



**Doctoral School of Business and Management**

**CHANGE MANAGEMENT'S ROLE IN THE  
EVOLUTION OF FINANCIAL  
INSTITUTIONS IN KAZAKHSTAN AND  
HUNGARY**

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## 1. Research background and justification of the topic.

The financial sector faces continuous transformation driven by rapid digital advancements, regulatory changes, and evolving customer expectations (Basel Committee, 2018; ENISA, 2020). These factors place significant pressure on financial institutions to adapt quickly while maintaining operational stability. Change management has become a critical capability for banks, ensuring they can navigate these changes effectively and stay competitive (Kotter, 1996; Beer & Nohria, 2000). At the same time, the EU's cyber-threat landscape highlights frequent incidents (DDoS, phishing, ransomware) and underpins new operational-resilience requirements such as DORA (ENISA, 2025). COVID-19 accelerated these pressures by forcing the mass adoption of remote and digital channels, testing resilience and governance (Bank for International Settlements, 2021). The ECB notes that after the inflation spike of 2021–2023, banks entered a phase of monetary normalisation and instant-payment roll-out, reshaping IT and compliance priorities (European Central Bank, 2025).

The combination of regulation, digitalisation, cyber risk, and crises shows that banks cannot treat change management as isolated projects. Adaptation to change must be a **core organisational capability**. In this context, change management is not an additional function but a **strategic tool**: it provides banks with structured methods to align people, processes, and technology with shifting regulatory and market requirements. Without such a tool, financial institutions risk compliance failures, operational breakdowns, or loss of competitiveness.

Kazakhstan's banking sector has undergone consolidation, expanded digital services, and faced tighter AML/KYC rules amid geopolitical shocks since 2022. The National Bank, IMF, and EBRD highlight governance upgrades, resilience, and policy-driven compliance (NBK, 2024; IMF, 2024; EBRD, 2024a). Kaspi.kz illustrates platform-driven retail competition, reporting sustained growth of its super-app ecosystem (Kaspi.kz, 2025).

In Hungary, banks operate under EU law (Basel III, DORA and etc). The Magyar Nemzeti Bank's FinTech & Digitalisation Report (2024) documents high internet and mobile penetration, innovation labs, and major core-banking upgrades.

The case selection of Hungary and Kazakhstan reflects **contrasting institutional environments**: one shaped by EU system, the other by post-Soviet transition dynamics. This contrast was deliberately chosen to illustrate how identical global pressures lead to **different**

**organisational responses**, and why structured change management as a tool is important for both systems.

**Table 1** – *Financial institutions overview and change management relevance.*

<b>Key aspect</b>	<b>Hungary</b>	<b>Kazakhstan</b>	<b>Implication for change management</b>
<b>Regulatory framework</b>	EU acquis: Basel III, PSD2/PSD3/PSR, GDPR, DORA. High alignment with EU law	NBK reforms, AML/KYC tightening post-2022; partial convergence with global norms	Complex compliance change projects
<b>Market structure</b>	Consolidated sector; rising HHI; foreign-bank presence	Concentration around leading banks; Kaspi.kz dominates retail banking	Consolidation requires organisational restructuring and cultural adaptation
<b>Digitalisation model</b>	Broad-based digital adoption; API rollout; high online/mobile penetration	Platform-led growth (Kaspi.kz super-app); rapid digital payments expansion	Change strategies must support both systemic digitalisation and platform-driven disruption
<b>Innovation strategy</b>	Innovation labs, fintech partnerships, core-banking upgrades	Regulatory sandbox pilots; fintech ecosystem emerging	Banks must manage dual transformation: compliance + innovation
<b>Supervisory priorities</b>	Cyber-resilience, DORA, instant payments rollout	Governance/compliance upgrades; AML/CFT focus	Regulatory-driven change requiring strong sequencing and integration
<b>Customer behaviour</b>	High demand for seamless digital payments and mobile services	Rapid adoption of integrated ecosystems via Kaspi.kz	Change models must address customer-centric adaptation and trust building
<b>Macro shocks</b>	EU-wide inflation, energy-price shocks, monetary tightening	Sanctions spillovers, trade re-routing, inflationary pressures	Crises accelerate change and test resilience strategies
<b>Drivers of change</b>	EU compliance, digital innovation, customer-centric services.	Geopolitics, digitalization, regulatory complexity, consumer demand.	Proactive, continuous change management is necessary in both contexts to ensure resilience and competitiveness.
<b>Main challenges</b>	Compliance burden, cyber threats, competition from neobanks	Reliance on a few dominant players; balancing growth with compliance	Sustained change management capacity is needed to overcome resistance and inertia

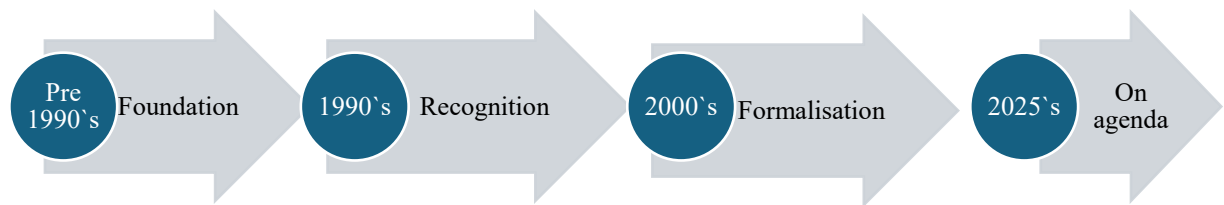
Source: Author's own construction, 2025

Table 1 shows that although both systems face similar global challenges, the regulatory, technological and institutional environments differ significantly. These differences create specific challenges in the area of change management, which justifies the need to study change management in financial institutions in Hungary and Kazakhstan.

### **Change management in financial institutions**

Change management is understood as a structured, systematic approach that enables organisations to move from their current state to a desired future state, integrating strategy, processes, technology, people, and culture. The historical development of change management can be understood through four distinct phases, each reflecting how organizations learned to respond to different types of external changes.

**Figure 1** - *The evolution of change management.*



Source: Author's own edition based on Prosci.

The research also introduces a model of hybrid change management, showing that banks do not rely on a single framework but instead combine elements of Lewin's Three-Step Model, Kotter's Eight-Step Model, Bridges' Transition Model, ADKAR, the McKinsey 7S Framework, and the Kübler-Ross Change Curve to address the complexity of financial transformation.

While classical planned-change theory goes back to Lewin's (1947) three-step model, contemporary perspectives emphasise continuous, evidence-based, people-centred approaches (Burnes, 2004; Stouten, Rousseau, & De Cremer, 2018). Two practical lenses are critical: multi-stage transformation (Kotter-type frameworks) for compliance and risk, and individual-level adoption logics (e.g., ADKAR) to scale behavioural change (Appelbaum et al., 2012). This study employs these models as tools to assess how banks sequence and balance regulatory, technological, and cultural change.

The study examines how driving forces and resistance to change adopt change management in financial institutions and how establish change frameworks. Lewin's model illustrates how institutions need to move away from old practices and stabilise new ones, while Kotter's steps emphasise the importance of urgency, leadership, and vision. Bridges' model explains the psychological adjustment of employees, and ADKAR underlines the role of individual awareness, knowledge, and reinforcement. The McKinsey 7S framework provides a structured approach to aligning strategy, systems, and culture, and the Kübler-Ross curve helps to understand the emotional reactions that accompany change. In Hungary, these frameworks are mostly used to manage the balance between EU regulatory compliance and innovation, whereas in Kazakhstan they are applied in navigating fast digital growth and geopolitical uncertainties.

Banking digitalisation expands through three channels: services and distribution, fintech and big tech entrants, and advanced risk management tools (BCBS, 2023). Supervisors in the EU emphasise resilience (DORA), open banking (PSD3/PSR), and innovation testbeds, while institutions invest in APIs, AI, instant payments, and cloud migration (MNB, 2024). In Kazakhstan, regulators combine sandboxes with compliance oversight, while platforms such as Kaspi.kz drive consumer-led innovation. The pandemic forced remote operations, while post-pandemic shocks (inflation, energy prices, sanctions spillovers) tested resilience. The ECB highlights instant payments and fraud management as emerging IT priorities in Europe (ECB, 2025). In Kazakhstan, the EBRD documents macro volatility since 2022 but also resilience and investment in green transition and infrastructure (EBRD, 2024b). Both cases show that crises serve as **accelerators of transformation** but also intensify organisational risks, requiring robust change-management capability as a practical tool for adaptation.

### **Research gap**

Most research on change management in financial institutions focuses on developed economies, leaving a gap in understanding how these frameworks apply in emerging and transitional economies. There is limited knowledge on how established change management models are adapted in countries like Hungary and Kazakhstan, where global pressures meet local institutional and cultural factors. While financial institutions like the National Bank of Kazakhstan (NBK) and the Hungarian National Bank (MNB) publish reports on trends, these documents do not capture the experiences of managers and leaders in implementing

change. There is a lack of in-depth, interview-based research into how change is practically managed in these countries' banking sectors.

The study shows that change in banking is structural, multi-dimensional, and continuous. This research, therefore, positions change management as the essential tool and operating model of financial institutions, critical for both stability and competitiveness in Hungary and Kazakhstan.

## **2. Methodology**

This dissertation adopts a qualitative, comparative case study design to explore how financial institutions in Hungary and Kazakhstan manage organisational change in the face of regulatory, technological, and crisis-driven pressures; this approach aligns with the emphasis on structured change methodologies (Okolie, 2024). The choice of a qualitative approach is rooted in the interpretivist paradigm, which assumes that organisational changes are determined by the perceptions of participants, the cultural context and the behaviour of management, factors that cannot be fully reflected in quantitative indicators. A comparative case study was selected because it allows cross-country comparison. Hungary, with its EU-regulated and mature financial system, and Kazakhstan, as a transition economy experiencing rapid fintech expansion, provide contrasting but comparable cases. Examining both offers insights into how change management strategies operate across diverse institutional environments. This comparative logic strengthens the external validity of the findings by revealing not only country-specific differences but also common global trends.

The methodology ensures triangulation by combining primary data (20 semi-structured interviews) with secondary sources (reports from national banks and international financial organisations). Reliability was enhanced through transparent coding procedures, the use of NVivo software for data systematisation, and iterative refinement of themes. The results were subsequently reviewed by several respondents to ensure consistency and reliability. These strategies ensured that interpretations remained data-driven and reliable for both academic and practical audiences.

### **Research Framework**

The methodological framework is presented in Table 2, which summarises the alignment between the research paradigm, approach, data collection, analysis strategy, and research

questions. The table highlights the use of interpretivism as the guiding philosophy, a qualitative comparative case study design and thematic analysis as the core approach. This structure demonstrates how each methodological choice was selected to address the study's four research questions and ensure coherence throughout the research process.

Table 2 - *Research Framework Summary.*

<b>Subject</b>	<b>Which type will be used in this research?</b>	<b>What are the characteristics of this type?</b>	<b>Why used in this research?</b>
<b>Research Paradigm</b>	Interpretivism	Understands meanings and experiences; inductive, context-driven	Perceptions, attitudes, and leadership styles in banks cannot be reduced to numbers
<b>Research Approach</b>	Qualitative, comparative case study	In-depth, exploratory; enables contextual comparison	We need to understand <i>how/why</i> change occurs in two different institutional settings
<b>Research Design RQ1</b>	Case study with thematic analysis	Uses Lewin, Kotter, Bridges, ADKAR, driving/resisting forces	To identify which change attributes and strategies are most common in banks today
<b>Research Design RQ2</b>	Thematic exploration of drivers/barriers/strategies	Focuses on regulatory drivers and barriers	To analyse how regulatory pressures and the implementation of change management
<b>Research Design RQ3</b>	Theory-driven thematic coding	Traces how change management practices are applied	To examine how cultural, historical, and institutional differences influence implementation and outcomes
<b>Research Design RQ4</b>	Comparative cross-case analysis	Identifies common trends and contextual differences	To explore which factors affect the implementation of innovative technologies
<b>Data Collection</b>	20 semi-structured interviews (10 HU, 10 KZ) + documents	Flexible probing + policy/industry triangulation	Insider views and external validation strengthen credibility
<b>Data Analysis</b>	Thematic analysis (NVivo-supported)	Deductive (models) + inductive (emergent themes)	Combines theoretical structure with openness; NVivo adds rigour and transparency

Source: Author's own construction, 2025

Four research questions (RQs) that form the basis of the study and are based on the research problem will be explored to focus the study on specific areas of interest:

RQ1: What are the most commonly used change management strategies in the banking sectors of Kazakhstan and Hungary, and how do these strategies align with established change management models?

RQ2: How do regulatory pressures shape the design and execution of change initiatives in these institutions?

RQ3: How do national culture and historical legacies influence the practice of change management in the two countries?

RQ4: Which factors enable or hinder technological innovation within ongoing organisational change?

These questions guide both the within-case analyses and the cross-case comparison, ensuring that the research captures both context-specific and universal patterns.

### **Data Collection**

The empirical material was gathered through 20 semi-structured interviews (10 in Hungary, 10 in Kazakhstan) conducted between 2024 and 2025. Interviewees included managers who were involved in change management processes, transformation officers, and change management experts. Participants were selected using a targeted sampling method to ensure that they had relevant experience in the field of banking transformation, with all of them having experience in areas related to change. Two pilot interviews were used to refine the guide and check the timing. Interviews were conducted between 2024 and 2025, both online and in person, in Kazakh, Russian or English, depending on the participants' preferences. Translations were checked using back-translation, and all interviews were recorded, transcribed and anonymised with informed consent. Data collection continued until thematic saturation was achieved, i.e. until no significantly new ideas emerged during the final interviews and recurring patterns became apparent in both Hungary and Kazakhstan (Guest et al., 2006). To complement the primary data, secondary sources were analysed, including reports from the Magyar Nemzeti Bank, the National Bank of Kazakhstan.

### **Data Analysis**

The core methodological approach of the research is thematic analysis. The process was supported by NVivo software, which facilitated systematic coding, organisation, and retrieval of qualitative material. This method was chosen because it allows systematic

identification of patterns in qualitative data while maintaining sensitivity to context. Thematic analysis proceeds through several iterative stages (Braun & Clarke, 2006):

1. Familiarisation with the data - full transcription and repeated reading of interviews.
2. Generating initial codes - deductive codes derived from the theoretical framework.
3. Searching for themes - inductive coding to capture new insights emerging from the data.
4. Reviewing themes - grouping codes into higher-level categories (drivers of change, resistance, leadership strategies, outcomes).
5. Defining and naming themes - linking categories back to theoretical models and the research questions.

The analysis proceeded in two steps: (1) thematic analysis, and (2) cross-case comparison, highlighting similarities, differences, and lessons for theory and practice. Trustworthiness was ensured by triangulating interview data with secondary reports, maintaining a clear audit trail of coding decisions, and refining themes through repeated coding cycles. After coding the interviews, some participants also re-checked the coding to ensure consistency and minimise subjective bias, which helped produce patterns that were stable across both interviews and documentary sources. Figure 2 provides a summary of the main themes identified during the analysis. Thematic analysis identified 12 themes and 18 sub-themes in more than 40 codes, with the most frequent patterns relating to oversight of transformations, stakeholder engagement, leadership and technology implementation.

**Figure 2** – Summary of key themes based on interviews.



Source: Author's own construction, 2025

Thematic analysis is particularly suitable for studying change management because it captures both explicit strategies (policy, leadership actions) and implicit dynamics (employee resistance, organisational culture). Combined with the comparative case study design, it allows for robust, context-sensitive insights that go beyond descriptive accounts. The use of multiple data sources ensured triangulation and enhanced validity. To compare Hungary and Kazakhstan, a cross-study comparison was used, which revealed both common patterns and differences specific to each country. This approach made it possible to trace how cultural, institutional and technological factors influenced the results of change management in each context.

## **1. Research Results**

This dissertation shows that banks in Hungary and Kazakhstan are under strong and constant pressure from regulation, digitalisation, cyber risks, and global economic shocks. The results prove that adaptation is no longer a one-time reaction but a continuous process, which makes change management a necessary tool for financial institutions that want to remain stable and competitive.

The comparative results make clear that institutional context plays a strong role in driving change process. In Hungary, EU membership and supervisory rules push banks toward structured, compliance-driven transformations. In Kazakhstan, rapid fintech growth and the success of super-apps drive faster, market-based change under evolving national regulation. By analysing these two very different cases, the dissertation provides one of the first comparative studies of banking change management between an EU system and a fast-transforming emerging economy.

The study also shows that well-known change-management models such as Lewin, Kotter, Bridges, ADKAR, McKinsey 7S, and the Kübler-Ross Curve are useful for banks, but they cannot be applied in isolation. Hybrid use is needed because banks must combine regulatory compliance with digital transformation at the same time. Leadership, transparent communication, and employee involvement are key factors to reduce resistance, while a lack of attention to people-related issues often results in stagnation. Table 3 summarises the comparative results, showing how change management dimensions manifest in Hungary and Kazakhstan and how they align with established models.

The results highlight that Hungarian banks adopt a more structured and participatory approach to change, with strong alignment to classic models, while Kazakhstani banks display more reactive and centralised strategies, leading to partial or fragmented alignment. This difference illustrates how institutional context and regulatory environment directly influence the practical application of change management frameworks.

**Table 3 - Comparative Summary Table**

<b>Dimension</b>	<b>Hungary</b>	<b>Model Alignment</b>	<b>Kazakhstan</b>	<b>Model Alignment</b>
<b>Strategic Orientation</b>	Long-term, structured planning with transformation units	<b>Lewin's</b> : Unfreezing & Refreezing; <b>Kotter's</b> : Building Coalition, Vision Communication; <b>ADKAR</b> : Awareness, Knowledge, Reinforcement	Reactive, short-term responses to regulatory changes	<b>Kotter's</b> : Urgency; <b>ADKAR</b> : Reinforcement (skips Awareness, Desire); <b>McKinsey 7S</b> : Strategy, Systems (fragmented)
<b>Leadership Style</b>	Participatory, mid-level engagement	<b>Lewin's</b> : Unfreezing via Participation; <b>Kotter's</b> : Coalition Building; <b>McKinsey 7S</b> : Style, Staff	Centralized, top-down decision-making	<b>Kotter's</b> : Urgency; <b>McKinsey 7S</b> : Style (authoritarian)
<b>Employee Engagement</b>	Early involvement, training, and feedback loops	<b>ADKAR</b> : Awareness, Knowledge; <b>Lewin's</b> : Unfreezing; <b>Bridges'</b> : Neutral Zone; <b>McKinsey 7S</b> : Skills, Staff	Post-decision training, limited early engagement	<b>ADKAR</b> : Skips Awareness, Desire; <b>Lewin's</b> : Limited Unfreezing; <b>Bridges'</b> : Minimal Neutral Zone
<b>Customer Orientation</b>	Customer-focused, integrated into strategy	<b>Kotter's</b> : Vision Communication; <b>ADKAR</b> : Desire; <b>McKinsey 7S</b> : Strategy, Systems, Skills	Customer focus secondary to regulatory compliance	<b>Kotter's</b> : Vision Communication (limited); <b>ADKAR</b> : Desire; <b>McKinsey 7S</b> : Strategy, Systems
<b>Fintech Adoption</b>	Strategic, embedded in digital transformation plans	<b>Kotter's</b> : Quick Wins; <b>ADKAR</b> : Ability; <b>McKinsey 7S</b> : Systems, Skills	Reactive, dependent on regulation or customer demand	<b>Kotter's</b> : Urgency; <b>ADKAR</b> : Ability (limited); <b>McKinsey 7S</b> : Systems, Skills (fragmented)
<b>Regulatory Context</b>	Stable, innovation-friendly environment	<b>Lewin's</b> : Refreezing (institutionalized); <b>McKinsey 7S</b> : Strategy, Systems aligned	Volatile, directive regulatory context	<b>Lewin's</b> : Unfreezing (reactive); <b>Kotter's</b> : Institutionalizing Change (minimal); <b>McKinsey 7S</b> : Systems, Strategy misalignment

Source: Author's own construction, 2025

Most studies that focus on Western economies bring forward two under-researched cases, showing how different institutional contexts influence change outcomes. The dissertation contributes both theoretically and practically. Theoretically, it extends change-management literature by showing how classical models work in highly regulated and digitalising banking sectors. Empirically, it brings original evidence from a two-country cross-study analysis and

20 semi-structured interviews analysed with thematic coding. This triangulated approach improves the trustworthiness of the findings. In practice, the results help banks to design transformation programmes that integrate compliance, digital innovation, and human factors within one conceptual framework.

The novelty of this dissertation lies in adapting classical change management models to the unique cultural, historical, and institutional contexts of Kazakhstan and Hungary, demonstrating that leadership styles, regulatory environments, and national culture significantly influence the effectiveness of change strategies in the banking sectors of transitional and emerging economies. This study offers a new conceptual framework that integrates internal and external factors, providing practical recommendations for financial institutions facing digital disruption and regulatory challenges.

### **Scientific Results of the Dissertation**

- The study develops a conceptual framework for studying change management in financial institutions, bringing together countries with transition economies (Kazakhstan) and EU member states (Hungary), thereby expanding cross-national research in the field of change management.
- It empirically demonstrates that regulation functions as the dominant institutional driver of organisational change, but its impact varies: EU harmonisation provides stability and predictability in Hungary, while regulatory instability in Kazakhstan leads to delays, inefficiency and higher implementation costs.
- The study shows that **leadership style, cultural heritage and institutional maturity are decisive in determining the pace, resistance and sustainability of change**, demonstrating that participatory leadership promotes legitimacy, while hierarchical models accelerate implementation at the expense of stability.
- It identifies **employee engagement, training, and digital literacy** as critical mediating variables that directly determine the success or failure of change initiatives in financial institutions.
- The study contributes evidence that **technological and fintech adoption pattern are context-dependent**: Hungarian banks pursue compliance-driven, incremental

innovation, while Kazakhstani banks adopt faster but riskier fintech-based and mobile-first solutions.

- It introduces **customer digital behaviour and fintech demand as external drivers of change**, demonstrating that Kazakhstan's young, mobile-first population drives accelerated super-app and platform-based transformation, while Hungarian adoption remains more cautious and regulation-led.
- It establishes **cybersecurity requirements** as a mandatory condition in organisational change, demonstrating that security considerations now determine the sequence, budgets and feasibility of transformation projects.
- The research confirms that financial institutions **do not apply change models in isolation**; instead, they construct hybrid approaches that combine Lewin's Three-Step Model, Kotter's 8-Step Model, Bridges' Transition Model, ADKAR, McKinsey 7S Framework, and the Kübler-Ross Change Curve.
- It advances theory by proving that **global drivers of change (digitalisation, fintech expansion, regulation, crisis recovery)** are not universally experienced but are mediated through **national institutional and cultural contexts**, creating distinct transformation pathways.
- The study provides **country-specific recommendations**: Kazakhstan requires stronger participatory mechanisms and regulatory stability to manage rapid fintech growth, while Hungary must accelerate digital upskilling and adopt innovation-oriented strategies within compliance frameworks.

The scientific results outlined above provide new empirical knowledge and reveal patterns that expand existing theories of change management. These findings form the basis for answering research questions, ensuring that the answers are based on both theoretical considerations and the real-life experiences of financial institutions in Kazakhstan and Hungary.

**RQ1: What are the most commonly used change management strategies in the banking sectors of Kazakhstan and Hungary, and how do these strategies align with established change management models?**

The dissertation shows that financial institutions increasingly adopt **hybrid change management strategies**, combining elements of classical models (Lewin's Three-Step,

Kotter's Eight-Step, Bridges' Transition, ADKAR, McKinsey 7S, Kübler-Ross Change Curve). Instead of following one model exclusively, banks align structural, cultural, and psychological approaches to manage transformation. Common attributes include **compliance orientation, continuous digitalisation, employee training, and resilience under crisis conditions**. This hybridisation reflects the complexity of contemporary banking, where regulation, technology, and people-related challenges must be addressed simultaneously.

### **RQ2: How do regulatory pressures in Hungary and Kazakhstan impact the design and implementation of change management?**

Regulation emerged as the **primary institutional driver of change** in both countries, but with contrasting effects. In Hungary, EU directives (PSD2, Basel III, DORA) provide predictability, allowing banks to plan structured change programmes with reduced uncertainty. This means that banks follow a very detailed and complex set of requirements about risk control, customer protection, and digitalisation. This creates a situation where change is quite structured and predictable, but also heavy, because banks cannot move outside of what the EU allows. Many managers explained that their change projects often start from a new EU directive or a compliance deadline, so they must organise training, communication, and reporting around these external rules.

By contrast, Kazakhstan faces **regulatory volatility**, where frequent updates and inconsistent enforcement force banks into ad-hoc adjustments. This creates implementation delays, higher costs, and employee frustration. Banks are influenced by reforms from the National Bank, government policies, and also by wider political factors, like international sanctions. These sanctions do not always target Kazakh banks directly, but they affect global payments, technology access, and cooperation with foreign partners from Russia. For this reason, Kazakh banks must often change in a reactive way, for example, by pushing digital solutions quickly, building stronger cybersecurity, or finding new risk procedures. Managers there said that regulation feels less like a stable framework and more like a moving target. The comparative evidence shows that regulation can act both as a **stabiliser** (Hungary) and a **disruptor** (Kazakhstan). In both cases, regulation is not only a limitation but also the main reason why change happens at all.

### **RQ3: How do cultural, historical, and institutional differences between Kazakhstan and Hungary (e.g., demographic profiles and technological advancements) influence**

## **the implementation and outcomes of change management strategies in the banking sectors?**

Cultural, historical, and institutional differences between Kazakhstan and Hungary significantly shape the implementation and outcomes of change management strategies in the banking sectors, aligning with and extending established change management theories.

In Kazakhstan more hierarchical leadership styles align with Lewin's (1951) force field theory, where external pressures for change (such as fintech and digital disruption) are countered by strong internal resistance. Change is often driven from the top-down, with limited employee participation and engagement, which results in quicker, less stable transformations. This supports Kotter's (1996) theory of urgency but challenges his model of guiding coalition because the hierarchical structure doesn't foster broad employee involvement, which is crucial for long-term success. Additionally, regulatory instability hinders consistent, sustainable change, as seen in the instability factor of Kübler-Ross's Change Curve (Kubler-Ross, 1969), where frequent regulatory shifts create feelings of uncertainty among employees, complicating emotional readiness for change.

Hungary's EU-integration and participatory leadership culture support a more inclusive approach to change, which fits better with Kotter's (1996) model of creating a guiding coalition and building shared vision. The stable regulatory environment (EU regulations) provides a more predictable backdrop for change, supporting ADKAR's model of awareness and desire (Hiatt, 2006), where employees are better equipped to adapt to structured transformations. The institutional trust in Hungary enables smoother change implementation, aligning with Schein's (2010) emphasis on the importance of organizational culture in creating the foundation for change. However, the bureaucratic nature of Hungarian institutions and slow decision-making at times contradicts the need for speed and agility in McKinsey's 7S framework (Waterman et al., 1980), which stresses the importance of flexible decision-making in fast-moving environments.

Both countries face similar global pressures, such as digitalization, customer demands, and regulatory compliance. However, the historical and cultural legacies of each nation shape their responses to change in different ways. Kazakhstan's reactive, fast-paced transformations contrast with Hungary's more structured, compliance-driven changes, showing how leadership, institutional history, and cultural attitudes toward authority and innovation influence the adaptation of classic change management models.

**RQ4: What are the critical factors affecting the implementation of innovative technologies in banks, and how do these factors influence the success of change management processes?**

The study identifies four decisive factors: **employee digital skills, customer fintech demand, regulatory clarity, and cybersecurity requirements**. In Hungary, the introduction of digital banking, fintech solutions, and automation is mainly influenced by EU regulations, customer expectations, and strong cybersecurity requirements. Banks there usually plan technology projects carefully, with employee training, compliance checks, and alignment with EU standards. This structured approach increases the chances of successful implementation, but it also slows down.

In Kazakhstan, younger demographics and customer demand for super-apps drive fintech innovation, but weak training systems and regulatory uncertainty hinder scaling. Political and economic pressures, including sanctions and external dependencies, mean that banks often adopt new tools quickly to stay competitive or to replace disrupted international channels. However, technological limitations, legacy systems, and gaps in employee skills create barriers. Managers report that even when digital tools like mobile banking or AI chatbots are introduced, success depends heavily on how well staff and customers adapt.

Across both countries, **cybersecurity emerges as a binding constraint**, forcing banks to prioritise compliance and resilience before fully embracing innovation. The results confirm that digital transformation succeeds only when these enablers and constraints are balanced effectively.

When leadership, employee readiness, regulatory clarity, and risk management come together, technology adoption drives successful change, but when they are absent, innovation often results in resistance or instability.

This research shows that change management in financial institutions is driven by the interaction of internal and external factors, and that these dynamics differ across national contexts. The comparative study of Kazakhstan and Hungary highlights how regulation, leadership, technology, political factors and culture influence the process and outcomes of change. As a result of this research, a conceptual framework was created that connects these drivers into a single framework, extending existing theories and offering practical guidance for banks in transition economies. The study demonstrates that successful adaptation requires strategic tools and the capacity to align them with the specific institutional environment.

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