the theory, such as the multistakeholder, people, and emotional side of digital change management.

Subsequently, reliance on multi-stakeholder theory and value creation, capture, and configuration has been insightful for understanding partnership and social capital, but has also not been comprehensive, necessitating engagement with models of change to understand the process, people, and technology

together. The critical discussion of the grounded theory in relation to change management models illuminates the emphasis on the technology, people, and process sides of change.

The theory of driving simplified and multiple values of banking services to stakeholders underscores that digital change management needs to be integrative by embracing the technology, business, and people side of creating, capturing, and configuring simplified and multiple values. Mindful of the need to consider all the multifaceted aspects of digitilisation as a strategy within the bank, the grounded theory generated in this study upholds that organisations need both top-down and bottom-up change approaches, as well as proactive and reactive approaches to digital change management. By adopting a fluid approach to change management, organisations build the tools and cultural foundation to respond appropriately to change that can't be predicted. Change management is not linear, and the change management pillars of People, Process, and Technology are not meant to be approached as isolated steps. New technologies may require changes to processes that will continue to evolve after technical implementation, as well as to the business model and the human side of the change implementation process and outcomes. The grounded theory generated in this study presents a unique and ambidextrous approach to banking, which simultaneously promotes a digital-first approach while also pursuing a strong personal contact style of service, which justifies the preservation of branches of the bank in a digital era.

CHAPTER NINE
CONCLUSION

9.1. INTRODUCTION

The final chapter concludes the grounded theory study, which set out to develop a substantive grounded theory explaining the activities engaged in by South African banks in implementing digitalisation as a strategy for banking products and services, based on the lived experience of senior managers. It is important to underscore that this qualitative study used the Strauss and Corbin (1994) version of grounded theory and semi-structured interview data collected through critical incidents of senior managers with lived experiences of how digitalisation unfolded over the years in the selected bank. In this way, the study has presented a variety of digitalisation activities and processes from the viewpoint of the bank's senior managers only. The interview data were analysed using open, axial, and selective coding.

In addressing the first research objective, chapter five of this grounded theory study has revealed activities engaged by various actors in a South African bank to implement digitalisation as a strategy for banking services and products. Chapter five is explicit that the major activities included formulating a digitalisation strategy by top executives to create value for customers, revising elements of the existing strategy to integrate digital technologies to offer more products and value-added services to clients, employees and managers identifying some products and services that were shifted for delivery on digital platforms, top executive deciding to invest in technology by acquiring the best system, and identifying the calibre of human resources needed and the set of skills such as data engineers needed to enable the bank develop products to be delivered on digital channels. It is crucial to underscore that the results also reveal that top leadership promoted the bank's partnership with other service providers to ensure that clients receive products and value-added services, such as airtime, electricity, and insurance, under one umbrella.

The study has also revealed that branch managers were facilitating the adoption and use of diverse technologies in branches to serve customers better and faster, introducing a queue management system to control flow, and supporting the launch and promotion of internet, mobile, and remote banking. Human resources facilitators were developing employees and clients on how to transact on digital platforms and achieve internal strategic performance. More specifically, HR trained employees on new products, such as term loans, insurance, savings, and services, and the new payment methods and online banking to be offered to clients. Branch managers were dealing with employees who wanted to maintain the status quo and were resisting digital change in various ways, such as employee support, training,

and a balanced scorecard (BSC) as a tool to set clear expectations for their subordinates and incentivising employees who met their quarterly target for good performance.

Communication was also a key activity of various actors in the bank. Top leaders were promoting strategic alignment through internal communication, while branch staff were educating clients to transact independently on digital platforms. Operations managers used a team of branch and regional managers to review, modify, and increase operational and process efficiencies, while risk management and operations staff engaged in client education to enhance safe use and protection when using technology-enabled banking. Digitalisation has heightened the risk management department's activities to protect clients and the bank against cybercriminals.

In addressing the second research objective, Chapter Six of the study presented factors that influenced the process of identifying opportunities and the impact of operating a digitalisation strategy on different stakeholders. These factors, which influenced the process of identifying opportunities for digitalisation, included restructuring to improve efficiency and enable remote operations, as well as integrating departments to improve operational efficiency through the adoption of digital technologies. They also included the need to reduce long queues inside and outside branches and to improve queue management to enhance the client experience. The persistent system instability caused by high transaction volumes prompted a change to the system. Employee-informed digital change and customer insights were being used as sources of insights for digital change. The need to shift to a cashless security operating model and the emergence of new cyber risks were among the factors that influenced the identification of digitalisation opportunities and threats, shaping the bank's and its clients' activities on the digitalisation journey. While digitalisation initially focused on addressing operational system instability, it eventually led to new opportunities and threats that required further digital technologies and fundamental, comprehensive changes. As such, HR and managers were aligning human resources for digital activities through external recruitment, employee technical training on digital and academic development to ensure digital dexterity, while customer-facing employees were ensuring customers were informed of digital change and keeping an ear to the ground to ensure the bank was responsive and meeting the clients' needs in a digital era. Managers' involvement and technology advancement, and the opportunity to review the strategic relevance of suppliers, were key factors in the partnership approach to ensure termination, renewal, and development of new partnerships with nonbanking and banking suppliers in line with the digital-first approach to banking and provision of diverse products and services while diversifying revenue streams.

In addressing the third objective, Chapter Six has revealed that the variety of impacts of operating digital technologies was evident on employees as internal customers, clients, and partners as external stakeholders, and the bank itself. First, the study reported that managers were dealing with the

uncertainty created by employees' fear of losing their jobs, which led to resistance to digital change and to employees' initial reluctance to adopt digital technologies and digital-first banking via mobile and internet banking. Additionally, employees from operations and HR to name a few, were pleased with how digitalisation simplified and integrated their work, enhanced employee productivity, and focused on improving the quality of the client experience rather than maintaining system stability and dealing with disappointed clients due to service inaccessibility and unavailability. Leaders' work of leading self and others was simplified as they could easily monitor employee performance and make data-driven decisions based on data from digital tools for both clients and employees. Second, the chapter also revealed the impact of operating digital technologies on customers. The impact of operating a digital strategy was evident in improved customer experience. Customers were experiencing enhanced accessibility to banking services from anywhere, anytime on digital platforms, and better, faster handling of customer complaints. Lastly, the study has revealed that the bank was experiencing operational efficiency and revenue generation as a result of digital technologies. There was also an impact on the bank, evident in changing cash demand across the branch network, the reassignment of cashiers to new roles, and the abolition of the structure.

Using the results reported in chapters five and six as building blocks, the study subsequently developed a substantive grounded theory reported in chapter seven. A five-stage substantive grounded theory has been developed and reveals how the South African bank was driving simplified multiple banking values to varied stakeholders through activities that initially followed a top-down approach and subsequently evolved into predominantly bottom-up efforts by employees and customer insights to identify digital-enabling opportunities. In the second stage, managers were enacting multiple values, while in the third stage, managing complex digital consequences was evident as they drove simplified and multiple values to varied stakeholders. The fourth stage elaborates how managers and employees were transforming key challenges into new forms of value. The last stage depicts the overall complex and fundamental consequence of the activities which eventually changed the bank to a model of digical banking offering simplified multiple values of banking to varied stakeholders, as presented in Chapter Seven. This theory emerged from findings on the activities of various actors in the bank, as reported by senior managers, regarding how digitalisation as a strategy for banking products and services unfolded over the years and impacted different stakeholders. The above illuminates how chapters five, six and seven have met the objectives of this grounded theory study by reporting on (i) activities engaged by various actors in a South African bank to implement digitalisation as a strategy for banking services and products, (ii) factors that influenced the process of identifying opportunities and (iii) the impact of operating a digitalisation strategy on different stakeholders.

In this study, the process of simplifying values for varied stakeholders required the bank to identify digital-enabling opportunities by leveraging easy digital access through digital channels to create

convenience for customers and employees, ensuring that banking is simple and affordable for customers.

Notably, the South African bank identified some challenges as opportunities to digitalise. One of the challenges identified was the growing number of clients that the bank was struggling to serve. The market shares increased, which was good for the bank, but the challenge was the bank's failure to serve the market. The bank tried to open more branches and hire more staff, but it did not work, as the numbers kept growing day by day. Customers saw value, though they were unhappy about having to wait a long time before being served. The bank realised that the solution to address the problem was to move customers to the digital space. To ensure that customers do not need to come to the bank, but can transact anywhere, to reduce traffic in branches, and create convenience for customers.

The findings show that the bank's main driving force was to simplify banking for customers, as they felt that banking was complex. It segmented and discriminated against certain individuals in a way. The aim was to use digital technologies to offer banking that is simple, easily accessible, and affordable, accommodating everyone who wants bank services regardless of their status. The findings show that the bank engaged customers and employees to gain insights into field challenges and identify digitally enabled opportunities for improvement. It helped the bank shape its value proposition to create value that meets and exceeds customers' needs.

Driving simplified multiple values of banking to varied stakeholders theory presents that the banking activities enacted multiple values, and the use of digital technologies contributed to the bank's improved performance. The findings revealed that the bank reached customers who were previously unreachable, and that customers could transact at any time, not restricted to 8:00 to 17:00, which added value and improved the South African bank's profitability. To simplify banking for customers, the bank had to ensure its infrastructure could handle transaction volumes. Acquiring new IT infrastructure also created value by enabling the South African bank to handle large transaction volumes without the system collapsing. It also allowed product owners to develop new products that added value to the bank’s public offering.

From the findings, it was noted that during the implementation process, managers faced challenges and had to transform them into value, such as employee resistance to change; however, leading with the “why” helped managers gain staff buy-in. Introducing the reward system was also a driving force behind employees' embrace of change. The other challenge was system instability: the system could not handle high transaction volumes, so it would go offline. IT people spend time fixing the system instead of developing new products that would add value to the bank and its customers. Balancing and inclusive change with different and competing customer needs while transforming the bank into a digital bank. Managers had to ensure a balance between competing customer needs. Some clients still preferred the

traditional way of banking, while others wanted digital banking, and the bank was transitioning to digital. To balance customers' needs, the staff began educating clients who preferred traditional banking when they visited the branch; consultants did not transact for them but guided them on how to transact on digital platforms.

9.2 CONTRIBUTION TO KNOWLEDGE

The study has contributed new knowledge in three key ways in the domain of theory, methodology, and practice.

9.2.1 Theoretical and methodological contribution

First, the study has generated a situated and five-staged substantive grounded theory of 'driving simplified and multiple banking values to varied stakeholders in a South African bank. The grounded theory generated in this study presents a unique ambidextrous approach to banking, simultaneously promoting a digital-first approach while pursuing a strong personal-contact service style, which justifies the preservation of bank branches in a digital era.

The theory is integrative in nature, as it has explanatory power to embrace the effects of digital technologies in supporting a digital-first approach on one hand and inadvertently reinforcing personal contact and a consultative style of service at the branches of the bank for another customer segment. The "digical" approach in the five-stage substantive grounded theory of the "*digital wave of driving simplified multiple values of banking services to varied stakeholders in a South African bank",* is not just a digital shift, but also a strategic and emergent digital transformation. The initial focus of digitalisation was narrow, limited to addressing system instability and enhancing operational efficiency through better systems and digital technologies. However, it evolved into fundamental and comprehensive changes to the nine components of the business model canvas and business model innovation. This resulted in the strategic integration of a digital-first approach and strong face-to-face client service in branches, as well as partnerships with non-banking service providers to redefine client experience and value proposition, and to change the operational and revenue models. More importantly, the limited employee resistance to fundamental and comprehensive digital changes over the years, as evident in the grounded theory generated in this study, manifests a human-centric approach to digital change management that is fully cognizant of business model innovation, dynamic capabilities, multi-stakeholder engagement, and change management as key. Leaders who understand the importance of emotional intelligence in managing themselves and others during digital change are better positioned to guide their teams through the complexities of a tech-driven world and changes at the level of business logic and models. By leading with empathy, fostering communication, and recognising employees' emotional journey, leaders can ensure that digital transformation not only improves business outcomes but also strengthens their teams and human capital.

Additionally, the grounded theory has revealed how digitalisation, which starts with a limited focus on operational efficiency, evolves into a business model innovation which is fundamental and comprehensive, resembling digital transformation, evident in five different stages, ultimately providing value to multiple stakeholders. The theory generated in this study is complex as a "digical" approach to banking and gives insights into how the top executive of the bank demonstrated the ambidextrous capability to hold seemingly opposite ideas of exploring digital and independent banking experience for tech-savvy customer segment on one hand and exploiting the strong face-to-face human interaction of clients in anther distinct customer segment reliant on consultants for services in brick and mortar on the other. The substantive grounded theory generated in this study is explicit that driving simplified and multiple values to varied clients benefited from the balancing act of serving two distinct customer segments (e.g. urban client with internet connectivity, rural poor clients in the bottom of the pyramid without internet connectivity and power; digital native and digital immigrants) to be inclusive and effective in pursuit of the dual goal of making digital first engagement effective and efficient, and developing new streams while refining the old and existing bank branch service strategy.

The theory generated sensitises leaders to the necessity of ambidextrous leadership, resonating with the digital approach at the centre of how the leaders and the bank synthesised these diverse forces into integrated, forward-looking ways of driving simple and multiple values to internal and external stakeholders of the bank. While this study has uncovered the pattern of micro-level practices and processes which are relevant to the daily experiences of many managers, employees, and clients of the selected bank, it is possible that many of these people have not theorised the experiences and developed a theory. In this regard, this study provides a substantive grounded theory that many managers, employees, and clients of the selected South African bank can easily relate to and use to identify the key aspects that they may need to enact and enjoy the benefits of digitalisation as a strategy to drive multiple values to varied stakeholders. The theory generated in this study is unique, as it contradicts the conventional thinking about digitalisation as an exclusive digital approach. The substantive grounded theory is explicit that the digitalisation of the bank also resulted in the simultaneous reinforcement of a personal contact, consultative style, and the preservation of bank branches to meet the needs of the bank's customer segment, which were digital immigrants or simply unwilling to transact digitally. The digital wave of driving multiple values in banking services, as viewed by stakeholders in a South African bank, may form a basis for further scholarly work to develop a formal grounded theory with greater relevance across different types of banks in South Africa and other countries.

Second, this qualitative study has also made a methodological contribution by adopting a micro-level, processual approach to investigate the implementation of digitalisation as a strategy in a selected bank, whereas most previous research has focused on isolating factors and outcomes. This is valuable, as

traditionally, research has mainly focused on isolating factors affecting digitalisation strategy implementation, rather than the dynamic interactions and interrelationships between them, and on how these complex interactions shape strategic outcomes and are evident at the business model innovation and dynamic capabilities levels. The theory on driving simplified and multiple values to varied clients of the selected South African bank adds a variety of key dimensions which interact at individual and organisational levels (e.g., evident in the patterns of internal and external dimensions of digitalisation) and manifest the complexity, integrative, processual, and multidimensional perspective of value to different stakeholders of a selected South African bank.

The intricacies that have been discussed on the micro-level activities by various actors involved in digitalisation provide a greater understanding and bring to the fore the technological nature, but also the business and human side of digital change, which needs to be integrated in an organisational architecture of the bank to drive simplified and multiple value to various stakeholders of the bank. The substantive grounded theory generated in this study will assist traditional banks in planning the role of digital technologies and anticipate the scope of change to ensure that bank services and products are easily accessible, affordable, and user-friendly. The study is insightful from the business perspective on how digital technologies cannot be effectively limited to improving efficiency in a narrow area, as they trigger other effects in the banking value chain and inadvertently or ultimately change many components of the business model from a simple to a diversified business financial services model to create value for varied stakeholders. The generated theory is comprehensive and provides details on how the bank identified the elements that needed to be revised, as well as the variety of integrated digital technologies and value-added services that can help business owners to create fundamental changes to the business model rather than just improve specific processes in a narrow area of the business.

The study is valuable to researchers of strategy, digitalisation, digital transformation, and digital change management, as it explores digitalisation not as an outcome but as the means of competing to gain sustainable competitive advantage in a volatile, uncertain, complex, and ambiguous (VUCA) business environment.

9.2.2 Practical contribution

For practitioners, the generated theory is a resource that can be useful in guiding activities and processes of creating fundamental and comprehensive digital change. More importantly, the grounded theory study has illuminated a variety of capability-related issues which provide a sound basis for developing the digital capabilities, digital dexterity, synergy, strategic innovation, and business model innovation capabilities necessary for managers and employees to effectively drive the creation, capture, and configuration of value to varied stakeholders. Understanding the emotional and psychological dynamics, empowering leadership, fostering a supportive culture, and ensuring clear, empathetic

communication are some of the pragmatic insights for practitioners to translate the generated theory into real-life practices and direct the attention of organisational leaders to critical organisational-level capabilities, while human resources development practitioners focus on developing employee-level digital competences necessary for digitalisation and digital transformation.

The integration of technology, business, and change management capabilities reflects the need for a systems perspective of employees and managers to implement digital transformation beyond traditional banking models and create unique opportunities for collaboration within and outside the financial services industry, and a greater awareness of the broader societal and environmental impacts of banking and digital technologies. The pragmatic value of this study is that the theory that is generated can be used as a resource by scholars, practitioners, and managers involved in the execution of digitalisation in a bank to gain a deeper understanding of the strategic, operational, customer, and business model perspective of digitalisation as a strategy

9.3 LIMITATIONS OF THE STUDY

There are three key limitations of this grounded theory study. The first limitation of this study is its focus on the views of senior managers only, excluding those of top managers and employees, who are also important in implementing the digitalisation strategy. While the identified senior managers were in a better position to have gained enough knowledge and experience, which put them in a position to have valuable input in this study through their experience, it is important that future research embraces the views of different actors involved in the execution of digitalisation strategy in an organisation, such as a bank.

Second, the grounded theory study relied predominantly on the recollection of incidents, some of which occurred in the past, to enable senior managers at the selected South African bank to report them as accurately as possible. While some of these recollections of incidents by senior managers had some gaps or loopholes for the account to be comprehensive, probing was key to unravel the phenomenon, causal conditions, strategies used by actors in the incident, and also clarity on the nature of consequences to get an understanding of the practice or process being reported by the interviewee. The findings depend on what senior managers self-reported, based on their lived experience. To mitigate this limitation, the researcher asked the same question to different people to establish commonalities and enhance clarity. The researcher also conducted follow-up interviews with participants where clarity was needed, and after developing the grounded theory, it was presented to the senior managers. It helped bring to light the critical incidents that senior managers described, and whether the generated theory provided an overview of what was happening as the bank transitioned to digitalisation, based on their collective experience.

Lastly, there is a limitation in relying on a single type of data: interview data. Banks are often sensitive to granting access to documents related to their internal strategy work and activities. Access to meeting documents, progress reviews, and plans for digitalisation would have helped provide a more nuanced understanding of the roles of emergent and deliberate strategy activities and the results associated with each form of strategy making and execution.

9.4 SUGGESTIONS FOR FUTURE STUDY

There are three areas of key future research.

First, future studies should focus on top executives as participants, who can provide insights into whether good results were driven by company objectives, vision, or the emergent outcomes of using technology beyond the initial focus on operational efficiencies, rather than business-model-level innovation. The findings can serve as a framework for directors still grappling with implementing digitalisation as a deliberate strategy. This is key to understanding the perspectives on digitalisation from the viewpoint of strategic leaders in the upper echelons, and how deliberate and emergent strategies manifest in digital transformation in practice.

Second, the substantive grounded theory in this study was generated from findings collected from senior managers at a South African bank transitioning from traditional banking to digitalisation as a strategy. There are many internal and external stakeholders who experienced the bank's digitalisation; as such, the views of senior managers do not reflect the ways others, such as junior employees and clients, experienced it. To increase the diversity of views and enhance the explanatory power of the generated theory, future studies can use a diverse sample that includes employees, managers, and top managers. Another way of enhancing the explanatory power is to understand digitalisation in South African digital-only banks. This is key to understanding digitalisation, where there is no need to integrate the digital and physical dimensions of in-person branch service. These findings can assist financial institutions that are still transitioning to digitalisation in understanding the challenges faced by both banks with both a digital approach and a branch network, and digital-only banks. It can broaden knowledge of banking and the core processes and activities of digitalisation across diverse banks.

Thirdly, while this study employed a qualitative design, focusing on senior managers to explore digitalization as a strategy for banking services and products, future research could benefit from a quantitative approach to examine causal relationships. For instance, a follow-up study might collect survey data across a broader sample of bank employees, customers, and stakeholders, and then use regression analysis to test hypotheses about how specific digitalization strategies impact business outcomes such as profitability, customer satisfaction, or operational efficiency. Alternatively, another valuable method would be to run focus groups (either with customers or frontline staff such as consultants to explore collective experiences and perceptions around digital products and services. These

complementary approaches, one quantitative and one group-based qualitative, would help triangulate insights, validate the theory developed in the current study, and extend its practical and strategic implications.

Lastly, the theory generated in this study is situated in the context of a bank in South Africa, and future research should develop it into a formal theory. This future research may extend and validate the theory of driving simplified and multiple values to varied stakeholders in a bank by focusing on more and diverse banks and also clients, which provide different contextual realities and nuances (e.g size of the bank, rural and urban market segments) for a formal grounded theory capable of elaborating the process of digitalisation taking into account diverse circumstances and context. More importantly, while the current study has integrated the technology, business, and human side of fundamental and comprehensive digital changes, which pronounces a human-centric approach to digital change management, the grounded theory generated is less clear on the ethical dimension of digital changes and how these may harm users or how the organisations may mitigate potential harm to employees and clients as users. Future grounded theory researchers need to embrace the ethical dimensions of driving simplified and multiple values to varied stakeholders using digital technologies in a variety of contexts beyond the banking context.

9.5 CONCLUSIONS

This qualitative research aimed to develop a substantive theory of digitalisation as a strategy for banking services and products. This developed a substantive, grounded theory, labeled “digital wave of driving simplified multiple values of banking services to varied stakeholders,” that shows how a South African bank transitioned from traditional banking to digitalisation. The theory elaborates on factors that drove the bank to digitalisation. The bank engaged in different activities to implement digitalization as a strategy. There were factors that enabled and delayed the process. It explains how senior managers overcame challenges by simplifying multiple values for diverse stakeholders. The study discussed the methods the bank used to identify opportunities and explored how digitalisation enhanced value for stakeholders.

This chapter concludes by discussing the theoretical and practical contributions of the study. The limitations of the study were identified. It also presents suggestions for future studies, which may contribute to the body of knowledge. Most companies today are adopting digital technologies, as technology is no longer an option for organisations that want to perform well. The findings of this study are important and relevant, as they can be adopted and applied by many organisations in the public and private sectors to enhance value for their stakeholders through digital technology.

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APPENDICES

APPENDIX A: INTIAL INTERVIEW GUIDE

Initial Interview Guide

SECTION A: Establishing critical incidents from the beginning of digitalization to date and activities engaged by the bank to implement digitalization as a strategy.

i. How long have you been with the company?
ii. How long have you been in the management position?
iii. What are the critical incidents you have witnessed in the process of implementing digitalization as a strategy since joining the company?
iv. What critical events have occurred since joining this bank in terms of digitalization? (Negative /Positive)
v. What was the central problem that led to adopting digitalization as a strategy?
vi. What were the activities the bank engaged to implement digitalization as a strategy? [Who participated in these activities? Who led the process? Who followed? How?]
vii. What were the positive/negative consequences of each activity engaged by the bank to implement digitalization as a strategy?

SECTION B: Factors that influenced the process of identifying opportunities for digitalization as a strategy.

i. What factors influenced the process of identifying opportunities for digitalization?
ii. How were these factors identified? Who was involved?
iii. What were the big wins in identifying these opportunities?
iv. What was the central problem that threatened to identify opportunities brought by digitalization?

SECTION C: Impact of operating a digitalization strategy on internal and external stakeholders.

i. Who were the key stakeholders, and what were their key activities in the digitalization process?
ii. What impact did digitalization have on different stakeholders? (positive /negative).
iii. Do you think transitioning to digitalization was the best? How?

APPENDIX B: LETTER OF INTRODUCTION

RESEARCHER **SUPERVISOR**

Full Name: Sthembile Millicent Ntsele :Prof. M. Kanyangale

Institution: University of KwaZulu-Natal

Proposed Qualification: Doctor of Philosophy (Leadership Studies)

Contact number: [redacted] :031 260 7934

Email address: 9702345@ukzn.ac.za :kanyangalem@ukzn.ac.za

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Dear Participant,

My name is Sthembile Millicent Ntsele, Student number 9702345, Doctor of Philosophy (Ph.D.) candidate at the University of KwaZulu-Natal. I would like to invite you to participate in the Research project entitled: **A grounded theory study of digitalization as a strategy for banking services and products in a South African bank.** The purpose of the exploratory qualitative study is to develop a substantive grounded theory that elaborates on how a South African bank implemented digitalization as a strategy for banking services and products according to the lived experiences of senior managers.

I hope that the research will benefit senior bank managers who have not yet theorized the process of adopting digitalization as a strategy for bank products and services. The findings will be treated in a confidential manner and will not be identified with you personally. There will be no benefits or incentives paid to participants, as participation in this study is voluntary; you are free to withdraw from the research with no negative consequences.

Please sign on the dotted line below to ensure that you have read and understood the contents of this letter. The interview will take you about 40 minutes.

APPENDIX C: INFORMED CONSENT FORM

INFORMED CONSENT FORM UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP
PhD Research Project

Researcher**:** Sthembile Millicent Ntsele ([redacted]
Supervisor: Prof. M. Kanyangale (0312607934)

DECLARATION OF CONSENT

I …….…… have read and understood the contents of the letter. I understand that participation in the Research project entitled: **A grounded theory study of digitalization as a strategy for banking services and products in a South African bank.** is voluntary, the responses will be treated in a confidential manner and will not be identified with me personally.

Participant's signature…… Date: …….…….

APPENDIX D: GATEKEEPER'S LETTER

10 February 2022

Research Administration: Doctoral Research Supervisor

UNIVERSITY OF KWAZULU NATAL
Graduate School of Business and leadership

Dear MacDonald Kanyangale
(PhD (Rhodes), MBA (London), CIM (UK))

Approval to conduct research utilising data from [redacted]: Doctoral of Sthembile Millicent Ntsele – Student Number 9702345

This letter serves as an approval for **Sthembile Millicent Ntsele** (researcher) to conduct her research with the topic **grounded theory of Digitalization as a strategy for banking services in South Africa.', grounded theory of Digitalization as a strategy for banking services in South Africa.** The aim of this study is to develop a substantive theory that describe how South African bank identify opportunities and operate digitalization strategy for services and products to be competitive in the dynamic market, on [redacted]. This approval authorises the researcher to collect data using qualitative and quantitative data collection methods.

This approval is subject to the results of this study remaining anonymous in terms of the organisation as well as individual participants. All data collected will be edited to non-identifiable information for use in the research and reporting of findings. This letter serves as confirmation that [redacted] requires the confidentiality of [redacted]-specific findings to continue beyond the prescibed three-year period (i.e. Degree of Confidentiality Code: C) and that any publications that may emerge based on the data will be subject to this arrangement.

We wish **Millicent** all the best in the completion of this study and trust that the provision of such data will enable improved workplace practices for [redacted] as well as the rest of the financial services industry.

Sincerely

DocuSigned by:
[redacted]

11 February 2022

Head: Learning and Development

APPENDIX E: ETHICAL CLEARANCE



UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

18 June 2025

Sthembile Millicent Ntsele (9702345)
Grad School of Bus & Leadership
Westville Campus

Dear SM Ntsele,

Protocol reference number: HSSREC/00004889/2022
Project title: A grounded theory study of digitalization as a strategy for banking services and products in a South African bank
Amended title: Driving simplified multiple values of banking to varied stakeholders using digital technologies in a South African bank
Degree: PhD

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 17 June 2025 has now been approved as follows:

- Change in title

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Best wishes for the successful completion of your research protocol.

Yours faithfully

[redacted]
Doctor Shamila Naidoo (Interim Chair)

/nng

Humanities & Social Sciences Research Ethics Committee
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Website: http://research.ukzn.ac.za/Research-Ethics/
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