Change Management: The Key to BRAC Uganda’s Successful Transformation

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Strategic change management is the biggest challenge in leading organizations through growth or change in the business focus or strategy. It requires transforming the culture that underpins the organization, as well as changing corporate objectives, systems, policies and procedures.

CapPlus began working with BRAC Uganda Microfinance Ltd (BRAC) in 2017 when BRAC’s senior management requested support in its transformation process from a microfinance institution to a deposit-taking Tier 2 commercial bank.

The CapPlus team conducted an assessment of BRAC’s transformation, examining all operational, structural and technical areas. The recommendations and road map for the implementation of activities were adopted and acted on by BRAC’s senior management.

As the transformation process advanced, BRAC’s management recognized a rising level of
anxiety among its 2,000+ employees. BRAC again asked CapPlus’ assistance to help ensure that the major shifts needed in the mindset and culture of the organization were well-communicated and well-managed.

Our experience working with BRAC over the last year highlighted the following lessons:

- **Change is about winning the hearts, minds and support of those engaged in the business.** Changes in policies, procedures, systems and structure alone only introduce anxiety, fear and confusion. Winning the staff members’ hearts is the most challenging – but once achieved, it releases positive energy and support that makes re-shaping targets, culture and operational systems easier, thus making the change more successful. Winning hearts is a journey and best addressed upfront.

- **Winning hearts is a function of communication and involvement.** Communicating the transformation process must be in a manner and language that has an emotional appeal to the staff. Rote learning of Visions, Missions and Strategies couched in complex terminology appeals to the mind at best, but seldom to the heart. In the same way, the person who delivers the communication and the manner in which they convey it must be emotionally compelling to the staff.

- **Effective change agents provide high value.** In addition to having effective HR and Strategy functions, it is important to select a group of change agents from various levels across the organization and allow them to participate in messaging the transformation. It enables broader debate, freer discussion and renders the process more credible to the staff. Management receives genuine feedback that makes the task of managing change easier.

- **Alignment of minds must start with a shared view of the current state before discussing the future.** The future can only be built on a robust existing base. When initiating the change process, management must ensure that staff members understand what the current state is and directly address what is perceived as inefficient, ineffective or unjust in the current state as part of the change process.

- **Social impact has a great appeal to staff members.** At BRAC, working for an organization with a clear and declared intention to positively impact society is highly motivating. Staff members take pride in working for an organization with a positive brand that contributes to the betterment of their community.

To begin winning employees’ hearts and minds, CapPlus revised and packaged the transformation messages into a structured workshop called *One BRAC Strategy Seminar*. Its objectives were to:

- Surface staff perceptions of the current state and their anxiety over the proposed changes
- Effectively communicate and win the hearts and minds around BRAC’s transformation to a commercial bank
- Inform everyone what changes were going to take place, when and how
Describe how ordinary staff members were going to be affected

Change agents selected from across the Bank and its partner BRAC NGO Uganda experienced the seminar first, then were trained to facilitate the workshops themselves. Over a period of four weeks, the seminar was repeated all over the country to involve everyone in BRAC Uganda, reaching 2,000 people.

“We were really engaging staff this time around, getting genuine feedback, and the change agents had real ability to drive cultural change,” BRAC’s Chief Operations Officer stated at the end of the program.

Change agents led *One BRAC Strategy Seminars* for all of BRAC Uganda's 2,000 employees.
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