

## Organisational renewal model for leveraging a bank's sustainability and continuity during periods of discontinuities: a perspective from the caribbean financial markets

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### Abstract

As financial institutions are often faced with a series of turbulences that unfold in the Caribbean financial markets, frequent organisational renewal and self-regeneration become crucial for bolstering a bank's continuity and sustainability. In that context, this study uses a qualitative research method to evaluate the effectiveness of the organizational renewal strategies that are often used by Caribbean banks during periods of turbulence as well as the major impediments of such strategies. Through such analysis, the study aimed to discern the organisational renewal model that can be extracted and suggested for leveraging a bank's sustainability and continuity in the periods of discontinuities. During periods of turbulence, findings from different banks that were drawn from St. Lucia, Barbados, Bahamas, St. Vincent, Grenada and the Dominican Republic signified the organizational renewal strategies that are often used by Caribbean banks to encompass financial service innovations, digital transformation, value-based marketing and CSR-based banking model. But even if that is the case, the efficacy of some of the organisational renewal strategies to turn around the bank's performance during turbulence was still found to be undermined by the hefty costs of change that must be incurred and organisational inertia that limits the flexibility and agility required for the banks in distress to respond. To mitigate such constraints, the study suggests the Organisational Renewal and Self-Regeneration Model which the contemporary banks can adopt to bolster their adaptability, continuity and sustainability during periods of discontinuities. But even if usage of such a model will leverage a bank's sustainability and continuity amid the Caribbean financial markets' discontinuities, future studies must still explore the impact of organisational renewal on a bank's liquidity risks' mitigation during periods of turbulence.

**Keywords:** Organisational Renewal; Self-Regeneration; Caribbean Financial Markets; Discontinuities; Bank Performance; Turbulence; Businesses' Continuity And Sustainability

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### 1. Introduction

Organisational renewal leverages a business' continuity and sustainability. Organisational renewal aids the re-evaluation of the bank's capabilities to introduce new changes that aid self-regeneration to create and deliver more novel values that bolster a bank's overall effective performance during turbulence (Schmitt, Raisch & Volberda, 2016). During periods of turbulence and discontinuities, organisational renewal enables a bank review its capabilities and performance vis-à-vis the unfolding discontinuities to aid discerning the turnaround strategies that can be introduced to bolster its business continuity and sustainability. It is through organisational renewal that banks are able to re-evaluate and rethink how to improve their capabilities to tackle new challenges and bolster their businesses' continuity and sustainability during periods of turbulence (Milicevic & Maude, 2018).

Organisational renewal is the strategic process of internal and external analysis and review that inform radical and incremental modifications of the organisation's mission and vision as well as its policies, strategies, plans, structures and culture to leverage the organisation's realignment to the unfolding environmental changes (Domínguez & Barroso-Castro, 2017). Given the increasing turbulences that characterize the Caribbean financial markets, organisational renewal can be quite critical for leveraging the bank's capabilities to explore and introduce new capabilities to thrive in the constantly changing modern Caribbean financial markets (Thorsten & Mooney, 2021). Unfortunately, despite the Caribbean financial markets being punctuated by a lot of discontinuities that not only emerge from the periodic disruption of business activities by hurricanes and the recent Covid-19 health hazards,

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but also the other financial market failures, only limited studies seem to have explored the importance of organisational renewal for aiding banks thrive in such situations (MacDonald, 2019; Mc Lean, 2017; Thorsten & Mooney, 2021).

Combined with the less emphasis of the concept of organisational renewal amongst most of the Caribbean financial institutions, it is a nexus of such theoretical and practical gaps that motivate this study to evaluate the usage of organisational renewal as a strategy for re-inventing new capabilities to bolster the bank's business continuity and sustainability in the increasingly more volatile Caribbean financial markets. Through such analysis, the study aims to discern the organisational renewal model that can be developed and adopted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. The notion that organisational renewal bolsters a firm's continuity and sustainability during periods of discontinuities is not only echoed in such assertion, but also in the general theories and literature on organisational renewal.

## 2. LITERATURE REVIEW

Organisational renewal is analogous to organisational development. However the notion of organisational renewal still significantly differs from the concept of organisational development on the basis that organisational renewal is a periodic organisational change that even the established organisations undertake to bolster their continuity and sustainability during the unfolding changes (Kule et al., 2022; Moyson, Scholten & Weible, 2017). In contrast, organisational development is often undertaken by new organisations to build their capacity and capabilities to effectively operate and grow to attain the desired strategic goals and objectives. As organisations undertake periodic renewal exercises, some organisational development techniques may be required to leverage the organisation's adaptation in the context of the new changes (Goodwin, 2018). But still, organisational renewal is not organisational development. Organisational renewal is not an episodic event, but a continuous knowledge-oriented and learning process. It entails continuous incremental changes aimed at aiding adaptation to the day-to-day changes. Alternatively, organisational renewal may also require radical organisational changes entailing the overhaul of the entire organisational system to bolster its response capabilities to the major disruptive changes unfolding in its ecosystem (Zhao & Goodman, 2018). As reflected in Figure 1, Taneja's (2012) "Organisational Renewal Theory" construes the process for organisational renewal in any organisation to unfold according to four main dimensions that encompass:

- Strategic renewal
- Organisational culture renewal
- Organisational process renewal, and
- Continuous learning and innovation.

Strategic renewal requires strategic and tactical

planning to determine where the organisation stands, what it needs to do, where it needs to go, and how it will get there. It also requires realignment of the organisational mission, vision, goals, and objectives in the context of the unfolding changes (Akinyele & Ngumi, 2016). In addition to the realignment of structure, systems, leadership behaviour, human resource policies, culture, values, and management processes, strategic renewal also entails usage of sensing which is the cognitive process of noticing and constructing meaning about environmental changes so that organizations can take the required appropriate actions (Kraft, Sparr & Peus, 2016).

As Taneja's (2012) "Organisational Renewal Theory" indicates, organisational culture renewal requires top managers to make timely adjustments in their mental models following significant changes in the environment. This must be accompanied by the usage of the measures for mitigating resisting behaviours and attitudes that hinder organisational renewal. It also requires the modification of organisational practice, community of practice and institutional structures that do not support organisational renewal (Shu et al., 2019). For organizational processes' renewal, Taneja suggests that there must be realignment of the processes of engaging different stakeholders (customers, shareholders, employees, suppliers and other business partners). These activities must be accompanied with clear communication, planning, implementation and coordination of the processes of delivering the required different services and products to the market.

Such initiatives must be undertaken in conjunction with the review and realignment of governance systems and elimination of path dependence and introduction of new operating and institutional mechanisms. To ensure the organisation's transition from one wave to another, Taneja's (2012) "Organisational Renewal Theory" emphasises the importance of continuous learning and innovation in which the organisational leaders undertake periodic analysis and sense the need to change and modify their organisational capabilities to absorb and adapt to the unfolding ecosystem changes. In other words, the reasoning in Taneja's (2012) "Organisational Renewal Theory" is also consonant with the thinking and logic in different theories and literature on organisational renewal.

Most theories highlight the essence of using Seven Stages for Organisational Renewal Methodology which entails situational analysis of the internal and external variables instigating the need for organisational renewal, and subsequently defining and clarification of the vision and mission for organisational renewal as well as the goals and objectives that must be achieved within the designated timelines (Van der Voet, Kuipers & Groeneveld, 2016; Wijaya, Gilang & Sudhartio, 2020). These two stages are followed by the third stage which requires the establishment of relevant organisational renewal management and leadership structures

that aid vertical, lateral and horizontal integration of organisational renewal activities. The fourth stage requires the use of effective communication and engagement of all the stakeholders.

Subsequently, in the fifth stage, organisational renewal leaders must build a coalition and consensus on the organisational renewal course of actions and activities that must be accomplished (Lianto, Dachyar & Soemardi, 2018). The sixth stage deals with the implementation of organisational renewal in all the required areas in conjunction with the organisational culture and behaviour change to support the successful renewal of such designated areas (Sukoco, Adna, Musthofa, Nasution & Ratmawati, 2022).

In the seventh stage, organisational renewal leaders must undertake periodic monitoring and evaluation to ensure the achievement of short, medium and long-term goals and objectives of organisational renewal. However, while using a systems perspective, Nonaka's (1991) "Organisational Knowledge Creation Theory", as cited in Shah et al., (2020) construes that organisational renewal is a knowledge creation and utilisation exercise. In that process, it is only the organisations with well-built and established knowledge management systems that can periodically analyse and sense the need for change to undertake the required organisational renewal exercises.

Nonaka posits that a strong knowledge management system enables the organisation to analyse and absorb the unfolding changes in its ecosystem. The absorbed information enables the business undertake the required increment and radical modifications of their policies, structures, organisational culture and strategies to adapt during the unfolding disruptive events (Sukoco, Supriharyanti, SabarSusanto, Nasution & Daryanto, 2021b).

However, Nonaka notes that the achievement of such capabilities requires the development of a strong organisational culture for knowledge management and its utilisation in all critical organisational decision-making activities. It also requires investment in the required information technologies to aid internal linkages and synchronization as well as linkage and collaboration with the outside world. It is not only Nonaka's (1991) insights that seem relevant and applicable to organisational renewal, but also Leonard-Barton's (1995) "Continuous Organisational Renewal Theory".

As cited in Schmitt, Raisch & Volberda (2016), Leonard-Barton's (1995) "Continuous Organisational Renewal Theory" construes organisations to be organic learning organisms that are influenced by their internal and external system changes to undergo periodic stages of self-regeneration and renewal. For organisations to successfully undergo such periodic self-regeneration stages, Leonard-Barton suggests the influencing capabilities to arise from the organisational leadership's capabilities to easily read and sense the need for change. The need for change is discerned from the

unfolding trends, managerial systems, and employees' knowledge, skills and experience (Klammer et al., 2017). It also requires the evaluation of the suitability of the organisation's physical and technical systems and influencing values, culture, behaviours and attitudes of the organisation and all the stakeholders (Pollitt & Bouckaert, 2017). Such reasoning echoes Weick's (1996) "Organisational Renewal Theory".

As cited in Maharani et al., (2023), Weick's (1996) "Organisational Renewal Theory" holds that organisational renewal is a sense-making initiative that requires discerning how the information is gathered, analysed, interpreted and utilised in the making of decisions of how the organisation can modify itself to adapt and survive in the midst of the unfolding disruptions. Organisational renewal is a learning and transformational exercise, but it should not be used to disrupt and disconnect the organisation from its past. To achieve that, Weick argues that organisations must be able to discern where they are coming from and in which state they are currently in and in what context and situations in order to discern the changes that must be made to bolster their capabilities to transform and transition to the new desired state.

In other words, Weick's (1996) "Organisational Renewal Theory" construes that organisations must be able to understand the past that brought them into existence and their present state in order to discern where they are heading to through organisational transformation and renewal (Tuurnas, 2015). Weick notes that organisations that can integrate organisational learning with organisational transformation and renewal are "mindful organisations" that are defined by certain five features and characteristics. Such five features and characteristics encompass preoccupation with failure by continuously being alert to any system problems irrespective of whether they are big or small, and avoidance of simplification of interpretations and actions by encouraging in-depth search and interpretation of all information to adopt more suitable complex and sophisticated interpretations and solutions to all the unfolding situations (Ahmed et al., 2023).

Other critical features of "mindful organisations" are sensitiveness to all kinds of situations to acknowledge that the views and inputs from all stakeholders are critical for leveraging the organisation's success, resilience to keep all the organisational systems functional and operational irrespective of the circumstances and conditions under which the organisation is undergoing. It also requires basing decisions on expertise and validated information and not on the emotions and insights of those holding high positions. Similarly, as cited in Schmitt et al., (2016), Stahle's (1998) "Self-Renewing Organisations Theory" also construes organisations to depict self-renewing and regenerating organisms that exhibit three dimensions encompassing mechanistic, organic and dynamic systems.

Based on Newtonian physics, mechanistic systems are closed and stable organisations, as organic

organisations or systems interact with the internal and external systems via the prescribed feedback system to evolve, self-regenerate and renew to adapt to the entire system's evolution and changes. Dynamic systems are characterised by non-linear and unpredictable behaviours of other subsystems and other internal dynamics that undermine change and the organisation's self-regeneration, evolution and renewal (Warner & Wäger, 2019). Even if these illustrate how banks can renew their capabilities to evolve through different periods of turbulence, the fact that not a more plausible organisational renewal framework exists for banks to emulate explains why this study seeks to evaluate the organisational renewal model that can be developed and extracted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets (Alam, Mokate & Plangemann, 2016). To achieve that, the study used the interpretivist research paradigm as integrated with exploratory-qualitative research design and method.

### 3. METHODOLOGY

To evaluate the dynamics and complexities of the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets, the study used the interpretivist research paradigm. Research paradigm is the philosophical way of thinking and reasoning that guides the reasoning and thinking in the research process (Coates, 2021). To reach a logical conclusion about the phenomenon being investigated, a research paradigm can be positivistic or interpretivistic. As positivism paradigm uses scientific logic and thinking to reach logical conclusions about the truthfulness of the facts being investigated, interpretivism seeks to elicit real-world insights, perceptions and experiences about the participants in the situations being investigated to reach logical conclusions about the phenomenon being investigated (Coates, 2021).

Positivist research paradigm is more aligned with the deductive thinking that emphasises hypothesis postulation and gathering of secondary and primary data that must be tested to validate or invalidate such hypothesis. In contrast, interpretivism is analogous to inductive research thinking that emphasises identification of the problem and collection of secondary and primary data which is analysed to discern probable solutions, models or theories that must be extracted to respond to such a problem. Since the hypothesis used in the deductive research paradigm may not be the actual reflection of the real-world situation, this research used the interpretivism research paradigm which is more aligned with the inductive research paradigm.

Since the problem is already identified to be reflected in the dynamics and complexities of the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets, this study used the interpretivist paradigm as aligned with

inductive research thinking to extract and interpret real-world insights from the selected bank managers of the banks operating in different Caribbean financial markets. Such open-ended approach aided eliciting of enormous information to evaluate the kinds of organisational renewal model that can be adopted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets.

Such approach is consonant with subjectivist or constructivist ontology which holds that real-world facts and truth about the phenomenon being investigated can be best elicited through the investigator's immersion in such facts to undertake the required social construction and reconstruction to reach logical conclusions about the reality and truthfulness of the facts being investigated. Ontology is a branch of research philosophy that influences how the process of inquiry about the truthfulness and reality of the phenomenon being investigated as informed by real-world or scientific facts is accomplished to reach logical conclusions about the facts and truthfulness of such a phenomenon (Kumatongo & Muzata, 2021).

Ontology can take the line of philosophical reasoning in objectivist or subjectivist ontology. Objectivist ontology is a research philosophy that emphasises stringent adherence to scientific principles to ensure the outcomes of the phenomenon being investigated are not interfered with by any external variables or the investigator's personal opinions and social construction and reconstruction of the facts being investigated (Kumatongo & Muzata, 2021). This contrasts with subjectivist or constructivist ontology which holds that real-world facts and truth about the phenomenon being investigated can be best elicited through the investigator's immersion in such facts to undertake the required social construction and reconstruction to reach logical conclusions about the reality and truthfulness of the facts being investigated (Kumatongo & Muzata, 2021).

However, this research used the subjectivist or constructivist ontology on the basis that the dynamics and complexities of the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets are social in nature rather than scientific to require the investigator's in-depth immersion and interactions with bank managers as the actual actors and players in the Caribbean financial markets. This enabled real-world social construction and reconstruction of the bank managers' experiences and real-world insights to emerge with in-depth real-world facts and truth about what can be a good organisational renewal model or not a good organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. This implies the objectivist ontology that uses scientific thinking and reasoning would be



unsuitable as it would limit eliciting in-depth facts due to its significant reliance on stringent scientific symbols and procedures that do not explore the why, how, when and what of the phenomenon being investigated. Yet as the study uses subjectivist or constructivist ontology, it also used exploratory research design as integrated with the qualitative research method.

### 3.1 Qualitative-Exploratory Research Design

Exploratory research design will be used to explore and elicit critical information on questions like how, why and what about the dynamics and complexities of the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. It will enable the study to access real-world insights and critical rich in-depth information from participants consisting of bank managers, operational risk managers and marketing managers of the banks operating in different Caribbean financial markets like Bahamas, Turks & Caicos, Grenada and the Dominican Republic.

In line with Gill's (2022) argument, such analysis aided not only a detailed sociological understanding of the approach and challenges of the organisational renewal implementation by most of the Caribbean banks, but also extraction of critical key discourses that were used for the development of the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. However, to further elicit the required critical rich information from the selected bank managers, usage of exploratory research design was integrated with the use of qualitative research method.

Qualitative research method refers to the research approach that seeks to elicit detailed in-depth views from the participants about the phenomenon being researched (Creswell, 2014:233). The commonly used qualitative research techniques encompass content analysis, observation, focus group discussions and interviews (Gannon, Taheri & Azer, 2021). However, in this research, qualitative interviews were used to elicit the required information. This is because as compared to quantitative research method that only elicits summarised numerical information, qualitative research method was construed to aid the eliciting of detailed facets of facts about the organizational renewal strategies used by Caribbean banks as well as the impediments of organizational renewal initiatives undertaken by the Caribbean banks. Through such analysis, the study was able to discern the organisational renewal model that can be adopted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. In the process of such analysis, the study used purposive sampling to determine the sample participants for the study.

### 3.2 Sampling

Sampling is the process of drawing the unit of analysis from the target population. And the target

population refers to the units which are the main focus of the study (Berndt, 2020). In this study, the target population connotes the bank managers of the banks that are operating in the Caribbean financial markets. However, to draw data from these Caribbean-based banks, it is only the banks from the Islands or countries that are close to each other that were used in the study. In effect, five banks were drawn from the Bahamas, three banks from Barbados, two banks from St. Vincent, two banks from St. Lucia, three banks from the Dominican Republic and two banks from Grenada. This implies a total of seventeen banks were used as the sample banks for the study on the organisational renewal model that can be adopted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets.

Using a sample of these 17 banks, two sample bank managers were drawn using purposive sampling from each bank to constitute a total of 34 (thirty-four) bank managers that were used in the study. Such reasoning is in line with the notion that sampling may be accomplished using probability or non-probability sampling (Gill, 2022). Probability sampling refers to the process where the researcher relies on chance and randomness as the criteria for determining the units that must be included in the sample population. It uses techniques such as simple random sampling, systematic sampling and cluster sampling (Gill, 2022).

In contrast, non-probability sampling uses techniques such as convenience sampling, purposive or judgmental sampling, stratified sampling and snowballing as the criteria for determining the units that must be included in the sample population. To ensure that the primary objective of the study is achieved, this research used non-probability sampling and specifically purposive sampling. While using purposive sampling, the study ensured that it was only the bank managers like operational risk managers, operation managers or marketing managers working for the selected Caribbean banks that were used in the study. To accomplish that, the study as indicated in the data collection method below used semi-structured interviews.

### 3.3 Data Collection

Data from the thirty-four sample participants was collected using the interview guide. The interview guide that was used in the data collection process was designed based on the research objectives and questions for this study. It contained two sections. First section evaluated the effectiveness of the organizational renewal strategies used by Caribbean banks. Second section examined the impediments of organizational renewal initiatives undertaken by the Caribbean banks. During the design of the interview guide, measures were put in place to ensure that the statements and questions contained therein were unambiguous and simple for the participants to respond with relative ease. The completion of the design of the interview guide was followed by a pilot

study on about three participants. Errors identified were corrected prior to the commencement of the actual data collection process. Data collection was accomplished through personal interviews with each of the thirty-four bank managers. The obtained qualitative data was thematically analysed.

### 3.4 Data Analysis

Using Fetterman's (2009) four stages of thematic analysis, data analysis entailed reading and re-reading the transcripts, extracting main themes, extracting subthemes and drawing a thematic framework. Such analysis enabled the identification and extraction of main themes, subthemes and associated narratives explaining the effectiveness of the organizational renewal strategies used by Caribbean banks. This was followed with the identification and extraction of main themes, subthemes and narratives on the dimensions or areas reflecting the impediments of organizational renewal initiatives undertaken by the Caribbean banks. Thereafter a thematic framework was drawn to discern how the emerging findings offer coherent insights into the organisational renewal model for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. Yet, as the entire research was being undertaken, measures were also undertaken to leverage the credibility and trustworthiness of the entire research process (Braun & Clarke, 2021).

### 3.5 Credibility and Trustworthiness

Measures for leveraging credibility and trustworthiness of the research entailed the use of criteria such as credibility, transferability, dependability and conformability (Berman, 2017). Credibility connotes the relativeness of the study to practical reality. Credibility was enhanced by ensuring that the sample used in the study was representative of the target population. The study also used the Interview Research Instrument designed in alignment with the critical research objectives and questions. This was accompanied by comparing and contrasting the views of different participants in the interviews.

Transferability means the rate at which the research findings apply to other organisations with a similar setting (Gannon, Taheri & Azer, 2021). Transferability was enhanced by triangulation of findings with theories and literature to assess the extent to which such findings are supported or disputed by previous studies. Such analysis aided discerning the degree to which the research findings apply to other organisations with a similar setting. This not only improved credibility and dependability, but also transferability of the study on the basis that if this study is to be undertaken again, similar findings would still be obtained.

Such measures for enhancing credibility and transferability also spawned improvement of the dependability of the study. Dependability is concerned with the degree to which the research findings can be relied on to make relevant decisions (Creswell & Creswell, 2018). Dependability of the study was assessed by

evaluating whether if the study were to be conducted again, the same findings would still be obtained by such similar studies. This was accompanied with the evaluation of conformability. Conformability refers to the extent to which research findings are validated by other studies. To ensure conformability, the research findings were triangulated with the findings of the other previous studies to assess the extent to which they support or dispute such findings. Other measures for improving the credibility, transferability, dependability and conformability of the study entailed comparing and contrasting the opinions of different participants on the same concepts to test and improve the overall veracity of the findings (Gannon, Taheri & Azer, 2021). During the presentation of findings, these were also followed by the insertion of verbatim quotes from the participants to avoid distorting the opinions that the participants aimed to convey. Such initiatives were also integrated with the measures for improving the overall ethical considerations of the study.

### 3.6 Ethical Considerations

Drawing from Gill's (2022) revelations, relevant measures were undertaken to ensure compliance with ethical issues throughout the process of accomplishing this research. During the accomplishment of the entire research process, frequent Covid-19 tests were undertaken to ensure the researcher was constantly Covid-19 negative. Since this research was undertaken after the Covid-19 pandemic, this avoided harming any person that the researcher interacted with during the accomplishment of the research. Subsequently, following the approval of the research proposal by Cloud Analytika-London, the ethical principle of informed consent was adhered to by writing to each of the selected 17 banks in the Caribbean to inform them about the nature and purpose of the study and to request them to consent for the study to be based on their organisations.

After the consent of the banks, further letters of consent were written and sent to the selected bank managers (participants) informing them about the nature and purpose of the study and also requesting them to consent to participate in the study. It was stated in the letter that although the purpose of this research is purely academic, its outcomes are still important for discerning how to improve the implementation of organisational renewal as a strategy for thriving in the increasingly turbulent Caribbean financial markets. However, the selected participants were also informed that participation in the study is not mandatory on the basis that if they elected not to participate; they are free to do so as other replacement participants can be got to participate in the study.

At the same time, they were also informed that if they chose to participate in the study, it is still important to be objective and honest in their responses to different questions even if they are dissatisfied with certain things. Nonetheless, following the consent of each of the thirty-four participants, the ethical consideration

initiative was undertaken to avoid subjecting them or the researcher to harm. Yet, as the researcher engaged the participants to collect relevant information during the study, ethical compliance measures were also used to uphold participants' anonymity and confidentiality.

The study avoided mentioning any participant by name or disclosing any information and linking such information to a particular participant. Instead, the participants were labelled according to the Arabic numerals of 1 up to 34 to conceal the actual participants' identities. This enabled avoidance of victimization in their organisations about any negative views that they may have expressed during the interviews. At the same time, all such ethical compliance initiatives were also accompanied with respect of the rights of those involved in the research by ensuring that the participants were not forced to participate or say anything against their will (Zhou & Wu, 2020; Gannon et al., 2021). Whereas, these improved respect of privacy and avoidance of harm to the participants, initiatives were also undertaken to avoid conflict of interest by avoiding taking sides, biased opinions or receipt of any benefits that would swerve opinions during the interpretation and discussion of the findings of the study. In other words, all these enhanced ethical compliance of this research through upholding the principles of informed consent, respect for anonymity and confidentiality, respect of the rights of those involved in the research, respect of privacy, avoidance of harm to the participants and avoidance of conflict of interest (Berman, 2017; Creswell & Creswell, 2018). As depicted in this methodology, below are the details of the findings of the study.

#### 4. FINDINGS

In line with the research objective which is to evaluate the organisational renewal model that can be developed and adopted for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets, the findings are presented according to two subsections encompassing:

- Organizational Renewal Strategies Used By Caribbean Banks
- Impediments Of Organizational Renewal Initiatives Undertaken By The Caribbean Banks Details are as follows.

##### 4.1 ORGANIZATIONAL RENEWAL STRATEGIES USED BY CARIBBEAN BANKS

Thematic and narrative analysis of the interview findings indicated that the organizational renewal strategies that are used by Caribbean banks to leverage their businesses' sustainability and continuity in the periods of discontinuities in the Caribbean financial markets encompass:

- Financial Service Innovations
- Digital Transformation
- Value-Based Marketing
- CSR-Based Banking Model

In that context, below is the detailed evaluation of

such themes and their accompanying narratives.

##### 4.1.1 Financial Service Innovations

Narratives from most of the participants indicated that to survive and thrive in the midst of the constantly changing Caribbean financial markets, most of the banks have engaged in different forms of financial services innovations. They explained that financial services innovations are adopted as part of the strategies for undertaking organizational renewal of different banking institutions to respond to the constantly changing customer needs. Participants reiterated that the constantly changing customer needs and preferences have proved threatening to the survival and sustainability of most financial institutions.

Without modifications of the operational capabilities to renew and replenish the organizational capabilities to offer new products, most of the participants revealed that most of the financial institutions had to be kicked out of business by the international and local banks that are more responsive to the changes in customer needs. In effect, they stated that to create and deliver new financial services and products, most of the banks in the Caribbean had to make the required market reviews to understand the unfolding changes in customer needs and preferences. This enabled them to create and introduce new financial services like digital banking, online banking, credit and different loan facilities for businesses and families. Yet as the Caribbean population also become quite wealthy due to the improvement of employment opportunities and booming economies in countries like Bahamas, Turks & Caicos, Grenada and the Dominican Republic, one of the interviewed bank managers from St. Lucia revealed that:

"Most of the banks also responded with the introduction of different insurance packages. Banks introduced insurance packages like health insurance, home insurance and other insurance services to cover different forms of business properties."

Combined with the introduction of credit card systems as well as new payment methods for easing the transfer of funds into and out of the Caribbean countries, the participants stated that such new initiatives improved most of the bank's capabilities to respond to the changes in customer needs and preferences. Such a finding is corroborated in the narratives of one of the interviewed banking managers from St. Vincent who noted that:

"Before the Caribbean had the largest unbanked population in the world. But now, the banks have responded to all the needs. As most of the Caribbean citizens become wealthy to require or demand new forms of financial services, the banks have in place all types of accounts-savings accounts, fixed deposit accounts, family accounts, business accounts and wealth management services. When internet was introduced, most of the banks were also sceptical to introduce even just credit card services, and online banking services. But now, we are in the region which is

constantly affected by hurricanes as further exacerbated by Covid-19. This created the impetus for the banks to introduce digital banking and credit card and visa card services to respond to the needs of customers whereby if a crisis emerges they can stay at home and yet be able to get all the things that they want bought and delivered to their homes by the delivery experts during the Hurricane or the incidents like the Covid-19 lockdowns."

Most of the participants stated that the introduction of these changes improves the financial service innovations introduced by some of the banking institutions in the Caribbean to respond to the new demands and needs created by the circumstances in which the customers in the Caribbean find themselves. They explained that given the increasing competition in the Caribbean as explained by its increasing attractiveness, most of the local banks that are not very innovative have been swallowed by the foreign banks like it is in the case for the Barbados financial market. Participants argued that to survive, Caribbean banks will not only need to engage in the financial service innovations that introduce new financial services and products for the local customers, but also for the foreign markets. In Such narratives, one of the bank personnel from the Bahamas explained that:

"Most of the people in the Caribbean are increasingly spreading out in different parts of the world like Europe, America and Australia. And yet as they go overseas for work, they also tend to leave family members that they must support behind. Thus, given the growing number of millions of people that are engaged in such practices, most of the banks in the Caribbean also had to be more innovative by introducing international payment and money transfer systems. Such international payment systems became more convenient for meeting the needs of the millions of foreign-based consumers that need to link up with their families."

Yet as some banks introduced such international banking systems, some of the participants revealed that some of the banks were also able to respond to the needs and demands of the new categories of consumers like tourists, international visitors, immigrants, investors and expatriates that enter different Caribbean countries. The capabilities of the local banking institutions to create and offer financial services that meet such needs improved the competitiveness of the local banks to counter the competition heat from the foreign-based banks that were offering such services.

As this bolstered the improved competitiveness of the local banks, some of the interviewed banking managers further revealed that most of the countries in the Caribbean are also becoming increasingly integrated. However, they pointed out that the challenge is the water barrier because all the countries in the Caribbean are Islands that are cut off from each other by water. This implies that as the citizens in the Caribbean marry, work and migrate to other Caribbean countries, the financial services also had to be modified to permit ease

of doing financial transactions across the Caribbean region. Thematic and narrative analysis of the interview findings revealed that financial services innovations aimed at improving the bank's organisational renewal are also being accompanied by the transformation aimed at improving the use of digital banking systems.

#### 4.1.2 Digital Transformation

Most interview narratives indicated most of the banks in the Caribbean to be undertaking digital transformation as part of the strategies of organisational renewal to bolster their capabilities to operate during turbulence. During turbulence like the recent Covid-19 pandemic or the Hurricane that often causes flooding cutting off some parts of the territories, digital banking has been established as one of the strategies for overcoming such disruptions. Through digital business banking, most of the interviewed banking managers noted that the banks are able to overcome risks and continue operating.

They explained that after the experience during Covid-19 that offered insights on how to operate during the Hurricane periods of floods, most of the banks in the Caribbean increased their drive for digital transformation. Digital business strategy was discovered as one of the strategies that unlock new opportunities to bolster the bank's overall business sustainability and continuity in periods of turbulence. Such a view is echoed in the narratives of one of the interviewed banking managers who noted that:

"Before there was laxity of that thing about the implementation of digital banking because there was generally no major impetus to do so. Hurricanes would come disrupt activities, cause floods and disappear for some time. But when Covid-19 came in and caused a series of lockdowns, it occurred to most of us the managers that since it appears anything can occur anytime to keep customers away from the banks, internet-supported banking is the best way to go. I was almost the regional manager in charge of three countries St. Vincent, St. Lucia and the Dominican Republic for our bank when the Covid-19 unfolded. I saw how business was disrupted. People staying for months without setting foot in the bank yet they have liquid cash in their accounts. Bank's revenue declined because customers were not depositing, withdrawing or even paying up their loans. But for banks that had higher levels of digitisation that was not the case. The magnitude of the loss was not quite grave. So to me, the introduction of digital banking is a new game changer for any bank that knows what to do."

Besides bolstering the bank's operation during a crisis, some of the interviewed bank managers noted that digital banking is being embraced by most of the Caribbean banks because of the general benefits that it offers. As the Caribbean markets become more attractive, most of the participants revealed that the banking sector is also becoming quite competitive. To therefore edge out rivals, the interviewed bank managers explained that most of the banking executives



are increasingly exploring and innovating to devise the best ways of using the available resources and processes to create cost advantages and points-of-differences that bolster their overall competitiveness.

In that process, they stated that there has been a lot of copying and pasting of different strategies from fellow banks. Most of the banks have come to realise that it is through digital banking that banks can significantly lower their operational costs. Due to such cost advantages, narratives from the interviews revealed that most Caribbean banks embarked on digitisation to lower operational costs and bolster their overall cost competitiveness. Such a view is accentuated in the narratives of one of the interviewed bank operational managers who stated that:

“I have been the operation manager for this bank in the markets like Barbados, Grenada, Bahamas, and St. Lucia. But from what I have learnt is that digital banking is the new game changer. It lowers costs because you reduce the number of personnel-bank tellers, service advisors and even marketers. The online banking services and the ATMs do the work as the banks just count on the revenues going in. So I must say digital banking reduces operational costs arising from higher wages and salaries and other remuneration costs. In the long run, such significant cost reductions improve the cost competitiveness of the bank.”

However, even if there are advantages or advantages to adopting digital banking, one of the interviewed banking executives from St. Lucia stated that digital banking is a disrupter that can take the bank out of business. He stated that since digital banking is a disrupter, it is upon the banking executives to assimilate and integrate the technologies as part of the larger banking technologies or wait to be disrupted and pushed out of the market. Because of this, he explained that digitisation is a strategy of organisational renewal which is aimed at improving a bank's capabilities to counter threats of digitisation and thrive amid discontinuities by digitizing.

Besides cost advantages, thematic analysis of most of the interview narratives indicated digital banking to also improve the bank's competitiveness in terms of differentiation. Because of such advantages, some of the interviewed managers revealed that some of the Caribbean banks even changed their marketing messages to read like opt for the bank that is convenient and cost-effective to deal with. While others used slogans like execute your banking transactions from anywhere-any country, location, home, restaurant, office and wherever the customer prefers. Most of the interviewed managers noted the introduction of digital banking to have enabled the Caribbean banks to adopt more lean operational models to lower costs and improve their overall profitability. In that process, the participants revealed that through digital banking, most of the banks have also been able to respond more effectively to the needs and demands of their customers. They explained that digital banking comes with analytics and big data

analysis that enables the banking executives to gather data as different banking services are offered.

With such real-time data, the banking executives said that it is possible to do predictive analysis to discern and respond to the changes in customer needs before even customers start to raise complaints. However, besides the introduction of digital banking system, some of the interviewed banking managers also revealed that there has also been a marketing approach's transformation reflecting value-based marketing as part of the organisational renewal strategies undertaken to improve most of the Caribbean banks' responsiveness to the unfolding changes.

#### 4.1.3 Value-based Marketing

Most of the interviewed bank managers stated that the organisational renewal initiatives undertaken by most of the banks in the Caribbean have not only entailed the introduction of new banking technologies, but also the introduction of a marketing approach's transformation. They explained that most banks are increasingly realizing that customers are the pillars of a business' success. In that process, banks are also realizing that to capture and retain the desired segments of the market, the use of appropriate promotional messages is important. To attract and retain most of the customer segments, the participants revealed that most of the banks in the Caribbean are increasingly adopting a customer-centric approach in their marketing approaches.

Bank managers explained that the new marketing approaches have entailed the use of experiential marketing approaches where the bank uses the actual quality of the banking services and products that it offers to advertise and market itself to the customers. The interviewed managers noted that by providing quality products and banking services as accompanied with delighting customer experience, the banks leave it for customers to judge for themselves whether the quality of the offered services or products is worth the prices being paid. Such a finding is corroborated by the opinions of one of the interviewed banking operational managers from Barbados who stated that:

“One of the most disruptive events posing challenges for the modern banks is the sophisticated and complicated nature of the modern customers. Modern customers are very sophisticated, complicated and intelligent to the extent that you cannot lie to them anymore as it was before. To counter these, we changed our style of marketing not only to approach them with more impressive promotional messages, but also to use the quality of our offered banking services and products to attract, entice and retain them as our customers. That approach works because it is practical and real-time for the customers to assess for themselves whether given the quality of the offered services and products, it is worth continuing to deal with a particular bank. To me, that is the other new organisational renewal strategies that the modern banks in the Caribbean are adopting to bolster their

business continuity in the midst of more demanding customers."

However, besides the use of experiential marketing, most of the interviewed banking managers also noted that most of the Caribbean banks are also increasingly adopting a more personalized marketing approach. They explained due to the power of the internet that has enabled banks to evaluate and discern what each customer wants or dislikes, most of the banks are increasingly adopting personalized marketing approaches. In the personalized marketing approach, they explained that banks use analytics to understand what each customer wants by evaluating his/her search history and records. From that perspective, the banks then craft messages with products or services that respond to the kinds of credit services, mortgages, car loans or student loans that the customer is searching for.

Through such one-on-one approach as based on personalized e-mails, social media videos or phone calls, one of the interviewed marketing managers from a bank in St. Vincent noted that banks have been able to improve their relationships with customers. Banks have been able to understand each of the individual customers to even bolster the discerning of how the banks can best respond to the individual customer needs. In addition to personalized marketing, most of the interviewed banking managers also noted that the introduction of multi-channel marketing as the strategy for improving the capabilities of the Caribbean banks to respond to the constantly disruptive market changes.

Due to increasing competition as accompanied by the changes in market needs and preferences, they revealed that most of the banks in the Caribbean have introduced multi-channel marketing strategy that requires the integral use of channels like e-mails, different social media platforms, websites, social events like sports and music, radios, televisions and corporate social responsibility to market and reach different customers in different locations with their financial products/services. From the marketing perspective, one of the interviewed managers argued that:

"To me, this is part of the organisational renewal strategies that are aimed at ensuring that the modern sophisticated customers are approached from different angles using different channels."

However, besides experiential and personalized marketing, some of the interviewed marketing managers revealed that the changes in the marketing approach are also characterised by the introduction of data-driven marketing approaches. In the data-driven marketing approach, they explained that the crafting and implementation of different marketing strategies is driven by the insights gained from the analysis of the available data. Through such approach, most of the interviewed participants noted that some of the banks in the Caribbean have been able to improve the accuracy of not only their marketing messages, but also the quality of the offered financial services/products to respond to the needs of the modern customers.

In that process, some of the managers noted that there has also been increasing automation and the use of artificial intelligence in marketing and promotional activities. This has not only lowered the marketing costs, but also wider coverage and distribution of different marketing messages that are repeatedly generated using automated systems and artificial intelligence. However, in that process, thematic analysis of the interview narratives also indicate the wider adoption of corporate social responsibility(CSR) as part of the organisational renewal strategies for leveraging a bank's sustainability and continuity in the constantly changing Caribbean financial markets.

#### 4.1.4 CSR-based Banking Model

Most of the interviewed managers revealed most of the banks in the Caribbean to be adopting corporate social responsibility (CSR)-based banking model as one of the organisational renewal strategies for bolstering their effective performance in the increasingly more disruptive business environment. In the increasingly more disruptive banking environment, most of the managers explained that adherence to corporate social responsibility principles is becoming part of the values that influence a business' effective performance. They explained that engagement in activities that damage the environment, sanction illegal fishing or destroy the fish in the ocean or some other features of the oceans can attract hefty fines or penalties from most of the governments in the Caribbean to undermine the bank's overall effective performance.

If the source of failure is not arising from the hefty fines and protracted costly litigations in courts, some of the managers highlighted that the source of failure and turbulence can arise from the wider criticisms of the societies that can affect the bank's reputation to affect its share value and stock market prices. To avoid such scenarios, the managers explained that the banks do not directly engage in activities like manufacturing or mining that destroy the environment, but instead may lead to such businesses.

Unless the bank has a subsidiary which has diversified into such sections, the participants stated that most of the banks are increasingly adopting stricter approaches for lending to businesses with the potential risks of harming the environment. They noted that if the borrowing business is caught damaging the environment, the lenders of the business are also blamed just like the business itself. In that regard, one of the interviewed senior banking managers from the Bahamas revealed that her bank is now requiring businesses that are most likely to damage the environment to include a certificate of environmental impact assessment reflecting the potential damages and how it will mitigate such risks. Such a narrative also echoed the explanations of one of the interviewed managers from Grenada who stated that:

"Your corporate social responsibility is a new change that can be a disrupter if you don't adhere with it as well as a strategy for avoiding disruption if you

adhere to it. If you don't adhere to it you have risks of being fined and forced out of the market due to higher operational costs or even outcompeted by the banks that have better corporate social responsibility initiatives in place. So to avoid being disrupted by corporate social responsibility, you have to assimilate it as part of your new strategies for bolstering the bank's overall effective performance. Adoption of corporate social responsibility was part of the organisational renewal process and strategy in our banking institution."

When probed during the interviews as to how corporate social responsibility is part of the organisational renewal strategies, most of the responses indicated that corporate social responsibility is part of the organisational renewal strategy. They explained that the embracement of corporate social responsibility requires the banking to change and adopt new ways of business thinking and philosophy as well as how it approaches and does its business. Most of the participants also revealed that embracement of corporate social responsibility requires the adoption of new business practices and operational culture that influence how the bank does its things differently in terms of corporate social responsibility to create points-of-difference that bolster its overall competitiveness. Yet as the banks are increasingly adopting corporate social responsibility, some of the participants noted that their banks have adopted corporate social responsibility as part of the marketing strategies. In such narratives, one of the interviewed operational managers from a bank in Barbados explained that:

"Corporate social responsibility is an expensive initiative. So you don't just say am introducing CSR before the assessment of how you will finance it and get the values out of it. So when corporate social responsibility became part of the marketing and promotional strategies, it became easier for most of the banks to adopt it because instead of spending on advertisements, you just spend on the social issue which is most pressing in the society and the name of the bank will be all over the place for engaging in a good course."

Such a narrative corroborates the opinions of most of the banking personnel who revealed that stronger embracement of corporate social responsibility has become part of the marketing and promotional strategies. They explained that most of the Caribbean countries face a lot of community challenges arising from homelessness and poverty induced by the Hurricane and recently the Covid-19 pandemic that left most of the citizens without jobs. Due to such social difficulties, they stated that the banks that adopt corporate social responsibility to help the needy in the society often quickly catch the attention of the general public.

Due to such values, some of the managers revealed that some of the banks are significantly reducing the traditional advertisement budgets and shift them to financing corporate social responsibility.

In that process, one of the banking officials explained that the strategy is to commit resources to the financing of an array of corporate social responsibility initiatives and use social media to spread and catalyse the information. They noted that if the bank engages in a rare corporate social responsibility initiative, by the time the bank communication teams go to social media or the mainstream traditional media to communicate to the public, the information will already have been all over social media.

Hence using the new power of social media, some of the participants revealed that corporate social responsibility turned into a growth leveraging vehicle. This is because whenever the bank is experiencing failure due to reputational damage over something or declining sales and profitability, corporate social responsibility is often the game-changing strategy to engage and turn around things. But even if that is the case, thematic and narrative analysis of the emerging findings still indicated that there are also limitations affecting the efficacy of some of the organisational renewal strategies adopted by some of the banks in the Caribbean.

#### **4.2 IMPEDIMENTS OF ORGANIZATIONAL RENEWAL INITIATIVES UNDERTAKEN BY THE CARIBBEAN BANKS**

It emerged from thematic and narrative analysis of the gathered qualitative data that major impediments to organizational renewal initiatives undertaken by most of the Caribbean banks often arise from the cost of change and organisational inertia that limits the required flexibility and agility.

##### **4.2.1 Cost of Change**

Cost of change emerged from some of the narratives as some of the impediments of the organisational renewal strategies undertaken by some of the Caribbean banks. Participants narrated that organisational renewal in periods of turbulence is a change management initiative that requires the engagement and commitment of a lot of resources if the bank is to come up with new strategies that unlock its capabilities to thrive during turbulence. However, due to the high costs of some of the required changes, some of the interviewed managers noted that some of the banks are selective in the changes to introduce. In that process, cheaper changes to implement are opted for instead of the more costly changes. During and after the Covid-19 pandemic, some of the banking managers revealed that some of the banks faced some decision-making challenges.

As Covid-19 affected economic activities and caused poor performance, the challenge for some banks was whether or not to avoid retrenchment as part of the corporate social responsibility to the society. But retaining employees means the bank will still have to incur the costs of paying wages and salaries. Hence, they revealed that the well-resourced banks avoided retrenchment and reduced the salaries and wages for the employees who were supposed to be retrenched.

Other banks reduced the salaries and wages for all the employees in order to avoid being retrenched. In contrast, the manager noted that some of the banks had no option but to retrench the employees to remain afloat. When asked about the challenges that banks face when undertaking organisational renewal to survive during a crisis, such a narrative was accentuated in the opinion of one of the interviewed operational manager from a bank in Grenada who stated that:

"Organisational renewal may require the introduction of some of the new changes that may not be affordable. It may require the introduction of computer software which is way too expensive for the bank to afford. So in my experience, some of the banks may avoid investing in some of the expensive game-changing strategies as others will do so because they have all the resources. This affects the efficacy of the organisational renewal strategy to turn around the bank's performance during the crisis."

Because of the higher costs of certain activities, some of the participants revealed that even pursuance of corporate social responsibility as the growth vehicle is often affected because the bank does not have the resources. Yet as the bank fails to use such strategies, others often do so to undermine the overall effective market performance of the banks that have adopted the change leveraging strategy. Most of the interviewed bank managers further revealed that besides the hefty costs of change, some of the organisational renewal initiatives also often require the introduction of changes that disrupt the smooth flow of the organisational activities. In that process, they stated that unless the change is quite important, most of the banking executives often tend to avoid change. Such a narrative is reflected in the assertion of one of the bank managers who noted that:

"Change is quite expensive and therefore the best managers usually try to avoid it unless it is quite necessary. You spend money and disrupt the existing activities even if the existing processes are still effective. So you can only change if change is quite essential for enabling the bank come out of the crisis situation."

Yet as some of the banks avoid change, some of the interviewed managers revealed that it often becomes difficult for them to change and acquire new capabilities that can leverage their survival and effective performance during periods of turbulence. In that process, thematic and narrative analysis indicated that it is not only the cost of change which is an impediment, but also organisational inertia that gives rise to the difficulty of changing the organisational culture.

#### 4.2.2 Organisational Inertia

Most of the interview narratives indicated that most of the banks often want to change and introduce organisational renewal initiatives to bolster their adaptability in the context of the unfolding disruptions. However, participants revealed that there is often inflexibility that undermines the swift ability of some of the banks to easily change and adopt the organisational renewal initiatives to bolster their business continuity

and sustainability during times of turbulence. The participants attributed this to the beliefs and practices of some of the senior managers and banking executives. They explained that because the managers are used to doing activities in a particular and enforcing a particular way of thinking and organisational culture amongst the employees, it often becomes very difficult for them to embrace the changes associated with the new organisational renewal initiatives.

Most of the interviewed managers reiterated that it is only when the unfolding turbulence becomes quite disruptive that some of the banking executives are willing to change. But if the devastating effects are still minor, most of the banking executives also become quite relaxed. Yet by the time the effects of the unfolding turbulence become quite grave, it is usually too late for some damages that have been done to be reversed. Such a narrative is reflected in the views of one of the operational managers from a bank in Grenada who stated that:

"Usually it is not easy to just change the business practice by phasing out the old ones and introducing the new ones. It is difficult. The executives will not accept to abandon the business model which is still generating a lot of value for the bank. In most cases, they will wait until things become serious and then introduce new changes. Sometimes by that time, it could be too late."

According to the narratives of most of the interviewed bank managers, inflexibility arising from organisational inertia is often a big impediment to undertaking successful organisational renewal. In such narratives, one of the managers brought forward the argument that during the organisational renewal, it is not only the senior executives and the ordinary bank employees who are the challenge, but also the customers. They stated that once customers become used to certain ways of how the bank operates, it often becomes difficult to get them to change to a new system during the organisational renewal exercises.

For that reason, some of the banking executives often fear undertaking changes that can send away customers. If there is change, some of the managers revealed that some of the customers just tend to stay away or even change their banking business to the competitors. This can be quite devastating. They revealed that during the introduction of digital banking even before Covid-19 unfolded, most of the banks faced difficulties of convincing customers to adopt online banking. Even with ATMs and online banking in place, some of the bank managers revealed that most of the customers still often prefer to go and transact from inside the bank. To convince them to go online, the banks had to introduce incentives like waiver or reduction of fees for all online transactions. Such a narrative is corroborated by the opinions of one of the interviewed bank managers from the Bahamas who stated that:

"Sometimes the problem may not be with your senior managers or employees, but with your



customers. It can be difficult to convince customers to embrace some changes that are critical for the bank's survival during times of crisis. When it became evident that online banking or digital banking reduces costs, getting customers to adopt online banking was not easy. We had to introduce coupons for some achieved online transactions or even waive or reduce the fees for online transactions to entice customers to go online."

In that process, most of the interviewed bank managers revealed that it was Covid-19 that forced most of the consumers in the Caribbean financial markets to go online. When Covid-19 induced a series of lockdowns, cutting off the customers from the banks, it was just online banking that made it easy for the customers to continue transacting with the bank or accessing their money for domestic consumption. Hence, most of the participants noted that change tends to be faster when there is a stronger impetus to do so. However, if the resistance is not coming from the senior managers or the customers, some of the managers revealed that the major resistance to change required for organisational renewal often comes from the ordinary employees.

Most of the interviewed managers reiterated that organisational renewal often requires structural changes and modifications. In such structural changes and modifications, some of the bank's structures are eliminated or combined to create new ones. In other cases, new structures are introduced. When such organisational restructuring exercises are accompanied by staff rationalization leading to loss of jobs, most of the managers stated that the problem tends to arise from the employees that refuse to accept change. Due to fear of how the organisational changes being undertaken may affect them, most of the bank managers indicated that it is often difficult to get the ordinary employees to embrace and implement some of the changes required for organisational renewal aimed at bolstering a bank's continuity and sustainability during the times of crisis.

## 5. MANAGERIAL IMPLICATIONS

For the contemporary banking executives and managers, findings imply frequent organisational renewal is crucial for leveraging a bank's sustainability and continuity in the periods of discontinuities in the Caribbean financial markets. However, to thrive during periods of discontinuities, it is discernible that banks would require the adoption of the three-stage organisational renewal and self-regeneration model in Figure 2. The use of such a model would require the application of three stages of organisational renewal and self-regeneration that encompass:

- Stage 1: Eco-System Sensing and Analysis Stage
- Stage 2: Self-Regeneration and Renewal Stage
- Stage 3: Monitoring and Evaluation Stage

### Stage 1: Eco-System Sensing and Analytical Stage

For the Eco-System Sensing and Analysis Stage, the banking executives will have to note that effective

analysis and response to the unfolding turbulence is not a reactionary process which is done after the occurrence of the turbulence. Instead, it is a proactive process aimed at assessing and responding to turbulence before it causes devastating negative effects on the bank's market performance. In that context, the stage of the bank's organisational renewal and self-regeneration would require the banking executives to proactively sense, analyse and track the devastating effects of the unfolding turbulences on the bank's performance.

To discern the magnitude of the effects of the turbulence, bank managers must focus on evaluating areas like the impacts of the turbulence on the reduction of bank deposits, withdrawals, loan repayments, new loan issuance, liquidity and the profitability of the bank. Such analysis will inform the banking executives of the organisational renewal and self-regeneration strategies that must be undertaken to mitigate the devastating negative effects of the turbulence.

### Stage 2: Self-Regeneration and Renewal Stage

Depending on the effects of the identified turbulence, some of the organisational renewal and self-regeneration strategies that can be undertaken to mitigate the devastating negative effects of the turbulence encompass financial service innovations. Financial services innovation will require the banks to create new financial products, services, operational processes and business models to respond to the turbulence arising from the increasing competition in the Caribbean financial markets. These must be accompanied by digital transformation to reduce costs, create points of difference and improve customer focus to bolster the bank's competitiveness.

To further bolster the bank's effective market performance, the bank can also adopt value-based marketing to entice, attract, retain and build improved customer loyalty for the increasingly sophisticated value-conscious customers. In turn, such initiatives will catalyse increment in the bank's sales, revenue, profitability and returns on shareholders' value.

Even if the bank is not facing a crisis, the usage of CSR-based banking model as a marketing strategy is important for bringing the business closer to the market. Such closeness may turn important in periods of declining sales and profitability because it creates a strong bond with the market whilst also realigning the business approach with the modern thinking of the society. However, for the implementation of the organisational renewal and self-regeneration strategies to be successful, some of the critical antecedents for organisational renewal that banks must consider encompass organisational culture change, change management, effective communication, employee empowerment and technological investments. In such a process, it is essential to monitor and evaluate the impacts of the used organisational renewal and self-regeneration strategies on the improvement of the bank's performance.

**Stage 3: Monitoring and Evaluation Stage**

Monitoring and evaluation of the impacts of the used organisational renewal and self-regeneration strategies on the improvement of the bank's performance is important for discerning the further improvement strategies that must be introduced. To reach such a conclusion, the banking executives must evaluate the effects

of the adopted self-regeneration and renewal strategies on the bank's improved sales, profitability, returns on shareholders' value and customer satisfaction. It must also assess impacts on the improvement of customer retention and loyalty, market share increment, profitability, brand image, reputation and market capitalization.

**Strategic Renewal**

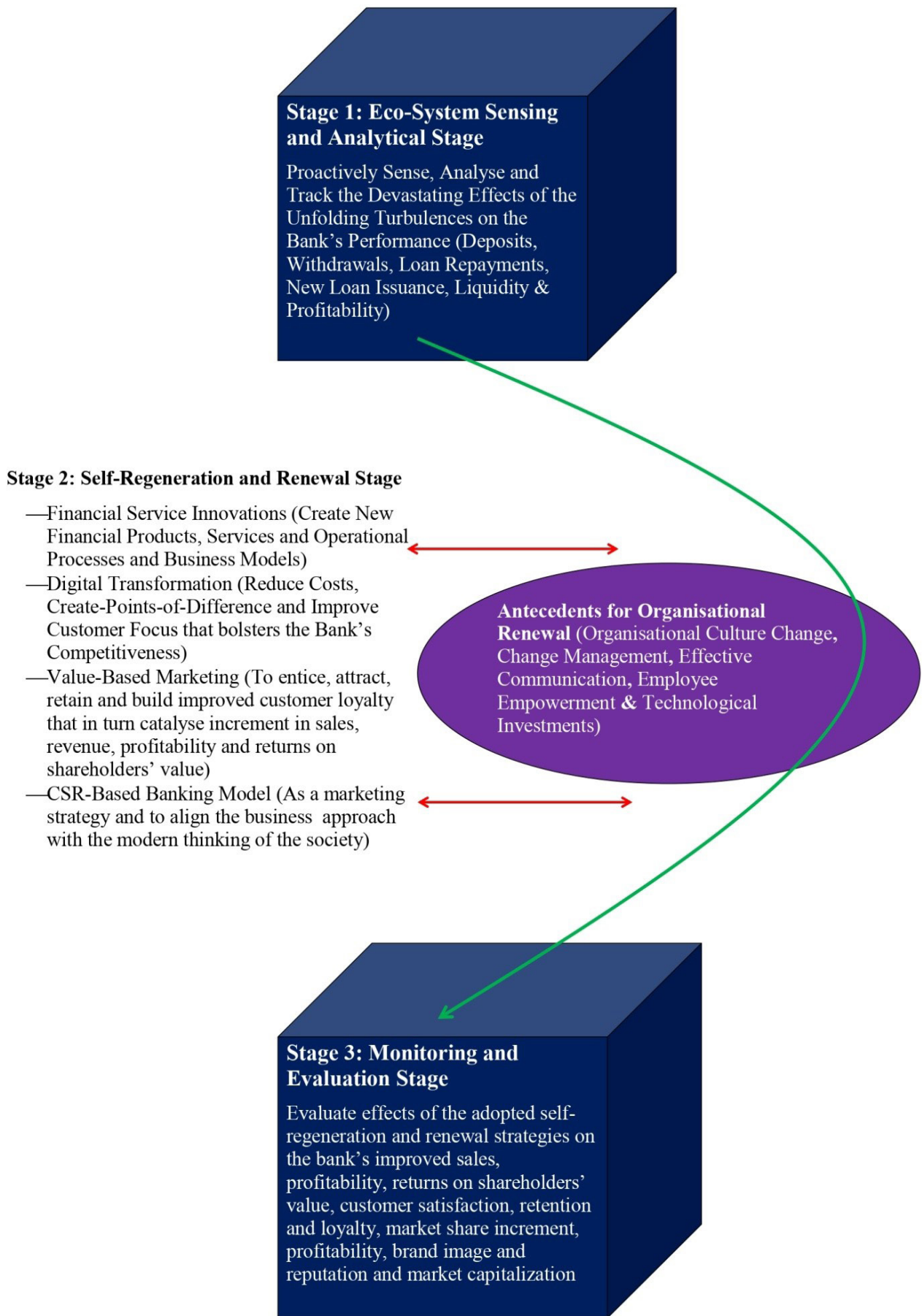
- Strategic and tactical planning to determine where the organisation stands, what it needs to do, where it needs to go, and how it will get there.
- Realignment of the organisational mission, vision, goals, and objectives in the context of the unfolding changes.
- Realignment of structure, systems, leadership behaviour, human resource policies, culture, values, and management processes,
- Sensing as cognitive processes of noticing and constructing meaning about environmental changes so that organizations can take the required appropriate actions.



**Organizational Processes' Renewal**

- Realignment of the processes of engaging different stakeholders (customers, shareholders, employees, suppliers and other business partners).
- Clear communication, planning, implementation and coordination of the processes of delivering the required different services and products to the market.
- Review and realignment of governance systems.
- Elimination of path dependence and introduction of new operating and institutional mechanisms.

**Figure 1: Taneja's (2012) "Organisational Renewal Theory"**



**Figure 2:Organisational Renewal and Self-Regeneration Model for Leveraging a Bank's Sustainability and Continuity amid the Caribbean Financial Markets' Discontinuities**



Any areas of poor performance must be identified and addressed to improve the bank's overall effective performance in the midst of the unfolding turbulence.

## 6. CONCLUSION AND AREA FOR FUTURE RESEARCH

As financial institutions are often faced with a series of turbulences that unfold in the Caribbean financial markets, frequent organisational renewal and self-regeneration are critical for bolstering a bank's continuity and sustainability. Organisational renewal aids the re-evaluation of the bank's capabilities to introduce new changes that aid self-regeneration to create and deliver more novel values that bolster a bank's overall effective performance during turbulence.

However, to attain that, findings indicated that the organizational renewal strategies that are used by Caribbean banks to leverage their businesses' sustainability and continuity in the periods of discontinuities in the Caribbean financial markets encompass financial service innovations, digital transformation, value-based marketing and CSR-based banking models.

If the bank engages in a rare corporate social responsibility (CSR) initiative, by the time the bank communication teams go to social media or the mainstream traditional media to communicate to the public, the information will already have been all over social media. Hence using the new power of social media, some of the participants revealed that corporate social responsibility turned into a growth leveraging vehicle. This is because whenever the bank is experiencing failure due to reputational damage over something or declining sales and profitability, corporate social responsibility is often the game-changing strategy to engage and turn around things.

But even if that is the case, thematic and narrative analysis of the emerging findings still indicated the major impediments of organizational renewal initiatives undertaken by most of the Caribbean banks to often arise from the cost of change and organisational inertia that limits the required flexibility and agility of the banks to respond. To mitigate such constraints, this study proposes the importance for the banks to adopt the suggested Organisational Renewal and Self-Regeneration Model in Figure 2. But even if usage of such a model will leverage a bank's sustainability and continuity in the midst of the Caribbean financial markets' discontinuities, future studies must still explore the impact of organisational renewal on a bank's liquidity risks' mitigation during crises.

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