

An Investigation into the Causes of Continuous Resistance to the Implementation of a Centralised HR Support Services within a Global Mining House.

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Abstract

This paper explores the dynamic process of change and change management. While change is about moving to a future state, change management is the process of supporting individual employees impacted by the change through their own transitions. The study aimed to investigate the causes of continuous resistance to change towards the implementation of a centralized HR Support Services from business units of a multinational mining house, Company X (pseudonym) with operations in Southern Africa. Both quantitative and qualitative research methods using survey questionnaires and semi structured interviews for data collection to explore different experiences of key employees and management of the company and industry as a whole were used. This study found that poor communication, poor leadership, and poor change management result in resistance to change. Some key recommendations put forward for Company X leadership are to produce a change management framework specific for each business unit concerned, including feedback sessions, and the need to have a communication plan about the need for change and its benefits to be used to persuade employees to accept the change programme. This research contributes significantly to thought leadership on the issues of change and change management in the South African mining industry.

Keywords

Change, Business units, Change management, HR support services, Resistance to change,

1. Background

David (2001:254) stated that resistance to change can be considered the single highest threat to effective and successful strategy implementation in an organisation. The business environment especially, is prone to constant change due to various external factors that influence the way companies operate in order to remain competitive. The management of any change initiative can be sometimes overwhelming for management and employees alike, and can result in resistance to the changes. As much as change is necessary and inevitable, it is complex, hence managing resistance to change is fundamental for any organisation. CIPD (2015) agrees that change management matters because, though change is taking place at an ever-increasing pace, there is sufficient evidence to suggest that most change initiatives fail. CIPD's research found that less than 60% of re-organisations met their identified objectives which are generally bottom line improvement; and this has been consistent with other published research (CIPD, 2015).

Mining is a cyclical complex industry, with various chains of operations strongly influenced by external factors, and the attraction and retention of skilled workforce. Recruitment in this sector is challenging due to the shortage of skills in certain disciplines, and the attraction of skills to undesirable working conditions. A global mining house, Company X is faced with similar challenges making HR related recruitment support often inefficient. Company X with activities spanning the world has one of its corporate offices located in Johannesburg, South Africa, and is primarily established

to provide support services to the mines, better known as Business Units (BUs). The Johannesburg office provides HR related support to exploration entities in Mozambique, Namibia, Botswana, Zambia, and South Africa. Company X human resources (HR) support previously managed at the BUs underwent transformation in 2010, giving existence that led to a shared support service hub housing support functions allowing for regional development of specialist teams. People Services (PS), the innovated HR function consists of Human Resources Management, Remuneration, and Benefits. According to Company X's strategy paper, the new operating model ensures cost efficient support service delivery. The primary objective of People Services and primary responsibilities is to execute local and regional people strategy, to provide site and function based specialist HR support. Value is leveraged in the new design with standard global processes delivered by global teams in line with standard global predominant practices allowing for consolidation of systems, reporting, governance, and demand management under one structure for consistency.

Though a global operating model, with a regional HR support structure, BUs in the South African operations have shown unwillingness to embrace the changes and accept the new operating model. Anecdotal evidence shows that mine leaders and employees are resistant to change to the new model. The loss of control over some of the HR processes and having to adhere to standard operating procedures, technology and processes was not accepted as it would require further changes from their part to which they saw no benefits. HR leadership executives attended to BUs' complaints, arguments and justification presented had no substantial bearing and were dismissed, followed with a directive to proceed with the implemented changes. This research sought to investigate the causes of continuous resistance to the implementation of a centralised HR Support Services within the global mining house in order to develop an implementation strategy for recommendation to management to gain acceptance and to ensure that business as usual is carried out effectively.

2. Literature Review

2.1 Resistance to Change

Resistance to change can be defined as an individual or group engaging in actions to block or disrupt an attempt to introduce change (Folger&Skarlicki, 1999:36). Resistance can take various diverse forms from subtle undermining of change initiatives and withholding of information to active resistance, for example through strikes (CIPD, 2016). Organisational changes do fail majorly due to employees' resistance and inadaptability to change (SHRM, 2007:10). Resistance may be expressed in various ways: it may be individual or collective, active or passive, organised or disorganised; and can also take various forms, such as absenteeism, slowdown strikes, increase in employee turnover, to name a few. The most prevalent, and written cause for resistance is said to be the insecurities among the affected people, which has been echoed in the work of (Matejka& Murphy, 2005;Verhulst, Boks, & Stranger, 2007;Mullins, 2007;Lubkin& CIMA Learning System, 2008) and many other writers.

Kotter and Schlesinger (2008: 106) mentioned four main reasons why people resist change. Parochial self-interest is the first reason, which indicates that some people in organisations are more concerned with the effect of the change for themselves and their own interest, rather than considering the success of the organisation. The second reason is misunderstanding, brought about by inadequate information or communications challenges which is potentially harmful to the effective implementation of any change, and this was echoed by a few authors such as (Harrington, 2006; Andersen, 2008; Pugh, 2007and Ramanathan, 2009). As mentioned by Pieterse, Marjolein, Caniëls and Homan(2012:799): "when different professional groups that cooperate in a change program give different meanings to the change situation, these differences can result in resistance to the change. The final reason is about the different assessments of the situation. Employees may have an incorrect perception of the goals that the change will achieve and can easily become biased in interpreting the purpose of the change to be implemented (Matejka& Murphy, 2005) and others. Two other factors that have been deemed to cause resistance to also take note of are: the lack of clarity in employees' roles and responsibilities, and lack of senior sponsorship (Matejka& Murphy, 2005).

2.3 Overcoming Resistance to Change

Kotler and Schlesinger (2008:106) propose six possible approaches to overcome resistance. Education and communication, and it relies on the belief that communication about the need for change and its benefits results in reduction of incorrect information and rumours being spread by employees regarding the reasons and or outcomes of the changes. Secondly is participation and involvement, it relies on the belief that communication about the need for change and its benefits can be used to convince employees to accept the change programme. The fourth is negotiation and agreement. Manipulation and co-operation is the fifth approach used to co-opt the individuals resisting the change by, for example giving them a symbolic position in the change leadership team. The last approach is explicit and implicit coercion. Leaders have the power to enforce employees to comply with the new changes identified as

necessary for the organisation. Failure to do so could result in possible ramifications such as dismissals (Kotler and Schlesinger, 2008:106).

Change management has been defined as a structured approach for ensuring that changes are thoroughly and efficiently implemented, and that the lasting benefits of change are attained (Mind Tools,2016). In today's fast moving social and business environment, with its technological innovation, demographic shift and ever increasing competition, change within organisations has become inevitable. According to Prosci (2016), change management is defined to be the process, tools and techniques to manage the people side of change in order to achieve the required business outcome.

2.4 Change in the Mining Industry

The mining industry is different from many other industries in several ways. It is very inconsistent, the uncertainty of the nature of the mineral resource being mined is a main reason. Mining operations often take place in extreme environments and in far-off and remote locations. The employees work in a dangerous environment, hence safety is priority for the industry. The global mining industry has been under pressure, mining companies are experiencing falling commodity prices squeezing cash flow (McKinsey & Company, 2015). Furthermore, McKinsey & Company (2015) attest to the fact that mining operations worldwide are as much as 28 per cent less productive today than a decade ago, the industry has shifted its focus to improving production by "sweating" current assets, a strategy that will not be long lived. Therefore, realising a breakthrough on productivity performance necessitates rethinking how mining works (McKinsey & Company, 2015).

The infrastructure in mining companies has been changing the way people or organisations operate, that is, working more efficiently and effectively, leveraging on their technologies to increase performance and productivity and cutting down costs. Change is considered undesirable for the reason that it introduces uncertainty (Beaufort & Longest, 2004: 178), and people may feel vulnerable or threatened due to fear of obsolescence of skills (Sengupta, Bhattacharya &Sengupta, 2006).

Culture diversity is a trademark of most global organisations such as global mining houses. Change agents should be aware of cultural differences that exist in the organisations. It is essential to cultivate cross-cultural sensitivity as the channel used in one country or region may not be the same approach to be used in another location. In today's global environment, an organisation's home culture must no longer dominate in any way that of the entire organisation. Learning how to manage the global cultural diversity effectively can ideally start with the acknowledgement and recognition of cultural diversity at home (Hough and Neuland 2001: 195).

2.5 Leadership Change Management

Leadership styles, which refer to the way the leader will provide direction, implement plan and motivate employees (Jooste, 2003:35), is an important factor in change implementation. For leaders to effectively manage and lead change, they are required to communicate clearly to employees the need for change. Yukl (2013:315) states that the change-oriented components of transformational leadership are likely to be more important in a dynamic, unstable environment that increases the need for change. This could be relevant for the mining industry which is often characterised by uncertainty and global turbulence. Transformational leadership is defined as a process where "leaders and their followers raise one another to higher levels of morality and motivation" (Mind Tools, 2016).

3. Research Methodology

3.1 Research Methodology

A mixed method approach was used for this study. An overall strategy of triangulation was used to cross examine different data sources. Using different methodologies helped monitor consistency and validity of results, optimize the information and evidence retrieved, and provide better-quality measurements. For the quantitative research, a descriptive survey design was used, where information was collected through self-administered online questionnaires (SurveyMonkey). The qualitative in nature and utilized open-ended, unstructured interview questions were used to collect data.

3.2 Research Population and Sample

The population of the study consisted of 268 employees that either had been employed at the BUs before PS was established and/or had joined post the changes. These were employees on permanent, fixed term and contractor employment status. Stratified sampling was more ideal as the population consisted of different groups (strata) i.e. professional, managerial, and clerical and admin in their different proportions. The sample was selected in proportion to the different groups of subjects.

The target population was 60 participants meeting the criteria from the two business units in Region Y and Region Z. The sample included 30 employees at managerial level; 20 at professional level; and 10 clerical and admin staff who met the sampling eligibility criteria. All were invited to respond to the online survey questionnaire and participate in semi-structured interviews.

For the qualitative research component, an email communication was sent to all 60 participants meeting the sampling criteria requesting their participation to the interviews. Fifteen (15) participants availed themselves. These consisted of 7 employees at senior management level, 5 employees at professional level, and 3 employees at administrative and clerical level. The quantitative research done via the online questionnaire targeted all 60 participants meeting the sampling criteria by sending an email requesting their participation. A total of 40 subjects were willing to participate in the research which comprised of 20 employees at management level, 15 employees at professional and 5 employees at administrative and clerical level.

3.3 Data Collection

3.3.1 Interviews

Each interview lasted approximately 1 hour. Prior to the interviews, consent letters were emailed to each interviewee requesting their participation in the study. The purpose of the research and an assurance of anonymity and confidentiality were stated. Participants' verbatim responses were recorded using a recording device and notes were also taken. The researcher had a set of core questions for guidance in ensuring that same questions are covered for each interviewee so as to have a standard baseline for all interviewed. The interviews allowed direct contact with the participants and it made it possible to observe the employees' non-verbal communication as well as emotional response whenever possible. The standard questions asked sought to establish individual's perception and organisational barriers to change, as well as an attempt to establish the reason for the resistance. Understanding the culture of the BUs and the diversity of the workforce from the employees' perspective was also a focus of the questions. Questions on the change management process followed by the company were also asked. An outlook on the leadership style adopted during the changes was asked to the employees to assess their preferred leadership style.

3.3.2 Survey Questionnaire

The questionnaire was designed on Survey Monkey. An email link was sent to 40 potential participants with instructions on how to complete it. The questionnaire consisted of 24 close-ended questions in total, the respondents had to tick boxes to select their response to identify any trends or patterns. The purpose of the questionnaire was explained; consent and confidentiality clauses were included on the questionnaire with hope to improve the response rate. The survey questionnaire consisted of demographic data such as gender and race, as well as work related information, such as category, tenure at the company. This information could assist the researcher when interpreting the results, for example, whether the subjects resisting change were from a lower category of employees. The questionnaire was piloted on 7 respondents meeting the set criteria at both Business Units and these were not included in the actual study. All pilot subjects answered the questions and no question was altered following the pre-test.

3.4 Data Analysis

The qualitative data was recorded in a diary, through notes, and audio recording; and the quantitative data was recorded on an Excel spreadsheet. Data stemming from questionnaires was organized and was analysed using Microsoft Excel and results displayed in bar charts. Qualitative content analysis was used to analyse the open-ended questions data, with the sole aim of categorising emerging characteristics. The study used thematic analysis of qualitative data, as the interviews were the source of primary data collection. Thematic analysis of qualitative data is a form of pattern recognition within the data, where emerging themes become the categories or codes for analysis (FederayandMuir-Cochrane,2006:1).

4. Presentation of Results, Analysis and Discussion of the Findings

In this section the findings of the research will be analysed and contrasted against the literature that was reviewed to ascertain if the main objectives of the research were met. A triangulation strategy was used to cross examine different data sources using different methodologies that have helped to monitor consistency and validity of results, optimize the information and evidence retrieved. This was achieved by using a mixed method approach where both quantitative and qualitative data was used as well as secondary data.

4.1 The Perceptions of Management and Employees towards Effective Change Management

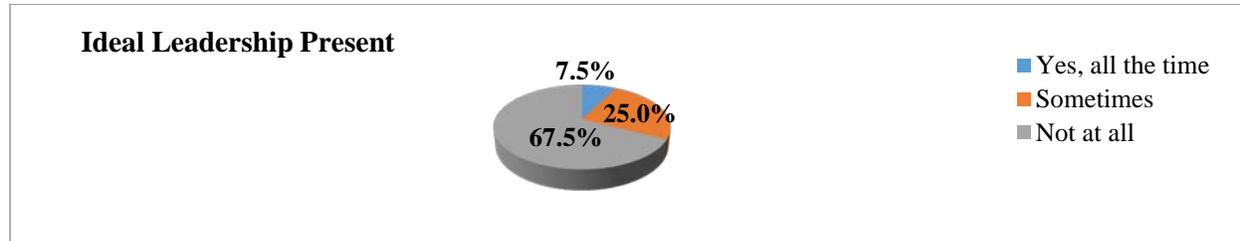


Figure 4.1 Ideal Leadership Present

According to Figure 4.1 above an overwhelming 67.5% indicated that the leadership was not ideal to them at all. From the feedback of most of the respondents that had been interviewed, it also emerged that lack of effective leadership in change management was a cause for the resistance. This supports Jooste’s (2003:35) views that the leadership style, which refers to the way the leader provides direction, implement plan and motivate employees is an important factor in any change implementation.

There was a wrong perception and misunderstanding of the change that was identified as being prevalent at both BUs.

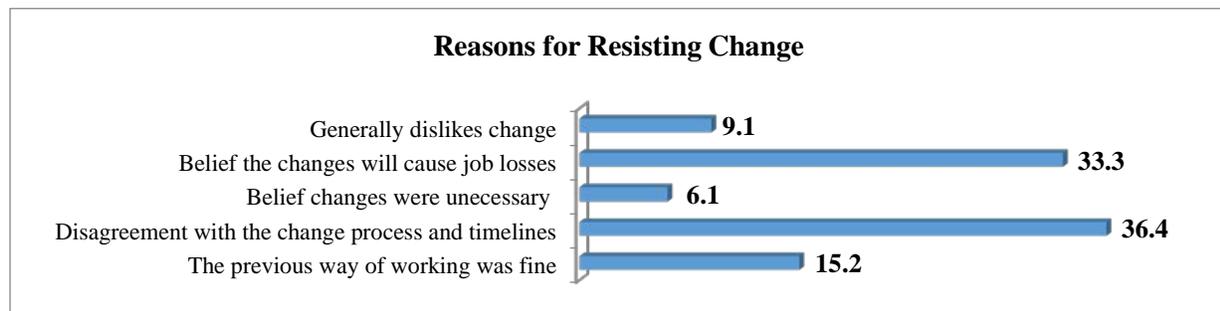


Figure 4.2 Reasons for Resisting Change

Reasons for resistance to change vary from individuals, and the survey tried to better understand these reasons. Figure 4.2 above highlights that a significant 36.4% disagreed with the change implementation process and timelines, whilst 33.3% believed the changes would cause job losses.

Furthermore, a question seeking to assert management’s response to the resistance from employees was asked and the results are shown in Figure 4.3 below.

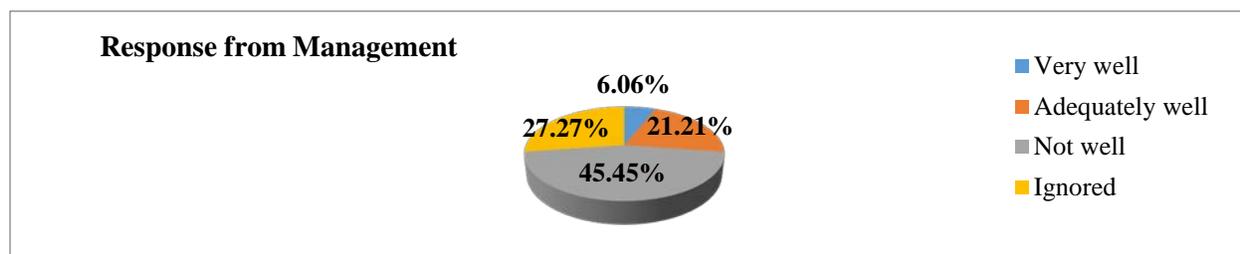


Figure 4.3 Response from Management

The survey results in Figure 4.3 above indicate that the majority (45.45%) of respondents deemed that management response was not well managed, while 27.27% resistance had been ignored by management.

Findings of the qualitative research suggest that the difference in perception of management and employees towards effective change brought about lack of alignment, wrong perception of the change to be implemented, resulting in a low sense of urgency for employees at Company X: *“I don’t need HR to come and tell me what to do! I have a department to run and meet deadlines. This model is just waste of my time! I have better things to do than completing tickets on systems so they can attend to my requests!”*. Another comment: *“You see, change is not easy for some people, especially for those that come from the local communities and others are threatened by the younger workforce*

that is very IT savvy.” This affirms the view point of Pieterse, Marjolein, Caniëls and Homan (2012:799) in that when people in a change program give different significances to the change situation, these differences can result in resistance to change of those involved.

The qualitative research indicated that the responses from management were different from those of employees. For management, a good change management process was followed and employees were informed accordingly and had to adhere to the time lines to avoid delaying the implementation process. The new model would ensure more data integrity from HR, more controlled processes, a reduction on the unfair recruitment process, better policy management, and more professionalism in the support and delivery of HR related support services. Employees had a general positive view on the new HR model. Majority believed it to be very professional, system driven, with clarified responsibility and accountability. This is depicted in figure 4.4 below. Further probing was then necessary to establish the disconnect between this employees perception and yet the continued resistance to the HR model implementation.

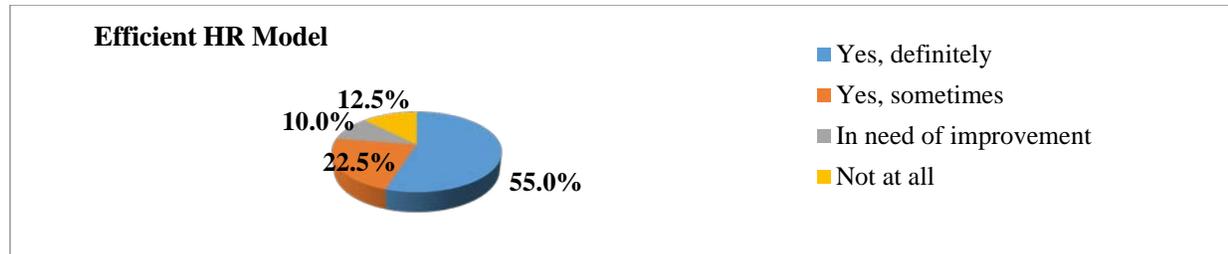


Figure 4.4 Efficient HR Model

From the quantitative results shown in Figure 4.4 above, majority of the respondents truly believed the new HR model to be efficient. An interviewee mentioned: *“For other employees, the new model necessitates a person to be technologically sound to request support and is not happy that the HR Services are not accountable to the BUs but another structure within the organisation.”*

4.2 Root Causes and Barriers to Change within the BUs

The subsequent question relating to Figure 4.5 was to gauge the initial reaction of all 40 employees to the announcements of the changes that were going to take place within the business regionally.

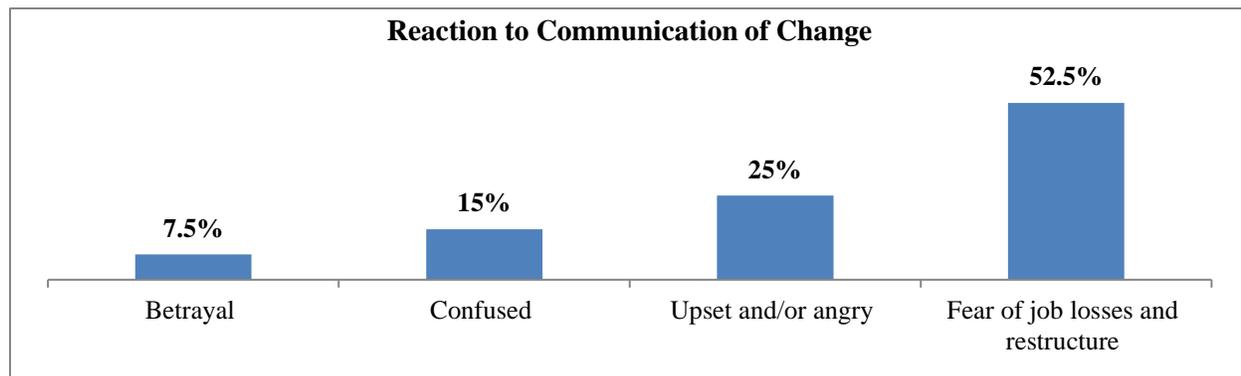


Figure 4.5 Reaction to Communication of Change

From the survey results depicted in Figure 4.5 above, reactions ranged from fearful of job losses and restructure (52.5%), anger, confused and perplexed as they did not understand the reason necessitating the change to somehow feeling betrayed by the organisation.

From the respondents’ feedback to the interviews, lack of transparency and consistency in communication was identified as one of the key research theme that contributed to resistance. A comment from a respondent from senior management category: *“From the start they were not very not very truthful with the reason of the research that was being conducted by those consultants that came to our site. For me as I am a manager, it I important for me to know the truth so that I can manage my team better. Can you believe that two members of my team knew more than I because of gossip? There was not much transparency in the process at the beginning.”* Another comment from a respondent in the professional category: *“They were not very clear about what it was they really wanted to implement and how*

they wanted to do it. They were not very cooperative and I did not like them much anyway! You could see that they had already made up their mind and they just wasted my time!”

The root causes and barriers to change within the BUs were identified: parochial self-interest, possibility of jobs becoming obsolete, fear of job losses, and a preference to continue with previous ways of working so as not to lose control. These causes are aligned with Kotter and Schlesinger (2008:106) views, Sengupta, Bhattacharya & Sengupta (2006) observations, as well as Saiyadain (2003:182) opinions.

The next question was aimed to understand if there was any form of individual and BU participation in the change process in order to acquire buy-in from employees during the change management process

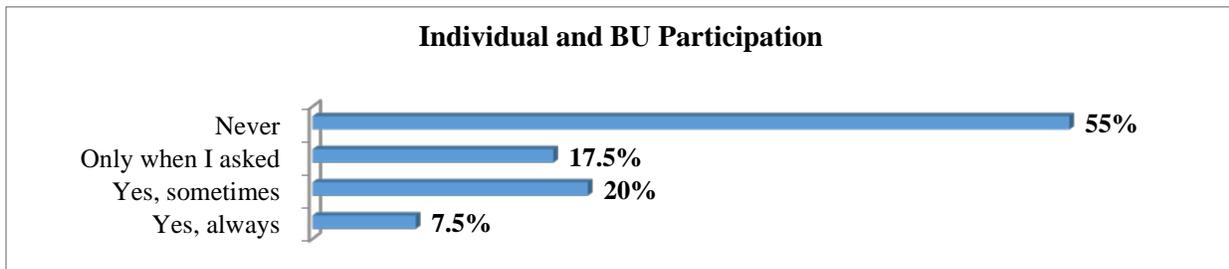


Figure 4.6 Individual and BU Participation

Figure 4.6 above indicates that majority of the respondents (55%) had never been asked to participate either as an individual or as a BU, 20% had sometimes participated, whilst 17% had only participated when they had asked to. Only 7.5% respondents had been asked to participate at both individual and or BU level.

Research findings depicted in Figure 4.1 showed that lack of effective leadership in change management was instrumental in the resistance to change as an overwhelming 67.5% in the survey indicated that the leadership present during the change process was not ideal for them.

Furthermore, when asked on their preferred leadership style, 77.5% of the respondents indicated transformational leadership to be their preference. The research highlighted disconnect between the views of top management and those of the employees at the operational level working with the new HR model. Most respondents stated decisions were being made by people they believe had little understanding of the realities and challenges experienced by their business units: “*The African Business Units are insignificant when it comes to seeking our feedback – all we get are directives!*”. This somewhat autocratic style of leadership played a significant role in the resistance amongst employees. Employees felt they just had to obey instructions without questioning or receiving any explanation or rationale for instructions and decisions made. This resulted in a fearful, unmotivated, tense and resentful workforce which in the long run affects employees’ performance and productivity at the detriment of both the employee and the employer.

In addition, a lack of an efficient change agent was also identified as a possible cause to the continuous resistance to change as there was not sufficient interactions and engagement with the affected employees.

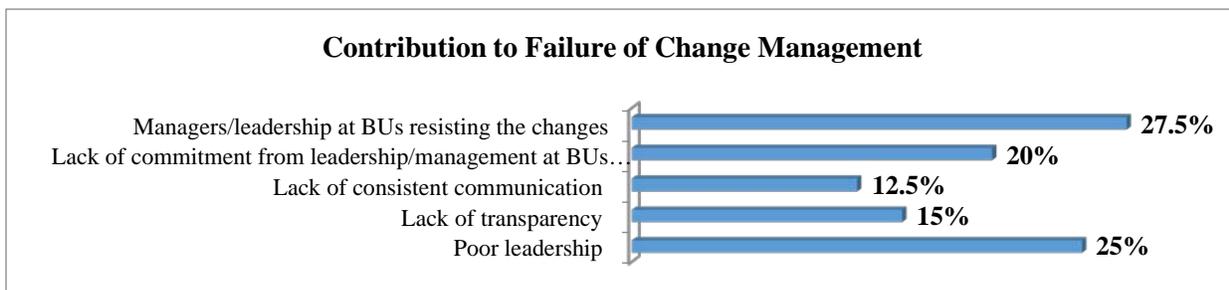


Figure 4.7 Contribution to Failure of Change Management

The survey highlighted as shown in Figure 4.7, that 27.5% admitted to having managers and or leaders at BUs resisting the change to be a contributing factor in the failure for the change management to be implemented effectively. Poor leadership was the belief of 25% of respondents to be a contributing factor to resistance to change, whilst 20% believed that the lack of commitment towards the change from leaders and or managers at the BUs was the contributing factor. For 15% respondents, stated lack of transparency, and 12.5% mentioned the lack of communication.

This is aligned with Kottler (1998)'s views who identified 10 factors that contribute to the failure of change management, two of which were evident at Company X: gaps in the change agent skills as well as failure to define a clear rationale. Research findings show that critical decisions about change were made based on desktop research and information from a consultancy firm: *"They make desktop research on how best we need to deliver as BUs and don't even come on site to understand the realities and challenges we face!"* This kind of change driven by senior or external agents is perceived to be out of touch with the realities of the business units. Comments such as: *"The People from head office did not inform people what was happening. Only a selected few were aware of all these happenings, yet their changes was going to affect all the managers and us employees!"*

A change-oriented leader is said by Yukl (2013:315) to being critical in dynamic, unstable environments that increases the need for change; and this was lacking at Company X during the change implementation process. Lack of good change-oriented leadership was prevalent as there were not able to involve the employees to attain shared goals that Jooste (2003:5) emphasized on. A more visionary leader was needed, described as transformational leader by Hodgetts and Luthans (2000), as one with a mission to motivate their followers to accept new goals and innovative ways of doing things which was lacking at Company X. Employees at Company X shared the desire to have experienced a more personal and transparent leadership style. Lack of employee involvement in the decision making processes can lead to employees not assuming ownership, lack of commitment, and manifesting in work stoppage, high turnover, or absenteeism. The findings show that a lack of trust amongst employees and management was evident and this hampered relationship building during the change implementation process.

4.3 Contribution of Culture to Resistance to Change

Understanding the Business Unit context was key as it pertains to the culture of one entity, department or function.

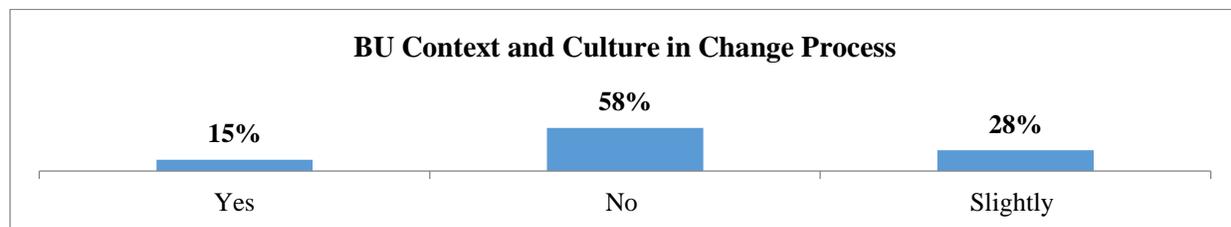


Figure 4.8 BU Context and Culture Consideration in Change Process

Figure 4.8 depicts the respondents' views on whether their respective BU's context and culture was taken into account during the change process. More than half of the respondents (58%) indicated that none was taken, 28% believed that it was slightly taken into consideration, whereas only 15% indicated that it was taken into consideration.

It is thus evident that lack of cultural sensitivity was a contribution to the resistance to change and is a factor that needs to be taken into consideration, because culture diversity is cardinal during change implementation as identified at Company X, a multinational organisation operating in South Africa with a diversity of race, religions, cultures, and languages. As stated by one respondent: *"This is Africa and respect is very important for us. You can't just tell people what to do or what is happening, you need to engage with them so they get to listen to you and then you agree. Even if we do not have much to say, but don't make us feel that way!"* The global culture of Company X should not have dominated the cultures of the two BUs. The change agents should have made it a priority to understand the cultural differences and be more cultural sensitive in communicating the change and its implication. An approach used in one location may not be ideal in another, which resonates what Hough & Neuland (2001:195) suggested. Purposeful resistance was identified as present at both BUs. Most employees employed prior the changes confirmed a lot of changes had taken place in the organisation that one needs to be resilient in order to survive.

From the survey conducted, of the 75% respondents that indicated not being in favour or partially in favour of the change, 30% were used to resist change all the time and 70% confirmed it being an occasional occurrence for them. Passive resistance is highly experienced at both BUs which is a cause for concern, especially that the reasons for the resistance vary from individuals. *"There has been a lot of changes here I can tell you! Some were not taken very well by most employees and even the community – they were all up in arms. But because there were important reasons why such changes had to be made, there was a lot of communication and discussion with employees and even members of the community in community forum. Eventually, after such engagement we generally have peace! This is how things are done in this part of the world!!!"*

Majority of respondents, (67.5%) had been employed at Company X before the implementation of the HR delivery model and only 32.5% had joined the company post the implementation in 2010. Employees having joined post the changes were of a different view, in that for them, change brings about a paradigm shift in conducting business more effectively requiring employees to adapt quickly to remain competitive in any market. This could be an indication that the resistance to the change may be stemming more from employees that were used to the previous HR delivery model. Finally, the reasons for the continuous resistance to change culture was attributed to the fact that employees felt decisions were being made by people they believed had not much understanding of the BUs realities and challenges: *“I found the people involved in this whole project to have been out of touch with our ways! Face to Face meetings here re important and they did not even consider having one at the beginning; not even a proper workshop where all leaders partake to understand the model better was scheduled for me to attend!”*. From the survey, 57.6% of respondents had been passively resistant to the changes, whilst 18.2% made use of verbal resistance, and 24.2% had actually been sabotaging the new change model activities. This resonates CIPD’s (2016) comments that resistance itself can take many different forms from subtle undermining of change initiatives and withholding of information to active resistance which are present at Company X.

4.4 Resistance/Acceptance of Process of change within Company X

Although effective organisational changes are rare as stated by Armenakis and Harris (2009:128), an organisation may still minimise the resistance to change. Understanding the resistance and/or acceptance of the change process within Company X was analysed, and the use and/or abuse of power was one poignant aspect which may have prevented a successful change management initiative, that Lanning (2001) regards as fundamental.

Two potential pitfalls identified by Johnson, Scholes, and Whittington (2008) present at the BUs were the ritualisation of change, in that the continuous change programmes that had been introduced are no longer seen as much meaningful by employees; and the ivory tower change pitfalls, which is characterised by change driven by senior agents. Kotter and Schlesinger (2008) cite reasons employees resist change: misunderstanding, which was present during the change process at Company X, is widely cited as potentially harmful to the effective implementation of any change. The low tolerance that employees had toward the change also contributed to a high degree of inflexibility from the employees and fully complements what Mullins (2005) had asserted to.

The qualitative data suggests that both individual and organisational resistance was experienced at Company X. The common reasons identified include fear of the unknown an insecurity, inconvenience, loss of control or reduced freedom of action and a nostalgic view of ‘tried and tested’ ways. These findings echo the work by Mullins (2005) where he shows that low tolerance to change results in a high degree of inflexibility from employees.

For the respondents in managerial positions, the loss of control and humiliation felt was a result of them not being privy to news about the change and instead, hearing about it through gossip from junior employees. The majority of those interviewed expressed this resentment and eventual resistance to change. Another key reason for resistance is the fear of unemployment. A number of respondents shared their frustrations during the interview process but conceded that they wouldn’t take any action due to fear of losing their job.

Interestingly, there were no differences in sentiments across racial groups and gender. The survey respondent was diverse, that is, Whites constituted 50% - the majority, followed by Blacks at 27.5%, Indians at 17.5% and Coloureds at 5%; of which the gender was 55% male, 32.5% female, and 12.5% that did not declare their gender. Both black and white employees expressed similar feelings about the poor implementation of the change management process: *“You know, this model is quite good – I won’t dispute that. But I was quite disappointed the way they went about implementing it. And I think that is why most managers here are not keen on the model – they just refuse to accept it!”* Although the survey disproportionately represented male employees, female employees were in unison with male counterparts on the frustration experienced due to poor leadership from change management team. Some employees in this study said the HR operating model had some degree of ambiguity and that roles were not clarified which left them in speculation: *“When we started using the ticketing system as per the new HR model, some of our profiles were not set up properly which made it difficult to make certain requests. That I can tell you was very frustrating. If they knew they had a deadline to have this model implemented why didn’t they even ensure that all was correct with people’s profile. That is why I just told them that I will not use this until all people in my department have been set up properly – which they did in the end.”* These issues contributed to high levels of frustrations resulting in many employees not trusting or supporting the changes.

4.5 Effectiveness of Communication during the Process of Change

Although the survey results showed that 65% of respondents acknowledged the vision having been communicated, the vision had been partly understood by 32.5% respondents and not clearly communicated to or understood by 2.5%. Lack of clear communication among the 35% (32.5 % + 2.5%) led to harmful gossip amongst employees, which left many feeling frustrated and demoralized; *“They were not very clear about what it was really they wanted to implement*

and how they wanted to do it”. Assuming that the audience being communicated to has understood the information simply because it has been communicated to them is a pitfall of effective communication. The quantitative and qualitative data from the primary research highlight a possible lack of top down communication. The lack of transparency and consistency in communication brought about some challenges for Company X during the change management process that resulted in resistance.

The communication process needs to be effective when change is being communicated and the process managed.

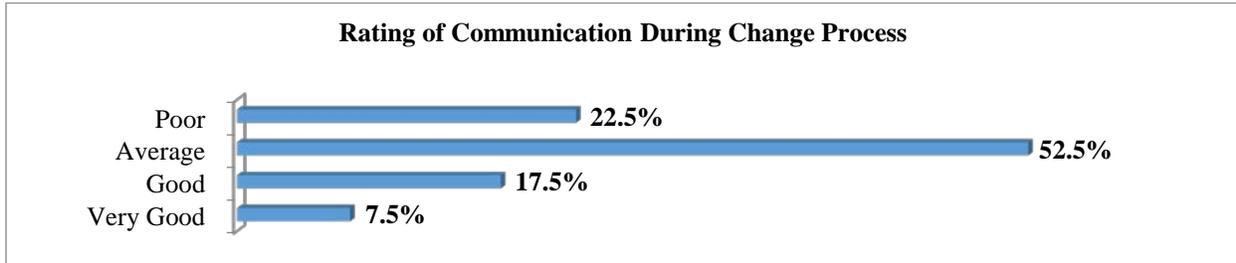


Figure 4.9 Rating of Communication

The respondents of the survey rated the communication process during the change process, and was rated as in need of improvement by 52.5%, whilst 22.5% were of the opinion it was poor (Figure 4.9). Only 17.5% respondents rated the communication as good, and 7.5% considered it as very good. Respondents described the inadequate information provided by management before, during and after change implementation; *“I can tell you the people working on this project did not know how to communicate. At that time, if you had asked people if they understood the reason for all these changes, I am sure most would have told you “no!”*.

The literature review addressing the effectiveness of communication during the process of change was reviewed. Lack of effective communication, which was a reality during the change management process at Company X, is potentially harmful to the effective implementation of change and it is echoed by a few authors such as (Harrington, 2006; Andersen, 2008; Pugh, 2007 and Ramanathan, 2009). The inadequate information and communication at Company X during the change management process caused a few misunderstandings brought about resistance to change as mentioned by Kotter and Schlesinger (2008: 106).

An approach that aids in reducing to large extent resistance requires effective education and communication, as proposed by Kotler and Schlesinger (2008:106) which has also formed part of the recommendations; hence communicating the need for change and its benefits can persuade one to accept change (Kotler and Schlesinger, 2008:106).

Feedback should be provided consistently to improve the quality of information disseminated and the manner in which the information is delivered. Lack of consistent feedback, is another communication problem that may have fuelled the resistance. As described by respondents, a one-way communication is an ineffective way to work in an organisation and especially during change. Cultural difference is another theme that emerged from the research. A number of employees described situations where cultural sensitivity could have improved communication flow during the change management and implementation process. Interestingly, both black and white employees in management positions felt undermined when junior staff were better informed about change processes. For a multi-national company, the cultural context of different BUs should be recognized and respected. For example, in South Africa, hierarchy is deeply engrained in work culture, hence the resistance shown when ‘cultural protocols’ are ignored. However, using a “one-size-fits-all” communication approach has proved ineffective for Company X as people have different needs and expectations; hence the communication must to be tailored for the specific audience.

4.5 Other Findings from Primary the Study

Whilst conducting the study, respondents were asked to share the reasons for still being part of the company.

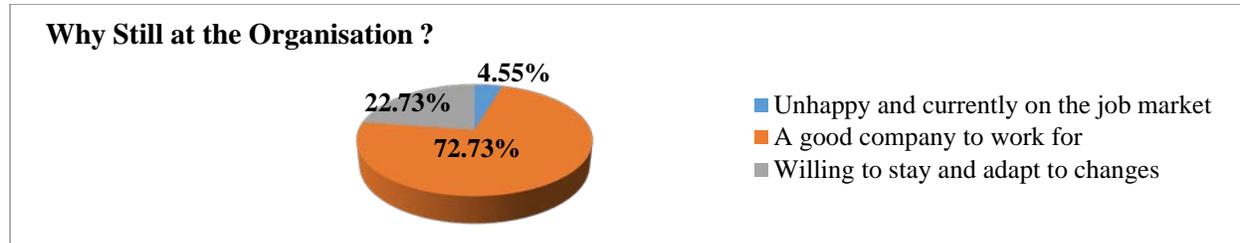


Figure 4.10 Future with Company X

As depicted in Figure 4.10 above, an overwhelming 72.73% of the survey respondents stated that they were still at Company X as they considered it to be a good company to work for, whilst 22.73% were willing to stay and adapt to the changes, whereas only 5.55% were unhappy and on the job market. As much as there was some unhappiness and resistance from employees, most of them still found Company X to be a good company to work for. Reasons provided were the developmental opportunities and financial well-being of the company despite the current mining economic challenges and cyclical nature of the industry. This would suggest the financial and development rewards of Company X to be possible employee retention factors despite the continuous resistance shown and experienced.

5. Conclusion

This research has provided valuable insight on the importance of organisations being ready for change in order to implement change successfully. The findings suggest that change planning processes and systems were not adequately in place or implemented which led to discontent amongst employees at company X. Popular theory states that employees as well as the structure of the organisation must be ready for change. Majority of the respondents felt that more rigorous change planning and deeper stakeholder engagement could have prevented some of the challenges experienced at Company X. The current socio economic climate is increasingly unstable for company X. From reform in the global mining sector to issues of social risk in the South African labour market, the company should take this opportunity to learn, reflect and improve ways of working through localised solutions and meaningful engagement with staff teams. The conclusions of this research have been summarised around the objectives of the study below.

5.1 The Perception of Management and Employees towards Effective Change Management

There was a wrong perception and misunderstanding of the change that was identified as being prevalent at both BUs. The difference in perception of management and employees towards effective change brought about lack of alignment, wrong perception of the change to be implemented, resulting in a low sense of urgency for employees at Company X. A disconnect between managers and employees' perception is present in that management is of the view that the change was warranted based on thorough analysis of their BUs in SA. Management stance was that blue chip companies had to follow predominant industry practices that have success records once implemented. Management is able to see the positive changes that new the HR model brings, such as better policies, cost reductions, better control systems; better employee engagement, and cost reductions. Although workers attest to the HR model being efficient, they have negative perceptions on its implementation process.

5.2 Root Causes and Barriers to Change within the BUs

Parochial self-interest, possibility of jobs becoming obsolete, fear of job losses, and a preference to continue with previous ways of working so as not to lose control were identified as some causes and barriers to change within the BUs. Lack of effective leadership in change management was instrumental in the resistance to change; there was disconnect with the views of top management and those of the employees at the operational level that have to work with the new HR model. The lack of efficient change agent was also identified as a possible cause to the continuous resistance to change as there was not sufficient interactions and engagement with the affected employees. Critical decisions about change were made without much of their input nor consultation. Employees at Company X shared the desire to have experienced a more personal and transparent leadership style. Lack of employee involvement in the decision making processes can lead to employees not assuming ownership, lack of commitment, manifesting in work stoppage, high turnover, or absenteeism. The findings show that a lack of trust amongst employees and management and this hampered relationship building during the change implementation process.

5.3 Contribution of Culture to Resistance to Change

Lack of cultural sensitivity was a contribution to the resistance to change and is a factor that needs to be taken into consideration. Culture sensitivity is critical during change implementation as identified at Company X, especially for a multinational organisation operating with a diversity of race, religions, cultures, and languages such as that of Company X. The global culture of Company X should not have dominated the cultures of the BUs; but the change agents should have made it a priority to understand the cultural differences and be more cultural sensitive in communicating the change. An approach used in one location may not be ideal in another. For a multi-national company, the cultural context of different BUs should be recognized and respected. For example, in South Africa, hierarchy is deeply engrained in work culture, hence the resistance shown when 'cultural protocols' are ignored.

5.4 Resistance/Acceptance of Process of Change within Company X

The use and/or abuse of power was one poignant aspect which may have prevented a successful change management initiative at the BUs. Ritualisation of change, due to the continuous change programmes that had been introduced are no longer seen as much meaningful by employees; and the ivory tower change pitfalls, which is characterised by change driven by senior agents were all present. Lastly, for employees in managerial positions, the loss of control and humiliation felt contributed to the resistance. The research findings suggest better leadership, transparency and support could have helped ease resistance at Company X.

5.5 Effectiveness of Communication during the Process of Change

The lack of transparency and consistency in communication brought about some challenges for Company X during the change management process that resulted in resistance. Lack of consistent feedback may have fuelled the resistance. Feedback should be provided consistently to improve the quality of information disseminated and the manner in which the information is delivered. As described by respondents, a one-way communication is an ineffective way to work in an organisation and especially during change.

5. RECOMMENDATIONS

The current socio economic climate is increasingly unstable for company X. From reform in the global mining sector to issues of social risk in the South African labour market, the company should take this opportunity to learn and reflect and improve ways of working through localised solutions and meaningful engagement with staff teams. Light has been shone on this increasingly relevant topic and will contribute to further research studies on change management in South Africa and beyond. The recommendations put forward are listed below:

- Company X needs to produce a change management framework specific for each business unit concerned, including feedback sessions, and recommendations to management
- A communication plan about the need for change and its benefits can be used to persuade employees to accept the change programme.
- Townhall meetings should be held to increase participation and involvement – improved communication at all stages, transparency and shared involvement in the implementation of change.
- Facilitation and support should be provided to employees to reassure those affected by the change.
- This research report should be circulated within the mining sector to improve the sharing of change management best practice.
- Company X should review its change management processes at least yearly so as to capture the effect of the changes in the organisation and its impact on the diverse workforce

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Biography

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